



## MICHIGAN ECONOMIC DEVELOPMENT CORPORATION

300 N. WASHINGTON SQ.  
LANSING, MI 48913

CUSTOMER  
CONTACT CENTER  
517 373 9808

WWW.MICHIGAN.ORG

May 26, 2009

Brett Healy, President & CEO  
Webasto Roof Systems, Inc.  
1757 Northfield Dr.  
Rochester Hills, MI 48309

Dear Mr. Healy:

It has been a pleasure working with Webasto Roof Systems, Inc. on your proposed project in City of Rochester Hills. This letter outlines the terms and requirements that must be met for the company to utilize the incentives offered in support of your proposed project.

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### Michigan Economic Growth Authority (MEGA) Standard & Retention Tax Credit:

Standard Credit: The proposed 100% Standard MEGA tax credit is for 7 years, beginning fiscal year ending December 31, 2010, the credit can be pulled forward one year if appropriate. Based on the information provided in your final application, we estimate the value of this incentive to be \$616,630. The availability of this credit and the terms described in this letter are contingent upon approval of the MEGA Board.

The company must meet the following requirements to be eligible for the tax credit. Failure to meet the requirements may disqualify the company for the credit or result in a forfeit of credit for the tax year in which the requirements are not met. The requirements are as follows:

- The company must create a minimum of 50 qualified new jobs over the established employment base of 490.
- The maximum number of qualified new jobs that the company can request credit for in any given year is 61.
- The company must pay an average weekly wage of \$460.
  - Wages are capped at the first \$250,000 for any one individual and Box 1 W-2 data is utilized as actual wages for purposes of the credit calculation.
- The company must complete the initial capital investment associated with the project.
- The company must pay the administrative fee as identified below.

Qualified new jobs must meet the following requirements to be included:

- Must be full-time employees (working 35 hours or more) of the applicant company;
- Job must be created after the MEGA Credit Agreement (sample attached to email) is executed by the company and the MEGA Board Secretary;
- Located at the project site;
- Have Income and Social Security taxes withheld by the Company;
- Reside in Michigan;
- In excess of the established employment base, as outlined above;



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- Paid a minimum of 150% of the current federal minimum wage, including the company paid portion of the health care costs.

Retention Credit: The proposed up to 50% Retention MEGA tax credit is for 7 years, beginning fiscal year ending December 31, 2010, the credit can be pulled forward one year if appropriate. Based on the information provided in your final application, we estimate the value of this incentive to be \$1,084,021. The availability of this credit and the terms described in this letter are contingent upon approval of the MEGA Board.

The company must meet the following requirements to be eligible for the tax credit. Failure to meet the requirements may disqualify the company for the credit or result in a forfeit of credit for the tax year in which the requirements are not met. The requirements are as follows:

- The company must retain a minimum of 50 jobs in order to activate the credit.
- The maximum number of retained jobs that the company can request credit for in any given year is 153.
- The company must pay an average weekly wage of \$736.
  - Wages are capped at the first \$250,000 for any one individual and Box 1 W-2 data is utilized as actual wages for purposes of the credit calculation.
- The company must make an initial capital investment, associated with the project, of \$2,500,000 or \$50,000 per retained job being claimed in order to receive a 50% credit. As investment increases, the company is eligible for a 50% credit for additional retained jobs. A 50% credit is eligible for all 153 retained jobs with a capital investment totaling \$7,650,000.
- The company must pay the administrative fee as identified below.

Retained jobs must meet the following requirements to be included:

- Must be full-time employees (working 35 hours or more) of the applicant company;
- Job must be retained by the company on or after the date that the MEGA Credit Agreement (sample attached to email) is executed by the company and the MEGA Board Secretary;
- Located at the project site;
- Have Income and Social Security taxes withheld by the Company;
- Reside in Michigan;
- In excess of the established employment threshold, as outlined above;
- Paid a minimum of 150% of the current federal minimum wage, including the company paid portion of the health care costs.

In order to receive the Standard & Retention MEGA Tax Credit, the company must pay a combined administrative fee of \$8,503 upon submission of the first year's tax credit application.



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Your signature constitutes acceptance of these terms and requirements. The MEGA Board will not consider your application for a tax credit until we receive the signed incentive terms letter.

If the MEGA Board approves the proposed credit, its action will be contingent on City of Rochester Hill's approval of the proposed local support. Local approval should be secured within 90 days of the MEGA Board action.

We are pleased to work as partners with Webasto Roof Systems Inc. in keeping jobs in Michigan. Please review these documents and call me at 517.241.7880 with any questions or concerns. Please sign this letter and fax it to me at 517.373-8179 by June 1, 2009 so that the MEGA Board may consider your request at its June 16, 2009 meeting.

Sincerely,

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Marcia Gebarowski  
Project Specialist  
MEDC

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Bret Healy  
President & CEO  
Webasto Roof Systems, Inc.

cc: