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Georgia Project Development Financial Assistance

Memorandum of Understanding

I. This Memorandum of Understanding ("MOU") is entered into by **Denkai Copper LLC** ("Company"), the **Augusta Economic Development Authority** ("Development Authority") and the Georgia Department of Economic Development ("GDEcD"), an agency within the executive branch of the State of Georgia ("State"), this date 07/21/2022.

II. PURPOSE: The purpose of this MOU is to describe, commit and commend the Company's investment project ("Project") for the Community and State, and the general economic benefits thereof, and to jointly undertake an efficacious application for an **EDGE** award in the amount of **$1,850,000**, administered by the Georgia Department of Community Affairs ("DCA") within an agreed upon timeframe.

III. "PROJECT" DESCRIPTION: The economic development investment project opportunity for **Augusta-Richmond County** ("Community") is described as:

The Company will establish a new North American headquarters and southeast production facility, located in the Augusta Corporate Park at Valencia Way, Augusta, Georgia 30906 (the "Facility"), as shown in Exhibit B. The Company will create 250 net-new full-time jobs with an average wage of $73,507, plus benefits, and invest $430,000,000 in the build out of the Facility over a sixty-month performance period.

IV. STATE ASSISTANCE: A critical component of the Project described above is a requirement of state assistance, in the form of a grant[1] ("Project Development Grant") in order to secure the Project investment for the Community and State. The Project Development Grant required for this Project's success is described as follows:

A $1,850,000 EDGE grant to offset the cost of site preparation for the Facility.

V. COMPANY COMMITMENT: As part of the Project described above in Section III, Company commits to invest **$430,000,000** in land, construction and/or building, equipment and other real and personal property, as well as create **250 net-new full-time jobs**[2] within **sixty (60)** months from the earlier of (i) the date of the issuance of the Certificate of Occupancy for a new facility to be operated by the Company or the completion of installation of the incentive funded asset in the case of an expanded facility, or (ii) the anticipated start-date of **December 1, 2024,** which is the date that the

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[1] Any assets funded or partially funded with the Award Amount ("Grant-funded Assets") must be publicly titled for the life of this grant. Furthermore, the Company shall not use publicly titled machinery and equipment as collateral for financing or to grant a security interest in the machinery and equipment to any other entity other than the Development Authority.

[2] Net new full time job is defined as a new job that did not previously exist within the State of Georgia which has a minimum of 35 hours per week, with the opportunity for access to, but not necessarily paid or subsidized, medical benefits.

Company reasonably expects the facility, including a dedicated substation by Georgia Power . Company may begin counting jobs and investment on **March 14, 2022**.

The Company also intends to maintain operations at this specific facility in the Community for a minimum of 10 years. Furthermore, before the Project Development Grant is disbursed, the Company shall participate in a joint press release with the State and Community announcing the Project. Also, the Company agrees to provide the following to DCA within the time specified, or where no time is specified, within 60 days from the date DCA issues the Development Authority an application for the Project Development Grant:

1. At the time of execution of this MOU, a designated official Company contact, including title and all contact information, in order to further clarify Project activities related to the Project Development Grant/Loan and application, as well as facilitating the items listed below.

2. Description of the anticipated timeline for completion of the Project investment;

3. Description of the Company and type of business activity that will be conducted at this operation;

4. Primary NAICS Code for Company, and if different, the NAICS Code specific to the proposed operation or expansion;

5. Expected average wage rate(s) for the total number of jobs detailed above;

6. Description of the types and quality of jobs to be created by the operation or expansion and a list of benefits the Company offers to employees;

7. Copy of two most recent years-worth of Company's Parent's (Denkai America, Inc.) 10k reports, OR if privately owned, two most recent years of federal tax returns *or* audited company financials; and

8. At the time of execution of this MOU, a signed version of Georgia's Performance Accountability Agreement noted in Section VII (to be provided by the Georgia Department of Economic Development).

A Grant Documentation Checklist which identifies documentation required by DCA is attached hereto as **Exhibit A.**

VI. DEVELOPMENT AUTHORITY COMMITMENT: The Development Authority, as part of the Project described above (Section III), commits to filing a formal application for an **EDGE** grant in the amount of **$1,850,000** with DCA for the Project Development Grant described above (Section IV), being as the Project is expected to provide public economic development benefits in the form of increased local employment opportunities, the potential for increased local sales and property taxes collected, and an infusion of a new capital investment(s) and ancillary related expenses made to the Community, as described in the Project description and Company commitments detailed above.

The Development Authority additionally commits to submitting a fully completed application to DCA within 60 days from the date DCA issues the application, including but not limited to the following information:

1. Evidence that the Project property to be financed or improved with State financial assistance funds is currently publicly owned and controlled, or in the process of being acquired;

2. Details of the Development Authority or Community's investment in, or contribution to, the Project as a key component to attracting the Project investment; and

3. Site maps and/or building illustrations and/or equipment descriptions depicting the property to be acquired or improved.

VII. GDEcD COMMITMENT: GDEcD, as part of the Project described above (Section III), commits to providing DCA with a formal Letter of Recommendation from the GDEcD Commissioner within 14 days of a signed MOU, recommending the Project to receive **EDGE** funds in the amount of **$1,850,000** for the Project Development Financial Assistance purpose and use of funds described above in Section IV.

1. Along with a Letter of Recommendation, GDEcD will also provide DCA within 20 business days a Summary of Economic Benefits from the Project for the State and Community, including an estimated net present value and expected payback period to the State specific to the grant or loan amount, and based on the expected local and statewide economic impacts of the Project.

2. Additionally, GDEcD will provide DCA with a Performance and Accountability Agreement, to be signed by the DCA Commissioner and authorized officials from both the Company and Development Authority hereto. This signed document will also be forwarded to DCA within 30 days.

VIII. TESTIMONY OF COMPETITION: But for the State assistance described in Section IV of this document, the Company may have decided to locate the Project described in Section III at a site in the competing state of **South Carolina**.

IX. ADDITIONAL DOCUMENTS REQUIRED: All parties understand and agree that upon approval of the financial assistance award, the following items may be required by the Development Authority (or associated applicant) before the award will be released:

1. Independent cost estimates, engineering estimates or appraisals of property to be acquired or improved by Development Authority as part of the Project Development Financial Assistance award;
2. Copy of the lease between the Development Authority and the Company; and
3. Copy of Inducement Resolution, including Validation, as applicable.

X. APPLICATION APPROVAL: While a timeline for application approval cannot be guaranteed and is often dependent upon a financial risk analysis, if all deadlines are met by each of the three parties above: Company, Development Authority and GDEcD, DCA will make every effort to render an official opinion on the Project Development Financial Assistance application within 60 business days of receipt of all items and documents detailed within this MOU.

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Disclaimer: This document does not guarantee grant or loan application approval. However, a fully completed and signed MOU, the information contained herein, and the additional disclosure items detailed in this document provide much of the information and commitments necessary to ensure an expedited and successful Project Development application approval.

[SIGNATURES ON FOLLOWING PAGE]

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Signature Page

Memorandum of Understanding
Denkai Copper LLC Project in Augusta-Richmond County Georgia

IN WITNESS WHEREOF, the parties have hereunto set their signatures and affixed their seals the day and year first written above.

Denkai Copper LLC

By: ______________________

Title: President & CEO

Date: 7/19/2022

Seal

Augusta Economic Development Authority

By: ______________________

Title: ______________________

Date: ______________________

Georgia Department of Economic Development

By: ______________________

Title: Commissioner

Date: 07/21/2022

Seal

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Signature Page

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IN WITNESS WHEREOF, the parties have hereunto set their signatures and affixed their seals the day and year first written above.

Denkai Copper LLC

By: ______________________

Title: ______________________

Date: ______________________

Seal

Augusta Economic Development Authority

By: ______________________

Title: CHAIRMAN

Date: 7/18/22

Georgia Department of Economic Development

By: ______________________

Title: ______________________

Date: ______________________

Seal

Exhibit A-Grant Documentation Checklist

REBA and OneGeorgia EDGE Programs Application Documentation

Georgia Department of Community Affairs

The Georgia Department of Community Affairs (DCA) assists with the administration of funding for REBA and OneGeorgia EDGE projects. Based on the type of project, varying documentation is required. Below are general guidelines to assist with the collation of documentation for the application. While this is a comprehensive list, it is not intended to be all-inclusive. Additional detail may be required based on the complexity of the project.

Awards are generally made to a local Development Authority, as recipient, with the private entity as the beneficiary. State-funded assets must be held in public ownership for the duration of the State-funded grant period.

Land Acquisition Projects:
For land to be purchased with State funds, the recipient must submit to DCA at the time of application:

Evidence of Land Acquisition Costs and Fair Market Value

___appraisal of the land by a State Certified General Real Property Appraiser
___executed purchase agreement or similar document
___executed settlement statement(s)
___executed and recorded warranty deed(s)
___executed lease agreement

Site Preparation Projects*:

___recorded warranty deed(s)
___executed lease agreement
___copy of fully-executed Form AIA document(s) showing the period-billed site preparation line items in an amount at least equal to the amount of State funding

Construction / Infrastructure / Machinery & Equipment Projects*:
For construction, infrastructure or machinery & equipment projects, the recipient must submit to DCA at the time of application:

___construction contracts or machinery and equipment quotes or invoices for the asset(s) to be acquired with State funds.
___invoices for machinery and equipment projects must show the project location as the "ship to" address and clearly detail the asset(s) being purchased
___executed Bill of Sale for the State-funded asset(s)
___executed lease agreement

**Invoices and payment verification is required prior to the drawdown of funds. Clear documentation of payment for the State-funded asset is required in the form of cancelled checks or EFT verification.*

Exhibit B- Site Map