



March 30, 2022

Ulrich Schmidt
Principal, Global Location and Expansion Services
KPMG LLP
1601 Market Street
Philadelphia, PA 19103

Dear Ulrich,


We are delighted that Hyundai Motor America (“Company”) is considering Georgia as the home of its next investment. Georgia’s partnership approach to economic development has earned the No. 1 ranking as best state in the nation for business for 8 years in a row by *Area Development*. We will take this same partnership approach to ensure the Company’s long-term success in Georgia.

Georgia offers unique assets that give your client’s business the advantage it needs to grow and compete. Georgia’s outstanding logistics, well-trained and educated workforce, low business costs, pro-business climate and high quality of life have landed it on a number of “Best Of” lists. We work hard every day to keep Georgia leading the nation as the best place for business.

Based on our recent conversations, the Company is considering Bryan County, Georgia as a location to establish an OEM Electric Vehicle Manufacturing campus (the “Project”).

This letter outlines the State, the Joint Development Authority of Bryan County, Chatham County, Bulloch County, and Effingham County (the “JDA”), and the Company commitments with respect to the Project and Project Parameters (as defined below). The letter also outlines various statutory and discretionary incentives offered by the State of Georgia and the JDA as consideration for the Company undertaking the Project.

The State of Georgia and JDA offer of support for the Company to carry out the Project based on the following Project Parameters:

	SCENARIO A Complete Car, Affiliates, and Battery	SCENARIO B Complete Car and Affiliates	SCENARIO C Battery
Company's New Job Commitment	8,100	6,300	1,800
Company's Private Investment Commitment	\$5,900,000,000	\$3,300,000,000	\$2,600,000,000
Average Annual Wage for all New Jobs	TBD	TBD	TBD
Timeframe for Jobs and Investment	6 years	6 years	6 years

Scenario A

In consideration of the Project Parameters outlined for Scenario A (Complete Car, Affiliates, and Battery), specifically the creation of 8,100 jobs and \$5,900,000,000 of investment, the State of Georgia and the JDA have outlined various statutory and discretionary incentives and are committed to carrying out select site and road improvements. In addition, the State of Georgia and the JDA are pleased to offer an approximately 2,913-acre site including the Martin Tract and the Bryan County Mega Site ("Combined Site") to the Company to carry out Scenario A. A map outlining the Bryan County Mega Site is attached at **Appendix D** and the Martin Tract at **Appendix E**. Subject to the Company meeting the Project Parameters outlined above in Scenario A, as well as the terms contained within an Economic Development Agreement ("EDA"), the State and JDA will convey the Combined Site to the Company at nominal cost at the end of an agreed upon period. The estimated total value of the incentives and improvements for Scenario A is **\$1,846,107,483¹**. Additional detail regarding the incentives for Scenario A may be found in **Appendix A²**.

Scenario B

In consideration of the Project Parameters outlined for Scenario B (Complete Car and Affiliates), and more specifically the creation of 6,300 jobs and \$3,300,000,000 of investment, the State of Georgia and the JDA have outlined various statutory and discretionary incentives and are committed to carrying out select site and road improvements. In addition, the State of Georgia and the JDA are pleased to offer an approximately 2,913-acre site including the Martin Tract and the Bryan County Mega Site ("Combined Site") to the Company to carry out Scenario B. A map outlining the Bryan County Mega Site is attached at **Appendix D** and the Martin Tract at **Appendix E**. Subject to the Company meeting the Project Parameters outlined above in Scenario B, as well as the terms contained within an EDA, the State and JDA will convey the Bryan County Mega Site to the Company at nominal cost at the end of an agreed upon period. The estimated total value of the incentives and improvements for Scenario B is **\$1,327,802,881¹**. Additional detail regarding the incentives for Scenario B may be found in **Appendix B²**.

Scenario C

In consideration of the Project Parameters outlined for Scenario C (Battery), and more specifically the creation of 1,800 jobs and \$2,600,000,000 of investment, the State of Georgia and the JDA have outlined various statutory and discretionary incentives and are committed to carrying out select site improvements. In addition, the State of Georgia and the JDA are pleased to offer the

Martin Tract, an approximately 777 acre-site, to the Company to carry out Scenario C. Subject to the Company meeting the Project Parameters outlined above in Scenario C, as well as the terms contained within an EDA, the State and JDA will convey the Martin Tract to the Company at nominal cost at the end of an agreed upon period. The estimated total value of the incentives and improvements for Scenario C is **\$430,965,202¹**. Additional detail regarding the incentives for Scenario C may be found in **Appendix C²**.

Best Regards,



Padgett Wilson
Commissioner

Agreed and Accepted this _____th day of _____ 2022.

¹ This figure is an estimate based upon the Project Parameters and other information provided by the Company to the State of Georgia and the JDA. If the Project Parameters are not satisfied or if other information upon which the State and JDA relied to calculate this figure changes, then the estimated and actual value of the incentives may change. Additionally, certain incentives included in these Appendices are statutory and do not require discretion or action on the part of the State of Georgia for the Company to claim them. These statutory incentives require that the Company meet the statutory program requirements of the particular incentive. The discretionary incentives contained at **Appendices A, B, and C** are subject to certain administrative and legal approvals, and any additional terms within the EDA.

² Please see Appendices A, B, and C for a more detailed breakdown of the incentives outlined below.

SCENARIO A: Summary of Georgia's Proposal	
Complete Car, Affiliates, and Battery	
Jobs: 8,100 Investment: \$5,900,000,000	
Start-Up Savings:	
Project/Site Development	
Project Development Grant	\$50,000,000
Site Preparation Investment (See Appendix A) for Bryan County Mega Site	Up to \$13,957,350
Wetland and Stream Mitigation Credits (Phase 1) for Bryan County Mega Site	Up to \$13,807,325
Rail Extension (Up to 10,000 linear feet) for Bryan County Mega Site	Up to \$5,566,000
Bryan County Mega Site Value (2,136 acres)	\$87,600,000
Site Due Diligence for Bryan County Mega Site (See Local Letter)	\$850,000
Martin Tract Value (777 Acres)	\$21,500,000
Due Diligence for Martin Tract (See Local Letter)	Up to \$300,000
Road Improvements (GDOT) – Widening of Highway 280 from 2 to 5 lanes, frontage road, and intersection improvements	\$120,000,000
Road Improvements (GDOT) – Second Interchange (Interchange is currently not approved by the Federal Highway Administration but GDOT will work to move the approval process forward once EA accepts the offer)	\$90,000,000
Water and Sewer Infrastructure	\$175,620,000
Design Plans for Site Preparation, Earthwork and Local Zoning (See Local Offer)	Up to \$40,000
Dedicated Consultant for Air Permitting	Up to \$100,000
Dedicated State Government Liaison (3 Years)	Up to \$673,375
Dedicated Project Director (3 Years – See Local Letter)	Up to \$600,000
Foreign Trade Zone (No. 14) Designation Fee Waiver, Customs and Border Patrol Activation Fee Waiver, and Annual Fee Waiver for 10 Years - See Local Letter	\$130,000
Training/Hiring	
Dedicated Georgia Quick Start Training Center (Company will have the option to purchase the Training Center for nominal consideration, terms to be set forth in EDA)	\$62,500,000
Existing Georgia Quick Start Training Center Expansion to Accommodate Supplier Training Needs (See Quick Start Letter)	\$10,625,000
Georgia Quick Start Training Center Training and Operations (5 Years)	\$24,834,600
GDOL Customized Recruitment	\$54,818,400
Dedicated State Workforce Liaison (3 Years)	Up to \$673,375
Equipment Purchases, Sales & Use Tax Exemption for start-up and future purchases:	

SCENARIO A: Summary of Georgia's Proposal	
Complete Car, Affiliates, and Battery	
Jobs: 8,100 Investment: \$5,900,000,000	
Competitive Project Designation Building Construction Sales and Use Tax Exemption ³ (\$2,360,000,000 total building construction costs x 60% estimated construction materials cost x 8% sales tax rate)	\$113,280,000
Qualified Machinery Used in Manufacturing Process (\$3,540,000,000 total machinery and equipment costs x 8% sales tax rate)	\$283,200,000
Primary Material Handling Equipment	8% of qualified expenditures
Pollution Control Equipment	8% of qualified expenditures
Qualified Computer Hardware & Software Used in Manufacturing Process	8% of qualified expenditures
Clean Room Equipment	8% of qualified expenditures
Savings from Tax Credits (five-year total)	
Mega Project Tax Credit (\$5,250 credit value x estimated 8,100 qualifying jobs x 5 years)	\$212,625,000
R&D Tax Credits	Based on qualified expenditures
Annual, Ongoing Savings:	
Sales & Use Tax Exemption for	
Energy Used in Manufacturing Process (natural or artificial gas, oil, gasoline, electricity, solid fuel, wood, waste, ice, steam, water)	7% of qualified expenditures
Repair & Replacement Parts to Industrial Machinery	8% of qualified expenditures
Raw Materials for Manufactured Product	8% of qualified expenditures
Packaging for Manufactured Product	8% of qualified expenditures
Inventory Tax for Manufacturers' Goods	No state tax, 100% exempted for local
Corporate Income Tax Apportioned by Property or Payroll	No, Apportioned only by In-State Sales
Throwback Rule	None
Property Tax (See Local Offer)	
Local Real and Personal Property Tax Abatement over 25 Years	\$502,807,058
State Property Tax	No state tax
Subtotal from State of Georgia	
	\$1,341,380,425

³ Construction materials are exempt from sales and use tax when the project is granted the discretionary designation of competitive project of regional significance ("CPRS"). The exemption is valid for projects that begin construction by June 30, 2023, and extends for the entire duration of construction. The figure is an estimate based on the assumption that construction investment is 60% materials and 40% labor of the building/construction investment.

SCENARIO A: Summary of Georgia's Proposal	
Complete Car, Affiliates, and Battery	
Jobs: 8,100 Investment: \$5,900,000,000	
Subtotal from Savannah Harbor-Interstate 16 Corridor JDA (see local letter)	\$504,727,058
Estimated Total Cost Savings and Cost Avoidances	\$1,846,107,483

SCENARIO B: Summary of Georgia's Proposal	
Complete Car and Affiliates	
Jobs: 6,300 Investment: \$3,300,000,000	
Start-Up Savings:	
Project/Site Development	
Project Development Grant	\$30,000,000
Site Preparation Investment (See Appendix B) for Bryan County Mega Site	Up to \$13,957,350
Wetland and Stream Mitigation Credits (Phase 1) for Bryan County Mega Site	Up to \$13,807,325
Rail Extension (Up to 10,000 linear feet) for Bryan County Mega Site	Up to \$5,566,000
Bryan County Mega Site Value (2,136 acres)	\$87,600,000
Site Due Diligence for Bryan County Mega Site (See Local Offer)	\$850,000
Martin Tract Value (777 Acres)	\$21,500,000
Due Diligence for Martin Tract (See Local Letter)	Up to \$300,000
Road Improvements (GDOT) – Widening of Highway 280 from 2 to 5 lanes, frontage road, and intersection improvements	\$120,000,000
Second Interchange Road Improvements (GDOT) – Interchange is currently not approved by the Federal Highway Administration but GDOT will work to move the approval process forward once EA accepts the offer	\$90,000,000
Water and Sewer Infrastructure	\$175,620,000
Design Plans for Site Preparation, Earthwork and Local Zoning (See Local Offer)	Up to \$40,000
Dedicated Consultant for Air Permitting	Up to \$100,000
Dedicated State Government Liaison (3 Years)	Up to \$673,375
Dedicated Project Director (3 Years – See Local Letter)	Up to \$600,000
Foreign Trade Zone (No. 14) Designation Fee Waiver, Customs and Border Patrol Activation Fee Waiver, and Annual Fee Waiver for 10 Years - See Local Letter	\$130,000
Training/Hiring	
Dedicated Georgia Quick Start Training Center (Company will have the option to purchase the Training Center for nominal consideration, terms to be set forth in EDA)	\$62,500,000
Existing Georgia Quick Start Training Center Expansion to Accommodate Supplier Training Needs (See Quick Start Letter)	\$10,625,000
Georgia Quick Start Center Training and Operations (5 Years)	\$19,038,600
GDOL Customized Recruitment	TBD
Dedicated State Workforce Liaison (3 Years)	Up to \$673,375
Equipment Purchases, Sales & Use Tax Exemption for start-up and future purchases:	

SCENARIO B: Summary of Georgia's Proposal	
Complete Car and Affiliates	
Jobs: 6,300 Investment: \$3,300,000,000	
Competitive Project Designation Building Construction Sales and Use Tax Exemption (\$1,320,000,000 total building construction costs x 60% estimated construction materials cost x 8% sales tax rate)	\$63,360,000
Qualified Machinery Used in Manufacturing Process (\$1,980,000,000 total machinery and equipment costs x 8% sales tax rate)	\$158,400,000
Primary Material Handling Equipment	8% of qualified expenditures
Pollution Control Equipment	8% of qualified expenditures
Qualified Computer Hardware & Software Used in Manufacturing Process	8% of qualified expenditures
Clean Room Equipment	8% of qualified expenditures
Savings from Tax Credits (five-year total)	
Mega Project Tax Credit (\$5,250 credit value x estimated 6,300 qualifying jobs x 5 years)	\$165,375,000
R&D Tax Credits	Based on qualified expenditures
Annual, Ongoing Savings:	
Sales & Use Tax Exemption for	
Energy Used in Manufacturing Process (natural or artificial gas, oil, gasoline, electricity, solid fuel, wood, waste, ice, steam, water)	7% of qualified expenditures
Repair & Replacement Parts to Industrial Machinery	8% of qualified expenditures
Raw Materials for Manufactured Product	8% of qualified expenditures
Packaging for Manufactured Product	8% of qualified expenditures
Inventory Tax for Manufacturers' Goods	No state tax, 100% exempted for local
Corporate Income Tax Apportioned by Property or Payroll	No, Apportioned only by In-State Sales
Throwback Rule	None
Property Tax (see local letter)	
Local Real and Personal Property Tax Abatement over 25 Years	\$287,086,856
State Property Tax	No state tax
Subtotal from State of Georgia	
	\$1,038,796,025
Subtotal from Savannah Harbor-Interstate 16 Corridor JDA (See Local Offer)	
	\$289,006,856
Estimated Total Cost Savings and Cost Avoidances	
	\$1,327,802,881

SCENARIO C: Summary of Georgia's Proposal		
Battery		
Jobs: 1,800 Investment: \$2,600,000,000		
Start-Up Savings:		
Project/Site Development		
Project Development Grant (See Appendix C)		\$15,000,000
Martin Tract Value (777 Acres)		\$21,500,000
Due Diligence for Martin Tract (See Local Letter)		Up to \$300,000
Dedicated Project Director (3 Years) – Local		\$600,000
Training/Hiring		
Georgia Quick Start Training		\$5,795,000
Equipment Purchases, Sales & Use Tax Exemption for start-up and future purchases:		
Qualified Machinery Used in Manufacturing Process (\$1,560,000,000 total machinery and equipment costs x 8% sales tax rate)		\$124,800,000
Primary Material Handling Equipment		8% of qualified expenditures
Pollution Control Equipment		8% of qualified expenditures
Qualified Computer Hardware & Software Used in Manufacturing Process		8% of qualified expenditures
Clean Room Equipment		8% of qualified expenditures
Savings from Tax Credits (five-year total)		
Mega Project Tax Credit (\$5,250 credit value x estimated 1,800 qualifying jobs x 5 years)		\$47,250,000
R&D Tax Credits		Based on qualified expenditures
Annual, Ongoing Savings:		
Sales & Use Tax Exemption for		
Energy Used in Manufacturing Process (natural or artificial gas, oil, gasoline, electricity, solid fuel, wood, waste, ice, steam, water)		7% of qualified expenditures
Repair & Replacement Parts to Industrial Machinery		8% of qualified expenditures
Raw Materials for Manufactured Product		8% of qualified expenditures
Packaging for Manufactured Product		8% of qualified expenditures
Inventory Tax for Manufacturers' Goods		No state tax, 100% exempted for local
Corporate Income Tax Apportioned by Property or Payroll		No, Apportioned only by In-State Sales
Throwback Rule		None
Property Tax (See Local Offer)		
Local Real and Personal Property Tax Abatement over 25 Years		\$215,720,202
State Property Tax		No state tax

SCENARIO C: Summary of Georgia's Proposal	
Battery	
Jobs: 1,800 Investment: \$2,600,000,000	
Subtotal from State of Georgia	\$214,345,000
Subtotal from Savannah Harbor-Interstate 16 Corridor JDA (See Local Offer)	\$216,620,202
Estimated Total Cost Savings and Cost Avoidances	\$430,965,202

*This offer is good until **April 25, 2022** (“Offer Letter”). To accept this Offer Letter, Company shall sign and return this letter to the Georgia Department of Economic Development and shall indicate which of the above scenarios Company’s intends to pursue. Acceptance of the Offer Letter and the incentives listed above will initiate the execution of incentive programs and negotiation of the EDA.*

By accepting this offer the company agrees to a joint public announcement regarding its chosen location, and the Project Parameters, including the planned job creation and investment numbers.

The company agrees not to divulge, disclose, or make this Offer Letter accessible to any persons or entities other than those whose assistance is required for purposes of evaluating this project (the “Company Representatives”). The Company Representatives shall include the following: the company’s board members, officers, employees, agents, advisors, and legal counsel. The company may also share or disclose this Offer Letter when required by legal compulsion by deposition, interrogatory, and request for documents, subpoena, civil investigative demand, or similar process. To the extent that the company divulges, discloses, or makes this Offer Letter available to the Company Representatives, then the Company Representatives shall be advised of the confidential nature of this Offer Letter and shall maintain the confidentiality of such. The company acknowledges and agrees that if the Offer Letter is made accessible to any persons or entities other than the Company Representatives, the State may void the Offer Letter, in its sole discretion.

A signed EDA between the company, local community and the state of Georgia is necessary to initiate the incentives outlined in this letter, including the Project Development Grant.

A local government entity or authorized development authority will be the applicant and recipient of state Project Development grant funds. The Georgia Department of Community Affairs will review grant applications, conduct a financial risk analysis on the ultimate recipient (company) and disburse funds directly to the local government applicant based on receipts from eligible project activities.

All local partner incentives in this proposal are contingent on local government execution. Please see attached letter for additional information about the local offer.

All tax credit, sales and use exemptions, and other tax liability estimates within this letter should be considered an estimate and approximate value and are subject to change as a result of legislative action. Final determination of the value of tax credits, sales and use exemptions, and all other tax liabilities will be made by the Georgia Department of Revenue.

For additional details on other tax credits, visit the Georgia Department of Revenue website: <https://dor.georgia.gov/taxes/tax-credits>

For the rules and regulations of the Georgia Department of Revenue related to income tax and credits, visit: <https://dca.ga.gov/community-economic-development/incentives/job-tax-credits>

For additional details on qualifying for the sales and use tax exemptions, visit the Georgia Department of Revenue website: <https://dor.georgia.gov/taxes/business-taxes/sales-use-tax/nontaxable-sales>

For the rules and regulations of the Georgia Department of Revenue related to sales & use tax exemptions, visit: <http://rules.sos.ga.gov/GAC/560-12-2> For the Georgia tax code, visit: <http://www.lexisnexis.com/hottopics/gacode>