

**ALBUQUERQUE DEVELOPMENT COMMISSION**

**August 7, 2024**

**Local Economic Development Act Hearing**

Case #2024-9

**LEDA 25-2:** Ebon Solar LLC LEDA Project

**REQUEST:** Approving an Ordinance for Ebon Solar LLC Pursuant to the Local Economic Development Act

**PROJECT SUMMARY:**

Ebang International Holdings Inc. and its subsidiary Ebon Solar LLC are a limited liability company registered to do business in New Mexico (“Ebon Solar”), is seeking the City of Albuquerque to be the fiscal agent for State LEDA funds and for the City to directly provide LEDA funds, to be used for the construction and improvement of a photovoltaic (solar) cell manufacturing facilities (the “Project”). Ebon Solar is seeking LEDA funding in the amount of \$11,000,000. The State has agreed to provide \$10,000,000 and the City proposes to provide \$1,000,000. Ebon Solar will be eligible for reimbursement for costs of the construction and improvement incurred following execution of the Project Participation Agreement (“PPA”).

Ebang International Holdings Inc., a NASDAQ-listed (EBON) firm in blockchain technology, fintech, and the solar industry. Ebang was founded in 2010. The company is known for their application-specific integrated circuit (ASIC) chip designs. In its formative years, Ebang engaged in the development and sale of communications network access devices and related equipment. In 2018, Ebang underwent a series of corporate reorganizations in advance of its initial public offering on Nasdaq, which occurred in 2020. On June 11, 2021, Ebang formed a wholly-owned subsidiary in Delaware, Ebon Technology LLC (now Ebon Solar LLC), as its project company for the purpose of establishing domestic solar cell manufacturing facilities. In the decade since its founding, Ebang has established a global footprint and has grown into a multinational corporate group, headquartered in Singapore and with subsidiaries across the Americas, Asia and Australasia.

Ebang is globally renowned for its capabilities and experience in research, development, and design of circuit chips and high-performance hardware. Ebang has established in-house production capabilities to conduct PCB (a board on which chips are mounted) assembly and system assembly for cryptocurrency mining machines a wide range of telecommunications products. With its extensive experience and expertise in high-tech manufacturing, Ebang is well-positioned to establish and construct a state-of-the-art solar cell manufacturing facility in the United States.

Ebang Holdings operates across the globe with locations in the United States, Singapore, Australia, Hong Kong, and Hangzhou, China.

Ebon Solar anticipates occupying and operating its Project facilities and will hire and retain at least 911 employees as outlined in the PPA. Many of these jobs will provide opportunities and training for low/moderate income residents. Ebon Solar will maintain the Project’s operations in Albuquerque for a minimum of ten (10) years.

This Project involves construction and operation of a new, state-of-the-art solar cell manufacturing facility in the United States. The facility will manufacture photovoltaic cells, commonly called “solar cells”, which are semi-conductor devices that convert the energy of light into electrical energy. The Project will increase Ebang’s capacity to satisfy long-term growth projections and to further the Company’s strong commitment to its U.S. customers. Development of the Project will take place in two phases, with an aggregate, estimated \$942 million of total capital investment over a period of approximately 6 years.

Phase I of the Project is estimated to comprise a 1 GW annual production capacity, over \$200 million in capital investment, and will create over 200 direct U.S. jobs. Phase II is estimated to comprise an additional 3.5 GW annual production capacity, over \$700 million of additional capital investment, and will create over 700 additional direct U.S. jobs.

The Company is a limited liability company that has elected to be taxed as a c-corporation. The aggregate, estimated \$942 million investment in the Project will have a significant positive impact on the local economy in Bernalillo County. Over the initial six-year time horizon, the Company estimates the Project will create an estimated 911 direct full-time U.S. jobs, which will provide a substantial boost to employment in the area. These jobs will span various skill levels, offering opportunities for a diverse range of workers, from entry-level positions to specialized roles. The influx of jobs will likely reduce the local unemployment rate, and will provide a steady reliable income for many local households. This will, in turn, lead to increased spending within the community, benefiting local businesses such as retail stores, restaurants and other service providers. During the construction phase, local contractors, construction firms and suppliers are expected to benefit from the contracts and projects required to build the facility, both in- and out of state. The Company’s investment could also act as a magnet for further investment and business in the area, leading to a more diversified local economy.

The Company is in the process of acquiring property located at the Mesa del Sol Development, Albuquerque, County of Bernalillo, New Mexico for the Project.

The Project is expected to create approximately 2,665 construction jobs sourced from local labor pools, as much as possible.

The project is anticipated as encompassing approximately 834,000 square feet, with Phase 1 encompassing approximately 161,000 square feet and Phase 2 encompassing approximately 673,000 square feet. The project will be a greenfield investment located in the Mesa Del Sol development that will include manufacturing facilities.

The Project will generate additional benefits and costs for local taxing districts, a summary of which is provided below. The source of specific benefits and costs are provided in greater detail for each taxing district on subsequent pages. Overall, the City will receive approximately \$ 49,439,700 in net benefits over the 10-year period, equating to a Present Value of \$ 38,838,199. The Project will have an estimated Total Public Net Benefit of \$138,541,245 over the 10-year period.

The State of New Mexico and its local governments are empowered to offer discretionary

incentives to companies that support economic development projects that foster, promote, and enhance local economic development efforts. Qualifying entities for these projects include:

**“A corporation, limited liability company, partnership, joint venture, syndicate, association or other person that is one or a combination of two (2) or more of the following:**

**(1) An industry for the manufacturing, processing, or assembling of any agricultural or manufactured products;**

The LEDA application, as shown in Exhibit 1, provides details of the project and the number and types of jobs to be created.

Exhibit 2 delineates the required Project Participation Agreement (“PPA”) between Ebon Solar and the City. The PPA is summarized in Section V.

This project includes a fiscal impact analysis provided to the City from the New Mexico Economic Development Department, using a model developed by the New Mexico Economic Development Department. The analysis estimates the impact that a potential project may have on the state and local economies and estimates the costs and benefits for the state and local economies over a 10-year period. The report and analysis uses RIMS II Multipliers produced by the U.S. Bureau of Economic Analysis (BEA). The fiscal impact determination of the project is from information the company provided. The analysis shows that the company will be making a substantive contribution to the community.

**FINDINGS:**

1. LEDA 25-2 is a qualified project as defined by the State’s Local Economic Development Act and the City enabling legislation (F/S O-04-10); and
2. LEDA 25-2 would make positive substantive contributions to the local economy and community by creating 911 base jobs; and
3. Subject to the development of acceptable security documents, LEDA 25-2 would comply with the adopted City plans and policies, and meet community economic development priorities and objectives, including remaining in operation for 10 years; and
4. Subject to the development of acceptable security documents, LEDA 25-2 would adequately meet the evaluation criteria established by the City for Local Economic Development Act projects, including the requirement that the City recoup the value of its investment within 10 years.

**PROJECT ANALYSIS:** The project, as proposed in the project application, will be analyzed in accordance with the City’s LEDA project evaluation criteria.

**I. PROJECT ELIGIBILITY**

1. QUALIFYING ENTITY

City enabling legislation (F/S O-04-10), as well as the State Local Economic Development Act, establishes a definition for a “Qualifying Entity” eligible for LEDA funding assistance. Ebon Solar qualifies under the Act and the Ordinance by meeting the following definition:

**As stated in the Summary, qualifying entities for these projects include**

**“A corporation, limited liability company, partnership, joint venture, syndicate, association or other person that is one or a combination of two (2) or more of the following:**

**(1) An industry for the manufacturing, processing, or assembling of any agricultural or manufactured products;**

2. ECONOMIC DEVELOPMENT POLICIES AND OBJECTIVES

The City’s enabling legislation also states that applications for LEDA assistance, which meet the policies and objectives of the City’s community economic development plans, shall receive priority. Ebon Solar qualifies as the type of project that meets the City’s identified economic development priorities under (F/S O-04-10) in the following categories:

**(2) Private companies seeking to build, expand or relocate facilities;**

**(4) Manufacturing firms (including intellectual property such as computer software);**

**(5) Projects which enhance the exporting capacity of companies and/or provide goods and services which currently have to be imported into Albuquerque;**

II. LAND USE, PLAN AND DESIGN ELEMENTS

1. PLAN & ZONING:

Legal Description

No legal description is currently available for the Project site. The anticipated Project site is located at Mesa del Sol Development, Albuquerque, County of Bernalillo, New Mexico, with the site located on a portion of UPC 101605026829920101. Applicant has prepared a map of the currently contemplated Project site as Exhibit A in the LEDA application, and will provide a formal legal description for the Project Site once it is available.

The project also conforms to the City’s Economic Development strategies:

Smart Recruitment, Retention, and Expansion – The Economic Development Department (EDD) is focused on recruiting companies from specific industries that build upon Albuquerque’s

existing assets. The EDD supports new enterprise creation, cluster development, and strategic attraction and recruitment of businesses that align with and complement existing strengths.

2. LAND USE:

The Project site is currently vacant, raw land with no improvements. There are no existing structures or uses exist, no existing building to be rehabilitated or incorporated into the construction.

The Applicant proposes to construct the Project at the Mesa Del Sol mixed-use master planned community in Albuquerque, New Mexico. The complex will include 6 buildings; one warehouse, one office, and 4 manufacturing buildings.

Additional investment is planned for infrastructure and roads by Mesa Del Sol and local utilities for services to the site, including the following:

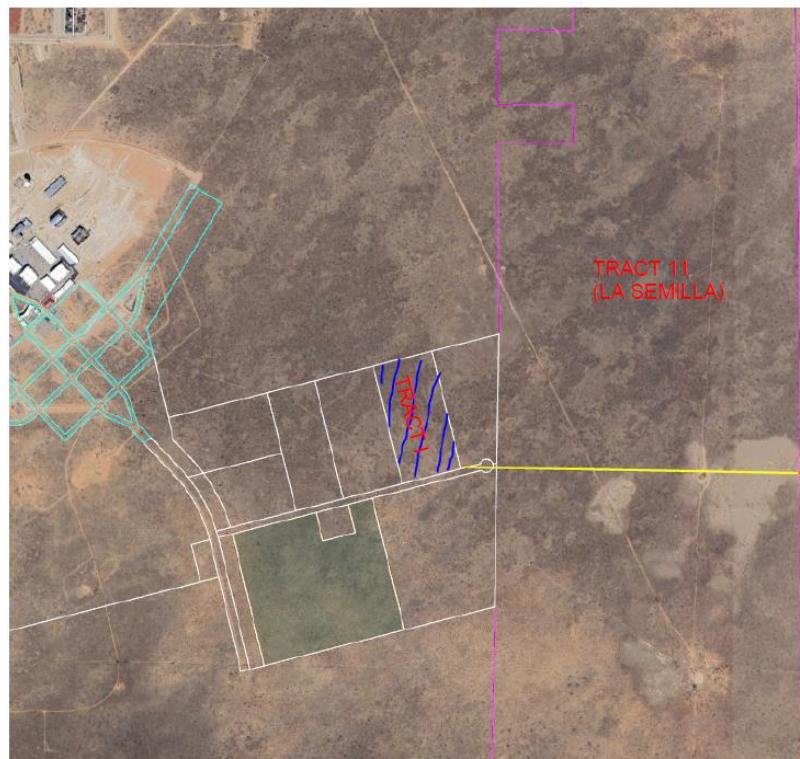
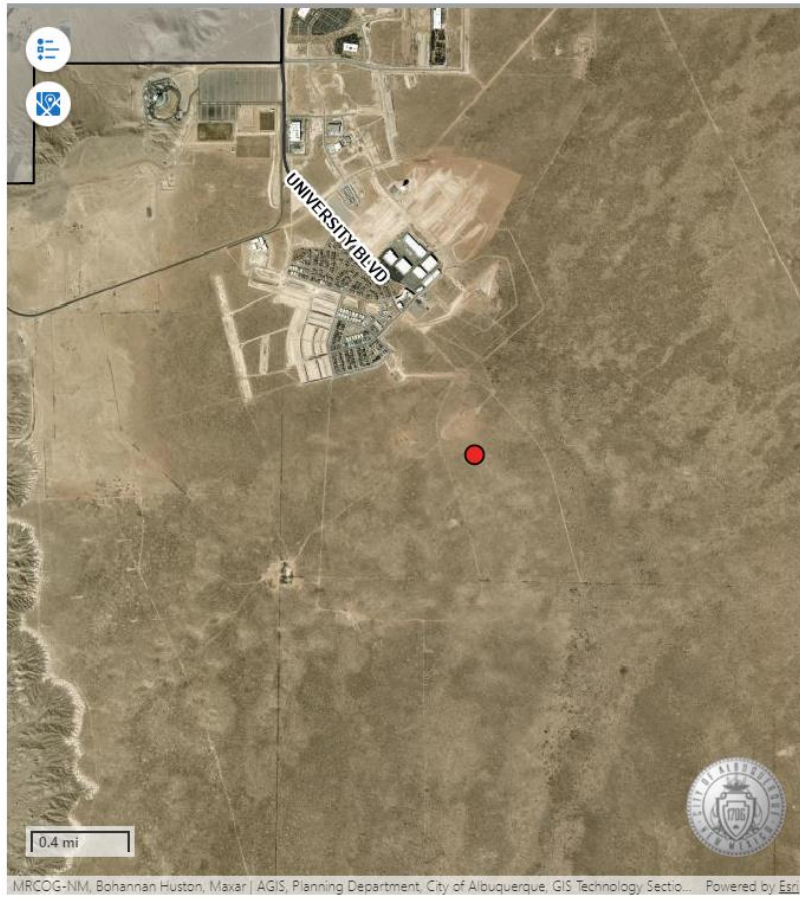
- Roads
- Power
- Water
- Storm Sewer
- Sanitary Sewer
- City Reuse Water
- Advanced Water Treatment Plant by Water Authority, Industrial Wastewater Recycling
- Broadband (fiber)

No existing building or historic properties on the site, so no building demolition is necessary. Only grubbing and rough grading would be required.

3. INFILL:

The Project is located on undeveloped, vacant land. There are no buildings currently at the site. No individuals, families, or businesses will be displaced by the activities outlined in this plan.

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4. DESIGN AND CONSERVATION:

We anticipate that the Project will use approximately 139,813 gallons of water per month when fully developed, and we are committed to exploring opportunities to reduce and re-use water, where possible.

The Company is actively exploring a range of water conservation strategies to enhance the sustainability of their new solar cell manufacturing facility in Albuquerque. Their focus includes evaluating advanced water-efficient technologies and practices that align with our commitment to environmental stewardship. We aim to adapt the best available methods that meet both the operational needs and community standards, continuing to assess these options as the project progresses.

The Company is dedicated to sustainability and is actively implementing measures to support this commitment. As part of their ongoing efforts, Ebon will introduced LED energy-efficient lighting systems across all our facilities. This not only reduces energy consumption but also significantly lowers their environmental footprint.

Furthermore, Ebon Solar prioritizes the use of renewable materials in construction processes wherever feasible. This approach helps in minimizing the use of non-renewable, high-carbon emission materials such as concrete. Instead, Ebon advocates for the extensive use of recyclable steel structures, which align with sustainability goals by offering both durability and recyclability.

5. RENEWABLE ENERGY:

The company is introducing LED energy-efficient lighting systems across all their facilities. This initiative aligns directly with their sustainability goals by reducing energy consumption and minimizing the environmental footprint. LED lighting is more energy-efficient than traditional options, consuming less energy and offering a longer lifespan. This reduces the demand for energy, which often comes from non-renewable sources, thereby decreasing greenhouse gas emissions.

The application does not indicate that the Project will produce any renewable energy on site.

### III. ECONOMIC BENEFITS

6. COMPETITION:

Currently, there are no competitors in the same area of commerce with existing operations in the City. However, Maxeon also plans to locate in the Mesa Del Sol development, and that Maxeon's operations would compete with Ebon's.

7. JOBS:

Ebon Solar will be creating and hiring to fill over 900 high paying solar manufacturing jobs. The

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jobs created include operators, technicians, engineers, logistics, supervisors and management. The newly created jobs will have salary ranges from approximately \$30,8700 to \$129,960.

The estimated annual payroll for the project when fully developed is estimated at approximately \$73,015,560.

Ebon Solar estimates that the majority of the new permanent jobs will be filled by current Albuquerque residents. The jobs will exceed the median wages for the industry within the community and will match the skills of current city residents.

During the onboarding process, employees receive general company training as well as position-specific training. The duration of the training can vary and is based on the specific requirements of the position.

The Company has not yet finalized the details of its employee benefits packages at the proposed site; however, the Company is strongly committed to providing a comprehensive benefits package for its employees.

The Project is also expected to create approximately 1,187 indirect and induced jobs. Additionally, the Project will lead to the creation of 2,665 construction jobs sourced from local labor pools, as much as possible.

## **IV. PROJECT FEASIBILITY**

### 9. COST/ FEASIBILITY/ FINANCING:

The Ebon Solar project will be capitalized with the following capital structure:

- Applicant Equity Investment - \$200,000,000
- External Equity Investment- \$731,000,000
- LEDA Funds- \$11,000,000

Total Project Amount (Sum of above)- \$942,000,000.00

LEDA funding is subject to City Council approval.

### 10. DEVELOPER'S RECORD:

Ebon Solar Solar Technologies has multiple facilities across the globe. The company has a proven track record of successful developments and expansions across the globe. The company has stood up numerous facilities over its history

Additional information is available on <https://www.ebang.com.cn/solar/>

Based upon financial information provided, the company's track record and the organizational capacity, the company appears capable of managing and completing the project.

### 11. EQUITY:



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The Ebon Solar project will be capitalized with the following capital structure:

- Applicant Equity Investment - \$200,000,000
- External Equity Investment- \$731,000,000
- LEDA Funds- \$11,000,000

Total Project Amount (Sum of above)- \$942,000,000.00

Based upon financial information provided and the due diligence conducted, the company appears capable of managing and completing the project.

### 12. MANAGEMENT:

Ebon Solar's management leads a global team in multiple countries and continents. Their combined background, capabilities and experience in the manufacturing industry is ideal to lead a project of this scope.

Ebang has a broad ownership base and has only one owner with 20%+ ownership – Mr. Dong Hu, CEO. Ebon is a member-managed limited liability company, which does not have any directors. Current officers are Mr. Dong Hu, CEO and Mr. Hongyong Wang, COO.

Additional information on the management team can be found at:

<https://ir.ebang.com/corporate-governance/management#:~:text=Mr.,Zhejiang%20Ebang%20since%20January%202010>.

Based upon expertise and proven track record of the management team, the company appears capable of managing and completing the Project.

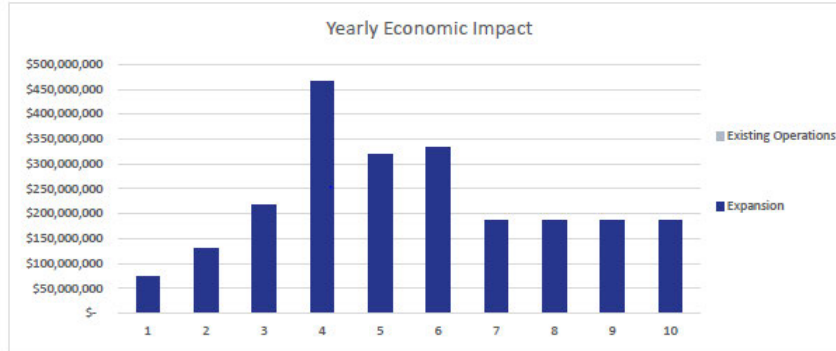
### 13. FISCAL IMPACT ANALYSIS

This staff analysis presents the results of an economic impact analysis performed using a model developed by the New Mexico Economic Development Department. The report estimates the impact that a potential project may have on the state and local economies and estimates the costs and benefits for the state and local economies over a 10-year period. The report and analysis uses RIMS II Multipliers produced by the U.S. Bureau of Economic Analysis (BEA).

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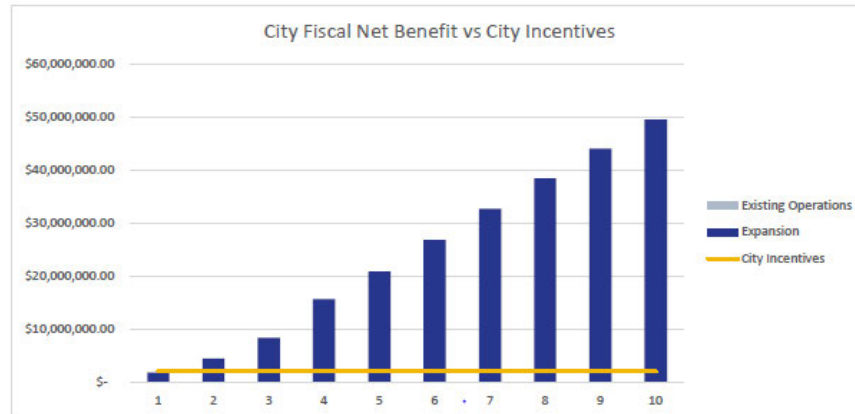
**Total Economic Impact**

	Total
Estimated Economic Impact Over 10 Years:	\$ 2,279,749,163
Combined Total Incentive Over 10 Years:	\$ 74,142,884
Economic Impact Rate of Return:	2,975%



**Workers and New Residents over 10 years**

	Direct	Indirect and Induced
Number of Jobs Created:	911	1187
Estimated Number of Construction Workers:	2665	
Estimated Number of New Residents to the State:	46	
Estimated Number of New Residents to the County:	46	
Estimated Number of New Residents to the City:	46	



**Incentives**

Total City Incentive:	\$ 2,000,000
City Incentive Per Job:	\$ 2,195

**Combined Payback and Return**

City Payback Period Combined:	1.08 Years
City Rate of Return Combined:	1842%

**Expansion Only Payback and Return**

City Payback Period Expansion:	1.08 Years
City Rate of Return Expansion:	1842%

## City Net Benefits Of Expansion

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$ 1,780,268	\$ 1,328	\$ 1,778,941	\$ 1,778,941
2	\$ 2,337,593	\$ (291,169)	\$ 2,628,762	\$ 4,407,703
3	\$ 3,638,887	\$ (267,089)	\$ 3,905,976	\$ 8,313,678
4	\$ 6,971,519	\$ (253,267)	\$ 7,224,786	\$ 15,538,464
5	\$ 4,030,502	\$ (1,254,755)	\$ 5,285,257	\$ 20,823,722
6	\$ 4,695,760	\$ (1,243,961)	\$ 5,939,720	\$ 26,763,442
7	\$ 4,596,832	\$ (1,241,912)	\$ 5,838,744	\$ 32,602,185
8	\$ 4,485,329	\$ (1,239,806)	\$ 5,725,135	\$ 38,327,321
9	\$ 4,372,945	\$ (1,237,641)	\$ 5,610,586	\$ 43,937,906
10	\$ 4,266,379	\$ (1,235,415)	\$ 5,501,794	\$ 49,439,700

## City Combined Net Benefits

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$ 1,780,268	\$ 1,328	\$ 1,778,941	\$ 1,778,941
2	\$ 2,337,593	\$ (291,169)	\$ 2,628,762	\$ 4,407,703
3	\$ 3,638,887	\$ (267,089)	\$ 3,905,976	\$ 8,313,678
4	\$ 6,971,519	\$ (253,267)	\$ 7,224,786	\$ 15,538,464
5	\$ 4,030,502	\$ (1,254,755)	\$ 5,285,257	\$ 20,823,722
6	\$ 4,695,760	\$ (1,243,961)	\$ 5,939,720	\$ 26,763,442
7	\$ 4,596,832	\$ (1,241,912)	\$ 5,838,744	\$ 32,602,185
8	\$ 4,485,329	\$ (1,239,806)	\$ 5,725,135	\$ 38,327,321
9	\$ 4,372,945	\$ (1,237,641)	\$ 5,610,586	\$ 43,937,906
10	\$ 4,266,379	\$ (1,235,415)	\$ 5,501,794	\$ 49,439,700

City Breakdown of Combined Benefits, Costs, and Net Benefits  
Over the Next 10 Years

## Taxes and Revenue

Gross Receipt Taxes	\$ 18,501,260
Misc. Taxes and Revenue	\$ 589,573
Property Taxes	\$ 22,085,181
<b>Subtotal of Benefits</b>	<b>\$ 41,176,013</b>

## Costs

Costs	\$ (8,263,687)
<b>Subtotal of Costs</b>	<b>\$ (8,263,687)</b>

## Net Benefits

<b>Net Benefits</b>	<b>\$ 49,439,700</b>
<b>Present Value</b>	<b>\$ 38,838,199</b>

## V. PROJECT PARTICIPATION AGREEMENT

Pursuant to the Local Economic Development Act, Sections 5-10-1 to 5-10-13 NMSA 1978 ("LEDA"), the City adopted Ordinance No. F/S 04-10 (the "LEDA Ordinance"), approving an economic development plan for the City and authorizing the City to consider applications for

economic development assistance. The Ordinance calls for the preparation and approval of a Project Participation Agreement (PPA), which is the formal document, which states the contributions and obligations of all parties in the LEDA project. The agreement must clearly state the following items:

- (1) The economic development goals of the project;**
- (2) The contributions of the City and the qualifying entity;**
- (3) The specific measurable objectives upon which the performance review will be based;**
- (4) A schedule for project development and goal attainment;**
- (5) The security being offered for the City's investment;**
- (6) The procedures by which a project may be terminated and the City's investment recovered; and,**
- (7) The time period for which the City shall retain an interest in the project. Each project agreement shall have a "sunset" clause after which the City shall relinquish interest in and oversight of the project.**

**B. Each project participation agreement shall be adopted as an ordinance and adopted by the Council at a public hearing.**

The primary terms of the Ebon Solar Project Participation Agreement are summarized and attached as an Exhibit.

1. Goals and Objectives. The goals and objectives of the Project are to create and support an economic development project that fosters, promotes and enhances local economic development efforts. The goal is that the Project will provide job growth and career opportunities for Albuquerque-area residents and otherwise make a substantive contribution to the community as set forth in this Agreement and in the Ebon Solar Application.

2. Company Contribution. Ebon Solar shall acquire, construct, and/or improve its Facility for the manufacturing and distribution of its products at an estimated cost of approximately \$942,000,000, and will hire and retain employees as contemplated by this Agreement all in accordance with the schedule and other terms and conditions set forth in this Agreement. Ebon Solar will maintain the Project's operations in Albuquerque for a minimum of ten (10) years. Ebon Solar will comply with all applicable laws in connection with the operation of the Project and will timely pay all personal property taxes with respect thereto.

3. The State Contributions; Procedure for Disbursement of the State Contributions. The City anticipates that the State Contribution of up to \$10,000,000 will be delivered to the City for subsequent disbursement to Ebon Solar following enactment of the Project Ordinance and execution of this Agreement and an intergovernmental agreement between the State and the City. The City will submit an invoice to the State and request transfer of the State funds. Upon receipt, the City will place

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the State Contribution into a separate account established in connection with the Project, as required by law. If, and only if, the City receives the State Contribution, the City will disburse the State Contribution to Ebon Solar in the manner as follows:

<u><i>Amount of State Contribution Available for Disbursement/Tranche</i></u>	<u><i>Disbursement Performance Milestone</i></u>
\$1,000,000	Adoption of Ordinance, executed PPA and IGA, security in place, LEDA eligible expenditures, current with all reporting
\$2,000,000	Obtain Certificate of Occupancy, Hire 25 full-time employees, LEDA eligible expenditures, current with all reporting
\$3,000,000	Spend a minimum of \$100,000,000 with New Mexico based contractors, LEDA eligible expenditures, current with all reporting
\$4,000,000	Hire 750 full-time employees maintain for one quarterly reporting period, LEDA eligible expenditures, current with all reporting.

4. The City Contribution. Pursuant to the Project Ordinance and the LEDA Ordinance, the City has committed the amount of \$1,000,000 for use in connection with the Project. As required by the LEDA Ordinance, the City will deposit the proceeds of the City Contribution into a clearly identified separate account, which account will be subject to an annual independent audit. City funds will be dispensed upon Ebon Solar obtaining an Occupancy Permit for the Facility.

5. Time Commitment. Ebon Solar intends to invest approximately \$942,000,000 for the acquisition, construction, and/or improvement of the Facility. Operations at the Facility are expected to begin following completion of the acquisition, construction, and/or improvement or as soon thereafter as possible. Ebon Solar will continue to operate the Facility and diligently conduct operations in the Facility in the manner contemplated by this Agreement at least through \_\_\_\_\_, 2034.

6. Use of Public Contributions. Ebon Solar will be eligible for reimbursement of up to \$11,000,000 for costs of the acquisition, construction, and improvement actually incurred after the date hereof and paid for, subject to the receipt by the City of the State Contribution. The City will make payment to Ebon Solar following submission to the City of documentation reasonably satisfactory to the City evidencing receipt of the Occupancy Permit with respect to the Project, and meeting the occupancy, operations, and job creation targets set forth herein.

No Project funds will be used to reimburse expenses from any individuals or a company that has a financial interest in Ebon Solar or its employees.

7. Job Commitment and Clawbacks.

A. Number of Jobs. Ebon Solar will create (i) 18 new Jobs in Albuquerque, New Mexico, by December 31, 2025, and (ii) an additional 900 new Jobs in Albuquerque, New Mexico, by December 30, 2030 (each, a “Job Target”). A Job will represent an employment position for a person for at least one pay period consisting of at least 32 hours of work per week and offering the employee the full range of benefits offered to other similarly situated Ebon Solar employees. Positions filled by contract, part-time and temporary workers will not be considered Jobs. All references herein to “employees” mean employees in Jobs as contemplated by this Section 7.A.

B. Wages and Benefits. Ebon Solar anticipates that the Jobs will fall within the wage ranges and will come with the benefits shown on Exhibit B. However, failure to meet the wage and benefit projections shown on Exhibit B or the total estimated increase set forth in Section 7.A. shall not constitute an Event of Default (defined below) or form the basis for any clawback payment.

C. Performance Clawbacks. If Ebon Solar does not employ and maintain at least 90% of the required number of full-time employees of its Job Targets, as set forth in Section 7.A herein, by close of business on the respective determination dates set forth in the table below, then, subject to the remainder of this Section 7.C, Ebon Solar will repay to the City, within sixty (60) days of the due date of the quarterly reports referred to in Section 12 below, the State Contribution and City Contribution paid on behalf of Ebon Solar pursuant to this Agreement that has already been disbursed to Ebon Solar as of the date of repayment (the “Performance Clawback”) in accordance with the following table:

<u>Cumulative Full Time Job Creation Target</u>	<u>Minimum Job Number</u>	<u>Job Determination Date</u>	<u>%-Clawback</u>
18	16	12/31/25	100%
900	810	12/31/30	50%
900	810	12/31/34	25%

For the purposes of this table:

(i) The “Clawback Penalty” is a penalty that Ebon Solar will be required to pay to the City upon Ebon Solar’s failure to meet the Job Target on or before the conclusion of the applicable Job Determination Period, if such Job Target is not otherwise reached by Ebon Solar during the Cure Period. The Clawback Penalty shall be equal to the product of the Percentage Hiring Shortfall (as defined herein), multiplied by the total amount of funds paid under this Agreement to Ebon Solar as of that time. For purposes of this subsection, the “Percentage Hiring Shortfall” shall be the quotient of (i) the Minimum Full-Time Job Creation for the applicable Job Determination Period, minus the actual number of jobs Ebon Solar maintains at the Facility at that time, divided by (ii) the Minimum Full-Time Job Creation for the applicable Job Determination Period. See Exhibit D hereto for examples of Clawback Penalty Calculations. Notwithstanding anything herein to the contrary, in no event shall the aggregate Clawback Penalty paid by Ebon Solar exceed the total amount of funds paid under this Agreement.

(ii) “Cure Period” is the period of 180 days after the end of each Job Determination Period during which time Ebon Solar shall have the opportunity to cure any shortfall in meeting the Minimum

Full-Time Job Creation. For the avoidance of doubt, if Ebon Solar meets the Minimum Full-Time Job Creation at any time during the Cure Period, Ebon Solar shall have no obligation to pay a Clawback Penalty corresponding to the applicable Job Determination Period. If Ebon Solar fails to reach the Job Target during the Cure Period, then Ebon Solar shall pay the City a Clawback Penalty determined in accordance with the table set forth above.

Notwithstanding the foregoing, if Ebon Solar fails to employ the required full-time employees as identified in Section 7.A herein, and Ebon Solar believes Business Climate Changes were the cause for the failure to meet such requirements, Ebon Solar will so advise the City in writing describing the Business Climate Changes in detail. “Business Climate Changes” mean substantial changes outside of the control of Ebon Solar, in the segment of the industry in which the Ebon Solar operates, that cause a significant decrease in the amount of sales Ebon Solar is able to achieve. The shifting of Ebon Solar’ operations to another Project, whether within or outside of Albuquerque, will not constitute a Business Climate Change.

If the City determine that Business Climate Changes affect Ebon Solar’ ability to maintain employment levels, it may waive or modify the Performance Clawback, but only related to the City Contribution and the City shall consult with the State EDD as to any potential waiver of the Performance Clawback or a portion thereof related to the State Contribution. Any Performance Clawback due will be paid within 30 days after the City notifies Ebon Solar of its decision or the decision of the State EDD. If Ebon Solar does not attribute the failure to meet employment requirements to Business Climate Changes, the payment of any Performance Clawback due will be submitted to the City within ten (10) days after the due date of the annual report reflecting the failure to maintain the required employment level.

D. Project Closure Clawback. Should Ebon Solar cease operations, or notify the City of its intent to cease operations, of the Project (i.e., cease to conduct operations at the Project) before December 31, 2034, Ebon Solar shall, within ninety (90) days of the cessation of operations at the Facility, pay to the City, in cash, an amount equal to a specified percentage of the amount of the City Contribution and State Contribution paid pursuant to this Agreement, with the specific percentage based on the date of cessation of operations in accordance with the following table (each percentage inclusive of any Performance Clawback already paid by Ebon Solar):

Date of Cessation of Operations	Percent of Public Contributions to be Repaid
On or before December 31, 2029	100%
From January 1, 2030 through December 31, 2031	80%
January 1, 2032 through December 31, 2032	70%
January 1, 2033 through December 31, 2033	60%
From January 1, 2034 through December 31, 2034	50%

Winding down of Ebon Solar' operations at the Facility in preparation for a cessation of operations may be considered a cessation of operations, and any such determination will be made by the City in its sole reasonable discretion.

E. Maximum Clawback; Unpaid Payments. Notwithstanding anything herein to the contrary, the maximum aggregate clawback and reimbursement payable hereunder will be \$11,000,000, not including interest. Any clawbacks not paid when due shall bear interest at the Prime Rate plus 2% per annum from the due date until paid. "Prime Rate" means the U.S. prime rate as reported from time to time in *The Wall Street Journal* in its Bonds, Rates and Yields table, or successor table.

8. Security. To secure the performance of its obligations under this Agreement, prior to the payment of any portion of the State Contribution or the City Contribution to Ebon Solar, Ebon Solar shall provide the City an acceptable form of security in favor of the City in the form of (i) an annually renewable surety bond/letter of credit; and/or (ii) UCC financing statement in a form and with collateral of a type and of a value reasonably acceptable to the City. See Exhibit C. If Ebon Solar chooses to provide an annually renewable surety bond/letter of credit, non-renewal from the surety company/bank does not constitute a claim under the surety bond or letter of credit, as applicable. The amount of the security posted will be equal to the amount of funds provided by the State and the City or the liability of the clawbacks as provided in Section 7, herein, whichever is less.

9. Events of Default and Remedies.

A. Failure to Comply With Obligations. Failure by Ebon Solar to comply with any obligation under this Agreement, including without limitation, the failure to make timely payment of any clawback payment due hereunder, shall be an Event of Default. Notwithstanding the foregoing, failure to meet employment projections or failure to meet wage and benefit projections shall not be considered an Event of Default; however, the failure to make timely payment of any clawback payment due as a result thereof shall be an Event of Default.

B. Notice of Event of Default. If any Event of Default occurs, the City shall notify Ebon Solar in writing, and Ebon Solar shall have thirty (30) days in which to cure such Event of Default. If the Event of Default is not cured within such thirty-day period, the City shall have and may exercise any remedies available at law or in equity.

10. Fees. Ebon Solar will promptly pay or reimburse the City for all reasonable third-party expenses incurred by the City in connection with this Agreement and the Project, provided, however, that Ebon Solar shall not be liable for costs incurred by the City that are the responsibility of the City in the ordinary course of business. If so determined by the City, in its sole discretion, such third-party expenses may be offset against or reimbursed from the City Contribution or the State Contribution. Although the City does not anticipate incurring significant third party expenses during the term of this Agreement, such expenses could include, without limitation, expenses associated with performance reviews or audits with respect to the Project and legal fees for outside counsel in the event of any proposed amendment to this Agreement or any necessary enforcement action with respect to this Agreement.



11. Reporting Requirement, Performance Review and Termination. Quarterly, on or before each January 31, April 30, July 31 and November 31, until January 31, 2035, Ebon Solar will provide to the City and to State EDD the company's 903A or its equivalent filed with New Mexico's Department of Workforce Solutions for the previous quarter regarding the workforce for Ebon Solar and such other information necessary for the City or its independent contractor to determine whether Ebon Solar has met its obligations under this Agreement. The annual EIA report provided by State EDD must be completed by February 28 of each year beginning in 2025, and failure to complete such report by April 15<sup>th</sup> of any year during the term of this Agreement shall result in a 10% clawback of the amount of State Contribution and City Contribution paid pursuant to this Agreement. As required by the LEDA Ordinance, the Project will be subject to an annual performance review conducted by City staff, which will evaluate whether the Project is attaining the requirements of this Agreement. This review shall be presented to the City administration and the City Council. If the requirements of this Agreement are not being satisfied, the City Council at a public hearing may cause the enforcement of this Agreement, including the right of the City to any Performance Clawbacks and other remedies set forth herein. In addition, pursuant to LEDA, if Ebon Solar has ceased operations and paid all amounts due to the City as provided herein, the City may enact an ordinance terminating the LEDA Ordinance.

**FINDINGS:**

1. LEDA 25-2 is a qualified project as defined by the State's Local Economic Development Act and the City enabling legislation (F/S O-04-10); and
2. LEDA 25-2 would make positive substantive contributions to the local economy and community by creating 911 base jobs; and
3. Subject to the development of acceptable security documents, LEDA 25-2 would comply with the adopted City plans and policies, and meet community economic development priorities and objectives, including remaining in operation for 10 years; and
4. Subject to the development of acceptable security documents, LEDA 25-2 would adequately meet the evaluation criteria established by the City for Local Economic Development Act projects, including the requirement that the City recoup the value of its investment within 10 years.

**STAFF RECOMMENDATION:**

Based on the above findings, staff recommends approval of LEDA 25-2 as proposed in the project plan application.

Max Gruner,  
Director  
Economic Development Department

## FY23/24/25 LEDA Application-ABQ

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Applicant	David Grossklaus
Applicant ID	APP-018928
Company Name	Ebon Solar LLC
Phone	515-441-1442
Email	grossklaus.david@dorsey.com
Status	Submitted
Application Amount	\$0.00
Funded/Approved	<input type="checkbox"/>
LEDA PPA Job Count Target	911

## Contact Information

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**Question:** Legal Company Name

Ebang International Holdings Inc. and its subsidiary Ebon Solar LLC

**Question:** Trade Name (dba)

Not Answered

**Question:** Project Name

Project Apollo

**Question:** Company Street Address

101 Eisenhower Parkway, Suite 300

**Question:** Company City

Roseland

**Question:** Company State

New Jersey

**Question:** Company Zip

07068

**Question:** Phone

██████████

**Question:** Website

Not Answered

**Question:** Primary Contact Person First Name

Judy

**Question:** Primary Contact Person Last Name

Cai

**Question:** Federal Tax ID #

36-4990031

**Question:** NM State Tax and Revenue Identification Number

TBD

**Question:** City/County Business License Registration will be pursued

Yes

No

**Question:** NAICS Code(s)-North American Industry Classification System

334413

**Question:** DUNS # (preferred but not required)

Not Answered

**Question:** This Business is organized as a:

C-Corporation

S-Corporation

LLC

Partnership

Sole Proprietorship

B-Corporation

**Question:** Incorporation Papers

[2024.7.12 DE Amendment - LLC - Change name.pdf](#) (7/19/2024, 6:03 PM)

[EBON TECHNOLOGY LLC - CERTIFICATE OF FORMATION \(Delaware Domestic LLC\).pdf](#) (7/19/2024, 6:02 PM)

**Question:** Resumes of all principals (owners, partners, directors or officers; required for businesses 1 years or younger)

No Attachments

**Question:** Company Contact for Project Administration (if different from above)

Not Answered

**Question:** Title

Not Answered

**Question:** Telephone

Not Answered

**Question:** Cell Phone

Not Answered

**Question:** Email

Not Answered

## Project Information

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Please include detailed information such as:

- Executive Summary; Business description and history
  - Infrastructure Development/Needs
  - Market analysis and strategy
  - Summary of competition
  - Tax Reporting Status
  - Effect on Existing Industry and Commerce during and after Construction
-

- Land Acquisition
- Local Purchasing
- Water Conservation
- Relocation of Individuals or Businesses
- Construction Schedule
  - Target Close Date
  - General Contract Signed
  - Construction Start
  - Construction End
  - New Facility Operational Date
- Operations plan; Organizational chart
- Any document or record that the local governing body, in its sole discretion, deems necessary.

**Question:** Description of the Proposed Development, its product and its timeline.

#### History & Business:

Ebang was founded in 2010. In its formative years, Ebang engaged in the development and sale of communications network access devices and related equipment. In 2018, Ebang underwent a series of corporate reorganizations in advance of its initial public offering on Nasdaq, which occurred in 2020. On June 11, 2021, Ebang formed a wholly-owned subsidiary in Delaware, Ebon Technology LLC (now Ebon Solar LLC), as its project company for Project Apollo for the purpose of establishing domestic solar cell manufacturing facilities. In the decade since its founding, Ebang has established a global footprint and has grown into a multinational corporate group, headquartered in Singapore and with subsidiaries across the Americas, Asia and Australasia.

Ebang is globally renowned for its capabilities and experience in research, development, and design of circuit chips and high-performance hardware. Ebang has established in-house production capabilities to conduct PCB (a board on which chips are mounted) assembly and system assembly for cryptocurrency mining machines a wide range of telecommunications products. With its extensive experience and expertise in high-tech manufacturing, Ebang is well-positioned to establish and construct a state-of-the-art solar cell manufacturing facility in the United States.

#### Description of the Project:

Project Apollo involves construction and operation of a new, state-of-the-art solar cell manufacturing facility in the United States. The facility will manufacture photovoltaic cells, commonly called “solar cells”, which are semi-conductor devices that convert the energy of light into electrical energy. The Project will increase Ebang’s capacity to satisfy long-term growth projections and to further the Company’s strong commitment to its U.S. customers. Development of the Project will take place in two phases, with an aggregate, estimated \$942

million of total capital investment over a period of approximately 6 years.

Phase I of the Project is estimated to comprise a 1 GW annual production capacity, over \$200 million in capital investment, and will create over 200 direct U.S. jobs. Phase II is estimated to comprise an additional 3.5 GW annual production capacity, over \$700 million of additional capital investment, and will create over 700 additional direct U.S. jobs.

The Company is a limited liability company that has elected to be taxed as a c-corporation.

The aggregate, estimated \$942 million investment in the Project will have a significant positive impact on the local economy in Bernalillo County. Over the initial six-year time horizon, the Company estimates the Project will create an estimated 911 direct full-time U.S. jobs, which will provide a substantial boost to employment in the area. These jobs will span various skill levels, offering opportunities for a diverse range of workers, from entry-level positions to specialized roles. The influx of jobs will likely reduce the local unemployment rate, and will provide a steady reliable income for many local households. This will, in turn, lead to increased spending within the community, benefiting local businesses such as retail stores, restaurants and other service providers. During the construction phase, local contractors, construction firms and suppliers are expected to benefit from the contracts and projects required to build the facility, both in- and out-of state. The Company's investment could also act as a magnet for further investment and business in the area, leading to a more diversified local economy.

The Company plans to acquire property located at the Mesa del Sol Development, Albuquerque, County of Bernalillo, New Mexico for the Project. The Company is in the process of negotiating a land purchase agreement with the land owner.

The Company anticipates that approximately 90% of its purchases will be made out-of-state, with the balance of 10% being purchased in the state of New Mexico (contingent upon local availability of equipment and materials).

The Company is actively exploring a range of water conservation strategies to enhance the sustainability of our new solar cell manufacturing facility in Albuquerque. Our focus includes evaluating advanced water-efficient technologies and practices that align with our commitment to environmental stewardship. We aim to adapt the best available methods that meet both our operational needs and community standards, continuing to assess these options as the project progresses.

As part of our project development, there may be instances where there might be a need to

assist individuals in relocating. Our goal is to handle all relocation activities with transparency and empathy, aligning with community interests and regulatory guidelines.

**Question:** Provide a detailed scope of work that is specific to the funding request/award and what the funds will be used for.

In connection with the Project described above, the Applicant would intend to seek reimbursement for LEDA-eligible expenses, including office lease, land, building and infrastructure.

Applicant has attached in connection with Question 28 additional information regarding infrastructure needs and a chart detailing infrastructure and costs.

**Question:** Business Plan (required for businesses 1 year or younger)

## Market Analysis

### 1. Solar Market Dynamics

- The solar industry in the United States is experiencing substantial growth, driven by increasing energy demands, renewable portfolio standards, and decreasing costs of solar technologies. New Mexico, with its abundant sunshine, is particularly well-suited for solar power developments, making it an attractive market for new solar manufacturing capabilities.

### 2. Demand Analysis

- There is a strong demand for domestically produced solar cells driven by supply chain security concerns and the desire for sustainable energy sources. By producing locally, Ebang can meet this demand more effectively, benefiting from reduced transportation costs and logistics complexities.

### 3. Competitive Landscape

- While competition exists from both domestic and international manufacturers, Ebang's proposition of a high-tech, U.S.-based production facility is likely to resonate well with customers looking for reliable, long-term supply chains and high-quality products.

## Strategy for Economic Impact and Growth

### 1. Economic Development

- **Job Creation:** The project anticipates creating an estimated 911 direct jobs by the end of Phase II, significantly impacting the local job market. These jobs will range from high-tech positions in manufacturing to administrative and support roles, contributing broadly to the local economy.
- **Skill Development:** Collaborate with local educational institutions to develop training programs that prepare the workforce for high-tech manufacturing roles, enhancing the overall skill base of the region.

### 2. Operational Strategy

- **Initial Focus:** Start with a production capacity of 1GW in Phase I, scaling up to 3.5GW in Phase II. This phased approach allows for gradual scale-up, aligning growth with market demand and operational readiness.
- **Sustainability Initiatives:** Explore opportunities to incorporate sustainable practices within operational limits. This could include evaluating energy-efficient technologies and waste reduction processes that align with industry standards without committing to specific environmental targets prematurely.

### 3. Community Engagement and Benefits

- **Local Sourcing Intentions:** Ebang aims to explore local sourcing opportunities as part of its

commitment to regional economic engagement, dependent on strategic fit and operational feasibility.

- Potential Community Investments: Ebang is open to collaborating with local stakeholders to identify and support community-driven initiatives, aligning our involvement with community needs and our organizational capabilities.

#### 4. Marketing and Distribution

- Direct Sales and Partnerships: Utilize a combination of direct sales to large energy companies and partnerships with local businesses to penetrate the market effectively.
- Promotional Strategy: Highlight the “Made in USA” aspect in all marketing campaigns, appealing to nationalistic sentiments and the current political climate favoring domestic manufacturing.

#### Summary of competition

- Domestic Manufacturers: The U.S. solar manufacturing market includes established players such as First Solar and SunPower, known for their innovative and efficient solar technologies. These companies have a strong foothold due to their long-standing brand recognition and extensive distribution networks.
- International Competition: Many U.S. companies import solar cells due to lower costs abroad, particularly from manufacturers in China and Southeast Asia. These international competitors benefit from larger scale operations and government subsidies, making them formidable due to their cost advantages.
- Market Entry Barriers: The solar manufacturing industry requires high initial capital investment and significant technological expertise, presenting entry barriers that protect existing players but challenge new projects.
- Differentiation Potential: The project can capitalize on advanced manufacturing techniques such as Tunnel Oxide Passivated Contact (TOPCon) technology. This approach not only boosts efficiency but also distinguishes its solar products in a market dominated by low-cost imports, potentially positioning the project as a leading player in the U.S. solar market.
- Supply Chain Strength: Establishing a U.S.-based manufacturing facility offers strategic advantages in supply chain security and responsiveness, making the project attractive to customers seeking reliable and enduring partnerships.

#### Timeline

##### - Phase I:

Anticipated construction commencement time: Q3 2024

Anticipated construction completion time: Q3 2025

Anticipated operation commencement time: Q4 2025

##### - Phase II:

Anticipated construction commencement time: Q1 2026

Anticipated construction completion time: Q1 2027

Anticipated operation commencement time: Q2 2027



Judy Cai Cai serves as CEO. Jason Wang is COO. Leo Liao is the Business Operations Specialist. All report directly to the CEO.

**Question:** Supporting Documentation

[Question 28 - Infrastructure and Cost Chart.docx](#) (7/24/2024, 8:32 PM)

[LEDA Application Cover Page - Project Apollo.docx](#) (7/23/2024, 11:10 AM)

[Ebang - Ownership Structure-v1.docx](#) (7/19/2024, 6:20 PM)

[20F.pdf](#) (7/19/2024, 6:19 PM)

[Question 28 - Infrastructure Needs.docx](#) (7/12/2024, 4:30 PM)

## Financial Information

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\*Upload sources and uses chart; enter N/A and zero for questions that do not apply to your business

**Question:** Provide detailed assumptions for your project including three years of projected cash flow income statements. If the applicant has been in business less than one year, you may be requested to provide additional financial information after review .

[Question 29 - Projected Cash Flow Income Statements.docx](#) (7/12/2024, 4:47 PM)

**Question:** Provide financial statements (balance sheet, profit and loss and cash flow) or tax returns for the past three years. Also provide interim statements within 90 days of application date.

[EBON TECHNOLOGY LLC 8838 Form.pdf](#) (7/12/2024, 4:59 PM)

[EBON TECHNOLOGY LLC 2023 NJ Tax 3.29.24.pdf](#) (7/12/2024, 4:58 PM)

[EBON TECHNOLOGY LLC 2023 Federal Tax 3.28.24.pdf](#) (7/12/2024, 4:58 PM)

[EBON TECHNOLOGY LLC 2023 DE Tax 3.27.24.pdf](#) (7/12/2024, 4:54 PM)

[EBON TECHNOLOGY LLC 2022 NJ Tax 2.16.23.pdf](#) (7/12/2024, 4:54 PM)

[EBON TECHNOLOGY LLC 2022 Federal Tax 2.16.23.pdf](#) (7/12/2024, 4:53 PM)

[EBON TECHNOLOGY LLC 2022 DE Tax 2.16.23.pdf](#) (7/12/2024, 4:52 PM)

[EBON TECHNOLOGY LLC - 2021 NJ Tax 2.24.22.pdf](#) (7/12/2024, 4:51 PM)

[EBON TECHNOLOGY LLC - 2021 Federal Tax 2.24.22.pdf](#) (7/12/2024, 4:51 PM)

[EBON TECHNOLOGY LLC - 2021 DE Tax 2.24.22.pdf](#) (7/12/2024, 4:51 PM)

**Question:** What is the collateral/security to be pledged to the funds awarded?

- Letter of Credit
- Surety Bond
- Mortgage Security
- Security Agreement/Escrow
- Security Agreement/Lien

Security Interest/Lien

**Question:** What is the method of appraisal for stated security (if Security Mortgage or Lien were selected above)?

Question 31 has been answered solely because it is required in connection with submission of this application. Applicant understands based no discussions with NMEDD contacts that this item is subject to additional discussion and determination. As such, this question remains to be determined, as well.

**Question:** What is the equity investment from the applicant?

\$200,000,000.00

**Question:** External Equity Investment Sources

Family office investments.

**Question:** External Equity Investment Amount

\$731,000,000.00

**Question:** City/County Funding Source

City of Albuquerque LEDA

**Question:** City/County Funding Amount

\$1,000,000.00

**Question:** Bank Loan Source (financial institution names), type (commercial, USDA, SBA 504, etc.), and stage (applied or approved)

N/A

**Question:** Bank Loans Amount Total

\$0.00

**Question:** Other Loans Source

N/A

**Question:** Other Loans Amount

\$0.00

**Question:** Other Sources

State LEDA

**Question:** Other Sources Amount

\$10,000,000.00

**Question:** Total Project Amount (Sum of above)

\$942,000,000.00

**Question:** Supporting financial documentation

[Question 45 - Sources and Uses Table.docx](#) (7/23/2024, 9:42 AM)

## Company History and Background

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**Question:** How long has the company been in operation, as of the date of application?

The Company was formed on, and has been in operation since, June 11, 2021.

**Question:** At the time of this application, how many full-time employees do you currently employ? Please provide the most recent Department of Workforce Solutions report below. If no employees, disregard report. Enter 0.

0.00

**Question:** List owners with more than 20% ownership stake in the company. Additionally, please list principal directors and/or officers.

Ebang has a broad ownership base and has only one owner with 20%+ ownership – Mr. Dong Hu, CEO.

Ebon is a member-managed limited liability company, which does not have any directors. Current officers are Mr. Dong Hu, CEO and Mr. Hongyong Wang, COO.

**Question:** Are owners and/or officers current with financial obligations/payments to the State of New Mexico or any other Federal or State entity? If no, please explain.

Yes.

**Question:** Does the applicant have any loans or other financial obligations on which payments are not current? If yes, please explain.

Other than in the ordinary course of business, no.

**Question:** Please identify any financially affiliated/associated companies in which any of the applicant's owners have a 20% stake.

Information responsive to this question is available at the following link:

[https://www.sec.gov/Archives/edgar/data/1799290/000121390021059399/ea150515ex99-1\\_ebangir](https://www.sec.gov/Archives/edgar/data/1799290/000121390021059399/ea150515ex99-1_ebangir)

## Community Aspects

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**Question:** At the community level, what are the infrastructure needs not yet in place or in process that will affect this project's application?

Whether the Company's infrastructure needs can be met and what might be missing are still under discussion with the respective parties at the time of this application.

**Question:** What specific incentives are being REQUESTED from the COMMUNITY? Please explain where the applicant is in this process and provide an idea of a timeline for incentives' deployment.

Concurrent with this application, the Company is applying for Industrial Revenue Bonds from the County of Bernalillo, in the amount of \$942,000,000. The Company also understands that the City of Albuquerque will provide \$1,000,000 in LEDA contributions to the Project.

**Question:** What specific incentives will be PROVIDED from the COMMUNITY? (e.g. parcel of land, building lease, waiver of fees, utility access/extension)?

Concurrent with this application, the Company is applying for Industrial Revenue Bonds from the County of Bernalillo, in the amount of \$942,000,000. The Company also understands that the City of Albuquerque will provide \$1,000,000 in LEDA contributions to the Project.

## Job Creation / Performance

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Please download the job creation worksheet to work up the required information for this section.

- [Job Creation Worksheet](#)

**Question:** Outline the number and types of jobs to be created.

The Company anticipates creating the following job types:

Senior Management  
Project Management  
Manufacturing  
Operations  
Human Resources  
Warehouse  
Quality Control  
Safety Control  
Finance  
Research and Development

The Company anticipates creating a total of 206 jobs in Phase I and 705 additional jobs in Phase II, for a total of 911 jobs, all as more fully described in the worksheet attached in connection with Question 59.

**Question:** Outline the proposed pay scale and payroll proposed by the entity.

The Company anticipates the following 2024 pay scale:

Senior Management \$103,600  
Project Management \$99,000  
Process Engineer \$129,960  
Electrical Engineer \$125,460  
Hazardous Gas Safety Officer \$81,990  
Production Line Operator \$73,020  
Forklift Operator \$45,270  
Test Engineer \$100,620  
Equipment Maintenance Engineer \$50,670  
Driver \$44,460  
Managerial Staff \$57,870  
Sales Engineer \$98,550  
Operations \$94,500  
Human Resources \$115,500  
Warehouse \$30,870  
Quality Control \$43,380  
Safety Control \$75,600  
Finance \$68,200  
Research and Development \$107,000

The estimated annual payroll for the project when fully developed is estimated at approximately \$73,015,560.

**Question:** Outline the benefits offered to the employees, including but not limited to health care and retirement.

The Company has not yet finalized the details of its employee benefits packages at the proposed site, however the Company is strongly committed to providing a comprehensive benefits package for its employees.

**Question:** Outline any efforts being made or proposed by the applicant to hire people within the local employment pool.

The Company intends to engage local recruitment agencies and make direct employment outreach efforts to the local community. The Company estimates approximately 55% of permanent employees will be residents of Bernalillo County. The Company estimates approximately 10% of permanent employees will be hired from outside New Mexico. The Company estimates that all, or substantially all, jobs will be generally regarded as “economic base jobs”. The Company also intends to work with CNM and UNM to coordinate training and education programs targeted towards filling the Company's workforce needs.

**Question:** Attach job creation worksheet

**Question:** Starting Headcount (from worksheet above)

0.00

**Question:** Total new jobs to be created Year 1 (from worksheet above)

17.00

**Question:** Total new payroll Year 1 (from worksheet above)

\$1,554,790.00

**Question:** Total number of new jobs to be created Year 2 (from worksheet above)

97.00

**Question:** Total new payroll Year 2 (from worksheet above)

\$7,938,750.00

**Question:** Total number of new jobs to be created Year 3 (from worksheet above)

43.00

**Question:** Total new payroll Year 3 (from worksheet above)

\$3,617,400.00

## Economic Impact Analysis

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NMEDD will perform an Economic Impact Analysis to address the impact to the local tax base, the school system, etc. using the Impact Data Sheet provided by the applicant.

**Question:** Outline any impacts to the environment, positively or negatively.

The Company is dedicated to sustainability and is actively implementing measures to support this commitment. As part of our ongoing efforts, we will introduced LED energy-efficient lighting systems across all our facilities. This not only reduces our energy consumption but also significantly lowers our environmental footprint.

Furthermore, we prioritize the use of renewable materials in our construction processes wherever feasible. This approach helps in minimizing the use of non-renewable, high-carbon emission materials such as concrete. Instead, we advocate for the extensive use of recyclable steel structures, which align with our sustainability goals by offering both durability and recyclability.

## Attachments

---

Please download the authorization for examination and release of information template and the example employer quarterly wage and contribution report.

- [Authorization for examination and release of information form](#)
- [Employer quarterly wage and contribution report example](#)

If you are a new business, please apply for a NM Tax Identification Number here:

<http://www.tax.newmexico.gov/Businesses/wage-withholding-tax.aspx>

Please download the LEDA Application Affirmation Template here:

[LEDA Application Affirmation Template](#)

[Click here](#) to view a filled out sample.

**Question:** New Mexico Economic Development Department authorization for examination and release of information.

[Notarised Signature 7.23.pdf](#) (7/23/2024, 9:58 AM)

**Question:** Latest New Mexico employer's quarterly wage and contribution report submitted to the Department of Workforce Solutions.

[Question 69 - Workforce Solutions Report.docx](#) (7/22/2024, 11:00 AM)

**Question:** Affirmation and any other supporting documents

[2020 LEDA App Affirmation copy .pdf](#) (7/23/2024, 10:00 AM)

## City of Albuquerque Project Information

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This section of the NMEDD LEDA Application contains information required by the City of Albuquerque Ordinance 0-04-10 and conforms with and complements the policies established for the Local Economic Development Act pursuant to the Council action. This documentation is presented to demonstrate to the City of Albuquerque the public benefits of this project and to help the City evaluate its merit in comparison to other projects submitted.

**Question:** Project Supporting Documents: City Zone Atlas Map of Location, aerial/satellite picture of area, conceptual overview of finished location, Fiscal Impact Analysis from UNM BBER (if requested by City ED Director), Conceptual Site Plan and Elevation.

[PSA Legal Description.docx](#) (7/24/2024, 5:30 PM)

[Question 89 Table.docx](#) (7/22/2024, 2:52 PM)  
[Apollo Building Layout v2.pdf](#) (7/19/2024, 6:25 PM)  
[IDOZoneAtlasPage\\_S-17-Z.pdf](#) (7/17/2024, 10:54 AM)  
[Site exhibit Tract I and Hf.pdf](#) (7/17/2024, 10:53 AM)

**Question:** General Description-Statement of benefit to be gained by the Albuquerque community from this development

The Company is dedicated to sustainability and is actively implementing measures to support this commitment. As part of our ongoing efforts, we will introduced LED energy-efficient lighting systems across all our facilities. This not only reduces our energy consumption but also significantly lowers our environmental footprint.

Furthermore, we prioritize the use of renewable materials in our construction processes wherever feasible. This approach helps in minimizing the use of non-renewable, high-carbon emission materials such as concrete. Instead, we advocate for the extensive use of recyclable steel structures, which align with our sustainability goals by offering both durability and recyclability.

**Question:** Site and Existing Conditions: Legal Description-Give both the precise and complete legal description and address or identification of location.

No legal description is currently available for the Project site. The anticipated Project site is located at Mesa del Sol Development, Albuquerque, County of Bernalillo, New Mexico, with the site located on a portion of UPC 101605026829920101.

**Question:** Prevailing Site Conditions: Describe the present use and development of the site, including any improvements, vacant land, etc.

Undeveloped, vacant land.

**Question:** Present Assessed Value: According to the Bernalillo County Assessor's office.

The Project Site does not have an assessed value. The current sale price is \$26,175,831.26.

**Question:** Present Zoning of Property

Current IDO Zoning is PC. Company has requested a zonal certification for the Project Site.

**Question:** Proposed Zoning: If change in zoning is required for the proposed use, enter the proposed new zone.

No zoning change is anticipated as being necessary.

**Question:** Status of Permitting/Regulatory matters needed for project.

Wastewater data has been submitted to the relevant authorities; we are awaiting their response. For emissions, we are in the process of selecting a local consultant to partner with.

**Question:** Sustainability Initiatives: Describe any sustainability initiatives or programs the company already has and/or plans to use in its facility operations and processes.



The Company plans to implement an efficient exhaust gas treatment system equipped with counterflow scrubbers and centrifugal fans, the system employs a blend of physical, chemical, and biological methods to effectively process and mitigate emissions. This initiative ensures that all discharges meet stringent environmental standards. Furthermore, the integration of continuous real-time monitoring guarantees the ongoing efficacy and reliability of the process. The Company has also entered discussions with local air permit consultants to align its practices with regulatory requirements. These actions underscore its unwavering commitment to environmental stewardship.

The Company is introducing LED energy-efficient lighting systems across all its facilities. This initiative aligns directly with its sustainability goals by reducing energy consumption and minimizing its environmental footprint. LED lighting is more energy-efficient than traditional options, consuming less energy and offering a longer lifespan. This reduces the demand for energy, which often comes from non-renewable sources, thereby decreasing greenhouse gas emissions. Moreover, the extended lifespan of LED lights leads to reduced material waste, further enhancing environmental benefits. This approach demonstrates its commitment to environmental management through the adoption of cleaner and more sustainable operational practices.

By replacing high-carbon emission materials like concrete with recyclable steel structures, the Company reduces the consumption of non-renewable resources and lower its environmental footprint. This strategy not only enhances the durability of its buildings but also supports the Company's sustainability goals through the recyclability of materials.

The Company's advanced wastewater treatment technologies integrate pretreatment, physicochemical, and biochemical processes, enhancing operational efficiency and stability. This comprehensive approach effectively removes harmful substances and reduces the negative environmental impact, particularly by implementing zero discharge practices in highly polluting steps, ensuring compliance with environmental standards.

**Question:** Renewable Energy: Indicate in detail if an how the Project will create, produce or use renewable energy and renewable energy technology.

Our solar cell manufacturing process entails eight key steps: 1. silicon wafer inspection 2. surface texturing 3. Diffusion 4. phosphorus silicate glass removal 5. plasma etching 6. anti-reflective coating deposition 7. screen printing 8. rapid sintering. Our solar cell technology stands out due to its photovoltaic conversion efficiency reaching up to 26.7%, establishing a global benchmark. Unlike mere assembly operations that are relocated to the U.S., our technology involves crucial innovations in the fundamental manufacturing processes of solar cells. These innovations are essential for driving advancements in the industry. We are introducing advanced solar cell manufacturing technologies to the U.S., pivotal for enhancing America's core technological capabilities. Our methods include sophisticated layer deposition and precise doping control, significantly boosting the efficiency and quality of solar cells. This results in substantial improvements in energy conversion rates, driving major technological progress in the U.S. solar manufacturing industry.

We are introducing LED energy-efficient lighting systems across all our facilities. This initiative aligns directly with our sustainability goals by reducing energy consumption and minimizing our environmental footprint. LED lighting is more energy-efficient than traditional options, consuming less energy and offering a longer lifespan. This reduces the demand for energy, which often comes from non-renewable sources, thereby decreasing greenhouse gas emissions. Moreover, the extended lifespan of LED lights leads to reduced material waste, further enhancing

environmental benefits. This approach demonstrates our commitment to environmental management through the adoption of cleaner and more sustainable operational practices.

By replacing high-carbon emission materials like concrete with recyclable steel structures, we reduce the consumption of non-renewable resources and lower our environmental footprint. This strategy not only enhances the durability of our buildings but also supports our sustainability goals through the recyclability of materials.

Our advanced wastewater treatment technologies integrate pretreatment, physicochemical, and biochemical processes, enhancing operational efficiency and stability. This comprehensive approach effectively removes harmful substances and reduces the negative environmental impact, particularly by implementing zero discharge practices in highly polluting steps, ensuring compliance with environmental standards.

By employing efficient wastewater treatment measures and using sustainable materials, we adhere to increasingly stringent environmental regulations and standards, thus mitigating potential compliance risks.

**Question:** Products and Process: Will the proposed development generate air, noise or waste pollution or traffic congestion? If so, what plans are in place for the reduction and disposal of waste and/or project emissions?

We plan to implement an efficient exhaust gas treatment system. Equipped with counterflow scrubbers and centrifugal fans, the system employs a blend of physical, chemical, and biological methods to effectively process and mitigate emissions. This initiative ensures that all discharges meet stringent environmental standards. Furthermore, the integration of continuous real-time monitoring guarantees the ongoing efficacy and reliability of the process. We have also discussed with local air permit consultants to align our practices with regulatory requirements in New Mexico. These actions underscore our unwavering commitment to environmental stewardship. By replacing high-carbon emission materials like concrete with recyclable steel structures, we reduce the consumption of non-renewable resources and lower our environmental footprint. This strategy not only enhances the durability of our buildings but also supports our sustainability goals through the recyclability of materials. Our advanced wastewater treatment technologies integrate pretreatment, physicochemical, and biochemical processes, enhancing operational efficiency and stability. This comprehensive approach effectively removes harmful substances and reduces the negative environmental impact, particularly by implementing zero discharge practices in highly polluting steps, ensuring compliance with environmental standards.

**Question:** Competition: The Development Commission and City Council do not wish to make public funds available for projects with local competition. Describe any competition in the same area of commerce or industry existing in the City.

Currently, there are no competitors in the same area of commerce with existing operations in the City. However, we understand that Maxeon also plans to locate in the Mesa Del Sol development, and that Maxeon's operations would compete with ours. Bearing this in mind, we understand that Maxeon has received IRB and LEDA incentives in connection with its project, and we simply ask that the same incentives be extended to Project Apollo.

**Question:** Describe the predicted effects of the project including construction jobs generated, increased employment, increased sales, new industrial base, possible spin-off business in the City.

The aggregate, estimated \$942 million initial investment in the Project will have a significant positive impact on the local economy in the city. Over the initial six-year time horizon, the Company estimates the Project will create an estimated 911 direct full-time U.S. jobs, which will provide a substantial boost to employment in the area. These jobs will span various skill levels, offering opportunities for a diverse range of workers, from entry-level positions to specialized roles. The influx of jobs will likely reduce the local unemployment rate, and will provide a steady reliable income for many local households. This will, in turn, lead to increased spending within the community, benefiting local businesses such as retail stores, restaurants and other service providers. During the construction phase, local contractors, construction firms and suppliers are expected to benefit from the contracts and projects required to build the facility, both in- and out-of state. The Company's investment could also act as a magnet for further investment and business in the area, leading to a more diversified local economy.

**Question:** Proposed Development: Describe any construction to be undertaken in the project, including square footage, construction type, location of construction on project site.

The project is anticipated as encompassing approximately 834,000 square feet, with Phase 1 encompassing approximately 161,000 square feet and Phase 2 encompassing approximately 673,000 square feet. The project will be a greenfield investment located in the Mesa Del Sol development that will include manufacturing facilities.

**Question:** Proposed Development: Will existing buildings will be rehabilitated or incorporated in the construction?

There are no existing buildings at the Project site.

**Question:** Proposed Development: Detail any demolition required and indicate whether it involves any identified historic properties.

There are no existing buildings at the Project site.

**Question:** Infrastructure: Indicate if the project will require any extension or relocation of utility or road systems and if so, what cost sharing agreements have been reached between the applicant and the City.

We are continuing to explore and develop the scope of extensions or relocations of road systems necessary for the Project, and we will be happy to provide updates to the City upon request. No cost sharing agreements have been reached, but we will continue to explore these possibilities. To date, we have identified the following in connection with the Project:

Power: The Upper MDS site is 1.5 miles from the nearest substation, so an extension path may be required.

Gas: A main extension of approximately 7,440 feet may be required for the Upper MDS site.

**Question:** Area Enhancement: Describe how project design and placement will enhance the area.

The initial, estimated \$942 million investment in the Project will have a significant positive impact on the local economy in Bernalillo County. Over the initial six-year time horizon, the estimated 911 new direct full-time U.S. jobs will provide a substantial boost to employment in the area. These jobs will span various skill levels, offering opportunities for a diverse range of workers,

from entry-level positions to specialized roles. The influx of jobs will likely reduce the local unemployment rate, and will provide a steady reliable income for many local households, leading to increased spending within the community, benefiting local businesses such as retail stores, restaurants and other service providers. During the construction phase, local contractors, construction firms and suppliers are expected to benefit from the contracts and projects required to build the facility, both in- and out- of state. The Company's investment could also act as a magnet for further investment and business in the area, leading to a more diversified local economy.

**Question:** Local Purchasing: Provide and estimated annual expenditure on goods and services locally procured that are subject to the New Mexico gross receipts tax, and an estimated annual increase in such an expenditure.

We anticipate that approximately 90% of its purchases will be made out-of-state, with the balance of 10% being purchased in the state of New Mexico (contingent upon local availability of equipment and materials).

The table attached for Question 71 titled "Question 89 Table" summarizes the direct, indirect, and induced impacts of the Project on the state of New Mexico, calculated using IMPLAN input-output analysis. Because the Project will occur in the City, the Company would anticipate that the vast majority of these impacts would occur in the City itself. The Company would be happy to provide further information upon request.

**Question:** Water Conservation: Estimate average daily and monthly water consumption and include any plans for reduction or re-use of water.

We anticipate that the Project will use approximately 139,813 gallons of water per month when fully developed, and we are committed to exploring opportunities to reduce and re-use water, where possible.

**Question:** Relocation of Individuals or Businesses: No individuals, families or businesses should be displaced by the activities outlined in this plan. If any relocation is required, detail the assistance the applicant will give in relocation.

No displacement of individuals, families or businesses is anticipated in connection with the development of the vacant Project site.

**Question:** Corporate Citizenship Policy/Plan: List any company policies/plans regarding community charitable and civic donations and volunteerism.

We are currently in the process of developing comprehensive policies and plans.

**Question:** Positive Contributions: List all positive contributions that the project will make to the neighborhood.

The initial estimated \$942 million investment in the Project will have a significant positive impact on the local economy in Bernalillo County. Over the initial six-year time horizon, the estimated 911 new direct full-time U.S. jobs will provide a substantial boost to employment in the area. These jobs will span various skill levels, offering opportunities for a diverse range of workers, from entry-level positions to specialized roles. The influx of jobs will likely reduce the local unemployment rate, and will provide a steady reliable income for many local households, leading to increased spending within the community, benefiting local businesses such as retail

stores, restaurants and other service providers. During the construction phase, local contractors, construction firms and suppliers are expected to benefit from the contracts and projects required to build the facility, both in- and out- of state. The Company's investment could also act as a magnet for further investment and business in the area, leading to a more diversified local economy.

**Question:** Management: If the project will not be managed by the applicant, who will manage it and does the applicant have any long-range involvement?

Project will be applicant managed.

**Question:** Indicate the estimated appraised value of the project after completion.

\$873,000,000

Job Title and Salary Information		Jobs Created as of December 31 of Prior Year									
Job Type	Estimated Pay Scale	At Start	Start Year 2	Start Year 3	Start Year 4	Start Year 5	Start Year 6	Start Year 7	Start Year 8	Start Year 9	TOTALS
Senior Management	\$103,600	0	2	2	0	3	3	0	0	0	10
Project Management	\$99,000	0	2	4	0	4	18	0	0	0	28
Process Engineer	\$129,960	0	1	5	5	4	12	9	8	8	52
Electrical Engineer	\$125,460	0	1	3	2	3	8	6	6	5	34
Hazardous Gas Safety Officer	\$81,990	0	0	1	1	1	2	2	2	2	11
Production Line Operator	\$73,020	0	3	15	13	22	107	94	87	81	422
Forklift Operator	\$45,270	0	0	1	1	1	2	1	2	1	9
Test Engineer	\$100,620	0	1	7	6	5	13	9	8	8	57
Equipment Maintenance Engineer	\$50,670	0	1	3	3	3	5	3	4	3	25
Driver	\$44,460	0	0	2	1	1	3	2	2	2	13
Managerial Staff	\$57,870	0	1	7	6	5	13	8	9	7	56
Sales Engineer	\$98,550	0	1	5	5	4	6	3	4	3	31
Operations	\$94,500	0	0	8	0	0	20	0	0	0	28
Human Resources	\$115,500	0	2	2	0	4	5	0	0	0	13
Warehouse	\$30,870	0	0	6	0	0	20	0	0	0	26
Quality Control	\$43,380	0	0	6	0	0	20	0	0	0	26
Safety Control	\$75,600	0	0	8	0	0	20	0	0	0	28
Finance	\$68,200	0	2	2	0	5	4	0	0	0	13
Research and Development	\$107,000	0	0	10	0	4	15	0	0	0	29
<i>Totals</i>		0	17	97	43	69	296	137	132	120	911
<i>Estimated New Payroll</i>		\$0	\$1,554,790	\$7,938,750	\$3,617,400	\$5,950,840	\$23,104,360	\$10,900,650	\$10,411,290	\$9,537,480	\$73,015,560
<i>Estimated Total Payroll</i>		\$0	\$1,554,790	\$9,493,540	\$13,110,940	\$19,061,780	\$42,166,140	\$53,066,790	\$63,478,080	\$73,015,560	\$274,947,620



**EDD** ECONOMIC  
DEVELOPMENT  
DEPARTMENT

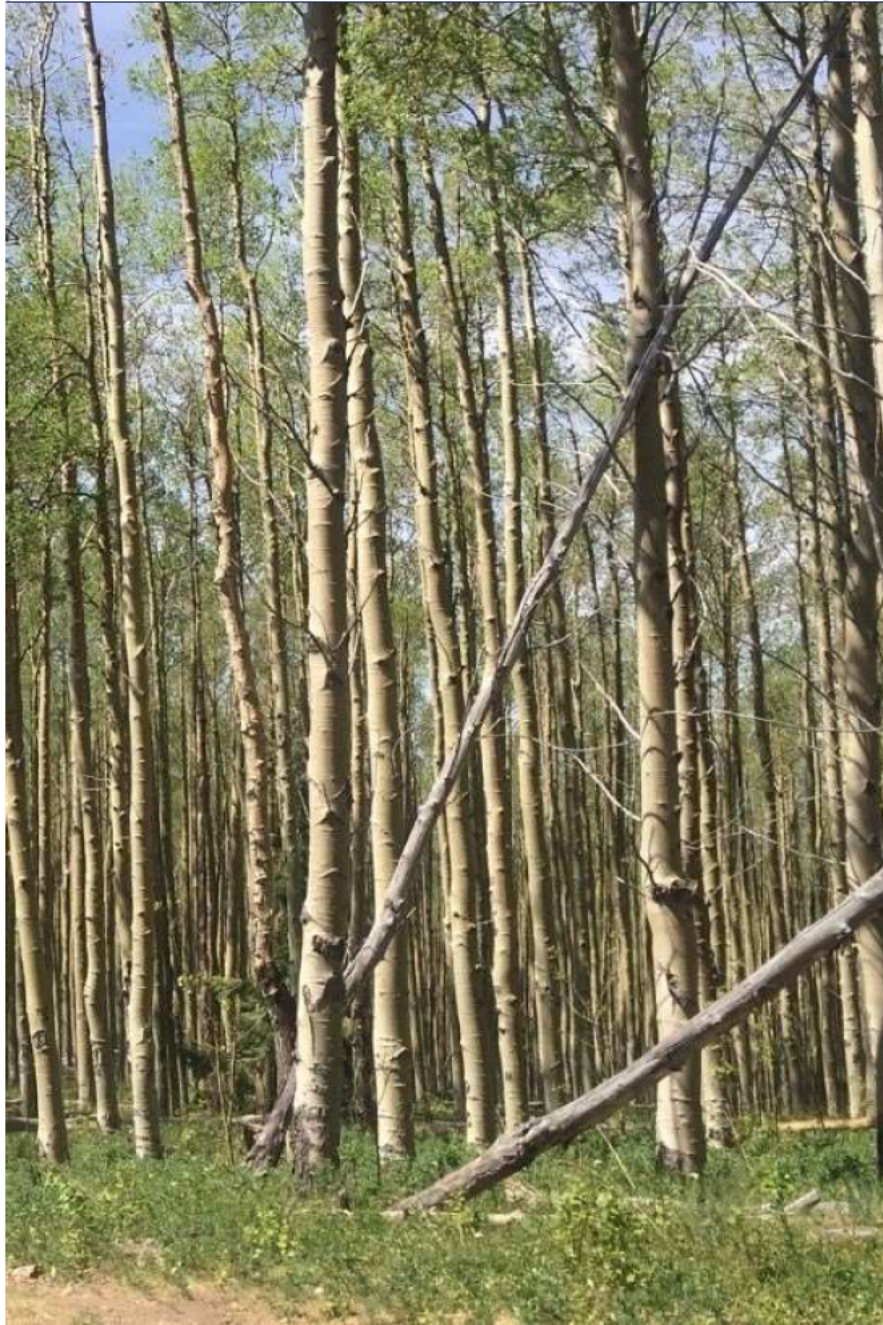
5/20/2024

## FISCAL IMPACT ANALYSIS AND ECONOMIC IMPACT OF THE EXPANSION OF PROJECT APOLLO

Prepared by:

New Mexico Economic Development Department  
Joseph Montoya Building  
1100 S. St. Francis Drive  
Santa Fe, New Mexico 87505





## Purpose and Limitations:

This report and analysis, provided by the New Mexico Economic Development Department, relies on prospective estimates of business activity. These estimates, which are provided by the company, may not be realized due to unforeseen events that are outside the control of the company and unknown to the New Mexico Economic Development Department.

The New Mexico Economic Development Department made reasonable efforts to ensure that the estimates provided by the company, are realistic estimates of future activity.

The model was created by the New Mexico Economic Development Economists and used assumptions to generate the final report. The report and analysis provided by the New Mexico Economic Development Department is not a guarantee that any of the estimates or results contained in this report will actually be achieved.



## Introduction:

This report and analysis presents the results of an economic impact analysis performed using a model developed by the New Mexico Economic Development Department. The report estimates the impact that a potential project may have on the state and local economies and estimates the costs and benefits for the state and local economies over a 10-year period. The report and analysis uses RIMS II Multipliers produced by the U.S. Bureau of Economic Analysis (BEA).

Most projects produce a growth in population and/or a growth in the workforce in a City, County and the State of New Mexico. All growth comes at a cost, the additional economic activity and population growth stimulated by the project will generate additional costs in terms of providing basic infrastructure (roadways, bridges and utilities) and public services (including public safety, schools and administrative services). For example, if the applicant hires employees from outside the State, County and City, those workers who end up relocating their residence to within one or all of those areas, the population for which the government must provide services also increases. The costs associated with the expansion are broken down into two categories: 1) New residents to the State, County and City. 2) New Mexican residents hired to work for the company. The analysis assumes that all workers will live in the area of the expansion.

## Description of the Company:

Our client is a large manufacturer that is planning to develop a state-of-the-art solar manufacturing facility in the United States. The project company is a Delaware company. Its parent company is a NASDAQ-listed public company headquartered in Singapore with operations in Asia Pacific and the United States.

## Description of the Project:

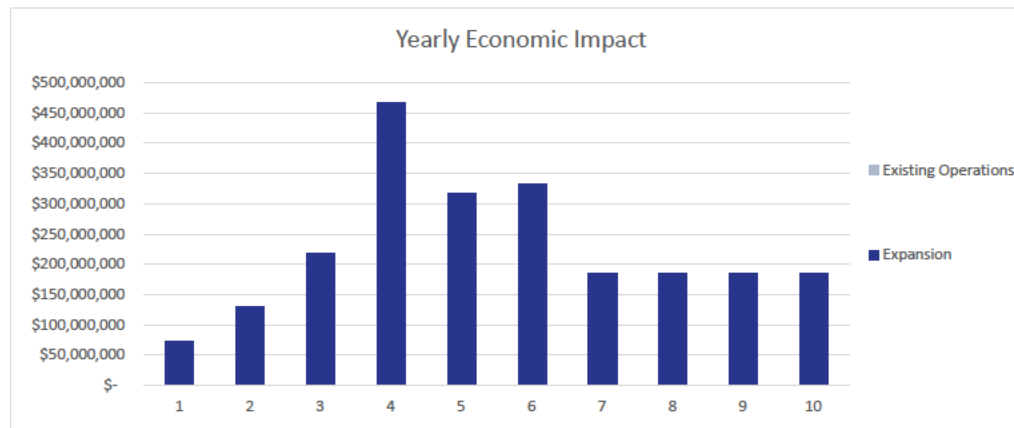
The proposed operation will enable our client to increase its capacity in order to satisfy long-term growth projections and, ultimately, best serve its customers. The project will be conducted in 2 phases; Phase 1 is estimated to create up to approximately 200 new jobs by Q2 2025 and Phase 2 is expected to create up to an additional 700 new jobs by 2027. The mix of talent for the proposed phases of operation will be comprised largely of locally, regionally, and nationally hired, skilled engineering, management, and technician talent.



# Economic Impact

### Total Economic Impact

	Total
Estimated Economic Impact Over 10 Years:	\$ 2,279,749,163
Combined Total Incentive Over 10 Years:	\$ 74,142,884
Economic Impact Rate of Return:	2,975%



### Workers and New Residents over 10 years

	Direct	Indirect and Induced
Number of Jobs Created:	911	1187
Estimated Number of Construction Workers:	2665	
Estimated Number of New Residents to the State:	46	
Estimated Number of New Residents to the County:	46	
Estimated Number of New Residents to the City:	46	

# Total Public Impacts



## Fiscal Impact of Existing and Expanded Operations Over the Next Ten Years

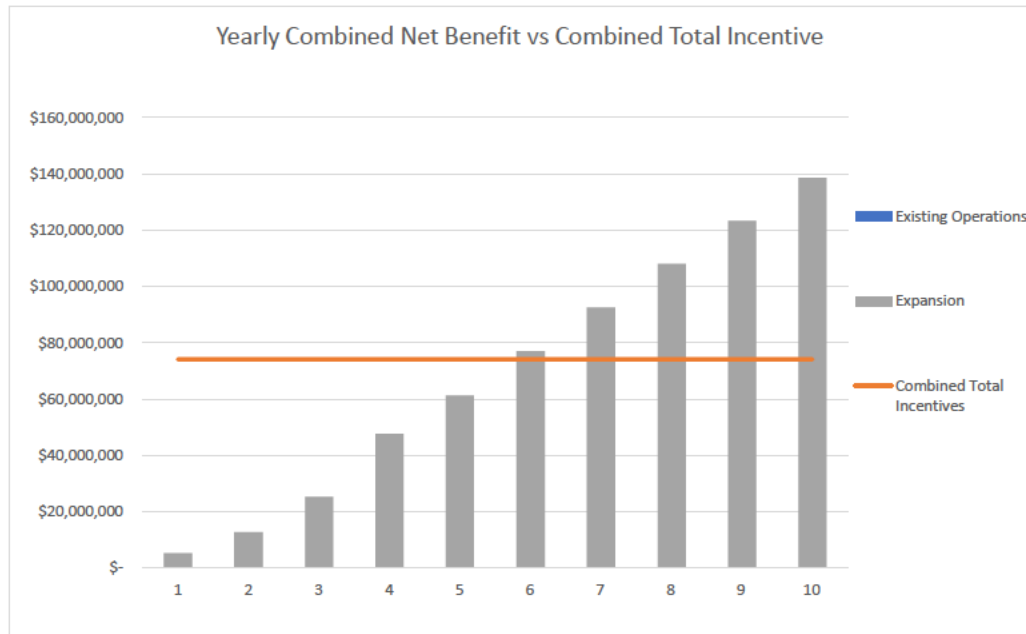
Cumulative Net Benefits					
	Existing Operations	Expansion	Existing & Expanded Operations	Present Value of Net Benefits*	
State of New Mexico	\$ -	\$ 57,777,243	\$ 57,777,243	\$	46,162,817
County	\$ -	\$ 31,324,301	\$ 31,324,301	\$	24,373,322
City	\$ -	\$ 49,439,700	\$ 49,439,700	\$	38,838,199
School District	\$ -	\$ 21,708,387	\$ 21,708,387	\$	16,519,398
Special Taxing District	\$ -	\$ 34,284,159	\$ 34,284,159	\$	26,089,171
<b>Total</b>	<b>\$ -</b>	<b>\$ 194,533,791</b>	<b>\$ 194,533,791</b>	<b>\$</b>	<b>151,982,908</b>

\* The Present Value of Net Benefits expresses the future stream of net benefits received over several years as a single value in today's dollars. Today's dollar and a dollar to be received at differing times in the future are not comparable because of the time value of money. The time value of money is the interest rate or each taxing entity's discount rate. This analysis uses a discount rate of 5% to make the dollars comparable.

\*\* In the cumulative net benefits of the existing and expanded operations for the State of New Mexico, corporate income tax has been removed from the existing operations total to avoid double counting.

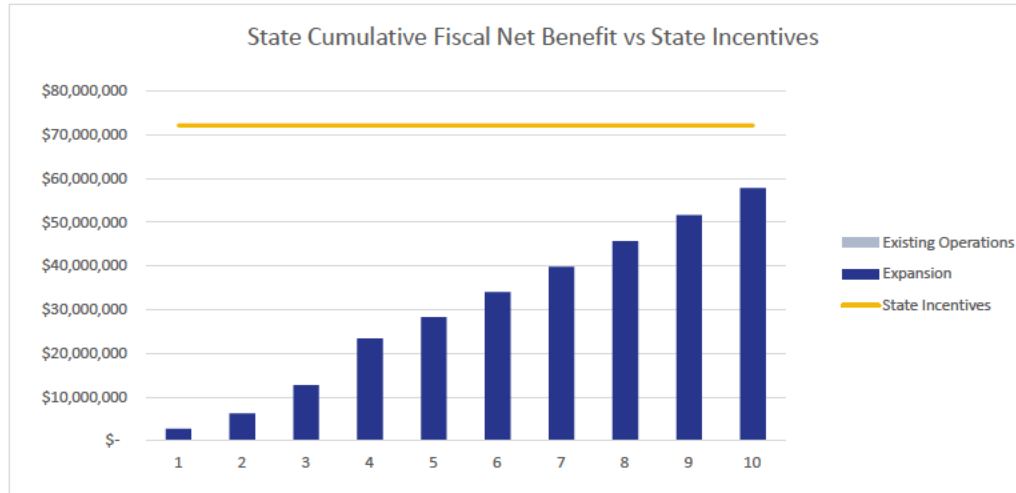
### Total Public Net Benefit

	Total
Estimated Total Public Net Benefit Over 10 Years:	\$ 138,541,245
Combined Total Incentive Over 10 Years:	\$ 74,142,884
<b>Total Public Net Benefit Rate of Return:</b>	<b>87%</b>



# State Impacts





#### Incentives

Total State Incentive:	\$ 72,142,884
State Incentive Per Job:	\$ 79,191

#### Combined Payback and Return

State Payback Period Combined:	10 + Years	Years
State Rate of Return Combined:	-36%	

#### Expansion Only Payback and Return

State Payback Period Expansion:	10 + Years	Years
State Rate of Return Expansion:	-36%	

#### State Net Benefits Of Current Operations

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$ -	\$ -	\$ -	\$ -
2	\$ -	\$ -	\$ -	\$ -
3	\$ -	\$ -	\$ -	\$ -
4	\$ -	\$ -	\$ -	\$ -
5	\$ -	\$ -	\$ -	\$ -
6	\$ -	\$ -	\$ -	\$ -
7	\$ -	\$ -	\$ -	\$ -
8	\$ -	\$ -	\$ -	\$ -
9	\$ -	\$ -	\$ -	\$ -
10	\$ -	\$ -	\$ -	\$ -

### State Net Benefits Of Expansion

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$ 2,681,638	\$ 2,254	\$ 2,679,383	\$ 2,679,383
2	\$ 3,598,831	\$ 19,985	\$ 3,578,847	\$ 6,258,230
3	\$ 6,488,662	\$ 60,872	\$ 6,427,789	\$ 12,686,019
4	\$ 10,821,779	\$ 84,341	\$ 10,737,438	\$ 23,423,457
5	\$ 4,961,250	\$ 105,907	\$ 4,855,343	\$ 28,278,801
6	\$ 5,801,267	\$ 124,235	\$ 5,677,032	\$ 33,955,832
7	\$ 5,913,890	\$ 127,713	\$ 5,786,177	\$ 39,742,009
8	\$ 6,028,773	\$ 131,289	\$ 5,897,484	\$ 45,639,493
9	\$ 6,145,961	\$ 134,966	\$ 6,010,995	\$ 51,650,488
10	\$ 6,265,500	\$ 138,745	\$ 6,126,755	\$ 57,777,243

### State Combined Net Benefits

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$ 2,681,638	\$ 2,254	\$ 2,679,383	\$ 2,679,383
2	\$ 3,598,831	\$ 19,985	\$ 3,578,847	\$ 6,258,230
3	\$ 6,488,662	\$ 60,872	\$ 6,427,789	\$ 12,686,019
4	\$ 10,821,779	\$ 84,341	\$ 10,737,438	\$ 23,423,457
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8	\$ 6,028,773	\$ 131,289	\$ 5,897,484	\$ 45,639,493
9	\$ 6,145,961	\$ 134,966	\$ 6,010,995	\$ 51,650,488
10	\$ 6,265,500	\$ 138,745	\$ 6,126,755	\$ 57,777,243

### State Breakdown of Combined Benefits, Costs, and Net Benefits Over the Next 10 Years

#### Taxes and Revenue

Gross Receipt Taxes	\$ 24,225,865
Personal Income Taxes	\$ 34,274,260
Corporate Income Taxes	\$ -
Misc. Taxes and Revenue	\$ 207,426
<b>Subtotal of Benefits</b>	<b>\$ 58,707,551</b>

#### Costs

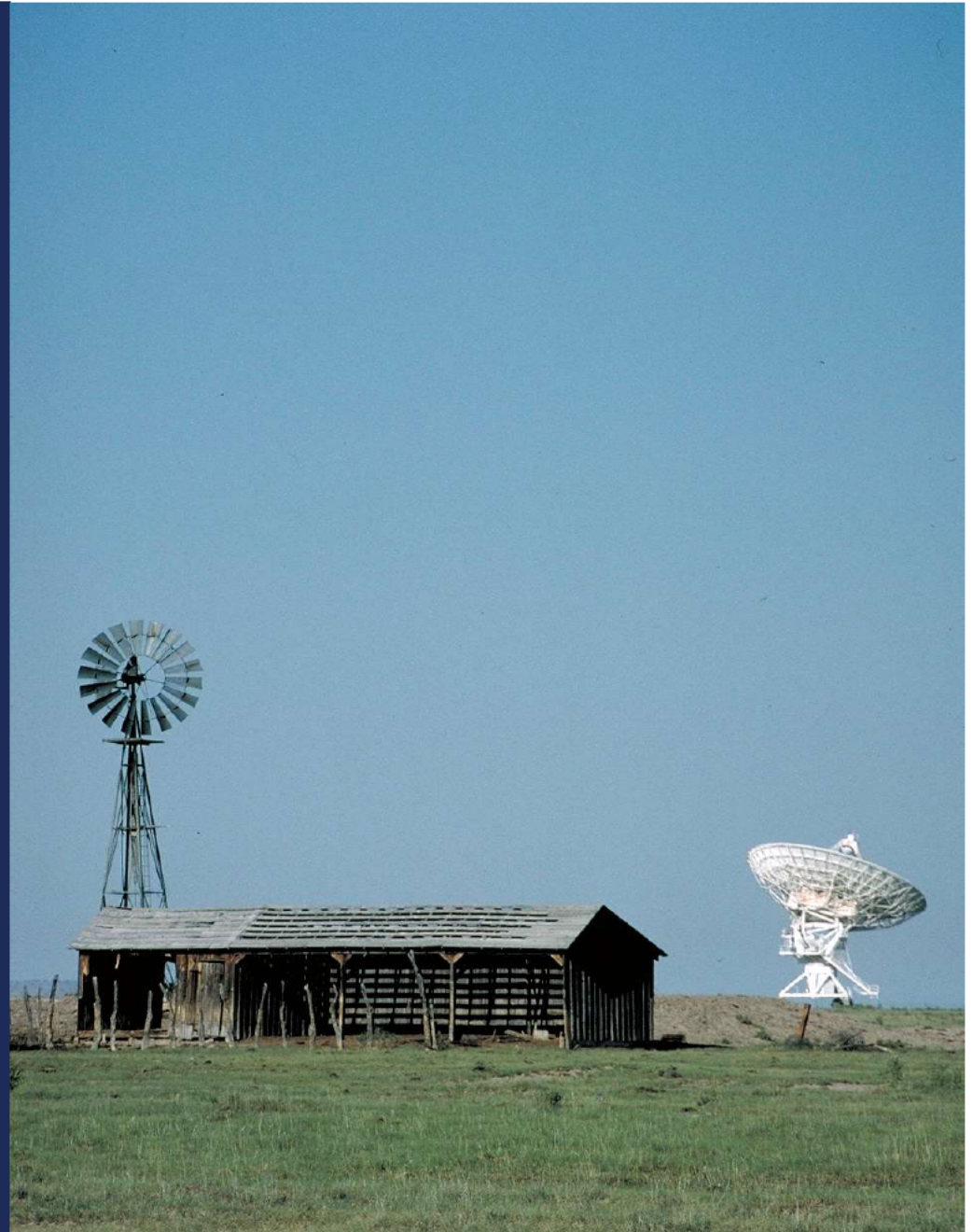
Costs	\$ 930,308
<b>Subtotal of Costs</b>	<b>\$ 930,308</b>

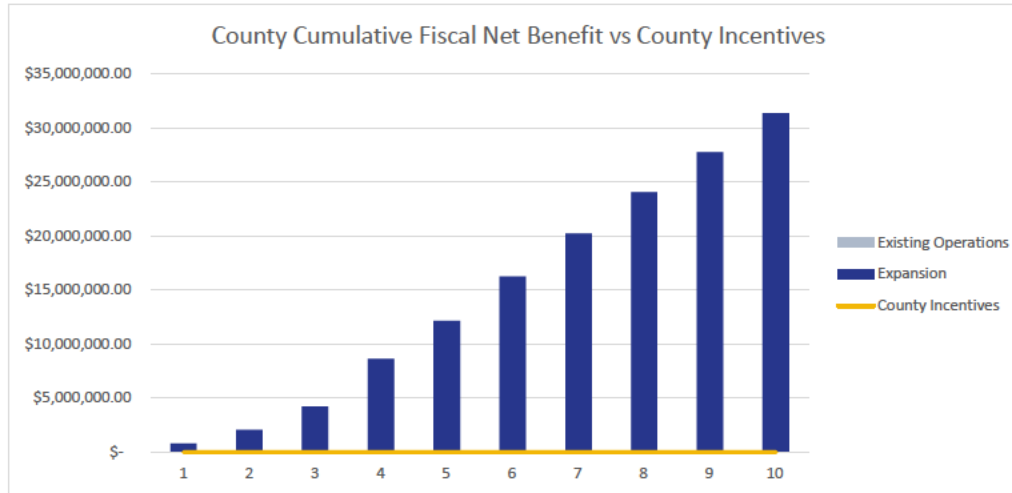
#### Net Benefits

<b>Net Benefits</b>	<b>\$ 57,777,243</b>
<b>Present Value</b>	<b>\$ 46,162,817</b>



# County Impacts





#### Incentives

Total County Incentive:	\$	-
County Incentive Per Job:	\$	-

#### Combined Payback and Return

County Payback Period Combined:	-	Years
County Rate of Return Combined:		N/A

#### Expansion Only Payback and Return

County Payback Period Expansion:	-	Years
County Rate of Return Expansion:		N/A

#### County Net Benefits Of Current Operations

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$ -	\$ -	\$ -	\$ -
2	\$ -	\$ -	\$ -	\$ -
3	\$ -	\$ -	\$ -	\$ -
4	\$ -	\$ -	\$ -	\$ -
5	\$ -	\$ -	\$ -	\$ -
6	\$ -	\$ -	\$ -	\$ -
7	\$ -	\$ -	\$ -	\$ -
8	\$ -	\$ -	\$ -	\$ -
9	\$ -	\$ -	\$ -	\$ -
10	\$ -	\$ -	\$ -	\$ -

### County Net Benefits Of Expansion

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$ 822,697	\$ 314	\$ 822,383	\$ 822,383
2	\$ 1,252,244	\$ 2,787	\$ 1,249,457	\$ 2,071,840
3	\$ 2,168,995	\$ 8,489	\$ 2,160,505	\$ 4,232,346
4	\$ 4,430,588	\$ 11,762	\$ 4,418,826	\$ 8,651,171
5	\$ 3,520,009	\$ 14,769	\$ 3,505,240	\$ 12,156,411
6	\$ 4,109,481	\$ 17,325	\$ 4,092,156	\$ 16,248,567
7	\$ 3,988,684	\$ 17,811	\$ 3,970,873	\$ 20,219,440
8	\$ 3,854,225	\$ 18,309	\$ 3,835,916	\$ 24,055,356
9	\$ 3,718,502	\$ 18,822	\$ 3,699,680	\$ 27,755,036
10	\$ 3,588,614	\$ 19,349	\$ 3,569,265	\$ 31,324,301

### County Combined Net Benefits

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$ 822,697	\$ 314	\$ 822,383	\$ 822,383
2	\$ 1,252,244	\$ 2,787	\$ 1,249,457	\$ 2,071,840
3	\$ 2,168,995	\$ 8,489	\$ 2,160,505	\$ 4,232,346
4	\$ 4,430,588	\$ 11,762	\$ 4,418,826	\$ 8,651,171
5	\$ 3,520,009	\$ 14,769	\$ 3,505,240	\$ 12,156,411
6	\$ 4,109,481	\$ 17,325	\$ 4,092,156	\$ 16,248,567
7	\$ 3,988,684	\$ 17,811	\$ 3,970,873	\$ 20,219,440
8	\$ 3,854,225	\$ 18,309	\$ 3,835,916	\$ 24,055,356
9	\$ 3,718,502	\$ 18,822	\$ 3,699,680	\$ 27,755,036
10	\$ 3,588,614	\$ 19,349	\$ 3,569,265	\$ 31,324,301

### County Breakdown of Combined Benefits, Costs, and Net Benefits Over the Next 10 Years

#### Taxes and Revenue

Gross Receipt Taxes	\$ 7,881,703
Misc. Taxes and Revenue	\$ 153,457
Property Taxes	\$ 23,418,879
<b>Subtotal of Benefits</b>	<b>\$ 31,454,039</b>

#### Costs

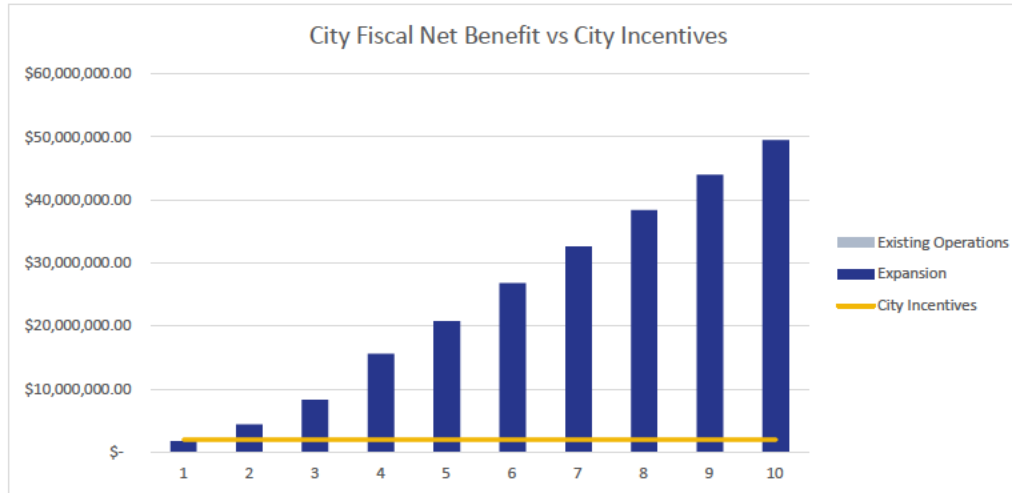
Costs	\$ 129,738
<b>Subtotal of Costs</b>	<b>\$ 129,738</b>

#### Net Benefits

Net Benefits	\$ 31,324,301
<b>Present Value</b>	<b>\$ 24,373,322</b>

# City Impacts





#### Incentives

Total City Incentive:	\$ 2,000,000
City Incentive Per Job:	\$ 2,195

#### Combined Payback and Return

City Payback Period Combined:	1.08 Years
City Rate of Return Combined:	1842%

#### Expansion Only Payback and Return

City Payback Period Expansion:	1.08 Years
City Rate of Return Expansion:	1842%

#### City Net Benefits Of Current Operations

Year	Benefits		Costs		Net Benefits	Cumulative Net Benefits
1	\$	-	\$	-	\$	-
2	\$	-	\$	-	\$	-
3	\$	-	\$	-	\$	-
4	\$	-	\$	-	\$	-
5	\$	-	\$	-	\$	-
6	\$	-	\$	-	\$	-
7	\$	-	\$	-	\$	-
8	\$	-	\$	-	\$	-
9	\$	-	\$	-	\$	-
10	\$	-	\$	-	\$	-

### City Net Benefits Of Expansion

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$ 1,780,268	\$ 1,328	\$ 1,778,941	\$ 1,778,941
2	\$ 2,337,593	\$ (291,169)	\$ 2,628,762	\$ 4,407,703
3	\$ 3,638,887	\$ (267,089)	\$ 3,905,976	\$ 8,313,678
4	\$ 6,971,519	\$ (253,267)	\$ 7,224,786	\$ 15,538,464
5	\$ 4,030,502	\$ (1,254,755)	\$ 5,285,257	\$ 20,823,722
6	\$ 4,695,760	\$ (1,243,961)	\$ 5,939,720	\$ 26,763,442
7	\$ 4,596,832	\$ (1,241,912)	\$ 5,838,744	\$ 32,602,185
8	\$ 4,485,329	\$ (1,239,806)	\$ 5,725,135	\$ 38,327,321
9	\$ 4,372,945	\$ (1,237,641)	\$ 5,610,586	\$ 43,937,906
10	\$ 4,266,379	\$ (1,235,415)	\$ 5,501,794	\$ 49,439,700

### City Combined Net Benefits

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$ 1,780,268	\$ 1,328	\$ 1,778,941	\$ 1,778,941
2	\$ 2,337,593	\$ (291,169)	\$ 2,628,762	\$ 4,407,703
3	\$ 3,638,887	\$ (267,089)	\$ 3,905,976	\$ 8,313,678
4	\$ 6,971,519	\$ (253,267)	\$ 7,224,786	\$ 15,538,464
5	\$ 4,030,502	\$ (1,254,755)	\$ 5,285,257	\$ 20,823,722
6	\$ 4,695,760	\$ (1,243,961)	\$ 5,939,720	\$ 26,763,442
7	\$ 4,596,832	\$ (1,241,912)	\$ 5,838,744	\$ 32,602,185
8	\$ 4,485,329	\$ (1,239,806)	\$ 5,725,135	\$ 38,327,321
9	\$ 4,372,945	\$ (1,237,641)	\$ 5,610,586	\$ 43,937,906
10	\$ 4,266,379	\$ (1,235,415)	\$ 5,501,794	\$ 49,439,700

### City Breakdown of Combined Benefits, Costs, and Net Benefits Over the Next 10 Years

#### Taxes and Revenue

Gross Receipt Taxes	\$ 18,501,260
Misc. Taxes and Revenue	\$ 589,573
Property Taxes	\$ 22,085,181
<b>Subtotal of Benefits</b>	<b>\$ 41,176,013</b>

#### Costs

Costs	\$ (8,263,687)
<b>Subtotal of Costs</b>	<b>\$ (8,263,687)</b>

#### Net Benefits

Net Benefits	\$ 49,439,700
<b>Present Value</b>	<b>\$ 38,838,199</b>

# Special Taxing District and Public Schools



# Special Taxing District

## Special Taxing District Net Benefits of Current Operations

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$ -	\$ -	\$ -	\$ -
2	\$ -	\$ -	\$ -	\$ -
3	\$ -	\$ -	\$ -	\$ -
4	\$ -	\$ -	\$ -	\$ -
5	\$ -	\$ -	\$ -	\$ -
6	\$ -	\$ -	\$ -	\$ -
7	\$ -	\$ -	\$ -	\$ -
8	\$ -	\$ -	\$ -	\$ -
9	\$ -	\$ -	\$ -	\$ -
10	\$ -	\$ -	\$ -	\$ -

## Special District Net Benefits of Expansion

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$ 301,163	\$ -	\$ 301,163	\$ 301,163
2	\$ 773,547	\$ -	\$ 773,547	\$ 1,074,710
3	\$ 1,513,295	\$ -	\$ 1,513,295	\$ 2,588,004
4	\$ 3,570,444	\$ -	\$ 3,570,444	\$ 6,158,448
5	\$ 4,405,957	\$ -	\$ 4,405,957	\$ 10,564,406
6	\$ 5,153,080	\$ -	\$ 5,153,080	\$ 15,717,486
7	\$ 4,960,538	\$ -	\$ 4,960,538	\$ 20,678,024
8	\$ 4,747,681	\$ -	\$ 4,747,681	\$ 25,425,704
9	\$ 4,532,643	\$ -	\$ 4,532,643	\$ 29,958,348
10	\$ 4,325,811	\$ -	\$ 4,325,811	\$ 34,284,159

## Special District Combined Net Benefits

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$ 301,163	\$ -	\$ 301,163	\$ 301,163
2	\$ 773,547	\$ -	\$ 773,547	\$ 1,074,710
3	\$ 1,513,295	\$ -	\$ 1,513,295	\$ 2,588,004
4	\$ 3,570,444	\$ -	\$ 3,570,444	\$ 6,158,448
5	\$ 4,405,957	\$ -	\$ 4,405,957	\$ 10,564,406
6	\$ 5,153,080	\$ -	\$ 5,153,080	\$ 15,717,486
7	\$ 4,960,538	\$ -	\$ 4,960,538	\$ 20,678,024
8	\$ 4,747,681	\$ -	\$ 4,747,681	\$ 25,425,704
9	\$ 4,532,643	\$ -	\$ 4,532,643	\$ 29,958,348
10	\$ 4,325,811	\$ -	\$ 4,325,811	\$ 34,284,159



# Public Schools

## Public Schools Net Benefits of Current Operations

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$ -	\$ -	\$ -	\$ -
2	\$ -	\$ -	\$ -	\$ -
3	\$ -	\$ -	\$ -	\$ -
4	\$ -	\$ -	\$ -	\$ -
5	\$ -	\$ -	\$ -	\$ -
6	\$ -	\$ -	\$ -	\$ -
7	\$ -	\$ -	\$ -	\$ -
8	\$ -	\$ -	\$ -	\$ -
9	\$ -	\$ -	\$ -	\$ -
10	\$ -	\$ -	\$ -	\$ -

## Public Schools Net Benefits of Expansion

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$ 190,686	\$ -	\$ 190,686	\$ 190,686
2	\$ 489,802	\$ -	\$ 489,802	\$ 680,488
3	\$ 958,230	\$ -	\$ 958,230	\$ 1,638,717
4	\$ 2,260,756	\$ -	\$ 2,260,756	\$ 3,899,473
5	\$ 2,789,793	\$ -	\$ 2,789,793	\$ 6,689,266
6	\$ 3,262,861	\$ -	\$ 3,262,861	\$ 9,952,127
7	\$ 3,140,955	\$ -	\$ 3,140,955	\$ 13,093,081
8	\$ 3,006,186	\$ -	\$ 3,006,186	\$ 16,099,267
9	\$ 2,870,037	\$ -	\$ 2,870,037	\$ 18,969,304
10	\$ 2,739,083	\$ -	\$ 2,739,083	\$ 21,708,387

## Public Schools Combined Net Benefits

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$ 190,686	\$ -	\$ 190,686	\$ 190,686
2	\$ 489,802	\$ -	\$ 489,802	\$ 680,488
3	\$ 958,230	\$ -	\$ 958,230	\$ 1,638,717
4	\$ 2,260,756	\$ -	\$ 2,260,756	\$ 3,899,473
5	\$ 2,789,793	\$ -	\$ 2,789,793	\$ 6,689,266
6	\$ 3,262,861	\$ -	\$ 3,262,861	\$ 9,952,127
7	\$ 3,140,955	\$ -	\$ 3,140,955	\$ 13,093,081
8	\$ 3,006,186	\$ -	\$ 3,006,186	\$ 16,099,267
9	\$ 2,870,037	\$ -	\$ 2,870,037	\$ 18,969,304
10	\$ 2,739,083	\$ -	\$ 2,739,083	\$ 21,708,387

# Property Tax Exemptions and Industrial Revenue Bonds



### Property Tax Exemptions and Industrial Revenue Bonds

The City and/or the County is considering abating taxes on the Project's property. Below is a table that identifies the types of property that are under consideration for property tax abatement:

Land:	No
Building and Property Improvements:	No
Furniture, Fixtures and Equipment:	No

### Property Tax Percentage Exemptions On Land and Building

County	City	Schools	Special Taxing District
0%	0%	0%	0%

### Property Tax Percentage Exemptions On Furniture, Fixtures and Equipment

County	City	Schools	Special Taxing District
0%	0%	0%	0%

Value of Exemption			
Through 10 Years:	\$ -	\$ -	\$ -
*Value of Payment in Lieu of Taxes			
Through 10 Years:	\$ -	\$ -	\$ -

\*The model assumes that the payment in lieu of taxes will be administered to the either the county or city, and the local government will disperse the amounts to the appropriate districts.

### Percentage of Gross Receipt Taxes Foregone on Newly Purchased Furniture, Fixtures and Equipment Over 10 Years

Year	State	County	City
1	0%	0%	0%
2	0%	0%	0%
3	0%	0%	0%
4	0%	0%	0%
5	0%	0%	0%
6	0%	0%	0%
7	0%	0%	0%
8	0%	0%	0%
9	0%	0%	0%
10	0%	0%	0%
Value of Exemption			
Through 10 Years:	\$ -	\$ -	\$ -

**Project Participation Agreement**  
**City of Albuquerque and Ebon Solar, LLC**  
**Local Economic Development Act Project**

This Project Participation Agreement is made as of this \_\_\_\_\_ day of \_\_\_\_\_, 2024 by and between the CITY OF ALBUQUERQUE, NEW MEXICO (the “City”), and EBON SOLAR, LLC, a New Mexico limited liability company, with a place of business at 2809 Broadbent Parkway, Albuquerque, New Mexico (“Ebon Solar”).

WHEREAS, it is the policy of the City to aid and encourage the location of desirable business enterprises in the City and to facilitate a favorable governmental atmosphere for enriching the lives of its citizens by supporting the development of a healthy economy; and

WHEREAS, pursuant to the Local Economic Development Act, Sections 5-10-1 to 5-10-13 NMSA 1978 (“LEDA”), the City has adopted Ordinance No. F/S O-04-10 (the “LEDA Ordinance”), approving an economic development plan for the City and authorizing the City to consider applications for economic development assistance; and

WHEREAS, Ebon Solar has submitted to the City an application in the form attached to this Agreement as Exhibit A (the “Ebon Solar Application”) proposing that, in exchange for certain LEDA assistance described below, Ebon Solar will undertake and complete a certain project, which is defined to include the following elements (the “Project”):

Ebon Solar, a wholly owned subsidiary of Ebang International Holdings, Inc. (“Ebang”), shall acquire real property located at the Mesa Del Sol Development in Albuquerque, New Mexico, and construct a facility for the manufacture of photovoltaic cells, commonly called “solar cells,” which are semi-conductor devices that convert the energy of light into electrical energy (the “Facility”); The Project will increase Ebang’s capacity to satisfy long-term growth projections and to further the Company’s strong commitment to its U.S. customers. Development of the Facility will take place in two phases, with an aggregate, estimated \$942,000,000 investment over a period of approximately 6 years and will create over 900 jobs in Albuquerque, New Mexico, all in accordance with the schedule and other terms and conditions set forth in Section 7.A herein.

Phase 1 is anticipated to create 1 gigawatt of annual production capacity and over 200 jobs, with over \$200,000,000 of capital investment by Ebon Solar.

Phase 2 is anticipated to create an additional 3.5 gigawatts of annual production capacity and an additional 700 jobs, with over \$700,000,000 of capital investment by Ebon Solar.

WHEREAS, Ebon Solar estimates a total investment of approximately \$942,000,000 for acquisition of real property and construction of the Facility; and

WHEREAS, the Ebon Solar Application proposes that in exchange for Ebon Solar undertaking and completing the Project, the City funds obtained from the State Economic Development Department (the "State EDD"), pursuant to LEDA, in addition to local City LEDA funds, will be used to reimburse a portion of Ebon Solar's acquisition, construction and improvement expenses related to the Project, on the terms set forth herein; and

WHEREAS, the City has determined that the cost benefit analysis with respect to the Project, based on assessments obtained by the City on the basis of information provided to the City by Ebon Solar, shows that the City will recoup the value of its contribution within ten (10) years; and

WHEREAS, the Ebon Solar Application clearly demonstrates that Ebon Solar, by completing the Project, will be making a substantive contribution to the community, as required by the LEDA Ordinance; and

WHEREAS, the total amount of public money expended and the value of credit pledged in each fiscal year in which that money is expended by the City for economic development projects pursuant to LEDA does not and will not exceed ten percent of the general fund expenditures of the City in that fiscal year; and

WHEREAS, the City anticipates receiving an appropriation of funds allocated from the State EDD with the direction of the State EDD to convey these funds to the benefit of Ebon Solar via LEDA; and

WHEREAS, LEDA and the LEDA Ordinance require the parties to enter into a Project Participation Agreement meeting the requirements of LEDA and the LEDA Ordinance; and

WHEREAS, the City adopted Ordinance No. O-22-\_\_\_\_\_ on \_\_\_\_\_, 2024 (the "Project Ordinance") (i) finding that Ebon Solar is a qualifying entity as defined in Section 5-10-3(G) NMSA, (ii) approving the Ebon Solar Application for assistance with the Project pursuant to the LEDA Ordinance, which Application proposed that the City direct up to \$10,000,000.00 in funds to be received from the State EDD (the "State Contribution") and \$1,000,000.00 in funds to be committed by the City (the "City Contribution"), all to finance certain statutorily eligible expenses of the Project consisting of reimbursement for the acquisition, construction, and/or improvement of the Facility, and (iii) approving this Agreement.

NOW, THEREFORE, in consideration of these premises and the agreements by the parties set forth herein, Ebon Solar and the City further agree as follows:

1. Goals and Objectives. The goals and objectives of the Project are to create and support an economic development project that fosters, promotes and enhances local economic development efforts. The goal is that the Project will provide job growth and career opportunities for Albuquerque-area residents and otherwise make a substantive contribution to the community as set forth in this Agreement and in the Ebon Solar Application.

2. Company Contribution. Ebon Solar shall acquire, construct, and/or improve its Facility for the manufacturing and distribution of its products at an estimated cost of approximately \$942,000,000, and will hire and retain employees as contemplated by this Agreement all in accordance with the schedule and other terms and conditions set forth in this Agreement. Ebon Solar will maintain the Project's operations in Albuquerque for a minimum of ten (10) years. Ebon Solar will comply with all applicable laws in connection with the operation of the Project and will timely pay all personal property taxes with respect thereto.

3. The State Contributions; Procedure for Disbursement of the State Contributions. The City anticipates that the State Contribution of up to \$10,000,000 will be delivered to the City for subsequent disbursement to Ebon Solar following enactment of the Project Ordinance and execution of this Agreement and an intergovernmental agreement between the State and the City. The City will submit an invoice to the State and request transfer of the State funds. Upon receipt, the City will place the State Contribution into a separate account established in connection with the Project, as required by law. If, and only if, the City receives the State Contribution, the City will disburse the State Contribution to Ebon Solar in the manner as follows:

<b><u>Amount of State Contribution Available for Disbursement/Tranche</u></b>	<b><u>Disbursement Performance Milestone</u></b>
\$1,000,000	Adoption of Ordinance, executed PPA and IGA, security in place, LEDA eligible expenditures, current with all reporting
\$2,000,000	Obtain Certificate of Occupancy, Hire 25 full-time employees, LEDA eligible expenditures, current with all reporting
\$3,000,000	Spend a minimum of \$100,000,000 with New Mexico based contractors, LEDA eligible expenditures, current with all reporting
\$4,000,000	Hire 750 full-time employees maintain for one quarterly reporting period, LEDA eligible expenditures, current with all reporting.

4. The City Contribution. Pursuant to the Project Ordinance and the LEDA Ordinance, the City has committed the amount of \$1,000,000 for use in connection with the Project. As required by the LEDA Ordinance, the City will deposit the proceeds of the City Contribution into a clearly identified separate account, which account will be subject to an annual independent audit. City funds will be dispensed upon Ebon Solar obtaining an Occupancy Permit for the Facility.

5. Time Commitment. Ebon Solar intends to invest approximately \$942,000,000 for the acquisition, construction, and/or improvement of the Facility. Operations at the Facility are expected to begin following completion of the acquisition, construction, and/or improvement or as soon thereafter as

possible. Ebon Solar will continue to operate the Facility and diligently conduct operations in the Facility in the manner contemplated by this Agreement at least through \_\_\_\_\_, 2034.

6. Use of Public Contributions. Ebon Solar will be eligible for reimbursement of up to \$11,000,000 for costs of the acquisition, construction, and improvement actually incurred after the date hereof and paid for, subject to the receipt by the City of the State Contribution. The City will make payment to Ebon Solar following submission to the City of documentation reasonably satisfactory to the City evidencing receipt of the Occupancy Permit with respect to the Project, and meeting the occupancy, operations, and job creation targets set forth herein.

No Project funds will be used to reimburse expenses from any individuals or a company that has a financial interest in Ebon Solar or its employees.

7. Job Commitment and Clawbacks.

A. Number of Jobs. Ebon Solar will create (i) 18 new Jobs in Albuquerque, New Mexico, by December 31, 2025, and (ii) an additional 900 new Jobs in Albuquerque, New Mexico, by December 30, 2030 (each, a “Job Target”). A Job will represent an employment position for a person for at least one pay period consisting of at least 32 hours of work per week and offering the employee the full range of benefits offered to other similarly situated Ebon Solar employees. Positions filled by contract, part-time and temporary workers will not be considered Jobs. All references herein to “employees” mean employees in Jobs as contemplated by this Section 7.A.

B. Wages and Benefits. Ebon Solar anticipates that the Jobs will fall within the wage ranges and will come with the benefits shown on Exhibit B. However, failure to meet the wage and benefit projections shown on Exhibit B or the total estimated increase set forth in Section 7.A. shall not constitute an Event of Default (defined below) or form the basis for any clawback payment.

C. Performance Clawbacks. If Ebon Solar does not employ and maintain at least 90% of the required number of full-time employees of its Job Targets, as set forth in Section 7.A herein, by close of business on the respective determination dates set forth in the table below, then, subject to the remainder of this Section 7.C, Ebon Solar will repay to the City, within sixty (60) days of the due date of the quarterly reports referred to in Section 12 below, the State Contribution and City Contribution paid on behalf of Ebon Solar pursuant to this Agreement that has already been disbursed to Ebon Solar as of the date of repayment (the “Performance Clawback”) in accordance with the following table:

<u>Cumulative Full Time Job Creation Target</u>	<u>Minimum Job Number</u>	<u>Job Determination Date</u>	<u>%-Clawback</u>
18	16	12/31/25	100%
900	810	12/31/30	50%
900	810	12/31/34	25%

For the purposes of this table:

(i) The “Clawback Penalty” is a penalty that Ebon Solar will be required to pay to the City upon Ebon Solar’s failure to meet the Job Target on or before the conclusion of the applicable Job Determination Period, if such Job Target is not otherwise reached by Ebon Solar during the Cure Period. The Clawback Penalty shall be equal to the product of the Percentage Hiring Shortfall (as defined herein), multiplied by the total amount of funds paid under this Agreement to Ebon Solar as of that time. For purposes of this subsection, the “Percentage Hiring Shortfall” shall be the quotient of (i) the Minimum Full-Time Job Creation for the applicable Job Determination Period, minus the actual number of jobs Ebon Solar maintains at the Facility at that time, divided by (ii) the Minimum Full-Time Job Creation for the applicable Job Determination Period. See Exhibit D hereto for examples of Clawback Penalty Calculations. Notwithstanding anything herein to the contrary, in no event shall the aggregate Clawback Penalty paid by Ebon Solar exceed the total amount of funds paid under this Agreement.

(ii) “Cure Period” is the period of 180 days after the end of each Job Determination Period during which time Ebon Solar shall have the opportunity to cure any shortfall in meeting the Minimum Full-Time Job Creation. For the avoidance of doubt, if Ebon Solar meets the Minimum Full-Time Job Creation at any time during the Cure Period, Ebon Solar shall have no obligation to pay a Clawback Penalty corresponding to the applicable Job Determination Period. If Ebon Solar fails to reach the Job Target during the Cure Period, then Ebon Solar shall pay the City a Clawback Penalty determined in accordance with the table set forth above.

Notwithstanding the foregoing, if Ebon Solar fails to employ the required full-time employees as identified in Section 7.A herein, and Ebon Solar believes Business Climate Changes were the cause for the failure to meet such requirements, Ebon Solar will so advise the City in writing describing the Business Climate Changes in detail. “Business Climate Changes” mean substantial changes outside of the control of Ebon Solar, in the segment of the industry in which the Ebon Solar operates, that cause a significant decrease in the amount of sales Ebon Solar is able to achieve. The shifting of Ebon Solar’ operations to another Project, whether within or outside of Albuquerque, will not constitute a Business Climate Change.

If the City determine that Business Climate Changes affect Ebon Solar’ ability to maintain employment levels, it may waive or modify the Performance Clawback, but only related to the City Contribution and the City shall consult with the State EDD as to any potential waiver of the Performance Clawback or a portion thereof related to the State Contribution. Any Performance Clawback due will be paid within 30 days after the City notifies Ebon Solar of its decision or the decision of the State EDD. If Ebon Solar does not attribute the failure to meet employment requirements to Business Climate Changes, the payment of any Performance Clawback due will be submitted to the City within ten (10) days after the due date of the annual report reflecting the failure to maintain the required employment level.

D. Project Closure Clawback. Should Ebon Solar cease operations, or notify the City of its intent to cease operations, of the Project (i.e., cease to conduct operations at the Project) before December 31, 2034, Ebon Solar shall, within ninety (90) days of the cessation of operations at the Facility, pay to the City, in cash, an amount equal to a specified percentage of the amount of the City Contribution and State Contribution paid pursuant to this Agreement, with the specific percentage based on the date



of cessation of operations in accordance with the following table (each percentage inclusive of any Performance Clawback already paid by Ebon Solar):

Date of Cessation of Operations	Percent of Public Contributions to be Repaid
On or before December 31, 2029	100%
From January 1, 2030 through December 31, 2031	80%
January 1, 2032 through December 31, 2032	70%
January 1, 2033 through December 31, 2033	60%
From January 1, 2034 through December 31, 2034	50%

Winding down of Ebon Solar’ operations at the Facility in preparation for a cessation of operations may be considered a cessation of operations, and any such determination will be made by the City in its sole reasonable discretion.

E. Maximum Clawback; Unpaid Payments. Notwithstanding anything herein to the contrary, the maximum aggregate clawback and reimbursement payable hereunder will be \$11,000,000, not including interest. Any clawbacks not paid when due shall bear interest at the Prime Rate plus 2% per annum from the due date until paid. “Prime Rate” means the U.S. prime rate as reported from time to time in *The Wall Street Journal* in its Bonds, Rates and Yields table, or successor table.

8. Security. To secure the performance of its obligations under this Agreement, prior to the payment of any portion of the State Contribution or the City Contribution to Ebon Solar, Ebon Solar shall provide the City an acceptable form of security in favor of the City in the form of (i) an annually renewable surety bond/letter of credit; and/or (ii) UCC financing statement in a form and with collateral of a type and of a value reasonably acceptable to the City. See Exhibit C. If Ebon Solar chooses to provide an annually renewable surety bond/letter of credit, non-renewal from the surety company/bank does not constitute a claim under the surety bond or letter of credit, as applicable. The amount of the security posted will be equal to the amount of funds provided by the State and the City or the liability of the clawbacks as provided in Section 7, herein, whichever is less.

9. Events of Default and Remedies.

A. Failure to Comply With Obligations. Failure by Ebon Solar to comply with any obligation under this Agreement, including without limitation, the failure to make timely payment of any clawback payment due hereunder, shall be an Event of Default. Notwithstanding the foregoing, failure to meet employment projections or failure to meet wage and benefit projections shall not be considered an Event of Default; however, the failure to make timely payment of any clawback payment due as a result thereof shall be an Event of Default.

B. Notice of Event of Default. If any Event of Default occurs, the City shall notify Ebon Solar in writing, and Ebon Solar shall have thirty (30) days in which to cure such Event of Default. If the Event of Default is not cured within such thirty-day period, the City shall have and may exercise any remedies available at law or in equity.

10. Fees. Ebon Solar will promptly pay or reimburse the City for all reasonable third-party expenses incurred by the City in connection with this Agreement and the Project, provided, however, that Ebon Solar shall not be liable for costs incurred by the City that are the responsibility of the City in the ordinary course of business. If so determined by the City, in its sole discretion, such third-party expenses may be offset against or reimbursed from the City Contribution or the State Contribution. Although the City does not anticipate incurring significant third party expenses during the term of this Agreement, such expenses could include, without limitation, expenses associated with performance reviews or audits with respect to the Project and legal fees for outside counsel in the event of any proposed amendment to this Agreement or any necessary enforcement action with respect to this Agreement.

11. Reporting Requirement, Performance Review and Termination. Quarterly, on or before each January 31, April 30, July 31 and November 31, until January 31, 2035, Ebon Solar will provide to the City and to State EDD the company's 903A or its equivalent filed with New Mexico's Department of Workforce Solutions for the previous quarter regarding the workforce for Ebon Solar and such other information necessary for the City or its independent contractor to determine whether Ebon Solar has met its obligations under this Agreement. The annual EIA report provided by State EDD must be completed by February 28 of each year beginning in 2025, and failure to complete such report by April 15<sup>th</sup> of any year during the term of this Agreement shall result in a 10% clawback of the amount of State Contribution and City Contribution paid pursuant to this Agreement. As required by the LEDA Ordinance, the Project will be subject to an annual performance review conducted by City staff, which will evaluate whether the Project is attaining the requirements of this Agreement. This review shall be presented to the City administration and the City Council. If the requirements of this Agreement are not being satisfied, the City Council at a public hearing may cause the enforcement of this Agreement, including the right of the City to any Performance Clawbacks and other remedies set forth herein. In addition, pursuant to LEDA, if Ebon Solar has ceased operations and paid all amounts due to the City as provided herein, the City may enact an ordinance terminating the LEDA Ordinance.

12. Dispute Resolution. The parties will work in good faith to resolve any disputes that arise hereunder. In the event of a dispute between the parties, the Chief Executive Officer of Ebon Solar, or his/her designee, and the Director or Deputy Director of the City's Economic Development Department shall meet and attempt in good faith to resolve the dispute. If they are unable to resolve the dispute, the Chief Executive Officer of Ebon Solar and the City's Chief Administrative Officer shall meet and attempt in good faith to resolve the dispute. Nothing contained in this Agreement constitutes a waiver of any party's right to seek judicial relief.

13. ADA Compliance. In performing the Services required hereunder, Ebon Solar agrees to meet all the requirements of the Americans with Disabilities Act of 1990, and all applicable rules and regulations (ADA), which are imposed directly on Ebon Solar or which would be imposed on the City as a public entity. Ebon Solar agrees to be responsible for knowing all applicable requirements of the ADA and

to defend, indemnify and hold harmless the City, its officials, agents and employees from and against any and all claims, actions, suits or proceedings of any kind brought against said parties as a result of any acts or omissions of Ebon Solar or its agents in violation of the ADA.

14. Audits and Inspections. At any time during normal business hours and as often as the City may deem necessary, there shall be made available to the City for examination all of Ebon Solar' records with respect to all matters covered by this Agreement. Ebon Solar shall permit the City to audit, examine, and make excerpts or transcripts from such records, and to make audits of all contracts, invoices, materials, payrolls, records of personnel, conditions of employment and other data relating to all matters covered by this Agreement. Ebon Solar understands and will comply with the City's Accountability in Government Ordinance, §2-10-1 et seq. and Inspector General Ordinance, §2-17-1 et seq. R.O.A. 1994, and also agrees to provide requested information and records and appear as a witness in hearings for the City's Board of Ethics and Campaign Practices pursuant to Article XII, Section 8 of the Albuquerque City Charter.

15. Indemnity. Ebon Solar agrees to defend, indemnify and hold harmless the City and its officials, agents and employees from and against any and all claims, actions, suits or proceedings of any kind brought against said parties because of any injury or damage received or sustained by any person, persons or property arising out of or resulting from the Services performed by Ebon Solar or Ebon Solar' agents under this Agreement or by reason of any asserted act or omission, neglect or misconduct of Ebon Solar or Ebon Solar' agents or employees or any subcontractor or its agents or employees. The indemnity required hereunder shall not be limited by reason of the specification of any particular insurance coverage in this Agreement.

16. No Collusion. Ebon Solar represents that this Agreement is entered into by Ebon Solar without collusion on the part of Ebon Solar with any person or firm, without fraud and in good faith. Ebon Solar also represents that no gratuities, in the form of entertainment, gifts or otherwise, were, or during the term of this Agreement, will be offered or given by Ebon Solar or any agent or representative of Ebon Solar to any officer or employee of the City with a view towards securing this Agreement or for securing more favorable treatment with respect to making any determinations with respect to performing this Agreement.

17. Applicable Law and Venue. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of New Mexico, and the laws, rules and regulations of the City of Albuquerque. The venue for actions arising out of this Agreement is Bernalillo County, New Mexico.

18. Enforcement. Ebon Solar agrees to pay to the City all costs and expenses including reasonable attorney's fees incurred by the City in exercising any of its rights or remedies in connection with the enforcement of this Agreement.

19. Electronic Signatures. Authenticated electronic signatures are legally acceptable pursuant to Section 14-16-7 NMSA 1978. The parties agree that this Agreement may be electronically

signed and that the electronic signatures appearing on the Agreement are the same as handwritten signatures for the purposes of validity, enforceability, and admissibility.

20. Further Assurances and Mutual Cooperation. Each Party agrees to deliver and execute any and all notices, certificates, instruments and other such documents and take any and all actions as any Party hereto reasonably may require to carry out this Agreement and such transactions hereby contemplated, and no Party will take any action that may deprive the other Party of the enjoyment of the rights this Agreement secures. Each Party further agrees to select its own legal counsel and to retain such legal counsel at that Party's expense.

21. Severability. If any part or provision of this Agreement is found to be or becomes unenforceable or illegal for any reason, such part or provision may be modified as necessary to render this Agreement enforceable and legal. If such part or provision cannot be modified as such, the part or provision shall be severed from this Agreement, and the remaining parts and provisions of this Agreement shall remain in full force and effect.

22. Force Majeure. Neither party shall be liable to the other party for any failure to perform any provisions or obligations of this Agreement if such failure to perform is caused by or results directly or indirectly from Force Majeure. "Force Majeure" means any cause beyond the reasonable control of a party affected, including but not limited to, any acts of God, fire, flood, storm, strike, riot or civil disturbance, war, earthquake, lightning, epidemic, pandemic, labor disturbance, sabotage, or restraint by court or public authority, or any other cause beyond the reasonable control of a party affected whether similar or dissimilar to the ones listed, which makes it impossible or unreasonably difficult for a party to perform its obligations under this Agreement. Nothing contained in this paragraph shall be construed to require either party to prevent or settle a strike against its will. The party unable to perform its obligations due to Force Majeure will provide notice to the other party within fifteen (15) days of its becoming aware of the Force Majeure of its inability to perform and its expectations as to when, if ever, it will be able to resume its obligations.

23. Notice. All notices or other written communications, including requests for disbursement, that are required or permitted to be given pursuant to this Agreement must be in writing and delivered personally, by a recognized courier service, by a recognized overnight delivery service, by fax, by electronic mail, or by registered or certified mail, postage prepaid, to the parties at the addresses shown in the signature block of this Agreement. If notice is mailed, it will be deemed received on the earlier of actual receipt or on the third business day following the date of mailing. If a notice is hand-delivered or sent by overnight delivery service, it will be deemed received upon actual delivery. If any written notice is sent by facsimile or electronic mail, it will be deemed received upon printed or written confirmation of the transmission. A party may change its notice address by written notice to the other party to this Agreement.

24. Assignment by the Company. Should Ebon Solar move, sell, lease or transfer its leasehold or operation duties in the Facility before the expiration of this Agreement and desire to transfer its right hereunder to such assignee, the City retains the right to deny any and all assignments, sales, leases or transfers of any interests in the Facility until adequate assurances are made that the transferee, assignee

or lessee is a qualifying entity and that the terms of this Agreement shall be satisfied by the transferee, assignee or lessee or Ebon Solar terminates this Agreement and pays any Clawback or reimbursement amounts due hereunder as of such date. At its discretion, the City may choose to deny said assignment, lease or transfer or may negotiate a new agreement with the new operator.

25. Miscellaneous. This Agreement, together with the Letter or Credit, represents the entire agreement of the parties on the subject hereof and supersedes all prior agreements or understandings between the parties, whether written or verbal. This Agreement may be amended or modified, and the performance by any party of its obligations under this Agreement may be waived, only in a written instrument duly executed by both parties. This Agreement may be executed in any number of counterparts, each of which is an original and all of which taken together constitute one instrument. This Agreement is governed by and is to be construed in accordance with the laws of New Mexico applicable to agreements made and to be performed in New Mexico.

26. Effective Date. This Agreement will be effective on \_\_\_\_\_, 2024 (the "Effective Date").

[Signature Page Follows]

CITY OF ALBUQUERQUE,  
NEW MEXICO

EBON SOLAR, LLC, a New Mexico  
Limited Liability Company

By \_\_\_\_\_  
Name: Samantha Sengel  
Title: Chief Administrative Officer  
Date: \_\_\_\_\_

By \_\_\_\_\_  
Name:  
Title:  
Date: \_\_\_\_\_

Address for notice:  
One Civic Plaza NW  
Albuquerque, NM 87102  
Attention: Economic Development  
Director  
Tel: (505)768-3000  
Email:

Address for notice:  
Attention: Judy Cai  
Ebon Solar, LLC  
101 Eisenhower Parkway, Ste. 300  
Roseland, NJ 07068  
Tel: 1 (978) 496-0327  
Email:

With a copy to:  
City Attorney  
One Civic Plaza NW  
Albuquerque, NM 87102  
Tel: (505)768-3000  
Email: [eaj@cabq.gov](mailto:eaj@cabq.gov)

Mailing Address:  
P.O. Box 1293  
Albuquerque, NM 87103

Exhibits

Exhibit A	Application for LEDA Assistance
Exhibit B	Wages and Benefits
Exhibit C	Security
Exhibit D	Clawback Example