

SPECIAL TAX ASSESSMENT AGREEMENT
BY, BETWEEN AND AMONG THE TOWN OF AYER, MASSACHUSETTS,
AMERICAN SUPERCONDUCTOR CORPORATION AND 114 EAST MAIN STREET,
LLC

This Special Tax Assessment (“STA”) Agreement (the “Agreement”) is made this ____ day of _____ 2017, by and between the TOWN of AYER, a municipal corporation duly organized under the laws of the Commonwealth of Massachusetts, having a principal place of business at Town Hall, 1 Main Street, Ayer, 01432, acting through its Board of Selectmen, (hereafter called the “TOWN”), and American Superconductor Corporation (hereafter called “AMSC”), a Delaware corporation, and 114 EAST MAIN STREET, LLC, (hereafter called “114 EAST MAIN STREET, LLC”) a Massachusetts real estate advisor/developer, both with a principal place of business at 114 East Main Street/14 Sandy Pond Road, Ayer, MA 01432 (both collectively “114 EAST MAIN STREET, LLC/AMSC”), acting through John Kosiba, AMSC Senior Vice President, Chief Financial Officer & Treasurer, and Steve Goodman, 114 EAST MAIN STREET, LLC, President, respectively.

WHEREAS, 114 EAST MAIN STREET, LLC intends to acquire and AMSC intends to occupy certain real estate located at 114 East Main Street/14 Sandy Pond Road in Ayer, shown as Parcel 119 on Town of Ayer Assessor’s Map 28 and Parcel 75 on Town of Ayer Assessor’s Map 34 (the “PROPERTY”); and

WHEREAS, 114 EAST MAIN STREET, LLC/AMSC is committed to further improve the PROPERTY and desires to obtain certain exemptions from property taxation from the TOWN on the investment in the PROPERTY for a limited period of time; and

WHEREAS, AMSC intends to relocate to and strives to maintain and to expand operations at the PROPERTY; and

WHEREAS, the TOWN is willing to grant said exemption from certain municipal property taxes in return for a guarantee of capital investment in the PROPERTY by 114 EAST MAIN STREET, LLC/AMSC, for the investment in new employment opportunities for workers at 114 EAST MAIN STREET, LLC/AMSC, and other commitments by 114 EAST MAIN STREET, LLC/AMSC to the TOWN.

NOW, THEREFORE, in consideration of mutual promises contained herein, the sufficiency of which is hereby acknowledged, 114 EAST MAIN STREET, LLC/AMSC and the TOWN agree as follows:

I. 114 EAST MAIN STREET, LLC/AMSC OBLIGATIONS

1. 114 EAST MAIN STREET, LLC/AMSC shall invest approximately \$2.5 million over a five (5) year period in the construction, renovation and improvement of the PROPERTY, as well as, acquisition and/or moving and setup cost associated with machinery to be installed and operated

at the PROPERTY. The renovations shall significantly enhance the PROPERTY's customer and community appearance and condition.

2. AMSC shall transfer all of its business operations conducted in Massachusetts to the PROPERTY by no later than March 31, 2018. 114 EAST MAIN STREET, LLC/AMSC shall conduct its business operations at the PROPERTY for a minimum of fifteen (15) years from the date of the executed Special Tax Assessment Agreement.

3. If AMSC relocates its business operations from the PROPERTY in Ayer, Massachusetts or if this agreement is decertified by the Massachusetts Economic Assistance Coordinating Council ("EACC") during the period beginning on the date of execution of this Agreement through the last day of Year 11 of this Special Tax Assessment Agreement, 114 EAST MAIN STREET, LLC shall be obligated to repay to the TOWN 50% of the total Local Tax Incentive (as defined below) for the prior years of the agreement.

4. If AMSC relocates its business operations from the PROPERTY in Ayer, Massachusetts or if this agreement is decertified by the Massachusetts EACC during the period beginning on the first day of Year 12 of this Agreement through the last day of Year 15 from the date of execution of this Special Tax Assessment Agreement, 114 EAST MAIN STREET, LLC shall be obligated to repay 25% of the total Local Tax Incentive for the prior years of the agreement.

5. AMSC agrees to move all of its eighty-two (82) current employees, their operations and job functions that are currently in the Devens, Massachusetts PROPERTY to the PROPERTY in Ayer, Massachusetts and shall agree not to relocate any of these jobs outside of the PROPERTY in Ayer, Massachusetts. AMSC shall strive to maintain and grow its workforce for the duration of this STA Agreement.

6. 114 EAST MAIN STREET, LLC/AMSC shall make reasonable efforts to use local Ayer companies and contractors for any construction, improvements or renovations on the PROPERTY, and to use local contractors that have registered apprenticeship programs with the State to encourage the training of a skilled workforce.

7. 114 EAST MAIN STREET, LLC/AMSC shall make reasonable and demonstrable effort to use local Ayer landscape & facility maintenance companies at the PROPERTY and reasonable efforts will be made to use local Ayer restaurants & eateries for corporate & special event catering at the PROPERTY.

8. AMSC shall partner with Office of Community & Economic Development to incrementally develop & offer a High School Innovation Technology Apprenticeship Program and/or Innovation Technology Mentor Program, and a bi-annual AMSC Student Visitation & Tour Series.

9. If 114 EAST MAIN STREET, LLC/AMSC decides to vacate the PROPERTY or to discontinue the operations of the business at the PROPERTY, 114 EAST MAIN STREET, LLC/AMSC shall give the TOWN at least three (3) months advance notice of its intent to so

vacate, transfer or discontinue. Said notice shall be given by certified mail, return receipt requested, to the Town Administrator, Town Hall, 1 Main Street, Ayer, MA 01432.

10. 114 EAST MAIN STREET, LLC shall not demolish the buildings or structures on the PROPERTY for a period of fifteen (15) years from the date of execution of this Special Tax Assessment Agreement, unless to construct a new Technology, Industrial, and/or Manufacturing building of equal or larger building size.

11. If 114 EAST MAIN STREET, LLC demolishes the buildings or structures on the Property by the beginning of (Year 16) from the date of execution of this Special Tax Assessment Agreement, 114 EAST MAIN STREET, LLC will repay to the TOWN 25% of the Local Tax Incentive.

12. 114 EAST MAIN STREET, LLC shall make a concerted and demonstrable effort, in direct partnership with the Ayer Office of Community & Economic Development, to tenant the subject property with a Technology, Industrial, and/or Manufacturing use for a ten (10) year period.

13. 114 EAST MAIN STREET, LLC/AMSC shall provide the Commonwealth and the TOWN with an annual report no later than March 31st for each calendar year of the STA Agreement for the first five (5) years of the Agreement. Said report shall contain the following information: (1) employment levels at the PROPERTY; (2) number of residents of the TOWN and each other city or town employed at the PROPERTY at the end of the reporting period; (3) utilization of local contractors for construction, improvement or renovations during the year; (4) a summary of 114 EAST MAIN STREET, LLC/AMSC financial contribution to the TOWN including property taxes, vehicles excise taxes, water and sewer fees, and any other payments or contributions required under this Agreement. 114 EAST MAIN STREET, LLC/AMSC shall also contemporaneously provide to the TOWN copies of all other applications, submissions and reports filed by 114 EAST MAIN STREET, LLC/AMSC with the Massachusetts Office of Business Development ("MOBD") or MOBD's Economic Development Incentive Program ("EDIP"), to the extent such documents constitute public records.

14. If 114 EAST MAIN STREET, LLC/AMSC fail to meet the obligations specified in Sections I.1 through I.8 above, the TOWN, acting through its Board of Selectmen, may request decertification of the STA and related 114 EAST MAIN STREET, LLC/AMSC project by the Massachusetts EACC. Prior to requesting such decertification, the TOWN shall give written notice of the alleged default to 114 EAST MAIN STREET, LLC/AMSC and an opportunity to meet with appropriate TOWN officials to discuss a cure for the alleged default. 114 EAST MAIN STREET, LLC/AMSC shall have 30 days from the date of the written notice to respond to the TOWN regarding any alleged default, and 120 days from the date of the written notice to cure such default; provided, however, that the time to cure such default shall be extended where the inability to cure results from reasons of force majeure (e.g. act of God, act of war, terrorism) wholly beyond the control of 114 EAST MAIN STREET, LLC/AMSC.

II. TOWN'S OBLIGATIONS

1. Contingent on 114 EAST MAIN STREET, LLC/AMSC complying with its obligations and conditions set forth in Sections I.1 through I.14 above, the TOWN shall grant an STA exemption to 114 EAST MAIN STREET, LLC/AMSC in accordance with Massachusetts General Laws, Chapter 23A, Sections 3E-3F; Chapter 40, Section 59; and Chapter 59, Section 5. Said STA exemption shall be granted on the full assessed value of the PROPERTY and all improvements made to the same, and shall be based on the assessed value of the real property for each fiscal year in which the exemption applies.
2. Said STA exemption shall commence beginning July 1 of the first fiscal year following the later of the execution of this Agreement or 114 EAST MAIN STREET, LLC/AMSC acquisition of the PROPERTY and shall end in the tenth (10th) fiscal year thereafter.
3. Attached hereto as EXHIBIT A is a Local Incentive Valuation Worksheet setting forth the estimated calculation of the STA exemption (the "Local Tax Incentive").

III. ADDITIONAL PROVISIONS

1. This Agreement shall be binding on 114 EAST MAIN STREET, LLC/AMSC, its successors and assigns.
2. The matters described above as obligations of 114 EAST MAIN STREET, LLC/AMSC are only conditions to the eligibility for tax exemptions under this Agreement, and do not create any enforceable obligation or covenants of 114 EAST MAIN STREET, LLC/AMSC, other than as described herein. The TOWN acknowledges and agrees that its sole and exclusive remedy for any breach, default, or failure by 114 East Main Street, LLC. /AMSC to satisfy any of its respective obligations and conditions under this Agreement are set forth in Sections I.3, I.4 and I.11 of the 114 East Main Street, LLC/AMSC Obligation Section of this Agreement.
3. This Agreement is subject to Massachusetts General Laws Chapter 23A, Sections 3A-3F inclusive; Chapter 40, Section 59; and Chapter 59, Section 5, as may be amended from time to time.
4. Should any provision of the Agreement be declared or be determined by a court of competent jurisdiction to be illegal or invalid, the validity of the remaining parts, terms, and provisions shall not be affected thereby and said illegal or invalid part, term, or provisions shall be deemed not to be part of the Agreement upon such declaration or determination.
5. 114 EAST MAIN STREET, LLC/AMSC shall comply with all Federal, State and local laws, rules, regulations and orders applicable to this Agreement and the operations and activities at the PROPERTY, such provisions being incorporated herein by reference, and shall be responsible for obtaining all necessary licenses, permits, and approvals required for the performance of such work.

6. The Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts and the parties submit to the jurisdiction of any of its appropriate courts for the adjudication of disputes arising out of this Agreement.

7. The Agreement may only be amended or modified by a written instrument. The failure of any party at any time to require the performance of any provision hereof shall in no manner affect the right of such party at a later time to enforce the same.

8. This Agreement may be signed in multiple counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Agreement may be signed by a signature delivered by facsimile or other electronic image, which shall bind the party so signing.

9. This Agreement shall be effective commencing on _____, 2017. All obligations of 114 EAST MAIN STREET, LLC/AMSC and the TOWN with respect to the STA (EXHIBIT A) shall expire on _____, 2027 (or June 30 of the tenth (10th) fiscal year after 114 EAST MAIN STREET, LLC/AMSC first receives an STA hereunder, if later). The remaining agreement, excluding EXHIBIT A, shall expire on _____, 2032.

EXECUTED as a sealed instrument on the day and year first above written.

TOWN OF AYER
BOARD OF SELECTMEN

AMERICAN SUPERCONDUCTOR
CORPORATION

(Signature)

(Name and Title)

114 EAST MAIN STREET, LLC

(Signature)

(Name and Title)