

MEGA TAX CREDIT AGREEMENT: Standard and Retention Credit
CONTINENTAL AUTOMOTIVE SYSTEMS HOLDING US, INC.

This Agreement is between the Michigan Economic Growth Authority and Continental Automotive Systems Holding US, Inc., a Delaware corporation. As used in this Agreement, the Michigan Economic Growth Authority and Continental Automotive Systems Holding US, Inc. are sometimes referred to individually as a "Party" and collectively as "Parties".

The Michigan Economic Growth Authority Act, 1995 PA 24, as amended, created the MEGA with the power to provide tax credits to businesses involved in manufacturing, mining, research and development, wholesale and trade, office operations, qualified high-technology business, film and digital media production, or certain tourism attractions;

The Michigan Legislature determined that it is in the public interest to promote economic growth and to encourage private investment, job creation and job upgrading for Michigan residents;

The MEGA determined that providing tax credits to the Company for job creation will promote and serve the intended purposes of and conform with the Act; and

The MEGA and the Company desire to set forth the terms and conditions of the tax credits that the MEGA authorized for the Company by Resolution dated July 21, 2009.

The parties, therefore, agree as follows:

1.0 DEFINITIONS

(a) "Act" means the Michigan Economic Growth Authority Act, 1995 PA 24, as amended as of the date this MEGA Tax Credit is awarded.

(b) "Agreement" means this written agreement.

(c) "Application" means that certain Application executed on July 30, 2009, as amended, together with information attached with the Application, and submitted to the MEGA in support of the Company's request for MEGA Tax Credit.

(d) "Average Weekly Wage" with respect to Qualified New Jobs, means the total Salaries and Wages paid during the applicable tax year to employees performing Qualified New Jobs, divided by 52, divided by the number of Qualified New Jobs calculated on an annualized basis, and with respect to Qualified Retained Jobs means the total Salaries and Wages paid during the applicable tax year to employees performing Qualified Retained Jobs, divided by 52, divided by the number of Qualified Retained Jobs calculated on an annualized basis.

(e) "Base Employment Level" means the number of Full-time Jobs maintained by the Company and the Related Companies in Michigan. "Minimum Base Employment Level" means the minimum number of Full-time Jobs to be maintained by the Company and the Company's Related Businesses in Michigan, as specified in Schedule A of this Agreement (also referred to herein as the "Minimum Base Employment Level").

- (f) **"Business"** means a proprietorship, joint venture, partnership, limited liability partnership, trust, business trust, syndicate, association, joint stock company, corporation, cooperative, limited liability company, or any other organization.
- (g) **"Certificate Application"** means the written information submitted each year in support of the Company's request for a Tax Credit Certificate that complies with Section 7.0 of this Agreement.
- (h) **"Company"** means Continental Automotive Systems Holding US, Inc., with the federal employer identification number, [REDACTED] As of the Effective Date, Company is an authorized business under the Act.
- (i) **"Effective Date"** means September 30 2009
- (j) **"Employer-paid Health Care Benefits"** means all costs paid for a self-funded health care benefit plan or for an expense-incurred hospital, medical or surgical policy or certificate, nonprofit health care corporation certificate, or health maintenance organization contract. "Employer-paid Health Care Benefits" do not include accident-only, credit, dental, or disability income insurance; long-term care insurance; coverage issued as a supplement to liability insurance; coverage only for a specified disease or illness; worker's compensation or similar insurance; or automobile medical payment insurance.
- (k) **"Facility"** means the Company's locations in Michigan identified in Section 2.0(b)(5) at which the Company will create Qualified New Jobs or retain Qualified Retained Jobs.
- (l) **"Full-time Job"** means a job performed by an individual who is employed for consideration for at least 35 hours of work each week and for whom the Company, an Associated Business, Affiliated Business, Subsidiary Business, an employee leasing company or a professional employer organization on behalf of the Company or other entity authorized under the Act, withholds income and social security taxes. In this Agreement, "Associated Business", "Affiliated Business", and "Subsidiary Business" shall have the same meaning as defined in the Act.
- (m) **"MEGA"** means the Michigan Economic Growth Authority created by the Act.
- (n) **"MEGA Tax Credit"** means a credit against the Michigan Business Tax authorized by Section 431 of Public Act 36 of 2007, as amended.
- (o) **"New Capital Investment"** means the Company's investment in the facility, through construction, acquisition, transfer, purchase, contract, including Company's lease of the Facility, or any other method approved by the MEGA equal to at least \$50,000 per Qualified Retained Job.
- (p) **"Person"** means an individual or business.
- (q) **"Project"** means the project described in Section 2.0(b)(5) of this Agreement.
- (r) **"Qualified New Job"** means a Full-time Job at the facility located at 2400 Executive Hills, Auburn Hills, Michigan held by a Michigan resident and that:
- (1) pays at least 150 percent of the federal minimum wage;

- (2) is in excess of the Base Employment Level; and
- (3) is created by the Company on or after the Effective Date.

Qualified New Job does not include any job transferred to the Facility from: (i) a Michigan location of a Business that is listed on the Application; or (ii) a Michigan location of a Business that, on or after the date of the Application, acquires or otherwise gains control of the Company, is acquired or controlled by the Company, or comes under common control with the Company.

(s) “**Related Companies**” means:

- (1) Continental Automotive Systems US, Inc., EIN [REDACTED]
- (2) Continental TEVES, Inc., EIN [REDACTED] and
- (3) TEMIC Automotive of North America, Inc.,; EIN [REDACTED]

(t) “Relocation” means the transfer of a substantial portion of the Qualified New and Retained Jobs out of the state of Michigan; a substantial portion shall not be less than 152 jobs (i.e. 33.3% of the 455 Qualified New and Retained Jobs provided for in this Agreement

(u) “**Qualified Retained Job**” means a Full-time Job maintained at the Facility.

(v) “**Salaries and Wages**” means wages, tips and other compensation reporting in Box 1 of an employee’s W-2 form.

(w) “**Tax Credit Certificate**” means the certificate required to be issued by 2007 PA 36, as amended, which states that the Company is an authorized business, the amount of the MEGA Tax Credit authorized for a tax year, and the Company’s federal employer identification number of Michigan Treasury number.

(x) “**Term**” means the time period beginning with the Effective Date and ending on the last day of the last tax year in which the Company is eligible to receive a MEGA Tax Credit under this Agreement.

2.0 REPRESENTATIONS

(a) Representation by the MEGA. The MEGA makes the following representations and warranties as of the Effective Date:

(1) *Existence of Power*. The MEGA is a public body established and acting pursuant to the Act.

(2) *Authority*. The MEGA has the necessary authority under the Act to grant MEGA Tax Credits and has taken all actions necessary to authorize, execute and deliver this Agreement.

(3) *Tax Credit Certificate*. The MEGA will issue the Company’s initial Tax Credit Certificate, in the form attached to this Agreement, upon execution of this Agreement.

(b) Representation by the Company. The Company makes the following representations and warranties as of the Effective Date:

(1) *Existence and Power.* The Company validly exists and is in good standing under the laws of the State of Delaware and is qualified to transact business in Michigan.

(2) *Corporate Authority.* The Company's execution, delivery and performance of this Agreement is authorized by all necessary corporate action and will not violate any provisions of law or of the Company's articles of incorporation or bylaws.

(3) *Full Disclosure.* Neither this Agreement nor the Application contains any untrue statement of, or omission of, a material fact.

(4) *Eligibility.* The Company will create Qualified New Jobs in Michigan as generally classified under SIC Code 3316.

(5) *Project Description.* The Company will establish an automotive powertrain engineering center through consolidations of the Company's Affiliates powertrain engineering operations, such consolidation including the creation and retention of jobs at 2400 Executive Hills Drive, in the City of Auburn Hills, Oakland County, and the retention of jobs at their City of Dearborn, Wayne County Facility. The Company believes that the Project is economically sound and affirms that the investment capital or financing needed to complete the Project is now committed or soon will be available to the Company. As of July 21, 2009, the Project has not begun.

(6) *Job Creation.* The Project will result in the creation of at least 50 Qualified New Jobs, as required under the Act. The Qualified New Jobs shall pay an Average Weekly Wage of at least \$1,692 and at no time will the wages paid for the Qualified New Jobs be less than 150 percent of the federal minimum wage in effect during the tax year in which the MEGA Tax Credit is sought.

(7) *Job Retention.* The Project will result in the retention of at least 50 Qualified Retained Jobs, as required under the Act. The Qualified Retained Jobs shall pay an Average Weekly Wage of at least \$1,692 and at no time will the wages paid for the Qualified Retained Jobs be less than 150 percent of the federal minimum wage in effect during the tax year in which the MEGA Tax Credit is sought.

(8) *Need for MEGA Tax Credits.* The MEGA Tax Credits authorized by the MEGA address the competitive disadvantages of expanding in Michigan instead of a site outside of Michigan.

(9) *Certification.* The Company made the certifications required by Section 8(3)(f) and 9(c)-(f) of the Act, which are attached to the Agreement as Schedule B.

3.0 MEGA TAX CREDIT

The MEGA authorized the MEGA Tax Credit described in this Agreement for the Company, subject to the conditions specified in Section 4.0 of this Agreement and the Company's compliance with this Agreement.

(a) MEGA Tax Credit for Qualified New Jobs. The MEGA Tax Credit shall be equal to 100 percent of the Michigan's personal income tax rate, as it exists at the beginning of the Company's tax year for which the credit is sought, multiplied by the total Salaries and Wages and Employer-paid Health Care Benefits, before deducting any personal or dependent exemptions, of employees performing Qualified New Jobs. The MEGA Tax Credit is authorized for 10 consecutive tax years beginning with the Company tax year ending September 30, 2010 and ending no later than September 30, 2019, except as provided under Section 3.0(c).

(1) No more than 230 Qualified New Jobs may be used in calculating the MEGA Tax Credit, as provided in Section 431 of 2007 PA 36; and

(2) The maximum amount of total Salaries and Wages that may be used in a single tax year in calculating the MEGA Tax Credit for any one Qualified New Job is \$250,000.

(b) MEGA Tax Credit for Qualified Retained Jobs. The MEGA Tax Credit shall be equal to up to 100 percent of the State's personal income tax rate, as it exists at the beginning of the Company's tax year for which the credit is sought, multiplied by the sum of the Salaries and Wages and Employer-paid Health Care Benefits, before deducting any personal or dependent exemptions, of employees performing Qualified Retained Jobs, multiplied by a fraction, the numerator is the New Capital Investment during the tax year for which the credit is sought and the denominator is the number of Qualified Retained Jobs multiplied by \$50,000. The MEGA Tax Credit is authorized for ten consecutive tax years, beginning no later than the Company's tax year ending September 30, 2010 and ending no later than September 30, 2019, except as provided under Section 3.0(c).

(1) No more than 225 Qualified Retained Jobs may be used in calculating the MEGA Tax Credit, as provided in Section 431 of 2007 PA 36.

(2) To be eligible for the maximum Tax Credit for Qualified Retained Jobs of 100 percent, the Company must invest \$100,000 per Qualified Retained Job.

(3) The maximum amount of Salaries and Wages that may be used in a Single tax year in calculating the MEGA Tax Credit for any one Qualified Retained Job is \$250,000.

In calculating the amount of the New Capital Investment during the tax year for which the credit is sought, the New Capital Investment shall be the total New Capital Investment for the year that the Credit is sought, together with prior tax years within the Term of this Agreement.

(c) Advancing the Scheduled Years of the Credit. The Company may elect to begin the MEGA Tax Credit described in Section 3.0(a) and 3.0(b) in its tax year ending September 30, 2009. If the Company elects to advance the MEGA Tax Credit as provided in this Section, the last year in which the Company may receive the MEGA Tax Credit will be its tax year ending September 30, 2018.

4.0 CONDITIONS OF THE MEGA TAX CREDIT

(a) *Eligibility for MEGA Tax Credit for Qualified New Jobs.* The Company shall not be eligible for the MEGA Tax Credit described in Section 3.0 of this Agreement unless:

- (1) The Company creates at least 50 Qualified New Jobs, as required under the Act;
- (2) The Average Weekly Wage paid to employees performing Qualified New Jobs is at least \$1,692;
- (3) The Company's Related Companies maintained the Minimum Base Employment Level provided on Schedule A;
- (4) The Company pays administrative fee described in Section 4.0(b);
- (5) The Company obtains a Tax Credit Certificate, as provided in Section 5.0; and
- (6) The City of Auburn Hills approves a tax abatement for new property related to the Project.

(b) *Eligibility for MEGA Tax Credit for Qualified Retained Jobs.* The Company shall not be eligible for the MEGA Tax Credit described in Section 3.0 of this Agreement unless:

- (1) The Company retained at least 50 Qualified Retained Jobs, as required under the Act;
- (2) The Average Weekly Wage paid to employees performing a Qualified Retained Job is at least \$1,692;
- (3) The Company invested in the Facility, through construction, acquisition, transfer, purchase or contract, including the Company's lease of the Facility, at least \$50,000 per Qualified Retained Job;
- (4) The Company invests in the Facility, through the construction, acquisition, transfer, purchase, contract, including the Company's lease of the Facility, or other method approved by the MEGA, at least \$2,500,000 on or before September 30, 2010;
- (5) The Company obtains Tax Credit Certificate for the MEGA Tax Credits for Qualified Retained Jobs, as provided in Section 5.0; and
- (6) The City of Auburn Hills approves a tax abatement for new property related to the Project.

(c) *Administrative Fee.* The Company shall pay a one-time administrative fee of \$100,000 upon submission of its first Certificate Application.

5.0 TAX CREDIT CERTIFICATE

To obtain a Tax Credit Certificate in connection with the MEGA Tax Credit described in this Agreement, the Company shall:

(a) Achieve and maintain the minimum number of Qualified New Jobs, as required by Schedule A of this Agreement, for the applicable tax year.

To compute the number of Qualified New Jobs in any tax year, except the first year of the credit, as determined by Section 3.0 and Schedule A, the Company shall determine the number of Qualified New Jobs as of the last day of each of the four quarters of the applicable tax year, total the results for the four quarters, and divide the sum by four.

To compute the number of Qualified New Jobs for the first tax year of the credit, as determined by Section 3.0 and Schedule A, the Company shall determine the number of Qualified New Jobs as of the last day of each quarter of that year and, beginning with the first quarter in which there are at least 50 Qualified New Jobs, compute the average number of Qualified New Jobs over the remaining quarters for the tax year;

(b) Pay at least the Average Weekly Wage provided in Section 4.0(a)(2) to employees in Qualified New Jobs;

(c) Pay each employee working in Qualified New Jobs an average hourly wage of at least 150 percent of the federal minimum wage in effect for the applicable tax year;

(d) Maintain, or cause to be maintained, the Minimum Base Employment Level stated on Schedule A;

(e) Provide a Certificate Application to the MEGA that satisfies the requirements of Section 7.0 of this Agreement.

(f) Retain the minimum number of Qualified Retained Jobs, as set forth in Schedule A of this Agreement, for the applicable tax year; and

To compute the number of Qualified Retained Jobs in any tax year, as determined in Section 3.0 and Schedule A, the Company shall determine the number of Qualified Retained Jobs as of the last day of each of the four quarters of the applicable tax year, total the results for the four quarters, and divide the sum by four.

Provided that the Company has otherwise satisfied the requirements of Section 4.0, the Company's failure to satisfy the requirements listed or restated in this Section in any given year does not preclude the Company from qualifying for and obtaining a MEGA Tax Credit in any other year during the Term.

(g) Pay at least the Average Weekly Wage provided in Section 4(b)(2) to employees performing Qualified Retained Jobs;

(h) Pay each employee working in a Qualified Retained Job an average hourly wage of at least 150 percent of the federal minimum wage in effect for the applicable tax year; and

(i) Provide a Certificate Application to the MEGA that satisfies the requirements of Section 7.0 of this Agreement.

6.0 AUDIT AND VERIFICATION

(a) The information provided by the Company in connection with the MEGA Tax Credit is subject to audit and verification by the MEGA or its designee (“Audit”). Upon reasonable advance notice, which shall not be less than 48 hours, to the Company by the MEGA, the Company shall permit the MEGA or its designee, at the MEGA’s sole expense and during normal business hours, to inspect the Company’s files, specified below, solely for the purpose of verifying eligibility for the MEGA Tax Credits authorized for the Company. The files subject to inspection are those files relevant to the Qualified New and Retained Jobs wage and hour records, Employer-paid Health Care Benefits records, job classification, job assignments and employment histories related to the Qualified New and Retained Jobs. To the extent permitted under Section 5(3) of the Act, MEGA and its designee shall treat as confidential all of the Company’s financial or proprietary information provided to the MEGA, or its designees, in the course of the Audit.

7.0 ANNUAL CERTIFICATE APPLICATION

(a) For each year in which the Company seeks a MEGA Tax Credit under this Agreement, the Company shall complete a Certificate Application.

(b) The Company shall file the Certificate Application with the MEGA at least 45 days prior to the day the Company’s Michigan Business Tax return is due to the Michigan Department of Treasury. If the Michigan Department of Treasury grants the Company an extension of the deadline to file its Michigan Business Tax Return for the applicable tax year, the Company shall notify the MEGA of the extension and the Certificate Application must be filed with the MEGA at least 45 days prior to the extended deadline.

(c) The form of the Certificate Application shall be as specified by the MEGA. The Certificate Application must contain the following information:

(1) The Base Employment Level as of the end of the four quarters in the applicable tax year;

(2) The number of Qualified New and Retained Jobs as of the end of each of the four quarters (or applicable quarters with respect to the first year) in the applicable tax year;

(3) The number of Full-time Jobs at all of the Company’s and the Company’s Affiliated Businesses locations in Michigan, excluding the Qualified New Jobs for which the Company is seeking the MEGA Tax Credit, as of the end of each of the four quarters in the applicable tax year;

(4) The total Salaries and Wages paid to and Employer-paid Health Care Benefits provided to employees who performed Qualified New and Retained Jobs during the applicable tax year;

(5) A certification by an authorized officer of the Company that the information provided in the Certificate Application is accurate; and

(6) Any other information reasonably related to determining the MEGA Tax Credit.

(d) Within 45 days of its receipt of the Certificate Application, the MEGA shall determine whether the requirements of this Agreement and the Act have been met and if so, will calculate the amount of the MEGA Tax Credit and issue a Tax Credit Certificate to the Company.

(e) For each year during the Term, the Company must submit a completed Certificate Application even if the requirements described in Section 5.0 are not satisfied for that year. Notwithstanding any provisions herein, if the Company does not satisfy the requirements in Section 5.0 for a particular tax year,

(1) MEGA will not issue a Tax Credit Certificate for that year and one year of the MEGA Tax Credit is forfeited, and

(2) The Company will continue to be eligible for the MEGA Tax Credit in any remaining years of the Term in which the requirements of Section 5.0 are met.

8.0 ADJUSTMENT, REDUCTION OR TERMINATION OF CREDITS

(a) For any tax year in which the Company does not satisfy the conditions described in Section 4.0, no MEGA Tax Credits are, or will be, authorized for that tax year under this Agreement.

(b) The Company's failure to comply with any material provision of this Agreement, other than as a result of a clerical or technical error which is corrected upon its discovery, may result in revocation of the Company's designation as an authorized business or in the reduction or loss of any MEGA Tax Credits for which a Tax Credit Certificate has not been issued.

(c) A MEGA Tax Credit is subject to adjustment in any tax year following the tax year in which a Tax Credit Certificate is issued if the MEGA finds that the information on which the Tax Credit Certificate was based was incorrect or cannot be reasonably verified.

(d) If the MEGA determines that the Company misrepresented information in order to qualify for, or increase the amount of, a MEGA Tax Credit, and the Company fails to cure it within thirty days after receiving notice pursuant to 8.0 (e), the MEGA may terminate this Agreement and shall notify the Michigan Department of Treasury of the termination. The State of Michigan may require repayment of any MEGA Tax Credits received by the Company as a result of a misrepresentation.

(e) Prior to taking any adverse action against the Company under this Section, the MEGA shall provide the Company with written notice of its intended action and the basis for that action. The Company shall have a reasonable opportunity to respond, as identified in the notice.

9.0 REPAYMENT PROVISIONS

Should a Relocation occur, the following shall apply:

(a) If the Relocation occurs on or before the end of the fourth year from the year in which the Company may first receive a MEGA Tax Credit under Section 3.0 and Schedule A of this Agreement, the company shall repay 100 percent of the total amount of the MEGA Tax Credit received;

(b) If the Relocation occurs after the end of the fourth year and on or before the end of the tenth year from the year in which the Company may first receive a MEGA Tax Credit under Section 3.0 and Schedule A of this Agreement, the Company shall repay up to 50 percent, as determined by the MEGA, of the total amount of the MEGA Tax Credit received;

(c) If the Relocation occurs within 12 months after the end of the tenth year from the year in which the Company may first receive a MEGA Tax Credit under Section 3.0 and Schedule A of this Agreement, the Company shall repay up to 50 percent, as determined by the MEGA, of the total amount of the MEGA Tax Credit received.

This Section shall survive the termination of this Agreement.

10.0 MISCELLANEOUS

(a) *Reporting.* The Company shall provide the MEGA with information regarding its MEGA Tax Credit as the MEGA may reasonable require.

(b) *Assignment of MEGA Tax Credit.* The MEGA Tax Credit described in this Agreement shall not be transferred or assigned without the consent of the MEGA, which will not be unreasonably withheld, conditioned or delayed; provided, however, that in the event of a merger a Person acquires all or substantially all of the assets or stock of the Company in Michigan after the Effective Date, the MEGA shall authorize the transfer of the Company's rights under this Agreement to that Person if:

(1) The Person agrees in writing to assume all of the duties and responsibilities of the Company under this Agreement; and

(2) The MEGA determines that the transfer is consistent with and will serve the purposes of the Act.

(c) *Severability.* If any clause, provision, or section of this Agreement is held invalid by any court, the invalidity of that clause, provision, or section shall not affect the remaining clauses, provisions, or sections of this Agreement and this Agreement shall be construed and enforced as if such invalid clause, provision, or section had not been contained in this Agreement.

(d) *Notices.* All notices or other communications provided in connection with this Agreement shall be deemed received when delivered, if delivered by registered or certified mail, postage prepaid, return receipt requested, or by messenger or professional courier service, addressed as follows:

TO MEGA: Michigan Economic Development Corporation
Michigan Economic Growth Authority
300 North Washington Square
Lansing, Michigan 48913
ATTN: MEGA Board Secretary

TO Company: Continental Automotive Systems Holding US, Inc.
2400 Executive Hills
Auburn Hills, Michigan 48236
ATTN: Gary F. Carl, Director, Facilities and Services

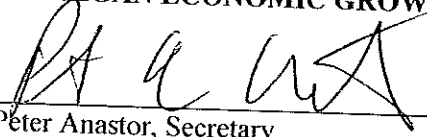
The MEGA and Company may, by notice given hereunder, designate different addresses to which subsequent notices shall be sent.

(e) *Entire Agreement and Amendment.* Subject to the Act, this Agreement, including the attached Schedules, is the entire agreement between the Parties with respect to the subject matter described herein and supersedes any previous agreements. This Agreement may not be amended without the written consent of the Parties.


(f) *Captions.* The captions in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Agreement.

(g) *Interpretation.* This Agreement shall be governed by and interpreted in accordance with the laws of the State of Michigan.

MICHIGAN ECONOMIC GROWTH AUTHORITY


Peter Anastor, Secretary

Continental Automotive Systems Holding US, Inc.

By: 

Printed Name: Samir Salman

Its: CEO

By: 

Printed Name: Timothy P. Roges

Its: Vice President / Treasurer

Continental Automotive Systems Holding US, Inc.
Schedule A
Minimum Employment and Wage Levels to Qualify for the
Standard MEGA Tax Credits**

Year of Credit	Company's Tax Year Ending September 30, 2010	Minimum # of Qualified New Jobs Created/Maintained	Minimum Average Weekly Wage	Minimum Base Employment Level
1	2010*	50	\$1,692	1,227
2	2011	50	\$1,692	1,227
3	2012	50	\$1,692	1,227
4	2013	50	\$1,692	1,227
5	2014	50	\$1,692	1,227
6	2015	50	\$1,692	1,227
7	2016	50	\$1,692	1,227
8	2017	50	\$1,692	1,227
9	2018	50	\$1,692	1,227
10	2019	50	\$1,692	1,227

*Should the Company elect to advance the scheduled years of the MEGA Tax Credit, as permitted under Section 3.0(c) of the Agreement, the Company's Tax Year Ending years listed on this table shall be considered advanced, accordingly.

** Auburn Hills Facility Only

Minimum Employment and Wage Levels to Qualify for the
MEGA Retention Tax Credits***

Year of Credit	Company's Tax Year Ending September 30, 2010	Minimum # of Qualified Retained Jobs Maintained*	Minimum Average Weekly Wage
1	2010	50	\$1,692
2	2011	50	\$1,692
3	2012	50	\$1,692
4	2013	50	\$1,692
5	2014	50	\$1,692
6	2015	50	\$1,692
7	2016	50	\$1,692
8	2017	50	\$1,692
9	2018	50	\$1,692
10	2019	50	\$1,692

*Should the Company elect to advance the scheduled years of the MEGA Tax Credit, as permitted under Section 3.0(c) of the Agreement, the Company's Tax Year Ending years listed on this table shall be considered advanced, accordingly.

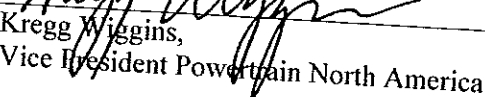
*** Auburn Hills and Dearborn Facilities only

Continental Automotive Systems Holding US, Inc.
Schedule B

Continental Automotive Systems Holding US, Inc. certifies that:

- (1) It will follow a competitive bid process, reasonably open to all Michigan residents and firms, for the construction, rehabilitation, development or renovation of the Facility, and that it will not discriminate against any contractor on the basis of its affiliation or non-affiliation with any collective bargaining organization.
- (2) It will make a good faith effort to employ, if qualified, Michigan residents at the Facility.
- (3) It will make a good faith effort to employ or contract with Michigan residents and firms to construct, rehabilitate, develop or renovate the Facility.
- (4) It is encouraged to a make good faith effort to utilize Michigan-based suppliers and vendors when purchasing goods and services.
- (5) Without the MEGA Tax Credits and the capital investment described in the Agreement, the Facility is at risk of closing and the work and jobs would be removed to a location outside of the state of Michigan.
- (6) Its management or ownership is committed to improving the long-term viability of the Facility in meeting the national and international competition through better management techniques; best practices, including, but not limited to, state of the art lean manufacturing practices; and market diversification.
- (7) It will make commercially best efforts to keep jobs in Michigan when making location and closing decisions.
- (8) The Facility's workforce demonstrates its commitment to improving productivity and profitability at the Facility through various means.

Certified on September 30, 2009


Kregg Wiggins,
Vice President Powertrain North America

Certificate Number
00-564-2009

Initial Tax Credit Certificate
Continental Automotive Systems Holding US, Inc.

Issued this 2 date of October, 2009, by the


Michigan Economic Growth Authority

To Continental Automotive Systems Holding US, Inc., Employer Identification Number [REDACTED] an Authorized Business pursuant to Public Act 24 of 1995, as amended.

The MEGA Authorizes to Continental Automotive Systems Holding US, Inc. a MEGA Tax Credit of 100 percent for 10 consecutive tax years, beginning with the Company's tax year ending on September 30, 2010, under Section 431 of Public Act 36 of 2007.

The MEGA authorizes to Continental Automotive Systems Holding US, Inc. a MEGA Tax Credit for Qualified Retained Jobs of up to 100 percent for 10 consecutive tax years, beginning with the Company's tax year ending on September 30, 2010, under Section 431 of Public Act 36 of 2007.

The Michigan Legislature encourages recipients of MEGA Tax Credits to make a good faith effort to use Michigan-based suppliers and vendors when purchasing goods and services.

By: 
Peter Ahastor
Secretary of the MEGA Board

BHLIB:673669.7136644-00010