



MICHIGAN BUSINESS DEVELOPMENT PROGRAM
Performance Based Grant - Term Sheet

The following is a summary of the highlights of the project and basic terms for which the Company desires grant support from the Michigan Strategic Fund ("MSF") under the Michigan Business Development Program ("MBDP").

Date: 5/4/2012 OKME

- 1. Company Name: Credit Acceptance Corporation ("Company" or "Applicant")
2. Company Address: 25505 W. Twelve Mile Road, Southfield, Michigan 48034
3. Project Address ("Project"): 25505 W. Twelve Mile Road, Southfield, Michigan 48034
4. MBDP Incentive Type: Performance Based Grant
5. Maximum Amount of MBDP Incentive: Up to \$1,800,000 ("MBOP Incentive Award")
6. Base Employment Level: 686 OKME
7. Total Qualified New Job Creation: 274

full amount of the MBDP Incentive Award. Each Qualified New Job must be performed for consideration by a Michigan resident (whose Michigan Income taxes are withheld as required), and each Qualified New Job must be in excess of the Base Employment Level. The final terms and conditions of the requirements for the minimum number of Qualified New Jobs that must be created, including provisions addressing disbursements of portions of the MBDP Incentive Award, and the effects of short term layoffs, furloughs, or similar gaps in employment on the required minimum hours per week, shall be included in the final Agreement.

a. **Start Date for Measurement of Creation of Qualified New Jobs:** April 1, 2012

8. **Company Investment:** Up to \$10.2 million in renovations, lease costs, furniture & fixtures, computers and other expenses.

9. **Municipality supporting the Project:** City of Southfield

a. **Municipality Support.** One of the conditions of execution of the final Agreement is the requirement that the municipality shall have committed to provide: a property tax abatement. The final terms and conditions demonstrating this support shall be included in the final Agreement.

10. **Pre-Closing Requirement:** In addition to all other requirements that must be met prior to the execution of a final agreement, the Company must provide a letter indicating that they are setting-aside and waiving all rights to claim a credit under the Michigan Economic Growth Authority Agreement #385 (October 10, 2007).

11. **Disbursement Milestones:** The final terms and conditions of each of the disbursements of any portion of the MBDP Incentive Award shall be included in the final Agreement, including that before any disbursement is made to the Company, the Company must have maintained: (i) the Base Employment Level (exclusive of the number of Qualified New Jobs then created) and (ii) any Qualified New Jobs created for which disbursements by the MSF have been made, and must otherwise be in compliance with all terms and conditions of the final Agreement, and further shall include: Upon demonstrated creation of each Qualified New Job, the MSF will disburse \$6,569 per Qualified New Job (up to 274 Qualified New Jobs and not to exceed the total amount of \$1,800,000), provided that:

- i. By June 30, 2013, the Company demonstrates creation of at least 51 Qualified New Jobs and submits documentation of approved tax abatement by the City of Southfield;
- ii. By June 30, 2014, the Company demonstrates creation of at least 40 additional Qualified New Jobs (for a total to such date of at least 91 Qualified New Jobs); and
- iii. By December 31, 2015, the Company creates at least 159 additional Qualified New Jobs (for a total to such date of at least 250 Qualified New Jobs).

12. Term of Agreement:

~~Execution of Agreement to~~ Execution of Agreement to
December 31, 2017

13. Repayment Provisions:

Repayment provisions are required by law. The Repayment terms and conditions will be effective through the Term of the Agreement and shall be defined in the final Agreement. The final repayment provisions may require repayment of some or all of the disbursements made by the MSF, including if the Company moves 25% or more of their employees or operations for the Project out of Michigan, if the Company fails to maintain the Base Employment Level in Michigan, if the Company fails to maintain the Qualified New Jobs Incented by this Award.

14. Reporting Requirements:

Periodic reporting will be required with this program. The detailed information needed from the Company will be included in the final Agreement, but will include Project reporting for such things as: amount of proposed incentive, amount of actual incentive received by Company; amount of proposed and actual investment made by Company for Project; the committed number of new jobs and the actual number of new jobs created as a result of the Project; the educational attainment of the employees hired; the number of new patents, copyrights, or trademarks applied for and issued to the Company; the number of licensing agreements by the Company and the number of such licensing agreements entered into by the Company with Michigan based firms; and any products commercialized by the Company.

15. Public Announcements:

The Company shall not make, or cause, any announcement of the proposed MBDP Incentive Award parameters outlined in this letter before the date of approval by the MSF of the MBDP Incentive Award, unless prior authorized and coordinated with the MEDC.

Any final MBDP Incentive Award is contingent upon several factors, including: (i) submission by the Company of a completed application and all other documentation required under the MBDP (ii) satisfactory municipality support (iii) available MSF funding (iv) completion of financial review, business integrity review, required background checks, and other business and legal review and due diligence as required, and the results of which must be satisfactory the MEDC, the MSF, and as applicable, the Chief Compliance Officer, (v) approval of an award by the MSF, and (vi) execution of a final Agreement containing the established milestones, repayment terms, reporting requirements, and all other detailed terms and conditions, required by the MSF.

If the Company is interested in the MEDC pursuing a recommendation to the MSF for a possible MBDP Incentive Award for the Company along the above parameters, please sign and date this Term Sheet. If the MEDC does not receive the signed Term Sheet from the Company by ~~May 2, 2012~~ ^{May 4, 2012}, the MEDC may not be able to proceed with any recommendation to the MSF.

COMPANY NAME

By:

Its:

Dated:

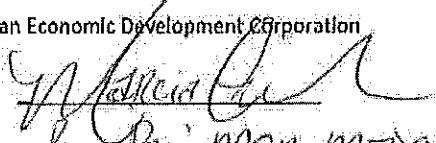
[Signature]
CFO
5/4/12

OKING

Acknowledged as received by:

Michigan Economic Development Corporation

By:



Its:

Log. Proj. MQR-MEDC

Dated:

5/4/12