

March 7, 2023

Mr. Brett Robinson
Chief Executive Officer
Integra Technologies, Inc
3450 N Rock Road #111
Wichita, KS 67226

Re: Letter of Intent to issue Industrial Revenue Bonds (the “Bonds” or IRBs”) and provide other incentives for the establishment of a semiconductor and related device manufacturing facilities in Bel Aire.

Dear Mr. Robinson:

Subject to formal IRB document approval by the City Council of Bel Aire, this Letter of Intent with Integra Technologies, Inc. (the “Company”) is submitted in order to set forth the agreement of the parties concerning the principal elements of Company’s commitment to the City of Bel Aire and the City’s intent to provide the incentives outlined herein as well as the Incentives Agreement dated March 7, 2023, including the issuance of Taxable Industrial Revenue Bonds pursuant to K.S.A. 12-1740 *et seq.*, to construct two buildings for use in manufacturing, warehousing and storage to be located southeast of the intersection of K-254 and North Rock Road. This letter of intent is subject in all respects to subsequent actions by the City Council to authorize specific incentives outlined herein and does not constitute a binding obligation of the parties until such actions have been taken and all documents contemplated herein are executed. This letter of intent is void if not signed and accepted by Company within 30 days from the date of this letter. Absent subsequent rescission or extension by action of the governing body, this letter of intent to issue bonds and provide other incentives will remain in effect through December 31, 2030.

I. Industrial Revenue Bonds

At the option of the Company, the City intends to authorize the issuance of one or more series of Taxable Industrial Revenue Bonds (the “Bonds”) in an aggregate total principal amount not to exceed \$4,000,000,000 to finance the cost of acquiring land, equipping and constructing two (2) buildings each of approximately 1,000,000 square feet each for use in offices, manufacturing, warehousing and storage.

The Bonds will be privately placed by the Company, its investors and its lenders.

The City will assess a 1% origination fee on each series of Bonds that will be due at closing on each series of Bonds; provided, however, the total origination fee on each series of Bonds shall not exceed \$100,000.

II. Other Incentives:

The City Council hereby conditionally approves a 100% ad valorem property tax exemption on the bond-financed property for ten (10) years, all subject to the tenant's ongoing compliance with the Industrial Revenue Bond Policy as well as conditions included in this letter and all related Bond documents. Under state law, no exemption may be granted from the ad valorem property tax levied by a school district for the capital outlay fund pursuant to the provisions of K.S.A. 72-53,113, which levy may not currently exceed 8 mills.

The City Council hereby conditionally approves a sales tax exemption in connection with the purchase of materials and equipment used in construction and equipping of the project based on IRB statutes of the State of Kansas.

III. Other Conditions:

Closing of the Bonds and issuance is subject to negotiation of the Bond documents, compliance with State law and City ordinances and policies for the issuance of the Bonds, and receipt of commitments for the purchase of bonds from lenders / equity holders, including:

-Negotiation of the Bond documents, including an approving Ordinance, Site Lease, Project Lease, Trust Indenture or Bond Agreement, and Bond Purchase Agreement, if any.

-Execution of guarantees for payment of bonds as may be required by the owner of the Bonds.

-Integra Technologies. Inc agrees to:

- (1) identify all owners of the Company and their portion of equity, *provided that* it is understood that beneficial owners of the Company are not legal owners of the Company and would not be identified under this provision;
- (2) identify the senior officers of the Company in Kansas;
- (3) notify the City of any changes in ownership, excluding beneficial owners referenced above, and changes in senior officers in Kansas, as long as the Bonds are outstanding;
- (4) prepare and maintain financial records and allow City access to the same, as provided in the Incentive Agreement between the City and Company;
- (5) pay all costs incurred by the City for processing the application and issuance of the Bonds;

- (6) pay the City an Administrative fee of \$2,500 per year for the time period in which the Bonds are outstanding;
- (7) obtain a commitment for a policy of title insuring the title of the real property on which the Bond financed facilities will be constructed;

IV. Company Performances

In the event the City Council finds (a) upon the fifth anniversary of the date of this LOI, and continuing on each anniversary thereafter, that the Company did not achieve or has not maintained its capital investment of \$1,000,000,000, or did not achieve or has not maintained its employment goal of 1,000 full time employees, for the first building, or (b) upon the fifth anniversary of the date of operation of the second building and continuing on each anniversary thereafter, that the Company did not achieve or has not maintained its capital investment of \$1,000,000,000, or did not achieve or has not maintained its goal of 1,000 full time employees for the second building, or (c) the Company is no longer using the properties as office, warehouse or manufacturing facilities, or (d) the Company is in default under any of its agreements with City related to these incentives, the City may at its sole discretion after providing the Company with written notice and reasonable cure right, if applicable, revoke any ad valorem property tax abatement and impose payment in lieu of taxes in the amount of any ad valorem property taxes abated.

V. Assignment of Letter of Intent

This Letter of Intent is not assignable by the Company without the City's express written approval.

Sincerely,

Jim Benage, Mayor

Date

Attest:

Ty Lasher, City Manager

Accepted:

Integra Technologies, Inc

Brett Robinson, CEO

Date