

MEGA TAX CREDIT AGREEMENT

Ford Motor Company

This Agreement between the Michigan Economic Growth Authority ("MEGA"), whose address is Post Office Box 30234, Lansing, Michigan 48909 and Ford Motor Company ("Company"), a Delaware corporation, whose address is One American Road, Dearborn, MI 48126, and whose Employer Identification Number is [REDACTED]

RECITALS

WHEREAS, the MEGA has been created by the Michigan Economic Growth Authority Act, Act No. 24 of Public Acts of 1995, as amended (the "Act"), with the power to provide tax credits to businesses involved in manufacturing, mining, research and development, wholesale and trade, or office operations.

WHEREAS, the Legislature has determined that it is in the public interest to promote economic growth and to encourage private investment, job creation and job upgrading for the residents of the State of Michigan.

WHEREAS, the MEGA has determined that providing tax credits to the Company for job creation and retention will promote and serve the purposes of the Act.

WHEREAS, the MEGA and the Company desire to set forth the terms and conditions for a MEGA Tax Credit.

NOW, THEREFORE, the parties agree as follows:

(r) "Statement of Eligibility (Retention)" or "Statement" means the certified statement required by Section 4.2 of this Agreement.

2.0 REPRESENTATIONS

2.1 Representations by the MEGA. With respect to the Agreement, the MEGA makes the following representations and warranties as of the date of execution of this Agreement:

(a) The MEGA is a public body established and acting pursuant to the Act.

(b) The MEGA has the necessary power under the Act to grant MEGA Tax Credits and has duly taken all action on its part required to authorize, execute and deliver this Agreement. This Agreement, when executed by both parties, will be valid, binding and enforceable in accordance with its terms.

(c) Upon execution of this Agreement, the MEGA will issue the Company's initial Tax Credit Certificate in the form attached to this Agreement.

2.2 Representations by the Company. With respect to the Agreement, the Company makes the following representations and warranties as of the date of execution of this Agreement:

(a) Existence and Power. The Company is validly existing and is in good standing under the laws of the State of Delaware, and is duly qualified to transact business in Michigan.

(b) Corporate Authority. The execution, delivery and performance by the Company of this Agreement have been duly authorized by all necessary corporate action and will not violate any provision of law or of its certificate of incorporation or its bylaws.

(c) Full Disclosure. To the knowledge of the Company's management, neither this Agreement, the Company's Application, nor any written statements furnished by the Company to the MEGA in connection with the authorization of a MEGA Tax Credit contain any untrue statement of a material fact or omit a material fact.

(d) Eligibility. Currently, the Company plans to maintain Retained Jobs at the Project generally classified under SIC Code 3711 and agrees that if it does not, it will not meet the conditions for the Credit.

(e) Project Description. The Company intends to expand, equip and operate plants at the Facility in Wayne, Wayne County and agrees that if it does not, it will not meet the conditions for the Credit. The Project will result in the maintenance of the statutory minimum of 500 Retained Jobs no later than December 31, 2007. The Retained Jobs created will pay an Average Weekly Wage of at least \$967 and at no time will the average wage paid for the Qualified New Jobs or Retained Jobs be less than 150 percent of the federal minimum wage.

To qualify for a MEGA Tax Credit for Retained Jobs, the Company will make New Capital Investment of at least \$250,000,000 in the Project no later than December 31, 2007. New Capital Investment shall have the meaning given it in Section 3 of the Act. The Project is economically sound and the investment capital and/or financing needed to complete the Project is now committed or will soon be available to the Company. As of November 18, 2003 construction of the Project had not begun.

The Company and the MEGA acknowledge that, notwithstanding anything to the contrary in this Agreement or any certification, some or all of the

contractors and/or suppliers utilized in support of the Project will be required by the Company to be a party to the National Maintenance Agreement (which sets forth certain rules and requirements applicable to contractors affiliated with collective bargaining units and employers hiring those contractors). Furthermore, the Company and the MEGA acknowledge that, notwithstanding anything to the contrary in this Agreement, the competitive bid process utilized by the Company in connection with the Project may at times be open to limited numbers of potential contractors due to quality and safety concerns.

(f) Need for MEGA Tax Credits. The Tax Credits authorized by this Agreement address the competitive disadvantages of locating in Michigan instead of a site outside this State. The investment at the Facility, resulting in the Retained Jobs, would not have occurred in Michigan without the tax credits offered by this Agreement and the Act and the local property tax abatements.

(g) Site Reuse. The Company has considered the reuse or redevelopment of property previously used for an industrial or commercial purpose (namely the Facility) and the Company has determined the use of such property is feasible in locating the Project.

(h) Certification. The Company has made the certifications required by Section 8(3) (f) of the Act, which are attached to this Agreement as Schedule B.

(i) Binding Agreement. When executed by both parties, this agreement will be a valid and binding obligation of the Company enforceable against the Company in accordance with its terms.

3.0 MEGA TAX CREDIT

Based upon the Application and the Company's representations and warranties in this Agreement, the Authority authorizes the following tax credits subject to the conditions in Section 4.0 of this Agreement.

3.1 Employment Credit

(a) An Employment Credit equal to 50 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 being sought, multiplied by the total Salaries and Wages as reported on the employees' W-2s for the tax year for which the credit is being sought, before deducting any personal or dependency exemptions of employees performing Retained Jobs. The Employment Credit is authorized for twenty consecutive tax years beginning with the Company's tax year ending December 31, 2007.

(b) No more than 2,662 Retained Jobs may be used in calculating the Employment Credit as provided in Section 38g(19)(a) of Public Act 143 of 2000.

3.2 Advancing the Scheduled Years of the Credit

If the Company meets the requirements of Section 4.1, the Company may elect to begin the credit authorized by Section 3.1 with its tax year ending December 31, 2005 or December 31, 2006. If this option is elected, the last year of the credits will be 2024 or 2025, respectively, and not 2026 as provided in Schedule A.

4.0 CONDITIONS OF THE MEGA TAX CREDITS

4.1 Eligibility. The Company shall not be eligible for the Employment Credit on Retained Jobs as provided in Section 3.0 of this Agreement unless:

(a) The statutory minimum of 500 Retained Jobs have been located at the Project, no later than the Anniversary Date.

(b) The Average Weekly Wage paid to all employees with Retained Jobs is at least \$967.

(c) The Company has made at least \$250,000,000 of New Capital Investment in the Project, no later than the Anniversary Date.

(d) The minimum Base Employment Level, as required by Schedule A, has been maintained at the Project site in addition to any Retained Jobs.

4.2 Statement of Eligibility (Retention). Any time after 500 Retained Jobs have been located at the Project, but in no case later than 30 days after the Anniversary Date, and in all cases prior to or concurrent with the first application for a Tax Credit Certificate, the Company shall file a Certified Statement of Eligibility (Retention) in a form specified by the Authority. The Statement shall contain the following information:

- (a) The aggregate number of Full-time Jobs at the Project site.
- (b) The number of Retained Jobs.
- (c) The Average Weekly Wage paid to employees with Full-time Jobs.
- (d) The dollar amount of New Capital Investment in the Project.
- (e) A certification by an authorized officer of the Company that the

information provided in the Statement of Eligibility (Retention) is true.

4.3 Tax Credit Certificate. To obtain a Tax Credit Certificate in connection with the tax credits authorized in this Agreement for Retained Jobs in any tax year, the Company shall:

(a) Maintain the minimum number of Retained Jobs at the Project as required by Schedule A of this Agreement, for the applicable tax year. In

computing the number of Retained Jobs at the Project in any tax year, the Company shall determine the number of Retained Jobs at the Project 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 (4).

(b) Pay an Average Weekly Wage in connection with the Retained Jobs of at least the amount required by Schedule A of this Agreement for the applicable tax year.

(c) Pay an average hourly wage in connection with Retained Jobs that equals or exceeds 150 percent of the highest hourly federal minimum wage in effect for the applicable tax year.

(d) Maintain its Base Employment Level as required by Schedule A. In computing the Base Employment Level in any tax year, the Company shall determine the aggregate number of Full-time Jobs at the Project site, as of the last day of each of the four quarters in that tax year. The sum of the results for the four quarters, divided by four, is the total Full-time Jobs for that year. If the total Full-time Jobs equals or exceeds the Base Employment Level required on Schedule A, the requirement in this subsection (d) for maintaining its Base Employment Level is met.

(e) Make an Application to the MEGA for a Tax Credit Certificate as provided in Section 5.0 of this Agreement.

(f) Provided that the Company has initially satisfied the requirements of Section 4.1, failure of the Company to satisfy the requirements of Section 4.3 in any given year does not preclude the Company from qualifying for and obtaining a Tax Credit in any other year authorized by Section 3.1 of this Agreement.

4.4 Audit and Verification. The information provided in the Application, the Application for a MEGA Tax Credit Certificate, and the Statement of Eligibility (Retention) are subject to audit and verification by the Authority or its designee. Upon reasonable advance notice to the Company by the Authority, the Company shall permit the Authority or its designee, during normal business hours, to inspect the files of the Company solely for the purpose of verifying eligibility for the Tax Credits authorized by this Agreement. The files subject to inspection include, but are not limited to, those relevant to wage and hour records, job classification, job assignments and employment histories. The audit and verification contemplated under this Section 4.4 shall be completed within twenty-four (24) months (or such longer period as mutually agreed upon by the parties) after the issuance of the Tax Credit Certificate.

The Authority or its designee shall use all information received pursuant to inspection of the Company's files solely for the purpose of verifying eligibility for the Tax Credits authorized by this Agreement. The Company may request confidentiality pursuant to Section 5(3) of the Act on financial or proprietary information retained by the Authority in the course of its inspection of the files.

4.5 Administrative Fee. The Company must pay an administrative fee of \$100,000 to MEGA upon submission of Certified Statement of Eligibility (Retention) required by Section 4.3.

5.0 ANNUAL APPLICATION FOR TAX CREDIT CERTIFICATE

5.1 For each year that it seeks a Tax Credit under this Agreement, the Company shall complete an Application for a MEGA Tax Credit Certificate.

5.2 The Certificate Application shall be filed with the Authority at least 45 days prior to the day the Company's Single Business Tax return is due. If the

Company receives an extension of the deadline to file its Michigan Single Business Tax return, the Company shall notify the MEGA of the extension and the Certificate Application shall be filed with the Authority at least 45 days prior to the extended deadline.

5.3 The form of the Certificate Application shall be as specified by the Authority from time to time. The Certificate Application shall contain the following information:

(a) The Base Employment Level as provided in Schedule A attached to this Agreement.

(b) The number of Retained Jobs at the Project as of the end of each of the four quarters in the applicable tax year.

(c) The total Salaries and Wages, before deducting any personal or dependency exemptions, paid to employees who performed Retained Jobs at the Project during the applicable tax year.

(d) The number of Full-time Jobs, maintained by the Company at the Project site, other than Retained Jobs at the Project for which the Company is seeking a Tax Credit, as of the end of each of the four quarters in the applicable tax year.

(e) Any other information which is reasonably related to determining the applicable Tax Credit.

(f) A certification by an Authorized Officer of the Company that the information provided in a Certificate Application is true.

5.4 The information in a Certificate Application is subject to audit and verification by the Authority or its designee consistent with Section 4.4 of this Agreement.

5.5 Within 45 days of receiving a complete Certificate Application, the MEGA will review that application to determine whether the requirements of this Agreement have been satisfied and, if so, will calculate the credit authorized under this Agreement and issue a Tax Credit Certificate to the Company.

6.0 ADJUSTMENT, REDUCTION, OR TERMINATION OF CREDITS

6.1 If the Company does not comply with the conditions required in Section 4.1, this Agreement is void, the Company is no longer an authorized business for purposes of the Act and no Tax Credits will be authorized under this Agreement.

6.2 Failure of the Company to comply with any material provision of this Agreement, other than as a result of a clerical or technical error which is corrected when it is discovered to be an error, may result in revocation of the Company's designation as an authorized business or the reduction or loss of Tax Credits for which a Certificate has not yet been issued.

6.3 A Tax Credit authorized by the Authority is subject to adjustment in any tax year following the tax year for which a Tax Credit Certificate was issued, if the information on which the tax credit certification was based is found to be incorrect or cannot be verified, subject to the conditions stated in Section 4.4.

6.4 If the Authority determines that the Company misrepresented material information in order to qualify for, or increase the amount of a Tax Credit, the Authority may revoke the Company's designation as an authorized business and notify the Michigan Department of Treasury of that revocation. Any tax credits that have been received based upon a material misrepresentation may be subject to recovery by the State of Michigan. This agreement is not intended as a waiver of any applicable statute of limitations.

6.5 Prior to taking any adverse action against the Company under Sections 6.1, 6.2, 6.3, or 6.4, the Authority shall provide the Company with written notification of its intent to take such action and the basis for that action shall provide the Company with a reasonable opportunity to respond. The Company may file a written appeal of the proposed adverse action and, if the Company requests, the Authority will consider its appeal at a meeting of the Authority held within 90 days of the date of the request.

7.0 REPORTING

The Company shall provide the MEGA with the information regarding its participation in the Tax Credit Program as the MEGA may reasonably require while this Agreement is effective.

8.0 MISCELLANEOUS

8.1 Assignment of Credits. The Tax Credits authorized by this Agreement shall not be transferred or assigned to any other Person. In the event a Person acquires all or substantially all of the assets of the Company in Michigan, or the Company is restructured such that all or substantially all the assets associated with the Project are transferred to an affiliate or subsidiary which is wholly owned (100%) by the Company, after the date of this Agreement, the Authority shall authorize the transfer of the company's rights under this Agreement to that Person if:

(a) The Person, affiliate or subsidiary agrees in writing to assume all of the responsibilities of the Company under this Agreement.

(b) The Authority determines that the transfer would serve the purposes of the Act and this Agreement.

8.2 Severability. If any provision of this Agreement is held illegal or invalid by any court, the invalidity of that provision shall not affect the remainder of this Agreement, and the Agreement shall be construed and enforced as if such illegal or invalid provision had not been in the Agreement.

8.3 Notices. All notices, certificates, requests or other communications hereunder shall be sufficiently given when delivered, if delivered by registered or certified mail, return receipt requested, or by messenger or professional courier service, addressed as follows:

If to the MEGA by mail, messenger or professional courier service:

Michigan Economic Development Corporation
Michigan Economic Growth Authority
300 North Washington Square
Lansing, Michigan 48913
Attention: Jim Paquet

If to the Company:

Ford Motor Company
One American Road
Dearborn, MI 48126
Attn: Director of State and Local Tax

With a copy to:

Ford Motor Company
One American Road
Dearborn, MI 48126
Attn: Secretary

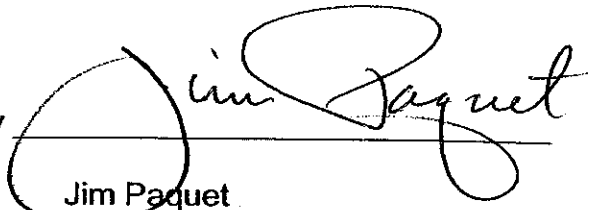
8.4 Entire Agreement and Amendment. Subject to the Act, this Agreement and the attached Schedules contain the entire Agreement between the Company and the MEGA with respect to the matters described in the Agreement. This Agreement may not be amended except with the written consent of the Authority and the Company.

8.5 Captions. The captions in this Agreement are for convenience only and in no way limit the intent of any provision of this Agreement.


8.6 Interpretation. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Michigan.

8.7 Acceptance. The terms of this Agreement are accepted this 13th day of February, 2004.

Michigan Economic Growth Authority

By 
Jim Paquet
Secretary to the MEGA Board

Ford Motor Company

^{TNT} By 
Kathryn Lamping
Assistant Secretary

(Form 5-7-01)

Ford Motor Company

Schedule A: Minimum Employment and Wage Levels
to Qualify for the MEGA Tax Credits

<u>Year of Credit</u>	<u>Tax Year Ending December 31</u>	<u>Minimum # of Retained Jobs</u>	<u>Minimum Average Weekly Wage</u>	<u>Minimum Base Employment Level</u>
1	2007	500	\$967	3650
2	2008	500	\$967	3650
3	2009	500	\$967	3650
4	2010	500	\$967	3650
5	2011	500	\$967	3650
6	2012	500	\$967	3650
7	2013	500	\$967	3650
8	2014	500	\$967	3650
9	2015	500	\$967	3650
10	2016	500	\$967	3650
11	2017	500	\$967	3650
12	2018	500	\$967	3650
13	2019	500	\$967	3650
14	2020	500	\$967	3650
15	2021	500	\$967	3650
16	2022	500	\$967	3650
17	2023	500	\$967	3650
18	2024	500	\$967	3650
19	2025	500	\$967	3650
20	2026	500	\$967	3650

Ford Motor Company

Schedule B

Ford Motor Company certifies that:

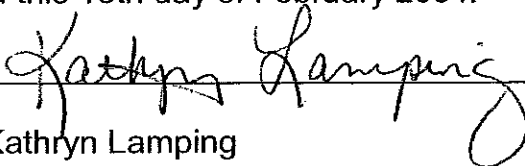
1. It will follow a competitive bid process, open to all Michigan residents and firms, for the construction, rehabilitation, development or renovation of the Facility, and that it will not discriminate against any contractor on the basis of its affiliation or non-affiliation with any collective bargaining 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.

Certified this 13th day of February 2004.

By:
TNT



Kathryn Lamping
Assistant Secretary

Certificate Number

00 - 221 -03

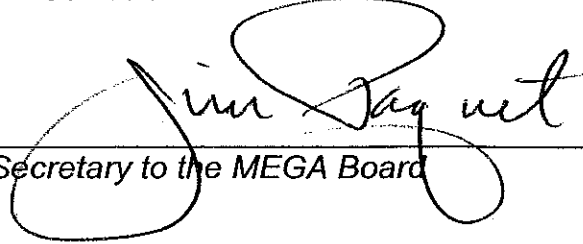
Initial Tax Credit Certificate

Issued this 13th day of February, 2004, by the

Michigan Economic Growth Authority

to Ford Motor Company, Employer Identification Number, 38-0549190, which is an Authorized Business pursuant to Public Act 24 of 1995, as amended.

The MEGA authorizes to Ford Motor Company an Employment Credit of 50 percent for twenty consecutive tax years, beginning with the Company's tax year ending December 31, 2007 under Section 38g(19)(a) of Public Act 143 of 2000.

By 
Secretary to the MEGA Board