

Application for Industrial Facilities Tax Exemption Certificate

Issued under authority of P.A. 198 of 1974, as amended. Filing is mandatory.

INSTRUCTIONS: File the original and two copies of this form and the required attachments (three complete sets) with the clerk of the local government unit. The State Tax Commission (STC) requires two complete sets (one original and one copy). One copy is retained by the clerk. If you have any questions regarding the completion of this form or would like to request an informational packet, call (517) 373-3272.

| To be completed by Clerk of Local Government Unit | |
|---|-----------------------------|
| Signature of Clerk | Date received by Local Unit |
| STC Use Only | |
| Application Number | Date Received by STC |

APPLICANT INFORMATION

All boxes must be completed.

| | | |
|--|--|---------------------------------|
| 1a. Company Name (Applicant must be the occupant/operator of the facility) American Axle & Manufacturing, Inc. | 1b. Standard Industrial Classification (SIC) Code - Sec. 2(10) (Four or Six Digit Code) 3490 | |
| 1c. Address of Facility (real property or personal property location) 2965 Technology Drive | 1d. Name of City/Township/Village (Indicate which) Rochester Hills | 1e. County Oakland |
| 2. Type of Approval Requested <input checked="" type="checkbox"/> New (Sec. 2(4)) <input type="checkbox"/> Transfer (1 copy only) <input type="checkbox"/> Speculative Building (Sec. 3(8)) <input type="checkbox"/> Rehabilitation (Sec. 3(1)) <input type="checkbox"/> Research and Development (Sec. 2(9)) | 3a. School District where facility is located Avondale | 3b. School Code 63070 |
| | 4. Amount of years requested for exemption (1-12 Years) 12 Years | |

5. Thoroughly describe the project for which exemption is sought: Real Property (Type of Improvements to Land, Building, Size of Addition); Personal Property (Explain New, Used, Transferred from Out-of-State, etc.) and Proposed Use of Facility. (Please attach additional page(s) if more room is needed).

Testing and other equipment to enhance the capabilities of the Technical Center facility.

| | |
|--|---|
| 6a. Cost of land and building improvements (excluding cost of land)..... * Attach list of improvements and associated costs. * Also attach a copy of building permit if project has already begun. | Real Property Costs |
| 6b. Cost of machinery, equipment, furniture and fixtures..... * Attach itemized listing with month, day and year of beginning of installation plus total costs | \$12,952,500 |
| 6c. Total Project Costs..... * Round Costs to Nearest Dollar | Personal Property Costs \$12,952,500 Total of Real & Personal Costs |

7. Indicate the time schedule for start and finish of construction and equipment installation. Projects must be completed within a two year period of the effective date of the certificate unless otherwise approved by the STC.

| | | | |
|--------------------------------|--------------------|------------------|---|
| | Begin Date (M/D/Y) | End Date (M/D/Y) | |
| Real Property Improvements | _____ | _____ | <input checked="" type="checkbox"/> Owned <input type="checkbox"/> Leased |
| Personal Property Improvements | 6/4/2006 | 12/31/08 | <input checked="" type="checkbox"/> Owned <input type="checkbox"/> Leased |

8. Are State Education Taxes reduced or abated by the Michigan Economic Development Corporation (MEDC)? If yes, applicant must attach a signed MEDC Letter of Commitment to receive this exemption. Yes No

9. Number of existing jobs at this facility that will be retained as a result of this project. **28**

10. Number of new jobs at this facility expected to be created within two years of project completion.

11. Rehabilitation applications only: Complete a, b and c of this section. You must attach the assessor's statement of valuation for the entire plant rehabilitation district and obsolescence statement for property. The SEV data below must be as of December 31 of the year prior to the rehabilitation.

| | |
|---|-------|
| a. SEV of Real Property (excluding land) | _____ |
| b. SEV of Personal Property (excluding inventory) | _____ |
| c. Total SEV | _____ |

12a. Check the type of District the facility is located in:
 Industrial Development District Plant Rehabilitation District

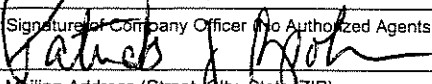
12b. Date district was established by local government unit (contact local unit)

12c. Is this application for a speculative building (Sec. 3(8))?
 Yes No

APPLICANT CERTIFICATION - complete all boxes.

The undersigned, authorized officer of the company making this application certifies that, to the best of his/her knowledge, no information contained herein or in the attachments hereto is false in any way and that all are truly descriptive of the industrial property for which this application is being submitted.

It is further certified that the undersigned is familiar with the provisions of P.A. 198 of 1974, as amended, being Sections 207.551 to 207.572, inclusive, of the Michigan Compiled Laws; and to the best of his/her knowledge and belief, (s)he has complied or will be able to comply with all of the requirements thereof which are prerequisite to the approval of the application by the local unit of government and the issuance of an Industrial Facilities Exemption Certificate by the State Tax Commission.

| | | | |
|---|-------------------------------------|-------------------------------------|---|
| 13a. Preparer Name Ernst & Young LLP | 13b. Phone Number (313) 628-7282 | 13c. Fax Number (866) 299-3046 | 13d. E-mail Address chris.wylie@ey.com |
| 14a. Name of Contact Person Robert E. Schmittou | 14b. Phone Number (313) 758-4799 | 14c. Fax Number (313) 758-3936 | 14d. E-mail Address robert.schmittou@aam.com |
| 15a. Name of Company Officer (No Authorized Agents) Patrick J. Spohn, Vice President & Controller | | | |
| 15b. Signature of Company Officer (No Authorized Agents)  | | 15c. Fax Number (313) 758-3936 | 15d. Date 12-1-06 |
| 15e. Mailing Address (Street, City, State, ZIP) One Dauch Drive, Detroit, MI 48211 | | 15f. Phone Number (313) 758-4815 | 15g. E-mail Address patrick.spohn@aam.com |

LOCAL GOVERNMENT ACTION & CERTIFICATION - complete all boxes.

This section must be completed by the clerk of the local governing unit before submitting application to the State Tax Commission. Check items on file at the Local Unit and those included with the submittal.

| | |
|--|---|
| 16. Action taken by local government unit <input type="checkbox"/> Abatement Approved for _____ Years (1-12) After Completion <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Denied (Include Resolution Denying) | 16b. The State Tax Commission Requires the following documents be filed for an administratively complete application: Check or Indicate N/A if Not Applicable <input type="checkbox"/> 1. Original Application plus attachments, and one complete copy <input type="checkbox"/> 2. Resolution establishing district <input type="checkbox"/> 3. Resolution approving/denying application. <input type="checkbox"/> 4. Letter of Agreement (Signed by local unit and applicant) <input type="checkbox"/> 5. Affidavit of Fees (Signed by local unit and applicant) <input type="checkbox"/> 6. Building Permit for real improvements if project has already begun <input type="checkbox"/> 7. Equipment List with dates of beginning of installation <input type="checkbox"/> 8. Form 3222 (if applicable) <input type="checkbox"/> 9. Speculative building resolution and affidavits (if applicable) |
| 16a. Documents Required to be on file with the Local Unit Check or Indicate N/A if Not Applicable <input type="checkbox"/> 1. Notice to the public prior to hearing establishing a district. <input type="checkbox"/> 2. Notice to taxing authorities of opportunity for a hearing. <input type="checkbox"/> 3. List of taxing authorities notified for district and application action. <input type="checkbox"/> 4. Lease Agreement showing applicants tax liability. | |
| 16c. LUCI Code | 16d. School Code |
| 17. Name of Local Government Body | 18. Date of Resolution Approving/Denying this Application |

Attached hereto is an original and one copy of the application and all documents listed in 16b. I also certify that all documents listed in 16a are on file at the local unit for inspection at any time.

| | | |
|--|--------------------|---------------------|
| 19a. Signature of Clerk | 19b. Name of Clerk | 19c. E-mail Address |
| 19d. Clerk's Mailing Address (Street, City, State, ZIP Code) | | |
| 19e. Phone Number | 19f. Fax Number | |

State Tax Commission Rule Number 57: Complete applications approved by the local unit and received by the State Tax Commission by October 31 each year will be acted upon by December 31. Applications received after October 31 may be acted upon in the following year.

Local Unit: Mail one original and one copy of the completed application and all required attachments to:

State Tax Commission
Michigan Department of Treasury
P.O. Box 30471
Lansing, MI 48909-7971

(For guaranteed receipt by the STC, it is recommended that applications are sent by certified mail.)

| STC USE ONLY | | | |
|--------------|------------|----------|-----------|
| LUCI Code | Begin Date | End Date | End Date2 |

American Axle & Manufacturing, Inc.

Application for Industrial Facilities Tax Exemption Certificate
Item 6b. Cost of machinery, equipment, furniture and fixtures

| <i>Description</i> | <i>Dates Install/Commenced</i> | <i>Cost Estimate</i> |
|--|--------------------------------|--------------------------|
| Information Technology | | |
| Hardware & Peripherals (including laptops) | 04-Jun-06 - 31-Dec-08 | 84,000 |
| Noise, Vibration & Hardness Data Acquisition Systems & Hardware | 01-Oct-06 - 31-Dec-08 | 80,000 |
| Lab and Component Test Equipment | | |
| Noise, Vibration and Hardness Lab and Other Testing Equipment | | |
| Transfer Case Test Equipment and Support | 01-Jul-06 - 31-Dec-08 | 4,296,000 |
| Calibration and Measurement Test Equipment, Machines and Fixtures | 01-Oct-06 - 31-Dec-08 | 476,500 |
| System Testing Equipment and Process Support | | |
| Joint and Balance Test Equipment | 01-Jan-07 - 31-Dec-08 | 4,595,000 |
| Test Equipment Rebuilds, Upgrades and Tooling | 04-Jun-06 - 31-Dec-08 | 3,421,000 |
| Total Equipment and Machinery | | <u><u>12,952,500</u></u> |

**APPLICANT'S ATTACHMENTS TO FORM 1012
APPLICATION FOR INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE**

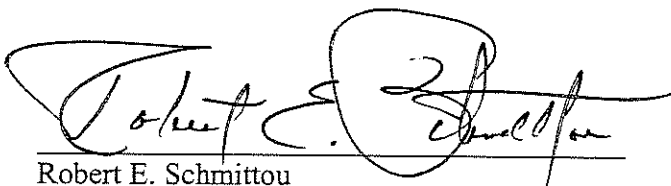
American Axle & Manufacturing, Inc.

Affidavit of Installation of Personal Property

The undersigned avers that he has been employed with similar responsibilities at American Axle & Manufacturing, Inc. for a period including the date indicated to the left of the signature below. Accordingly, the individual signing this affidavit has personal knowledge concerning the proposed investments and the status of installation.

The undersigned avers that he is personally knowledgeable regarding the proposed personal property set forth elsewhere in this application and that he has reviewed the estimated dates of commencement of installation for each item. He has determined that the installation of said items is consistent with the dates provided in Section 7 of the Application for Industrial Facilities Exemption Certificate.

The undersigned hereby certifies, on behalf of American Axle & Manufacturing, Inc., that the proposed personal property, which is the subject of this Application, is eligible property within the statutory requirements pursuant to P.A. 198 of 1974, as amended.

By:  Date: 12/1/06
Robert E. Schmittou
American Axle & Manufacturing, Inc.