

**FIRST AMENDMENT TO AGREEMENT FOR PAYMENT IN LIEU
OF REAL ESTATE TAXES**
(Plant 1 and Plant 1 Addition)

THIS FIRST AMENDMENT TO AGREEMENT FOR PAYMENT IN LIEU OF REAL ESTATE TAXES (the "Amendment") is made as of this 1st day of February, 2011, by and between the **ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY**, a public benefit corporation of the State of New York, having its offices at 143 Genesee Street, Buffalo, New York 14203 (the "Agency"), and **GENERAL MOTORS LLC**, a Delaware limited liability company, formerly known as General Motors Company and NGMCO, Inc., and successor-in-interest to Vehicle Acquisition Holdings, LLC, with an office at River Road, Tonawanda, New York 14150 (the "Company").

WITNESSETH:

WHEREAS, the Agency and General Motors Corporation, a Delaware corporation now known as Motors Liquidation Company and Company's predecessor in interest ("GM Corp.") entered into that certain Agency Lease Agreement, dated as of May 1, 1997 (the "Agency Lease Agreement"), whereby the Agency leased an approximately 150,000 square foot building located at River Road, Tonawanda, New York, and related site improvements and certain machinery and equipment (collectively, the "Plant 1 Addition") to the GM Corp.; and

WHEREAS, the Agency and GM Corp. entered into a certain Agreement for Payment in Lieu of Real Estate Taxes with respect to the Plant 1 Addition, dated as of May 1, 1997, (the "Original PILOT Agreement"); and

WHEREAS, pursuant to its inducement resolution dated April 12, 2010, the Agency approved, among other things, the renovation and modernization of an existing 2,233,862 square foot facility ("Plant 1") adjacent to the Plant 1 Addition, and the acquisition and installation of additional machinery and equipment in connection with such renovation (collectively, the "Plant 1 Facility" or the "Plant 1 Project"), and in connection therewith, approved an amendment to the Original PILOT Agreement to extend the coverage of the Original PILOT Agreement to include Plant 1, and to extend the Original PILOT Agreement through Town and County Tax year 2032 and School Tax year 2031-2032 at the current 50% abatement level; and

WHEREAS, the Company obtained its interest in the Agency Lease Agreement pursuant to that certain Omnibus Assignment and Assumption of Real Property Leases and Guaranties, dated as of July 10, 2009, by and among GM Corp., Saturn LLC, a Delaware limited liability company f/k/a Saturn Corporation, a Delaware corporation, and Saturn Distribution Corporation, a Delaware corporation (together collectively, the "Assignors"), and the Company, the Assignee; and

WHEREAS, on October 16, 2009, General Motors Company filed a Certificate of Conversion of a Delaware Corporation converting to a limited liability company and changing its name to General Motors, LLC; and

WHEREAS, the Company leased the Plant 1 Facility to the Agency pursuant to that certain Lease Agreement dated as of February 1, 2011, by and between the Agency and the Company (the "Plant 1 Lease"); and

WHEREAS, the Agency Lease Agreement was amended by that certain First Amendment to Agency Lease Agreement, dated as of February 1, 2011, by and between the parties hereto (the "Amended Lease Agreement"), whereby, amongst other items, the Agency leased the Plant 1 Facility back to the Company; and

NOW, THEREFORE, in consideration of the covenants herein contained and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, it is mutually agreed as follows:

1. All references to "Company" in the Original PILOT Agreement shall mean General Motors LLC.

2. All references to "Lease Agreement" in the Original PILOT Agreement shall mean the "Amended Lease Agreement".

3. In the event that the Plant 1 Project results in the hiring of non-management employees not covered by collective bargaining agreements or other contractual or legal requirements, then the Company will use reasonable efforts to give preference to qualified residents of the Town of Tonawanda.

4. The Company hereby acknowledges and agrees that as of July 10, 2009 it assumed and is bound by the Original PILOT Agreement and agrees to perform all duties and obligations arising under the Original PILOT Agreement and pursuant to the amendments contained herein.

5. All references to the land and buildings constituting the Project shall now refer to the land and buildings associated with both: (i) Section/Block/Lot # 77.06-2-1 being the Plant 1 Addition (formerly referred to as Section/Block/Lot # 77.05-1-1.122 under the Original PILOT Agreement); and (ii) Section/Block/Lot # 77.05-1-6.11 being Plant 1.

6. Section 4(1) of the Original PILOT Agreement is hereby deleted in its entirety and replaced with the following:

(1) Until the commencement of the tax fiscal years set forth in subparagraphs (a), (b) and (c) hereof, the Company shall continue to pay all appropriate taxing authorities all taxes due as if the Project were owned by the Company. As set forth below, the total payments in lieu of taxes required under this Amendment are allocated among the affected tax jurisdictions in proportion to the amount of real property tax and other taxes which would have been received by each affected tax jurisdiction had the Project not been tax exempt due to the status of the Agency. Thereafter, the Company shall make payments in lieu of taxes to all appropriate taxing authorities on the land and buildings constituting the Project (SBL #77.06-2-1 referred to herein as the Plant 1

Addition, and SBL #77.05-1-6.11, referred to herein as the Plant 1 Facility) in accordance with this section. For each taxing authority, such payments in lieu of taxes shall have a fixed component and a variable component:

(i) The fixed component for the Plant 1 Addition shall be based upon the tax rate in effect for the 1997 tax fiscal year (the "Plant 1 Addition Tax Rate") applied against the assessed valuation applicable to the land of the Plant 1 Addition as of May 1, 1997 (the "Plant 1 Addition Land Assessment").

(ii) The fixed component for the Plant 1 Facility shall be based upon the tax rate in effect as of February 1, 2011 (the "Plant 1 Facility Tax Rate") applied against the assessed valuation applicable to the land of the Plant 1 Facility as of February 1, 2011 (the "Plant 1 Facility Land Assessment").

(iii) The variable component for the Plant 1 Addition shall be based upon the then current tax rate (per thousand dollars of assessed valuation) applied against the then assessed valuation of the Plant 1 Addition (as determined by the appropriate real estate assessment officers) minus the Plant 1 Addition Land Assessment.

(iv) The variable component for the Plant 1 Facility shall be based upon the then current tax rate (per thousand dollars of assessed valuation) applied against the then assessed valuation of the Plant 1 Facility (as determined by the appropriate real estate assessment officers) minus the Plant 1 Facility Land Assessment.

This Agreement shall expire on December 31, 2032; *provided, however*, the Company shall pay the 2033 County and Town tax bills, and the 2032/2033 School District tax bill on the dates and in the amounts as if the Agency were not holding a leaseback interest on the tax status date with respect to said tax years. For the periods of time indicated below, the Company shall make the indicated payments in lieu of taxes to the indicated taxing authorities:

(a) Payments in lieu of general levy real estate taxes to the County of Erie (the "County") for each of the tax fiscal years 1998 through 2032, or until termination of this PILOT Agreement, whichever date occurs first, shall be in an amount equal to the County Plant 1 Addition Fixed PILOT Payment and the County Plant 1 Facility Fixed PILOT Payment plus the County Plant 1 Addition Variable PILOT Payment and the County Plant 1 Facility Variable PILOT Payment (as such terms are defined below) for each such tax fiscal year.

(i) The "County Plant 1 Addition Fixed PILOT Payment" for each tax fiscal year shall be an amount equal to the County Plant 1 Addition Tax Rate applied against the County Plant 1 Addition Land Assessment. For County tax fiscal years 1998 through 2032, the County Plant 1 Addition Fixed PILOT Payment shall be Two Thousand One Hundred Seventy Two and 00/100 Dollars (\$2,172.00) per year, which is calculated by applying the County Plant 1 Addition Tax Rate (\$11.138802 per thousand for the 1997 County tax fiscal year) to the

County Plant 1 Addition Land Assessment (\$195,000.00) for the 1997 County tax fiscal year.

(ii) The “County Plant 1 Addition Variable PILOT Payment” for each tax fiscal year shall be an amount equal to the County tax rate in effect for such tax fiscal year, applied to the product of (i) the total assessed valuation of the Plant 1 Addition for such tax fiscal year, less the Plant 1 Addition Land Assessment (\$195,000.00), and (ii) the percentage applicable to such tax fiscal year as shown on Schedule “A-1” attached hereto and made a part hereof.

(iii) The “County Plant 1 Facility Fixed PILOT Payment” for each tax fiscal year 2012 – 2032 shall be an amount equal to the County Plant 1 Facility Tax Rate applied against the Plant 1 Facility Pre-Project Assessment. For County tax fiscal year 2012 through 2032, the County Plant 1 Facility Fixed PILOT Payment shall be Thirteen Thousand Three Hundred Fifteen and 00/100 Dollars (\$13,315.00) per year which is calculated by applying the County Plant 1 Facility Tax Rate (\$11.279685 per thousand as of February 1, 2011) to the County Plant 1 Facility Land Assessment (\$1,180,406.00) as of February 1, 2011.

(iv) The “County Plant 1 Facility Variable PILOT Payment” for each tax fiscal year 2012 – 2032 shall be an amount equal to the County tax rate in effect for such tax fiscal year, applied to the product of (i) the total assessed valuation of the Plant 1 Facility for such tax fiscal year, less the Plant 1 Facility Land Assessment, and (ii) the percentage applicable to such tax fiscal year as shown on Schedule “A-1” attached hereto and made a part hereof.

Each such payment shall be delivered to the County of Erie, Room 100, Franklin Street, Buffalo, New York 14202, or such other place as may be designated from time to time by the County. Payments for each tax fiscal year must be made by February 15 of that year, or such payment shall be considered delinquent.

(b) Payments in lieu of general levy real estate taxes to the Town of Tonawanda (the “Town”) for each of the tax fiscal years 1998 through 2032, or until termination of this PILOT Agreement, whichever date occurs first, shall be in an amount equal to the Town Plant 1 Addition Fixed PILOT Payment and the Town Plant 1 Facility Fixed PILOT Payment plus the Town Plant 1 Addition Variable PILOT Payment and the Town Plant 1 Facility Variable PILOT Payment (as such terms are defined below) for each such tax fiscal year.

(i) The “Town Plant 1 Addition Fixed PILOT Payment” for each tax fiscal year shall be an amount equal to the Town Plant 1 Addition Tax Rate applied against the Town Plant 1 Addition Land Assessment. For Town tax fiscal years 1998 through 2032, the Town Plant 1 Addition Fixed PILOT Payment shall be Two Thousand Four Hundred Fifty Four and 00/100 Dollars (\$2,454.00) per year, which is calculated by applying the Town Plant 1 Addition Tax Rate

(\$12.583902 per thousand for the 1997 Town tax fiscal year) to the Town Plant 1 Addition Land Assessment (\$195,000.00) for the 1997 Town tax fiscal year.

(ii) The "Town Plant 1 Addition Variable PILOT Payment" for each tax fiscal year shall be an amount equal to the Town tax rate in effect for such tax fiscal year, applied to the product of (i) the total assessed valuation of the Plant 1 Addition for such tax fiscal year, less the Plant 1 Addition Land Assessment (\$195,000.00), and (ii) the percentage applicable to such tax fiscal year as shown on Schedule "A-1" attached hereto and made a part hereof.

(iii) The "Town Plant 1 Facility Fixed PILOT Payment" for each tax fiscal year 2012 – 2032 shall be an amount equal to the Town Plant 1 Facility Tax Rate applied against the Plant 1 Facility Pre-Project Assessment. For Town tax fiscal year 2012 through 2032, the Town Plant 1 Facility Fixed PILOT Payment shall be Thirty-three Thousand Two Hundred Twelve and 001/00 Dollars (\$33,212.00) per year which is calculated by applying the Town Plant 1 Facility Tax Rate (\$28.136097 per thousand as of February 1, 2011) to the Town Plant 1 Facility Land Assessment (\$1,180,406.00) as of February 1, 2011.

(iv) The "Town Plant 1 Facility Variable PILOT Payment" for each tax fiscal year 2012 – 2032 shall be an amount equal to the Town tax rate in effect for such tax fiscal year, applied to the product of (i) the total assessed valuation of the Plant 1 Facility for such tax fiscal year, less the Plant 1 Facility Land Assessment, and (ii) the percentage applicable to such tax fiscal year as shown on Schedule "A-1" attached hereto and made a part hereof.

Each such payment shall be delivered to the Town of Tonawanda, Tax Receiver, Municipal Building, 2919 Delaware Avenue, Kenmore, New York 14217, or such other place as may be designated from time to time by the Town. Payments for each tax fiscal year must be made by February 15 of that year, or such payment shall be considered delinquent.

(c) Payments in lieu of general levy real estate taxes to the Kenmore-Town of Tonawanda Union Free School District (the "School District") for each of the tax fiscal years 1997/1998 through 2031/2032, or until termination of this PILOT Agreement, whichever date occurs first, shall be in an amount equal to the School District Plant 1 Addition Fixed PILOT Payment and the School District Plant 1 Facility Fixed PILOT Payment plus the School District Plant 1 Addition Variable PILOT Payment and the School District Plant 1 Facility Variable PILOT Payment (as such terms are defined below) for each such tax fiscal year.

(i) The "School District Plant 1 Addition Fixed PILOT Payment" for each tax fiscal year shall be an amount equal to the School District Plant 1 Addition Tax Rate applied against the School District Plant 1 Addition Land Assessment. For School District tax fiscal years 1997/1998 through 2031/2032, the School District Plant 1 Addition Fixed PILOT Payment shall be Seven Thousand and

00/100 Dollars (\$7,000.00) per year, which is calculated by applying the School District Tax Rate (\$35.893440) to the Plant 1 Addition Land Assessment (\$195,000.00).

(ii) The "School District Plant 1 Addition Variable PILOT Payment" for each tax fiscal year shall be an amount equal to the School District tax rate in effect for such tax fiscal year, applied to the product of (i) the total assessed valuation of the Plant 1 Addition for such tax fiscal year, less the Plant 1 Addition Land Assessment (\$195,000.00), and (ii) the percentage applicable to such tax fiscal year as shown on Schedule "A-1" attached hereto and made a part hereof.

(iii) The "School District Plant 1 Facility Fixed PILOT Payment" for each tax fiscal year 2011/2012 through 2031/2032 shall be an amount equal to the School District Plant 1 Facility Tax Rate applied against the Plant 1 Facility Pre-Project Assessment. For School District tax fiscal year 2011/2012 through 2031/2032, the School District Plant 1 Facility Fixed PILOT Payment shall be Forty-five Thousand Five Hundred Twenty-seven and 00/100 Dollars (\$45,527.00) per year which is calculated by applying the School District Plant 1 Facility Tax Rate (\$38.569104 per thousand as of February 1, 2011) to the School District Plant 1 Facility Land Assessment (\$1,180,406.00) as of February 1, 2011.

(iv) The "School District Plant 1 Facility Variable PILOT Payment" for each tax fiscal year 2011/2012 through 2031/2032 shall be an amount equal to the School tax rate in effect for such tax fiscal year, applied to the product of (i) the total assessed valuation of the Plant 1 Facility for such tax fiscal year, less the Plant 1 Facility Land Assessment, and (ii) the percentage applicable to such tax fiscal year as shown on Schedule "A-1" attached hereto and made a part hereof.

Each such payment shall be delivered to the Kenmore-Town of Tonawanda Union Free School District, Treasurer, 1500 Colvin Boulevard, Kenmore, New York 14223, or such other place as may be designated from time to time by the School District. Payments for each tax fiscal year must be made by October 15 of that year, or such payment shall be considered delinquent.

7. Schedule "A" attached hereto, shall replace in its entirety Schedule "A" attached to the Original PILOT Agreement.

8. A new Section 11 is added to the Original PILOT Agreement as follows:

Section 11. Effect of Fulfillment of the Requirement and Clawback. Once having paid the amounts required by this PILOT Agreement, the Company shall not be required to pay any real estate taxes for which payments in lieu of taxes have been made. Notwithstanding the foregoing, in the event that the Agency shall determine, in consultation with the Company (i) that the Company has submitted an application, or documentation in support of an application, which contained a false or intentionally misleading statement as to any fact which is

material to the Company's application for benefits or which omitted any information which, if included, would have rendered any information in the application or supporting documentation false or misleading in any material respect, and (ii) that such false or misleading statement or omission was made knowingly and intentionally for the purpose of obtaining financial assistance, then the Company shall forfeit any future tax exemptions or abatements and shall be required to pay to the appropriate taxing authority the amount of any real property, mortgage or sales tax abatements or exemptions received. The amount of benefits recaptured shall be: (i) for real property taxes, the difference between the amount of payment in lieu of taxes paid and the amount that would have been paid in real estate taxes if the Agency did not have an interest in the project; (ii) for sales taxes, the value of the sales tax exemption received and (iii) for the mortgage tax, the value of any mortgage recording tax for which an exemption was granted.

9. Except as expressly amended hereby, the Original PILOT Agreement is in all respects ratified and confirmed, and all of the terms, provisions and conditions thereof shall be and remain in full force and effect, and this First Amendment to Agreement for Payment in Lieu of Real Estate Taxes Agreement and all of its terms, provisions and conditions shall be deemed to be a part of the Original Environmental Indemnification Agreement. All capitalized terms used herein and not defined shall have the meanings assigned thereto in the Original Environmental Indemnification Agreement.

10. This Amendment may be executed in counterparts.

(Remainder of page intentionally left blank)

[Signature Page to First Amendment to Agreement for Payment in Lieu of Real Estate Taxes]

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment to Agreement for Payment in Lieu of Real Estate Taxes as of the day and year first above written.

**ERIE COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

By: Karen M. Fiala
Name: Karen M. Fiala
Title: Assistant Treasurer

GENERAL MOTORS LLC

By: _____
Name:
Title:

STATE OF NEW YORK)
COUNTY OF ERIE) SS.:

On the 22 day of February, 2011, before me, the undersigned, personally appeared **KAREN M. FIALA**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signatures on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Kathleen A. Drumm
Notary Public

KATHLEEN A. DRUMM
Notary Public State of New York
Qualified in Erie County
My Commission Expires: June 30, 2014.

STATE OF _____)
COUNTY OF _____) SS.:

On the _____ day of February, 2011, before me, the undersigned, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

[Signature Page to First Amendment to Agreement for Payment in Lieu of Real Estate Taxes]

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment to Agreement for Payment in Lieu of Real Estate Taxes as of the day and year first above written.

**ERIE COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

By: _____
Name: Karen M. Fiala
Title: Assistant Treasurer

GENERAL MOTORS LLC

By: *Debra Homic Hoge*
Name: **DEBRA HOMIC HOGE**
Title: **DIRECTOR
REAL ESTATE SERVICES**

Execution Recommended
Real Estate Services
By: *K. Homic Hoge*
K. Homic Hoge

STATE OF NEW YORK)
COUNTY OF ERIE) SS.:

On the _____ day of February, 2011, before me, the undersigned, personally appeared **KAREN M. FIALA**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signatures on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

STATE OF Michigan)
COUNTY OF Wayne) SS.:

On the 25th day of February, 2011, before me, the undersigned, personally appeared Debra H. Hoge personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Pamela D. Robinson
Notary Public
**PAMELA D. ROBINSON
NOTARY PUBLIC, STATE OF MI
COUNTY OF WAYNE
MY COMMISSION EXPIRES Feb 21, 2016
ACTING IN COUNTY OF**

SCHEDULE "A-1"

SBL 77.06-2-1 (Plant 1 Addition)

SBL 77.05-1-6.11 (Plant 1 Facility)

** Project Tax Year 15 shall be the first Project Tax Year for which the Plant 1 Facility is eligible for abatement pursuant to this Amendment. The Plant 1 Addition is eligible under this Amendment for each Project Tax Year.

Project Tax Year	Tax Fiscal Year			Percent Abatement
	County	Town	School	
1	1998	1998	1997-1998	20%
2	1999	1999	1998-1999	20%
3	2000	2000	1999-2000	30%
4	2001	2001	2000-2001	30%
5	2002	2002	2001-2002	40%
6	2003	2003	2002-2003	40%
7	2004	2004	2003-2004	40%
8	2005	2005	2004-2005	40%
9	2006	2006	2005-2006	40%
10	2007	2007	2006-2007	50%
11	2008	2008	2007-2008	50%
12	2009	2009	2008-2009	50%
13	2010	2010	2009-2010	50%
14	2011	2011	2010-2011	50%
** 15	2012	2012	2011-2012	50%
16	2013	2013	2012-2013	50%
17	2014	2014	2013-2014	50%
18	2015	2015	2014-2015	50%
19	2016	2016	2015-2016	50%
20	2017	2017	2016-2017	50%
21	2018	2018	2017-2018	50%
22	2019	2019	2018-2019	50%
23	2020	2020	2019-2020	50%
24	2021	2021	2020-2021	50%
25	2022	2022	2021-2022	50%
26	2023	2023	2022-2023	50%
27	2024	2024	2023-2024	50%
28	2025	2025	2024-2025	50%
29	2026	2026	2025-2026	50%
30	2027	2027	2026-2027	50%
31	2028	2028	2027-2028	50%
32	2029	2029	2028-2029	50%
33	2030	2030	2029-2030	50%
34	2031	2031	2030-2031	50%
35	2032	2032	2031-2032	50%