

MEGA TAX CREDIT AGREEMENT

LDM Technologies, Inc.

This Agreement is effective this 13th day of June, 2000, as entered into between the Michigan Economic Growth Authority (hereafter "the MEGA"), whose address is Post Office Box 30234, Lansing, Michigan 48909 and LDM Technologies, Inc., (hereafter "the Company"), a Michigan Corporation, whose address is 2500 Executive Hills Drive, Auburn Hills, Michigan 48326, 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, development, wholesale, trade and/or office operations, and enterprise.

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 expansion will promote and serve the intended

purposes of and in all respects will conform to the provisions and requirements of the Act.

WHEREAS, representative of the MEGA and of the Company met and negotiated the terms of the MEGA tax credit on or about May 10, 2000.

WHEREAS, the MEGA and the Company desire to set forth the terms and conditions of the MEGA Tax Credit that the MEGA has authorized to the Company.

NOW, THEREFORE, the parties hereto agree as follows:

1.0 DEFINITIONS

(a) "Agreement" means this written agreement.

(b) "Application" means any information submitted to the MEGA in support of the Company's request for a Tax Credit.

(c) "Anniversary Date" means June 30, 2002.

(d) "Authority" or "MEGA" means the Michigan Economic Growth Authority created by Public Act 24 of 1995, as amended.

(e) "Average Weekly Wage" means the total salaries and wages paid during the applicable tax year to employees performing Qualified New Jobs at the Project, divided by 52, divided by the number of Qualified New Jobs at the Project.

(f) "Base Employment Level" means the minimum number of Full-Time Jobs to be maintained at the Company in Michigan, as specified in Schedule A attached to this Agreement.

(g) "Beginning of Operations" means July 1, 2001.

(h) "Certificate" or "Tax Credit Certificate" means the certificate required to be issued by Public Act 23 of 1995, as amended, which states that the Company is an authorized business, the amount of the Tax Credit authorized for a tax year, and the Company's federal employer identification number or Michigan Treasury number.

(i) "Certificate Application" or "Application for a MEGA Tax Credit Certificate" means the written information submitted each year in support of the Company's request for a Tax Credit Certificate.

(j) "Company" means LDM Technologies, Inc., which is an authorized business as defined in Public Act 24 of 1995, as amended, upon execution of this Agreement, and which is a manufacturer of automotive components and systems, among other items and activities.

(k) "Facility" means the "Project" or the site within this state at which the Company has committed to creating Qualified New Jobs.

(l) "Full-time Job" means a job performed by an individual who is employed by the Company for consideration for 35 hours or more each week and for which the Company withholds income and social security taxes.

(m) "MEGA Business Activity Credit" or "Business Activity Credit" means a credit against the Single Business Tax authorized by Section 37d. of Public Act 23 of 1995.

(n) "MEGA Employment Credit" or "Employment Credit" means a credit against the Single Business Tax authorized by Section 37c. of Public Act 23 of 1995.

(o) "MEGA Tax Credit" or "Tax Credit" means a MEGA Business Activity Credit and/or a MEGA Employment Credit.

(p) "Person" means an individual, proprietorship, joint venture, partnership, trust, business trust, syndicate, association, joint stock company, corporation, cooperative, limited liability company or any other organization.

(q) "Project" means the facility at which the Company will create Qualified New Jobs as described under Project Description.

(r) "Qualified New Job" means a Full-time Job at the Project held by a Michigan resident that is:

(1) created by the Company after June 13, 2000.

(2) in excess of the Base Employment Level.

(s) "Statement of Eligibility" 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 entered into hereunder, the MEGA makes the following representations and warranties as of the time such Agreement is executed:

(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 will be valid, binding and enforceable in accordance with its terms.

(c) The MEGA will issue the Company's Initial Tax Credit Certificate upon execution of this Agreement in the form attached to this Agreement.

(d) The MEGA, as part of this Agreement, has not (i) required the Company to limit production in any manner, or (ii) received any goods or services from the Company in exchange for the granting of these MEGA tax credits.

2.2 Representations by the Company. With respect to the Agreement entered into hereunder, 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 in the state of Michigan and is in good standing under the laws of the State of Michigan, 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 articles of incorporation or its bylaws.

(c) Full Disclosure. 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. The Company will create Qualified New Jobs in this state through the manufacturing of plastic products, generally classified under SIC Code 3089.

(e) Project Description. The Company will construct a manufacturing facility in Romulus, Wayne County, to produce plastic bumper fascias and/or other parts and assemblies for the automotive industry. The Project will result in the creation of the statutory minimum of 75 Qualified New Jobs no later than June 30, 2002. The Qualified New Jobs created will pay an Average Weekly Wage of at least \$565 and at no time will the average wage paid for these Qualified New Jobs be less than 150 percent of the federal minimum wage which shall, from time to time, then be in effect.

The Company believes that the Project is economically sound and affirms that the investment capital and/or financing needed to complete the Project is now committed or will soon be available to the Company. As of June 13, 2000, construction of the Project had not begun.

(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 Project will not occur in Michigan without the tax credits offered by this Agreement.

(g) Site Reuse. The Company has considered the reuse or redevelopment of property previously used for an industrial or commercial purpose and the Company has determined the use of such property is not feasible in locating the Project.

(h) Certification. The Company has made the certifications required by Section 8(3)(f) of Public Act 24 of 1995, as amended, which are attached to this Agreement as Schedule B, that it:

(1) 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) Will make a good faith effort to employ, if qualified, Michigan residents at the facility.

(3) Will make a good faith effort to employ or contract with Michigan residents and firms to construct, rehabilitate, develop, or renovate the facility.

3.0 MEGA TAX CREDIT

Based upon the Company's Application and the Representations and Warranties made in this Agreement, the Authority has authorized the

following tax credits subject to the conditions specified in Section 4.0 of this Agreement.

3.1 Business Activity Credit

(a) A Business Activity Credit of 100 percent of that portion of the Company's Single Business Tax liability that is attributable to the Project. The portion of the tax liability attributable to the Project is the same as the tax liability attributable to authorized business activity as calculated under Section 37d.(4) of Public Act 23 of 1995. The Business Activity Credit is authorized for eleven consecutive tax years, beginning with the Company's tax year ending the last Sunday in September 2002.

(b) A Business Activity Credit of 50 percent of that portion of the Company's Single Business Tax liability that is attributable to the Project. The portion of the tax liability attributable to the Project is the same as the tax liability attributable to authorized business activity as calculated under Section 37d(4) of Public Act 23 of 1995. The Business Activity Credit is authorized for one tax year in the Company's tax year ending the last Sunday in September 2013.

(c) No more than 320 Qualified New Jobs may be used in calculating the ratios as provided in Section 37d.(4) of Public Act 23 of 1995.

3.2 Employment Credit.

(a) An Employment Credit equal 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 being sought, multiplied by the

total salaries and wages, before deducting any personal or dependency exemptions, of employees performing Qualified New Jobs. The Employment Credit is authorized for eleven consecutive tax years beginning with the Company's tax year ending the last Sunday of September 2002.

(b) 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, before deducting any personal or dependency exemptions, of employees performing Qualified New Jobs. The Employment Credit is authorized for one tax year in the Company's tax year ending on the last Sunday in September 2013.

(c) No more than 320 Qualified New Jobs may be used in calculating the Employment Credit as provided in Section 37c.(2) of Public Act 23 of 1995.

3.3 Advancing the Scheduled Years of the Credit

If the Company meets the requirements of Section 4.1, the Company may elect to begin the credits authorized by Section 3.1 and 3.2 with the Company's tax year ending the last Sunday in September 2001. If this option is elected, it applies to both credits, and the last year of the credits will be for the tax year ending the last Sunday in September 2012 and not 2013 as provided in Schedule A.

4.0 CONDITIONS OF THE MEGA TAX CREDITS

4.1 Eligibility. The Company shall not be eligible for the Tax Credit provided in Section 3.0 of this Agreement unless:

(a) The statutory minimum of 75 Qualified New Jobs have been created at the Project, no later than the Anniversary Date.

(b) The Average Weekly Wage paid to all employees performing Qualified New Jobs is at least \$565.

(c) The minimum Base Employment Level as required by Schedule A has been maintained.

4.2 Statement of Eligibility. Any time after 75 Qualified New Jobs have been created 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 in a form as specified by the Authority from time to time. The Statement shall contain the following information:

(a) The aggregate number of Full-time Jobs at all Michigan locations of the Company, excluding Qualified New Jobs at the Project.

(b) The number of Qualified New Jobs.

(c) The Average Weekly Wage paid to employees performing Qualified New Jobs.

(d) A certification by an authorized officer of the Company that the information provided in the Statement of Eligibility is true.

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

(a) Provide the minimum number of Qualified New Jobs at the Project, as required by Schedule A of this Agreement, for the applicable tax year. In computing the number of Qualified New Jobs at the Project in any tax year, the Company shall determine the number of Qualified New 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 Qualified New 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 Qualified New 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 all Michigan locations of the Company, excluding the Qualified New Jobs at the Project for which it is seeking a Tax Credit, 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 Base Employment Level for that year.

(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 or Section 3.2 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 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 under, and compliance with, 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. However, the scope of any such inspection shall be limited to such files of the Company as are clearly relevant to such verification of eligibility.

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 under, and compliance with, this Agreement. The Company may request confidentiality pursuant

to Section 5(3) of Public Act 24 of 1995 on financial or proprietary information retained by the Authority in the course of its inspection of the files.

4.5 Administrative Fee. A one-time Administrative Fee of \$36,055 is due and payable upon submission of the Certified Statement of Eligibility required in Section 4.2. The Administrative Fee is one-half of one percent of the MEGA Cost, as reported in current dollars, in the cost/benefit analysis of the Project, as presented to the MEGA at the time the Tax Credit was authorized. A copy of the cost/benefit analysis of the Project is attached to this Agreement, identified as Exhibit A. No Administrative Fee shall exceed \$100,000.

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 for the applicable tax year, 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.
- (b) The number of Qualified New Jobs at the Project as of the end of each of the four quarters in the applicable tax year.
- (c) The number of Full-time Jobs, in Michigan, in the Company other than Qualified New 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.
- (d) The total salaries and wages, before deducting any personal or dependency exemptions, paid to employees who performed Qualified New Jobs at the Project during the applicable tax year.
- (e) The total salaries and wages, before deducting any personal or dependency exemptions, paid to employees who performed Full-time Jobs in Michigan, for the Company, other than Qualified New Jobs at the Project for which the Company is seeking a Tax Credit, during the applicable tax year.
- (f) The value of the property added at the Project as part of the expansion described in the Project Description, as of the end of the applicable tax year.
- (g) The value of all property owned in the state by the Company as of the end of the applicable tax year. For the purposes of subsection (f) and (g) of this section, the value of properties shall be determined by the same method and shall be consistent with the method by which property is valued for purposes of the Michigan Single Business Tax.

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

(i) 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 in accordance with the provisions of 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 null and void, the Company is no longer an authorized business, and no Tax Credits are, or will be, authorized under this Agreement.

6.2 Failure of the Company to comply with any 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.

6.4 If the Authority determines that the Company misrepresented 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 misrepresentation may be subject to recovery by the State of Michigan.

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 notice of its intent to take such action and of the basis for that action and shall provide the Company with a reasonable opportunity to respond and to cure any default.

7.0 REPORTING

The Company shall provide the MEGA with such information regarding its participation in the Tax Credit Program as the MEGA may reasonably require for so long as 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 provided, however, that in the event a Person acquires all or substantially all of the assets of the Company in Michigan, 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 agrees in writing to assume all of the duties and responsibilities of the Company under this Agreement.

(b) The Authority determines that such a transfer would be consistent with and serve the purposes of Public Act 24 of 1995 and this Agreement.

8.2 Severability. If any clause, provision, or section of this Agreement is held illegal or invalid by any court, the invalidity of such clause, provision, or section shall not affect any of the remaining clauses, provisions, or sections hereof and this Agreement shall be construed and enforced as if such illegal or invalid clause, provision, or section had not been contained herein.

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

If to the MEGA by mail: Michigan Economic Development Corp.
Michigan Economic Growth Authority
Post Office Box 30234
Lansing, Michigan 48909
Attention: Jim Paquet

If to the MEGA by messenger or professional courier service:

Michigan Economic Growth Authority
Michigan Economic Development Corp.
201 North Washington Square
Victor Office Center, 5th Floor
Lansing, Michigan 48913
Attention: Jim Paquet

If to the Company:

LDM Technologies, Inc.
2500 Executive Hills Drive
Auburn Hills, Michigan 48326
Attention: Mr. Gary Borushko, CFO

8.4 Project Sign. The Company agrees to erect a Project sign within thirty (30) days after execution of this Agreement. The sign must be located on the Project site in the most visually accessible place to ensure maximum public exposure. The sign shall remain on the Project site until the completion of construction. The Company will be responsible for the cost of the sign (\$290). The Company is responsible for contacting the sign vendor and providing the city name, project name, and shipping address. The sign vendor is: Mr. Scott Hildebrant, ImageLine Productions, (517), 729-7446, whose offices are located at 811 West Main, Owosso, Michigan 48867.

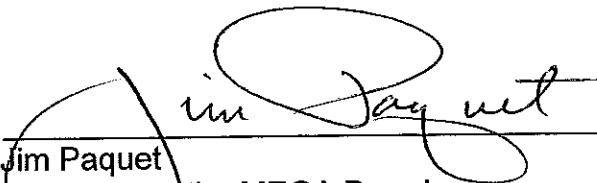
8.5 Entire Agreement and Amendment. Subject to the provisions of Public Act 24 of 1995, this Agreement and the Schedules attached to it, contain the entire Agreement between the Company and the MEGA, with respect to the matters described herein and supersede any and all previous Agreements. This Agreement may not be amended except with the written consent of the Authority and the Company.

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


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

8.8 Acceptance. The terms of this Agreement are hereby accepted this 23rd day of August, 2000.

Michigan Economic Growth Authority

By 
Jim Paquet
Secretary to the MEGA Board

LDM Technologies, Inc.

By 
Its CFO

LDM Technologies, Inc.

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

<u>Year of Credit</u>	<u>Tax Year Ending Last Sunday in September</u>	<u>Minimum # of Qualified New Jobs</u>	<u>Minimum Average Weekly Wage</u>	<u>Minimum Base Employment Level</u>
1	2002	75	\$565	1,371
2	2003	75	565	1,371
3	2004	75	565	1,371
4	2005	75	565	1,371
5	2006	75	565	1,371
6	2007	75	565	1,371
7	2008	75	565	1,371
8	2009	75	565	1,371
9	2010	75	565	1,371
10	2011	75	565	1,371
11	2012	75	565	1,371
12	2013	75	565	1,371

LDM Technologies, Inc.

Schedule B

LDM Technologies, Inc. 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 18th day of August, 2000.

By: Jy = [Signature]
(Name)

Its: CFO
(Title of Authorized Officer)

Certificate Number

00 - 111 -00

Initial Tax Credit Certificate

Issued this 23rd day of August, 2000, by the

Michigan Economic Growth Authority

to LDM Technologies, Inc., Employer Identification Number, 38-2690171, which is an Authorized Business pursuant to Public Act 24 of 1995, as amended.

The MEGA authorizes to LDM Technologies, Inc., an Employment Credit of 100 percent for eleven consecutive tax years, beginning with the Company's tax year ending on the last Sunday of September 2002, followed by an Employment Credit of 50 percent for one year, under Section 37c. of Public Act 23 of 1995. The MEGA authorizes a Business Activity Credit of 100 percent for eleven consecutive tax years, beginning with the Company's tax year ending on the last Sunday of September 2002, followed by a Business Activity Credit of 50 percent for one year, under Section 37d. of Public Act 23 of 1995.

By


Secretary to the MEGA Board

EXHIBIT A

**The Economic Effects on Michigan of the
LDM Technologies, Inc. Facility Location Decision**

**George A. Fulton
Peter Nicolas
Donald R. Grimes**

University of Michigan

June 13, 2000

Abstract

LDM Technologies, Inc. is considering locating a new, state-of-the-art manufacturing center for instrument panels and interior trim components, exterior trim components, under-the-hood components and powertrain/engine components to be supplied to North American automotive OEMs. The new facility would employ an additional 320 people by 2005. We estimate that by 2011, this location will have generated a total of 520 jobs in the state. Total state government revenues through 2011, net of MEGA costs and adjusted for inflation, would increase by \$12,054,000 (2000 dollars) due to the location of LDM Technologies, Inc.

The purpose of this study is to estimate the potential economic and fiscal benefits to Michigan of LDM Technologies, Inc. locating a new, state-of-the-art manufacturing center for instrument panels and interior trim components, exterior trim components, under-the-hood components and powertrain/engine components to be supplied to North American automotive OEMs (SIC 3089). Investment activity would take place between 2000 and 2004, with an investment of \$39.47 million. The facility would employ an additional 320 people and be at full production by 2005.

The estimates of the benefits include the total number of jobs created in Michigan (by major industry, including spin-off jobs), and the associated personal income and state government revenue. Benefits net of the MEGA incentive package, from 2000 to 2011, are shown in the attached table. The MEGA incentive package includes relief from 100 percent of the single business tax for the period 2000 to 2010, and from 50 percent of the single business tax for the year 2011; it also includes a tax credit to the company equal to 100 percent of the state income tax rate on the payroll (gross wages) of employees hired at the facility as a result of the project for the period 2000 to 2010, and equal to 50 percent for the year 2011.

The total employment effects, reported in the first line of the table, include the direct jobs created at the facility itself plus spin-off jobs. The spin-off jobs are generated from two sources, increased purchases from Michigan suppliers and spending by people who receive income due to the increased economic activity. The construction activity is expected to generate a total of 145 jobs in 2000 and 162 jobs in 2001; almost all of these jobs are temporary. In 2005, the first year of full operations, an additional 532 jobs are generated in the state. We estimate that by 2011, this location will have generated a total of 520 additional jobs in the state. The total number of jobs created (direct plus spin-off) for every direct job introduced constitutes the "employment multiplier." The employment multiplier for the location averages 1.6 over the period 2005 to 2011. Sectoral detail on the employment gains is also shown in the table.

Personal income is shown in the next section of the table. Personal income is defined as the income of Michigan residents from all sources, after deduction of contributions to social insurance programs but before deduction of income tax and other personal taxes. As shown in the table, if LDM Technologies, Inc. were to locate in Michigan under the incentive program, state personal income in 2005 would be higher by \$28.2 million (in current dollars) than it would be without the facility, and in 2011 it would be \$36.3 million higher. Adjusted for inflation, these numbers in 2000 dollars would be \$20.8 million in 2005 and \$23.3 million in 2011.

The gain in economic activity results in higher state government revenues. We estimate that in 2005, the first year of full operations, the facility would generate \$2,256,000 in additional gross state government revenue, and that the MEGA package would provide a \$712,000 incentive to LDM Technologies, Inc. Thus, the LDM Technologies, Inc. facility location would increase state government revenues in 2005 by \$1,544,000, net of MEGA incentive costs.

Over the period 2000 to 2011, gross state government revenue is projected to increase by \$24,176,000 (in current dollars) due to the location of LDM Technologies, Inc. The MEGA incentive package for LDM Technologies, Inc. is forecast to cost \$7,211,000 over the period, resulting in a net increase in state government revenue of \$16,965,000. Adjusted for inflation, the total net increase in state government revenue from 2000 to 2011 would be \$12,054,000 in 2000 dollars. These calculations do not include any revenue losses due to the property tax abatement or the investment tax credit. If the costs of the abatement and the tax credit were included, the net revenue gain to state government would be slightly less.

None of these estimates include the nonmeasurable effects that would produce additional economic and fiscal benefits for Michigan, such as the intangible advantages of influencing other location and expansion decisions.

**Economic and Fiscal Effects on Michigan of the LDM Technologies, Inc. Facility Location
Net Benefits with the Incentive Package**

Economic/Fiscal Indicator	2000	2001	2002	2003	2004	2005	2010	2011	Total 2000-2011
Total Employment	156	329	335	353	462	532	512	520	—
Manufacturing	37	112	207	219	285	327	320	320	—
Nonmanufacturing	119	217	128	134	177	205	192	200	—
Retail Trade	20	40	35	35	46	51	43	43	—
Services	37	48	47	48	64	72	63	66	—
Other	62	129	46	51	67	82	86	91	—
In current dollars (thousands):									
Personal income	6,900	14,000	15,700	17,500	23,400	28,200	34,500	36,300	302,200
Gross state revenue	552	1,120	1,256	1,400	1,872	2,256	2,760	2,904	24,176
MEGA cost	248	452	510	635	706	712	726	365	7,211
State revenue net of MEGA cost*	304	668	746	765	1,166	1,544	2,034	2,539	16,965
Adjusted for inflation (thousands of 2000 dollars):									
Personal income	6,900	12,061	13,114	13,969	17,767	20,775	22,462	23,311	217,050
Gross state revenue	552	965	1,049	1,118	1,422	1,662	1,797	1,865	17,364
MEGA cost	248	390	426	507	536	525	473	235	5,310
State revenue net of MEGA cost*	304	575	623	611	886	1,137	1,324	1,630	12,054

*These estimates do not include any state government revenue losses due to the Investment Tax Credit or the property tax abatement.

**1st AMENDMENT TO THE
MEGA TAX CREDIT AGREEMENT**

Extension of Anniversary Date for LDM Technologies, Inc.

WHEREAS, the Michigan Economic Growth Authority, ("MEGA") awarded a tax credit to LDM Technologies, Inc., (the "Company"), to construct a manufacturing facility to produce plastic bumper fascias and/or other parts and assemblies for the automotive industry in Romulus, Wayne County (the "Project") and entered into a MEGA Tax Credit Agreement (the "Agreement") with the Company effective June 13, 2000; and

WHEREAS, the Company has commenced the Project, creating new jobs and constructing a manufacturing facility; and

WHEREAS, the Company had to implement limited employment reductions at some of its Michigan facilities during the last year because of industry-wide conditions in the automotive supplier sector, thus causing its base employment level to decline; and

WHEREAS, the Company did complete the Project by August 31, 2002; and

WHEREAS, the Authority has determined that an extension of the Company's Anniversary Date would best serve the purposes of Public Act 24 of 1995, as amended, and

WHEREAS, the Authority has adopted Resolution 2002-59, which authorizes the extension of the anniversary date in the Agreement to August 31, 2002, provided that the original schedule of the tax years in which the company

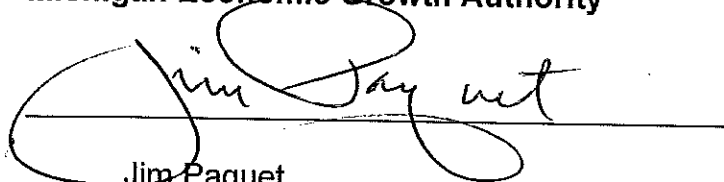
is eligible for the credit, as set forth in the original Agreement, remains unchanged.

NOW, THEREFORE, the parties agree to amend the MEGA Tax Credit Agreement executed August 23, 2000, as follows:

1. By striking "June 30, 2002" in Section 1.0(c) and inserting "August 31, 2002".
2. By striking "June 30, 2002" in Section 2.2(e) and inserting "August 31, 2002".
3. The Agreement as herein amended is ratified and confirmed and shall remain in full force and effect.

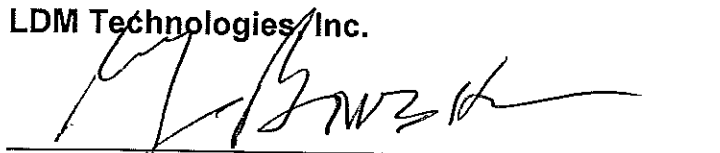
ACCEPTED as of the 27th day of January, 2003.

Michigan Economic Growth Authority



Jim Paquet
Secretary to the MEGA Board

LDM Technologies, Inc.



Gary Borushko
Chief Financial Officer