

SAMPLE PINE TREE DEVELOPMENT ZONE "BUT FOR" LETTER

THE MAINE BOAT COMPANY

(Date)

George C. Gervais, Commissioner
Department of Economic & Community Development
59 State House Station
Augusta, ME 04333-0059

Dear Commissioner Gervais:

I am writing to make you aware that we are considering an expansion from our current facility located at 8 Ocean Avenue in Milbridge, Maine, to a second location in Machias, Maine. The new development project will be critical in advancing the growth of our 25-year old boat manufacturing enterprise.

Under the right circumstances, we are prepared to invest \$1,350,000 in real and personal property and create up to 32 full-time positions with an average wage of \$34,742 per year. All employees, at time of hire will have access to group health insurance and an ERISA-qualified retirement plan. Your Pine Tree Development Zone program is the reason we considered this expansion.

It is our intent to expand the Maine Boat Company business operations as described above. I have reviewed the Pine Tree Development Zone benefits provided under Maine law, and understand how they can benefit expanding our boatbuilding presence in Maine.

This also confirms our understanding that submission of this letter does not enable our company to receive tax benefits yet, but it does permit us to submit a business application before December 1, 2010.

In order to be eligible to receive Pine Tree Development Zone benefits, we understand that our application must document the following: the location of our planned expansion activity; we are engaged in manufacturing, financial services or a targeted technology sector; and the net new jobs we create will be full-time, offer health insurance and a qualified retirement program. In addition, new hires must receive income derived from employment during the 2010 calendar year that exceeds the annual per capita personal income for Washington County, the planned county of employment.

Please be assured that the development project would not occur within the state but for the availability of the Pine Tree Development Zone benefits.

In closing, I would like to thank you and your staff for your helpfulness in working with us to ensure we understood the economic benefits of partnering with the State of Maine.

Sincerely,

Joan Smith, President
The Maine Boat Company