

## AGREEMENT TO ISSUE BONDS

**THIS AGREEMENT** is made as of July 21, 2009, by and between the City of Jonesboro, Arkansas, a city of the first class under the laws of the State of Arkansas (the "City"), and Nordex USA, Inc. (the "Company"), for the purpose of carrying out the purposes set forth in the Municipalities and Counties Industrial Development Revenue Bond Law, Ark. Code Ann. §§ 14-164-201 to -224 (the "Act").

### WITNESSETH:

**WHEREAS**, the City is authorized by Amendment 65 to the Arkansas Constitution and the Act to own, acquire, construct, reconstruct, extend, equip, improve, operate, maintain, sell, lease, or contract concerning, or otherwise deal in or dispose of any land, buildings, or facilities of any and every nature that can be used in securing or developing industry within or near the City; and

**WHEREAS**, the City has determined that such purposes may be served by cooperation with the Company in the acquisition, construction, and equipping of an industrial facility within the City, consisting of acquisition of land, construction of buildings and improvements, and acquisition and installation of equipment for the manufacture of wind turbine nacelles and rotor blades (the "Project"); and

**WHEREAS**, the City and the Company desire to cooperate in the acquisition, constructing, and equipping of the Project and to have the costs of the Project financed from the proceeds of revenue bonds of the City (the "Bonds") to be issued pursuant to the Act in an aggregate principal amount now estimated not to exceed \$125,000,000 (excluding any bonds issued to refund the Bonds); and

**WHEREAS**, the City and the Company intend to enter into a Lease Agreement (the "Lease") of the real and personal property constituting the Project, which contemplates that the Project will be leased to the Company, with an option to purchase for a nominal price, and the rental payments therefor together with other moneys available shall be sufficient to pay debt service on the Bonds and all related costs;

**NOW, THEREFORE**, in consideration of the premises and other good and valuable consideration under the mutual benefits, covenants, and agreements herein expressed, the City and the Company agree as follows:

**1. Proceedings.** All proceedings in connection with the issuance of the Bonds shall be consistent with the requirements of the Act. All references contained herein to the issuance of the Bonds shall be subject to compliance with the formalities of the Act when the facts required to do so are determined.

**2. Acquisition, Construction, and Equipping.** The City and the Company will cooperate in causing to be commenced and continued the required acquisition, construction, and equipping of the Project, and the Company may provide, or cause to be provided, the necessary interim financing to permit work on the Project to commence and continue expeditiously pending the issuance of Bonds. Not later than the date of issuance of the Bonds, the Company will convey and transfer or cause to be conveyed and transferred to the City, the Project or portions thereof theretofore acquired, constructed, and equipped. There shall also be conveyed to the City any easements and rights-of-way necessary to permit construction, equipping, installation, operation, and maintenance of the Project.

**3. Lease.** The City and the Company shall enter into the Lease under which the Company will lease the Project, with an option to purchase for a nominal price, from the City and will agree to make rental payments sufficient to pay the principal of and premium, if any, and interest on the Bonds.

**4. Sale of Bonds, Security.** The City will take such steps as are necessary to issue, sell, and deliver the Bonds, pursuant to the terms of the Act, for the purposes of financing the costs of the Project, in each case only upon receipt of the written designation by the Company of the purchaser(s) or underwriter(s) thereof, such Bonds to be in such principal amount, to mature in such amount and times, to bear interest at such rate or rates, to be payable on such dates, and to have such optional and mandatory redemption features and prices as are determined by the City and approved in writing by the Company. The City further agrees that it will enter into the Lease and a Trust Indenture with a bond trustee to be selected, for the purpose of providing rental payments sufficient, with other amounts available from the Company or directly or indirectly from the proceeds of the Bonds, to pay the principal of and premium, if any, and interest on the Bonds as they become due, and pledging and otherwise securing the payment of such rental payments for the benefit of the holder(s) of the Bonds. The Lease, the Indenture, other related documents, and the Bonds shall contain such terms and conditions as are agreed upon by the City and the Company. The City will cooperate in consummating the transactions so contemplated.

**5. Bonds to be Special Obligations.** The City shall have no financial responsibility with respect to the Project, the Bonds, or the costs associated with either, and the Bonds shall be special obligations of the City and shall never constitute a

general obligation, indebtedness, or pledge of the credit of the City within the meaning of any constitutional or statutory provision and shall never be paid in whole or in part out of any funds raised or to be raised by taxation or any other revenues or other funds of the City except those (including unexpended Bond proceeds) derived from or in connection with the sale or lease of the Project as provided for herein.

**6. Conditions of Issuance.** The Bonds may be issued either at one time or in several series from time to time, in such aggregate principal amount or amounts as the Company shall request in writing; provided, however, that all conditions of the Act shall have been met.

**7. Costs to be Financed.** The costs of the Project may include any costs permissible under the Act, including but not limited to reasonable and necessary costs, expenses, and fees incurred by the City in connection with the issuance of the Bonds or in connection with the Project; fees and out-of-pocket expenses of bond counsel; recording costs; rating agency's fees, if any; and printing costs. The City will upon request provide or cause to be provided any data or information which may be reasonably required to verify any of the costs, expenses, and fees enumerated above.

**8. Termination.** In the event that the Bonds shall not be sold within three years from the date hereof, this Agreement shall automatically terminate unless the parties hereto shall agree in writing to its extension for a further period of time specified in such writing, which agreement on the part of the City shall not be unreasonably withheld. The Company may unilaterally terminate this Agreement without liability to the City (except for any amounts due and owing by the Company to the City arising out of the transactions occurring on or before the time of such termination, which shall be

promptly paid by the Company to the City) by giving notice by ordinary mail, postage prepaid, to the City specifying therein the date of termination, which may be the date of the notice.

**9. Protection to the City.** The Company shall pay all of the City's costs and expenses reasonably and necessarily incurred in connection with this Agreement or any other related document or instrument. The Company will at all times indemnify and hold harmless the City against any and all losses, costs, damages, expenses, and liabilities of whatsoever nature directly or indirectly resulting from, arising out of, or related to matters in connection with this Agreement.

**10. Ad Valorem Taxation Exemption.** The City and the Company recognize that under the Arkansas Constitution and decisions of the Supreme Court of Arkansas and in accordance with Ark. Code Ann. §§ 14-164-701 to -703, the Project will be exempt from ad valorem taxation. The City agrees that the Company shall be required to enter into an Agreement for Payments in Lieu of Taxes ("PILOT Agreement") with the City in substantially the form submitted to this meeting, providing for payments in lieu of a portion of the ad valorem taxes that would otherwise be levied by local public bodies with taxing authority.

**11. Purpose and Effect.** The Bonds are to be issued, sold, and delivered under the authority of the Act and all related actions and documents shall be in conformity therewith. The City intends this Agreement to be the expression of its present intent, pursuant to the terms hereof, to issue the Bonds up to \$125,000,000 aggregate principal amount outstanding at any one time, and also to issue additional Bonds if the Project

costs exceed such amount, and to expend the Bond proceeds to defray the costs of the Project.

**12. Assignment.** The Company may assign this Agreement and the PILOT Agreement in whole or in part to an affiliate of the Company without the prior written consent of the City and to an entity, which is not an affiliate of the Company with the prior written consent of the City, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, no assignment and no dealings or transactions between the City and any assignee shall relieve the Company of any of its obligations under this Agreement.

**IN WITNESS WHEREOF**, the City of Jonesboro, Arkansas, acting pursuant to a Resolution of its City Council, has caused its name to be hereunto subscribed by its Mayor and the Company has caused its corporate name to be subscribed hereto by its duly authorized officer, all as of the year and date first above written.

**CITY OF JONESBORO, ARKANSAS**

By: \_\_\_\_\_  
Mayor

**NORDEX USA, INC.**

By: \_\_\_\_\_  
Title: \_\_\_\_\_