

ARTICLE 1 OBLIGATIONS

1.1 The parties hereby agree that, in consideration of the Company undertaking the Project with its employment opportunities, investment and tax revenues in the County, the Inducers will provide the respective incentives set forth herein.

1.2 The Company hereby agrees that in consideration of the provision of said incentives, it will develop and maintain the Project in the County in accordance with the terms hereof.

ARTICLE 2 THE COMPANY'S COMMITMENTS

2.1 The Company agrees to develop the Project at the Project Site in Tunica County, Mississippi.

2.2 The Company commits that the Project will result in the following:

(i) an investment (including, but not limited to, the cost of all new improvements, fixtures and equipment comprising part of the Project) from any source (including grants and loans provided by the Inducers) of not less than Sixty Million Dollars (\$60,000,000.00) by not later than December 31, 2014, and

(ii) the creation of not less than Three Hundred Fifty (350) new full-time jobs at the Project Site (the "Job Creation Commitment") the earlier of December 31, 2014, or within three years after the start of Commercial Production and maintain such number of jobs for a period of ten (10) years commencing on the date the Company notifies the State that it has satisfied the Job Creation Commitment (the "Maintenance Period"), and

(iii) at all times during the Maintenance Period, said jobs shall have in the aggregate an average annual compensation, excluding benefits which are not subject to Mississippi income taxes, of at least Thirty-five Thousand Dollars (\$35,000.00).

2.3 The Company shall undertake to cause and facilitate the construction of the Facility and shall manage the construction of the Facility. The Company will reasonably consider using Mississippi-based contractor, subcontractors and suppliers but shall have no obligation to do so, other than as may be required by Mississippi Law.

2.4 The Company agrees to comply in all material respects with all federal, state and local requirements related to the Project to the extent such requirements are generally applicable to a business similar to the Company's business, including the provision of financial and other documentation in connection with the incentive programs as described in this MOU.

2.5 The Company acknowledges that there are other forms to be completed and statutory and guideline requirements to be met relative to various program incentives set out herein. There may be penalties included in these separate grant and loan agreements.

2.6 The Company acknowledges that it is subject to the requirements of the Mississippi Employment Protection Act, Section 71-11-3, Miss. Code of 1972 as amended, and covenants and agrees to adhere to and abide by the requirements of said Act. The Company specifically agrees that it will register and participate in the status verification system for all newly hired employees from the effective date of this MOU. The Company will maintain records of such compliance and, upon request, provide a copy of each such verification to the State. The Company further acknowledges that a violation of the Act subjects it to the cancellation of this contract and further penalties as allowed by law.

2.7 The Company will provide or obtain all additional funding required for the Facility in excess of funds provided by the State and County for the Project.

2.8 The Company agrees that if its commitments contained in Article II, Section 2.2 of this MOU are not met, all or a portion of the funds provided by the State and County for the Project pursuant to Article III and Article IV of this MOU shall be repaid as set out in Article V.

2.9 The Company agrees that it will at all times during the construction of the Facility, operate and maintain the Facility in full compliance with all applicable federal and state environmental laws, rules and regulations and will obtain and maintain all required federal and state environmental permits and licenses to construct and operate the Facility.

2.10 The Company shall repay the State the Industry Incentive Financing Loan (as defined in Section 3.2(ii)) in accordance with the terms of the loan agreement between the Company and MDA executed in connection with such loan.

2.11 The requirements of the Company set forth in Section 2.1, 2.2, 2.3, 2.7, 2.8 and 2.10 shall be subject to the timely performance (i) of the State, acting through the MDA, of its commitments set forth in Article 3 (including the Company's receipt of the County Loan, Company Loan, and CDBG), and (ii) of the County of its commitments set forth in Article 4.

ARTICLE 3 MDA COMMITMENTS

3.1 The State, acting by and through MDA, acknowledges that certain commitments were made to the Company to induce it to develop the Project in Tunica County, Mississippi.

3.2 The State, through MDA and pursuant to legislative authority as set out in Mississippi Code Annotated §57-1-221 which authorizes the MDA to make certain loans

from the "Industry Incentive Financing Revolving Fund," as defined therein, agrees to provide the following assistance in support of the Project:

(i) A loan to the County in an amount not to exceed Two Million Dollars (\$2,000,000.00) (the "County Loan,") for purchase of the Project Site. The interest rate will be determined at the time of the bond sale and will be the cost of the State's money for a term not to exceed Twenty (20) years.; and

(ii) A loan to the Company in the amount of Three Million Dollars (\$3,000,000.00) (the "Company Loan"). The interest rate will be determined at the time of the bond sale and will be the cost of the State's money for a term not to exceed the weighted average life of the assets being purchased with the loan proceeds, for the purpose of reimbursement of costs incurred by the Company for site preparation or other costs approved by MDA. The Company Loan shall be repaid in equal semi-annual payments (due June 30th and December 31st) of principal and interest with the first payment due on the next scheduled payment date that is at least six months after the Start of Commercial Production. The Company Loan can be prepaid at any time without penalty. The Company Loan will be secured by a first priority security interest in property owned by the Company having at the time of advances of the Loan proceeds value equivalent to the amount of the outstanding balance of the Loan with a repayment period not to exceed ten (10) years. The actual property to be secured by such first priority security interest shall be selected by the Company and approved by MDA with approval to not be unreasonably withheld; and

(iii) Upon proper application and approval, to make a grant to the County through the Community Development Block Grant Program ("CDBG") in an amount not to exceed Three Million Dollars (\$3,000,000.00) for site preparation and/or for public infrastructure (i.e. the CDBG Grant).

3.3 The State, through the MDA and pursuant to applicable legislative authority further agrees to provide the following assistance in support of the Project;

(i) Approval of a Growth and Prosperity exemption, as set out in Section 57-80-1 et seq., to provide an income and franchise tax exemption for ten (10) years and a sales tax exemption from start of project through three (3) months after commercial start-up of the facility, excluded from this exemption are tagged vehicles, supply items and ongoing expenses;

(ii) Promptly upon proper application and approval, designate the Company as an approved business enterprise so that the Company will be eligible under the Mississippi Advantage Jobs Act, as set out in Section 57-62-1 et seq., for a rebate of a percentage of state income tax withheld from employees and paid by the Company; and

(iii) To use its best efforts to cause all other government entities to take all actions, including the granting of approvals, necessary for the State to fulfill its commitments which are described herein.

ARTICLE 4
THE COUNTY'S COMMITMENTS

4.1 Subject to agreements by any other necessary governmental entity, the County agrees to provide the following assistance in support of the Project:

(i) Upon approval and closing on the County Loan, to cause said funds to be utilized to acquire the Project Site at a cost not to exceed Two Million Dollars (\$2,000,000), and to either transfer the site to the Company, retaining a form of security to be determined by the parties that will be released the earlier of the Company fulfilling its investment obligation under Section 2.2 (i) or December 31, 2014, provided that there is no other material default in the terms of this MOU, or to lease the site to the Company based on terms and conditions to be agreed upon by the parties. If the site is leased to the Company, the lease payments shall be for nominal financial consideration, with the Company having the option of acquiring the site at the end of the lease term for a payment of \$100.00. The term of the lease shall not be longer than ten years (10). Alternatively, the parties hereto understand that County might cause the transaction for the acquisition of the Project Site to be facilitated through the Tunica County Economic Development Foundation, Inc.;

(ii) To work with the Company and pursue the use of New Market Tax Credits ("NMTC") to help facilitate the development of the Project. Any NMTCs allocated to be used as part of the Project development will be allocated such that an amount equal to one-half, but not to exceed \$2,000,000, of the funds to be infused into the Project as a result of NMTCs will be utilized by County to pay towards the County Loan;

(iii) To make a complete and proper application for CDBG funds in an amount not to exceed Three Million Dollars (\$3,000,000.00) to be used for site preparation and public infrastructure. The parties understand the limitations associated with the use of CDBG funds on the Project;

(iv) To make a complete and proper application for an "Industry Incentive Financing Revolving Fund," Loan in an amount not to exceed Two Million Dollars (\$2,000,000.00) to be used to acquire the Project Site;

(v) To use its best efforts to cause the Project Site to be included in the Foreign Trade Zone ("FTZ") designation that the County is applying for, with the Company understanding that it will have to comply with the terms, conditions, provisions, laws and regulations relating to the FTZ in order to be eligible for the same;

(vi) To approve a Property Tax Fee-in-Lieu agreement equal to not less than one third of the ad valorem tax levy for new property located at the Project Site, which shall become effective if the Company's investment reaches One Hundred Million Dollars (\$100,000,000.00) and the laws of the State of Mississippi still allow the same;

(vii) To approve an Industrial Property Tax Exemption for any eligible years not covered by the Fee-in-Lieu agreement;

(viii) Grant a Freeport Warehouse exemption in perpetuity; and

(ix) To use its best efforts to cause all other government entities to take all actions including the granting of approvals, necessary for the County to fulfill its commitments.

ARTICLE 5 REMEDIES FOR FAILURE TO PERFORM

5.1 Upon request of the State, the Office of the State Auditor or the County, the Company will provide reasonable verification of its compliance with the jobs creation and maintenance commitment and the investment commitment as set out in Article II, Section 2.2 herein.

5.2 In the event that all or a portion of the Company Loan Funds (those funds provided for the benefit of the Project pursuant to Article III, Section 3.2(ii)) have been expended for the benefit of the Project, then in the event the Company has defaulted on its commitments as set out in Article II, Section 2.2 herein, the following shall apply:

(i) If the Company defaults on its jobs creation and/or maintenance commitments as set out in Article II, 2.2(ii) and (iii) of this MOU, then the Company shall repay the State all or a portion of the Company Loan Funds expended as a loan to the Company for the Project, as provided in this section and in Section 5.2(ii).

(a) If at or after the commencement of the Maintenance Period, the Company has less than three hundred fifty (350) qualified jobs but more than three hundred (300) qualified jobs, the Company shall pay to the State, annually during the remaining term of the Maintenance Period, a sum equal to one percent (1%) of the outstanding balance of the Company Loan; provided that such payments shall not be required for any year in which the Company's average annual employment is no less than three hundred thirty (330) qualified jobs.

(b) Alternatively, if at or after the commencement of the Maintenance Period, the Company has less than three hundred one (301) qualified jobs but more than two hundred twenty five (225) qualified jobs, the Company shall pay to the State on or before January 10 of the following year, annually during the remaining term of the Maintenance Period, a sum equal to five percent (5%) of the outstanding balance of the Company Loan at the time of such payment; provided that no such payment shall be required pursuant to this subsection for any year in which the Company's average annual employment is no less than three hundred one (301) qualified jobs.

(c) Alternatively, if at or after the commencement of the Maintenance Period, the Company has less than two hundred twenty six (226) qualified jobs but more than one hundred twenty (120) qualified jobs, the Company shall pay to the State a sum sufficient to reduce the outstanding balance of the Company Loan by fifty percent (50%) plus all reasonable costs of issuance and interest incurred by the State for the bonds issued by the State to fund the loan described in Section 3.2(i) hereof.

(d) Alternatively, if at the Commencement of the Maintenance Period, the Company has less than one hundred twenty one (121) qualified jobs, the Company shall pay to the State a sum sufficient to reduce the outstanding balance of the Company Loan to zero plus all previously unreimbursed reasonable costs of issuance and interest incurred by the State to fund the loan described in Section 3.2(i) hereof.

(ii) The State shall provide the Company with notice of default of its job creation and/or maintenance commitments under Section 2.2 of this MOU and the Company will be given sixty (60) days following receipt of such notice to cure such default prior to the penalty becoming due and owing.

(iii) If the Company has defaulted on its investment commitment as set out in Article II, Section 2.2, then the Company shall repay the State all or a portion of the Company Loan Funds expended for the Project as set out herein:

(a) If on December 31, 2014 the Company's investment is less than Sixty Million Dollars (\$60,000,000.00) but is not less than Fifty Million Dollars (\$50,000,000.00), the Company shall pay to the State the sum of Fifty Thousand Dollars (\$50,000.00) within thirty (30) days of demand made by the State.

(b) If on December 31, 2014, the Company's investment is less than Fifty Million Dollars (\$50,000,000.00), the Company shall pay to the State, within thirty (30) days of demand by the State, a sum equal to five percent (5%) of the outstanding principal amount owing by the State on the Bonds issued for the benefit of the Project. Any payment made by the Company under this Section 5.2(iii)(b) shall reduce the outstanding balance of the Company Loan by a corresponding amount

5.3 In the event that all or a portion of the Company Loan Funds have been expended for the benefit of the Project, then in the event the Company has not placed the Facility into Commercial Production on or before December 31, 2014, the following shall apply:

(i) A sum equal to the outstanding balance of the Company Loan plus all costs of issuance and interest incurred by the State shall be paid by the Company to the State within sixty (60) days of written demand by the State.

5.4 In the event that all or a portion of the County Loan Funds (those funds provided for the benefit of the Project pursuant to Article III, Section 3.2(i) and Article IV, Sections 4.1(i) and 4.1(iv) have been expended for the benefit of the Project, then in the event the Company has defaulted on its commitments as set out in Article II, Section 2.2 herein, the Company pay to the County all payments due under the terms of the County Loan until such time as the default has been cured.

5.5 Further, in addition to the County Loan referenced by Article III, Section 3.2(i) and Article IV, Sections 4.1(i) and 4.1(iv), the parties understand that the County will be utilizing various grants and/or other loan funds including the funds provided by CDBG, or possibly other programs. To the extent that any grant or loan agreement the County enters into relating to the Project provides for any monetary or other penalties against the County if the requisite number of jobs is not created or if the required capital is not invested by the Company, then the Company shall indemnify and hold the County

harmless for any such claims, and pay the County an amount equal to what the County will otherwise be required to repay; provided that existence and amount of such monetary or other penalties is communicated to the Company in writing prior to issuance of the County Loan or Industry Incentive Financing Revolving Loan, as applicable.

5.6 The Company's total repayment obligation under this Article shall not exceed the (i) total of the amount of Company Loan Funds expended plus (ii) costs thereof plus any other public funds expended for the benefit of the Project; provided that the aggregate amount of the costs described in clause (ii) shall not exceed \$50,000.00.

ARTICLE 6 MISCELLANEOUS

6.1 If any clause, provision or paragraph of this MOU is held to be illegal or invalid by any court, or improper, or untenable, the illegality or invalidity of such clause, provision or paragraph shall not affect any remaining clauses, provisions or paragraphs hereof, and this MOU shall be construed and enforced as if such illegal or invalid clause, provision or paragraph had not been contained herein.

6.2 The terms of this MOU may be modified or waived only by a separate writing signed by each of the parties that expressly modifies or waives any such term.

6.3 This MOU may be executed in several counterparts all of which shall be regarded for all purposes as original and shall constitute and be but one and the same instrument.

6.4 The parties agree to execute and deliver such additional instruments and documents, provide such additional financial or technical information, and to take such additional actions as may be reasonably required from time to time in order to accomplish the realization of the incentives contained herein; provided that the Company shall not be required to pay any penalties, costs or fees beyond those set forth herein.

6.5 Each party shall coordinate with the other Parties all press releases, other announcements, events and publications concerning the Project.

6.6 This MOU shall be governed by the laws of the State of Mississippi and venue shall lie in the First Judicial District of Hinds County, Mississippi, to the extent an action involves the parties including MDA. In the event that a claim or action does not involve MDA, then venue shall lie in Tunica County, Mississippi.

6.7 All communications and notices expressly provided for herein shall be sent, by registered first class mail, postage prepaid, or by nationally recognized courier for delivery on the next business day, or by telecopy (with such telecopy to be promptly confirmed in writing sent by mail or overnight courier as aforesaid) as follows:

MISSISSIPPI DEVELOPMENT AUTHORITY

Leland Speed
Executive Director
501 North West St. (39202)
P. O. Box 849
Jackson, MS 39205
Fax: 601-359-3613

TUNICA COUNTY, MISSISSIPPI

William E. Pegram
President
Board of Supervisors
P.O. Box 217
1300 School Street
Tunica, MS 38676
Fax: 662-357-5934

THE COMPANY

Nathan Howard
General Counsel
1323 US Hwy 61
Tunica, MS 38676
Fax: 662-996-1119

6.8 The Company may only sell, assign or otherwise transfer the Project and/or this MOU and the benefits provided herein with MDA's and County's consent to a party which accepts and agrees to the obligations and commitments contained in this MOU and in all other documents executed for the benefit of this Project; provided that the Company may transfer the Project or all or a portion of the benefits herein to an affiliate. The County's consent for an sale or assignment shall no longer be required, the earlier of the Company fulfilling its obligations under Article II or the County Loan having been repaid,

6.9 In the event that the Constitution or laws of the United States or State of Mississippi limit the ability of an Inducer to perform its commitments hereunder in any way, then such Inducer shall work with the Company to identify and will make its best effort to provide to the Company a substitute incentive of equal economic value, or to restructure that part of the transaction to comply with the Constitution and laws of the United States and State of Mississippi.

6.10 The commitments and obligations set out in this MOU shall be subject to Force Majeure which shall be defined as any failure or delay by any party hereto to perform its obligations and commitments under the terms of this MOU by reason of act of God, war, riot, civil commotion, compliance with any law or governmental order, rule, regulation or direction, accident, fire, flood, storm or natural disaster, which to be applicable must materially impact production at the Facility. If such should occur, the parties hereto agree to negotiate in good faith to resolve any such situation in the best interest of the Project.

IN WITNESS WHEREOF, the Company has caused its name to be hereunto subscribed by a duly authorized officer, the State has caused its name to be hereunto subscribed by the Executive Director of the Mississippi Development Authority, and the County has caused its name to be hereunto subscribed by the President of the Board of Supervisors and the Clerk of the Board as of the date hereinafter written.

[SIGNATURES ON FOLLOWING PAGES]

STATE OF MISSISSIPPI
MISSISSIPPI DEVELOPMENT AUTHORITY


7-25-11
DATE

BY: Leland Speed
Leland Speed
Executive Director

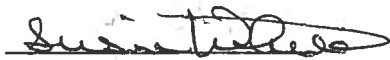
ATTESTED BY:
[Signature]

TUNICA COUNTY, MISSISSIPPI

JULY 20, 2011
Date

By: 
William E. Pegram
President, on Behalf of the Board
Of Supervisors

ATTESTED BY:


Susie White, Chancery Clerk

GREENTECH AUTOMOTIVE, INC.

July 20, 2011
DATE

BY: 
Charles Wang
President & CEO

ATTESTED BY:

