

Local Economic Development Act Hearing

Case # 2023-7

LEDA 24-1: Maxeon Solar Technologies LEDA Project

REQUEST: Approving an Ordinance for Maxeon Solar Technologies, Ltd Pursuant to the Local Economic Development Act

PROJECT SUMMARY:

Maxeon Solar Technologies, Ltd, a limited liability company headquartered in Singapore registered to do business in New Mexico (“Maxeon”), is seeking the City of Albuquerque to be the fiscal agent for State LEDA funds and GRT Share, Bernalillo County GRT Share, and for the City to directly provide LEDA funds and GRT Share, to be used for the construction and improvement of their photovoltaic (solar) cell fabrication and panel assembly facilities (the “Project”). Maxeon is seeking LEDA funding in the amount of \$20,000,000. The State has agreed to provide \$18,000,000 and the City proposes to provide \$2,000,000. Additionally, the City will dedicate by ordinance the City Increment, the County will dedicate by ordinance the County Increment, and the New Mexico Economic Development Department (“EDD”) agrees to dedicate the State Increment for purposes related to all LEDA-eligible expenses associated with the construction of the Project to the Local Economic Development Act fund (the “Fund”) created by Section 5-10-14 NMSA 1978. The GRT Increment will be distributed from the Fund as provided in Section 6 of the Project Participation Agreement (“PPA”). Maxeon will be eligible for reimbursement for costs of the renovation, expansion and improvement incurred following execution of the Project Participation Agreement (“PPA”).

Maxeon (NASDAQ:MAXN) designs and manufactures Maxeon® and SunPower® brand solar panels, and has sales operations in more than 100 countries, operating under the SunPower brand in certain countries outside the United States. The Company is a leader in solar innovation with access to over 1,000 patents and two best-in-class solar panel product lines. Maxeon products span the global rooftop and solar power plant markets through a network of more than 1,700 trusted partners and distributors. A pioneer in sustainable solar manufacturing, Maxeon leverages a 35-plus-year history in the solar industry and numerous awards for its technology.

Maxeon operates two LEED Gold® manufacturing facilities—their cell fab in Malaysia, as well as a Mexicali, Mexico module production facility, which is also the first and only certified, zero-waste-to-landfill solar panel factory. Clean power, a sustainable supply chain and the respect for human and labor rights are key criteria that led Corporate Knights, a business and consulting firm to list Maxeon among the World’s 100 most sustainable companies in 2023.

Maxeon anticipates occupying and operating its Project facilities and will hire and retain at least 1,773 employees as outlined in the PPA. Many of these jobs will provide opportunities and training for low/moderate income residents. Maxeon will maintain the Project’s operations in Albuquerque for a minimum of ten (10) years.

Maxeon seeks to expand its current manufacturing capacity of approximately 6.4 GW of industry-leading solar products in Mexico, China, Malaysia, and the Philippines by establishing a

U.S. manufacturing base. The new Albuquerque factory will fabricate silicon photovoltaic solar cells and assemble those solar cells into solar panels, while having annual production capacity over 3.2 GW (over 5 million solar panels), which will be shipped to utility scale solar power plant customers throughout the United States. The project will require the construction of an approximately 550k sq. ft solar cell fabrication facility (including a clean room), an approximately 750k sq. ft solar panel assembly facility, and on-site utilities infrastructure.

The total investment in the acquisition and construction for the Project facility is estimated at \$2,425,000,000.

The Maxeon plant is expected to be the first large-scale PV cell and panel manufacturing in New Mexico, and its planned capacity is approximately double the size of the largest silicon solar manufacturing facility currently operating in the U.S. Maxeon expects to begin construction in the first quarter of 2024, with factory ramp-up to commence in 2025. Maxeon has selected a 160-acre site located in the community of Mesa Del Sol, and is designing the complex to include solar cell fabrication, panel assembly, a warehouse, and administrative offices.

The Project is expected to create approximately 11,720 construction jobs sourced from local labor pools, as much as possible.

The Applicant proposes to construct the Project at the Mesa Del Sol mixed-use master planned community in Albuquerque, New Mexico. The new facility will consist of a Cell Fab (solar cell manufacturing factory) and Modco (Module Company), a solar panel assembly factory. Each factory unit will include a manufacturing area, manufacturing support space, warehousing, and office space. The Cell Fab and Modco buildings will have a new core and shell suitable for the manufacturing processes.

The new facilities will require Cell Fab support facilities that includes a Chiller Plant with Cooling Towers, a Compressed Dry Air (CDA) Building, a Waste Treatment Facility, Fluoride Waste Treatment Facility, Industrial Water Tank and Pump House, a Chemical Storage Building, Bulk Gas Yard, Silane Gas Pad, Hazardous Waste Storage Building, and Emergency/Back-up Generators.

The Site will require a main entrance off of University Boulevard and 2 service entrances and exits, facility roads, logistics shipping, receiving and container yard, approximately 1,200 parking spaces, fire access roads/loops around the factories, and 3 site stormwater management/retention ponds. During construction, typical building construction materials will be used, including foundation pilings, steel, poured and pre-fabricated concrete, crushed stone, roof deck, rubber membrane roofing, insulation, electrical switchgear and transformers, HVAC equipment, cleanroom systems, flooring products, and common fixtures and furnishings used to fit out industrial spaces, offices, cafeterias, and restrooms.

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 \$86,092,597 in net benefits over the 10-year period, equating to a Present Value of \$72,841,285. The Project will have an estimated Total Public Net Benefit of \$230,160,602 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 Maxeon 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 24-1 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 24-1 would make positive substantive contributions to the local economy and community by creating 1,773 base jobs; and
3. Subject to the development of acceptable security documents, LEDA 24-1 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 24-1 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. Maxeon 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. Maxeon 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

The Project is to be located in the Mesa Del Sol area in Albuquerque, New Mexico. A legal description for the property is not currently available. Bearing this in mind, however, the 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 new facility will consist of a Cell Fab (solar cell manufacturing factory) and Modco (Module Company), a solar panel assembly factory. Each factory unit will include a manufacturing area, manufacturing support space, warehousing, and office space. The Cell Fab and Modco buildings will have a new core and shell suitable for the manufacturing processes.

The new facilities will require Cell Fab support facilities that includes a Chiller Plant with Cooling Towers, a Compressed Dry Air (CDA) Building, a Waste Treatment Facility, Fluoride Waste Treatment Facility, Industrial Water Tank and Pump House, a Chemical Storage Building, Bulk Gas Yard, Silane Gas Pad, Hazardous Waste Storage Building, and Emergency/Back-up Generators.

The Site will require a main entrance off of University Boulevard and 2 service entrances and exits, facility roads, logistics shipping, receiving and container yard, approximately 1,200 parking spaces, fire access roads/loops around the factories, and 3 site stormwater management/retention ponds. During construction, typical building construction materials will be used, including foundation pilings, steel, poured and pre-fabricated concrete, crushed stone, roof deck, rubber membrane roofing, insulation, electrical switchgear and transformers, HVAC equipment, cleanroom systems, flooring products, and common fixtures and furnishings used to fit out industrial spaces, offices, cafeterias, and restrooms.

The Project is expected to become operational in 2025. The Project is expected to be in operation for at least 20 years.

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

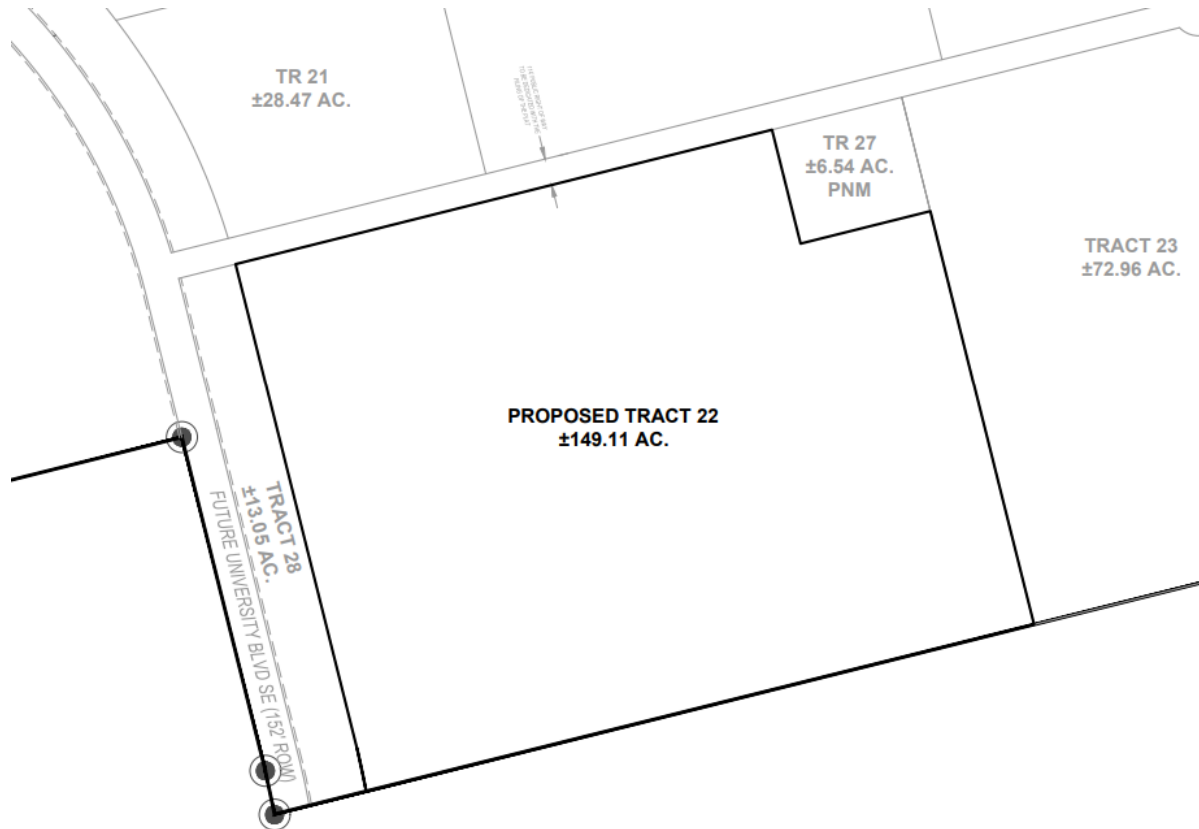
- Roads
- Power
- Water
- Storm Sewer
- Sanitary Sewer
- City Reuse Water
- Advanced Water Treatment Plant by Water Authority, Industrial Wastewater Recycling

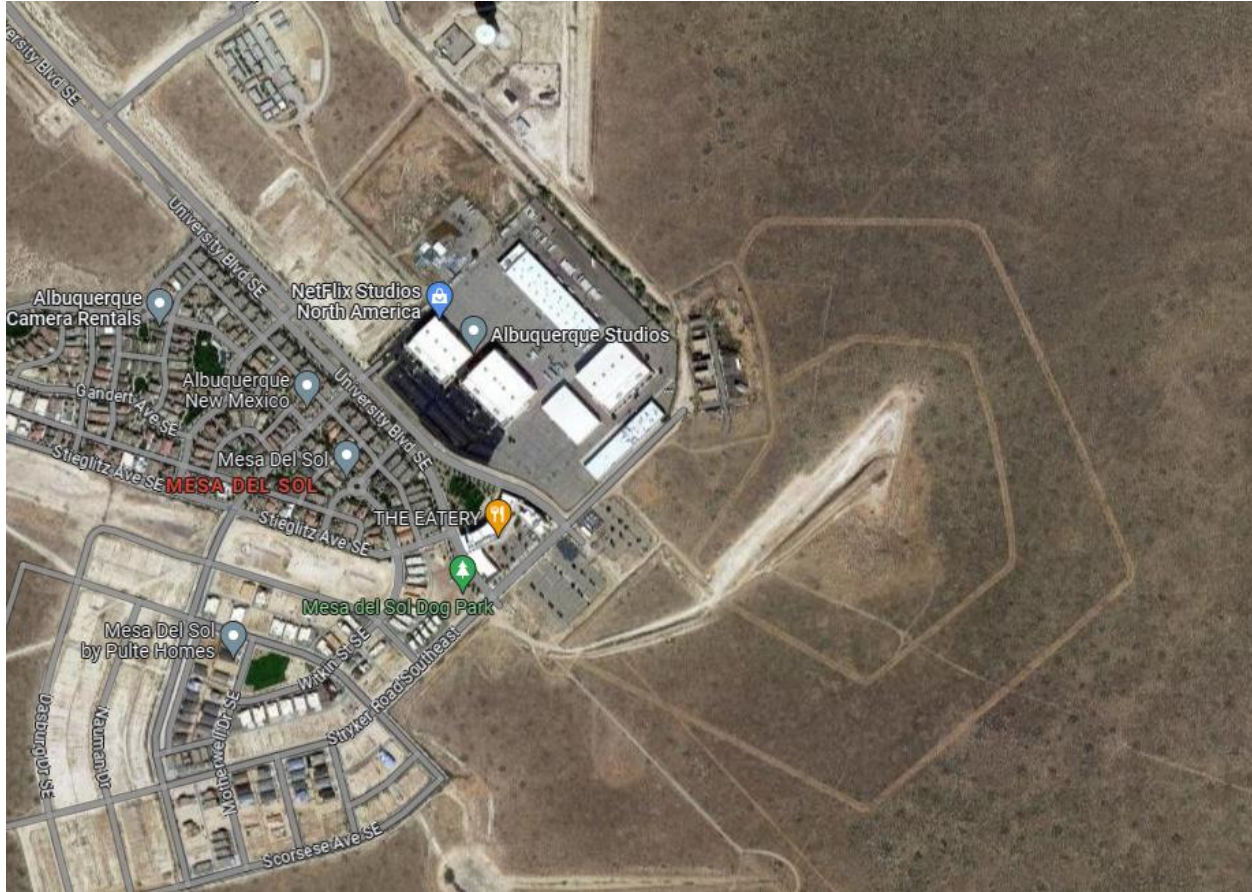
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- Broadband (fiber)

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:





No individuals, families, or businesses will be displaced by the activities outlined in this plan.

4. DESIGN AND CONSERVATION:

The total average water consumption is estimated as 5,000,000 gallons per day, and approximately 151,000,000 gallons per month. The Applicant's current strategy entails sending 3,500,000 gallons of water per day to an Advanced Water Treatment Plant (AWTP) operated by ABCWUA, which will be re-used as industrial water. The will also use treated reclaim water from other sources to provide the Applicant with an additional 1,000,000 gallons per day of industrial water. Once the AWTP is operational, the Applicant's potable water consumption will be greatly reduced to approximately 500,000 gallons per day.

5. RENEWABLE ENERGY:

When the Project reaches its full entitled capacity, it will manufacture 4.5 GW (over 7,000,000) solar panels which will be deployed in utility power plant (solar farm) projects throughout the United States on an annual basis. The Applicant plans to install roof mounted solar and ground mounted solar carports to offset energy consumption.

III. ECONOMIC BENEFITS

6. COMPETITION:

There are no local companies that could potentially be considered as competitive with Maxeon.

7. JOBS:

Maxeon will be creating and hiring to fill over 1,700 high paying solar manufacturing jobs. The jobs created include operators, technicians, engineers, logistics, supervisor, section managers, department managers and senior managers. The newly created jobs will have salary ranges from approximately \$28,000 to \$230,000.

Maxeon 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.

Applicant estimates the value of employee benefits as being 38.5% of base compensation with the following contribution breakdown: Employer/80% to Employee/20%.

The Project is also expected to create approximately 2,311 indirect and induced jobs. Additionally, the Project will lead to the creation of 11,720 construction jobs sourced from local labor pools, as much as possible.

IV. PROJECT FEASIBILITY

9. COST/ FEASIBILITY/ FINANCING:

The Maxeon project will be capitalized with the following capital structure:

- Applicant Equity Investment - \$422,000,000
- External Equity Investment- \$250,000,000
- Department of Energy Title 17 Loan- \$1,207,000,000
- Other Loans- \$544,000,000

Total Project Amount (Sum of above)- \$2,423,000,000.00

Additionally, the State has committed \$18,000,000 in LEDA funds and the City has committed an additional \$2,000,000 for a total of \$20,000,000. LEDA funding is subject to City Council approval.

10. DEVELOPER'S RECORD:

Maxeon Solar Technologies has 5,000 employees in multiple facilities in 14 countries. The company has a proven track record of successful developments, acquisitions and expansions across the globe. The company has stood up numerous facilities over its 35-year history and it

has consistently upgraded its facilities and led the way in sustainable building practices. The company operates two LEED Gold® manufacturing facilities—a cell fab in Malaysia, as well as a Mexicali, Mexico module production facility, which is also the first and only certified, zero-waste-to-landfill solar panel factory.

Additional information is available on <https://maxeon.com/>

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:

The Maxeon project will be capitalized with the following capital structure:

- Applicant Equity Investment - \$422,000,000
- External Equity Investment- \$250,000,000
- Department of Energy Title 17 Loan- \$1,207,000,000
- Other Loans- \$544,000,000

Total Project Amount (Sum of above)- \$2,423,000,000.00

The State, Bernalillo County and the City have agreed that their respective portions of the GRT Increment collected and generated by the taxable expenses related to the construction of the Project will be distributed to Maxeon, through December 12, 2033, upon the accrual of \$350,000,000 in expenses related to the construction and infrastructure of the Project in the State. Disbursements shall be paid on a reimbursement basis and Maxeon shall first incur LEDA-eligible Expenses and then submit requests for reimbursement to the City.

GRT Share Parameters	
Public Entity	% of GRT to be shared
State of New Mexico	0.9125%
City of Albuquerque	0.79737%
Bernalillo County	0.375%
Total % Shared	2.08487%

Additionally, the State has committed \$18,000,000 in LEDA funds and the City has committed an additional \$2,000,000 for a total of \$20,000,000. LEDA funding is subject to City Council approval.

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

12. MANAGEMENT:

Maxeon’s management leads a global team of 5,000 employees across 14 countries. Their combined background, capabilities and experience in the solar manufacturing industry is ideal to lead a project of this scope.

Principal Directors:

CEO - Bill Mulligan

CTO - Matt Dawson

CRO - Mark Babcock

CFO- Kai Strohbecke

CSO- Peter Aschenbrenner

COO- Philippe Costemale

Additional information on the management team can be found at:

<https://corp.maxeon.com/company/management-team>

Information on the company's Board of Directors can be found at:

<https://corp.maxeon.com/company/board-of-directors>

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

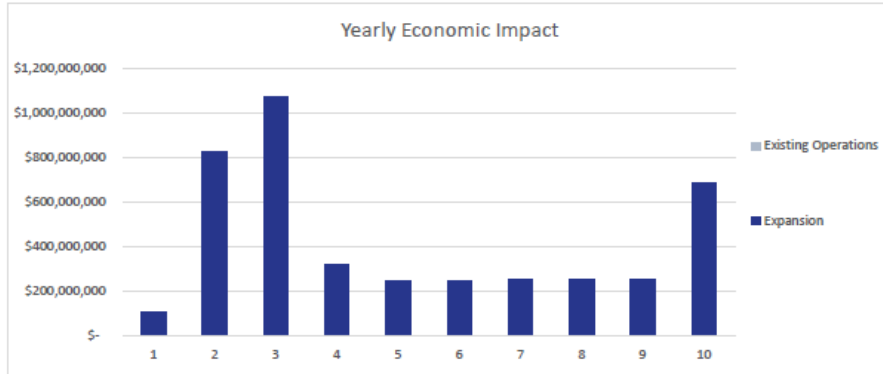
13. FISCAL IMPACT ANALYSIS

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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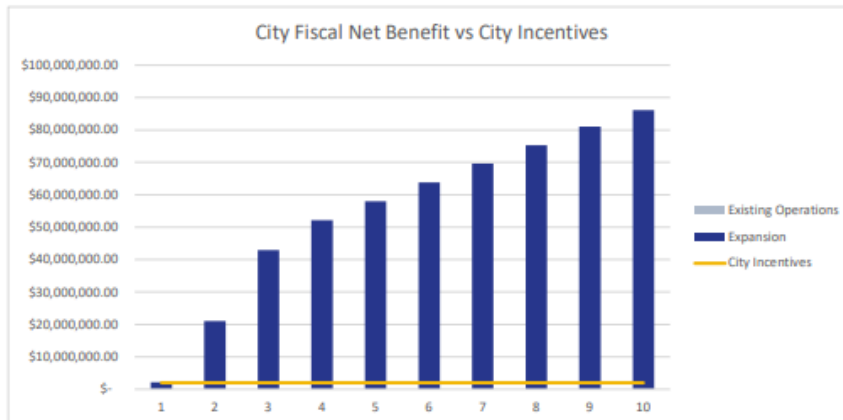
Total Economic Impact

	Total
Estimated Economic Impact Over 10 Years:	\$ 4,273,042,497
Combined Total Incentive Over 10 Years:	\$ 117,737,648
Economic Impact Rate of Return:	3,529%



Workers and New Residents over 10 years

	Direct	Indirect and Induced
Number of Jobs Created:	1773	2311
Estimated Number of Construction Workers:	11720	
Estimated Number of New Residents to the State:	0	0
Estimated Number of New Residents to the County:	0	0
Estimated Number of New Residents to the City:	0	0



Incentives

Total City Incentive:	\$ 2,000,000
City Incentive Per Job:	\$ 1,128

Combined Payback and Return

City Payback Period Combined:	0.92 Years
City Rate of Return Combined:	3542%

Expansion Only Payback and Return

City Payback Period Expansion:	0.92 Years
City Rate of Return Expansion:	3542%

City Combined Net Benefits					
Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits	
1	\$ 2,157,154	\$ (15,661)	\$ 2,172,815	\$	2,172,815
2	\$ 18,762,756	\$ (106,461)	\$ 18,869,216	\$	21,042,032
3	\$ 20,424,669	\$ (1,448,991)	\$ 21,873,660	\$	42,915,692
4	\$ 7,643,441	\$ (1,609,990)	\$ 9,253,431	\$	52,169,123
5	\$ 4,229,351	\$ (1,626,090)	\$ 5,855,441	\$	58,024,564
6	\$ 4,167,730	\$ (1,642,351)	\$ 5,810,081	\$	63,834,645
7	\$ 4,108,003	\$ (1,658,775)	\$ 5,766,778	\$	69,601,424
8	\$ 4,048,272	\$ (1,675,362)	\$ 5,723,635	\$	75,325,058
9	\$ 3,980,905	\$ (1,692,116)	\$ 5,673,021	\$	80,998,079
10	\$ 3,385,480	\$ (1,709,037)	\$ 5,094,518	\$	86,092,597

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

Taxes and Revenue	
Gross Receipt Taxes	\$ 49,993,963
Misc. Taxes and Revenue	\$ 8,237
Property Taxes	\$ 22,905,562
Subtotal of Benefits	\$ 72,907,761

Costs	
Costs	\$ (13,184,836)
Subtotal of Costs	\$ (13,184,836)

Net Benefits	
Net Benefits	\$ 86,092,597
Present Value	\$ 72,841,285

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 Maxeon Project Participation Agreement are summarized and attached as an Exhibit.

1. Goals and Objectives. The 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 Application.
2. Company Contribution. Maxeon shall acquire, construct, improve, equip, install, maintain and redevelop the Facility, 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. Maxeon will take all reasonable efforts to maintain the Project's operations in Albuquerque for a minimum of ten (10) years. Maxeon will comply with all applicable laws in connection with the operation of the Project and will timely pay all personal property taxes owed with respect thereto.
3. The State Contribution; Procedure for Disbursement of the State Contribution. The City anticipates that the State Contribution of up to \$18,000,000 will be delivered to the City for subsequent disbursement to Maxeon, following enactment of the Project Ordinance and execution of this Agreement and an intergovernmental agreement among the State, the County, and the City (the "IGA"). 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 Maxeon in the manner as follows:
 - 1) \$1,000,000 upon adoption of the City Project Ordinance, execution of this Agreement and the IGA, the security contemplated under Section 10 herein being in place, Maxeon incurring at least \$1,000,000 in LEDA-eligible Expenses (as defined below) that have not already been reimbursed with Closing Fund Contribution proceeds, and Maxeon being current with all its reporting requirements under this Agreement;
 - 2) \$5,000,000 upon Maxeon obtaining a certificate of occupancy for the Facility, hiring 25 full-time employees, incurring at least \$5,000,000 in LEDA-eligible Expenses that have not already been reimbursed with Closing Fund Contribution proceeds, and being current with all its reporting requirements under this Agreement;
 - 3) \$4,000,000 upon Maxeon spending at least \$350,000,000 in expenses related to the construction and infrastructure of the Project, incurring at least \$4,000,000 in LEDA-eligible Expenses that have not already been reimbursed with Closing Fund

Contribution proceeds, and being current with all reporting requirements under this Agreement; and

- 4) \$8,000,000 upon Maxeon hiring at least 1,000 full-time employees and maintaining those employees for at least one quarterly reporting period, incurring at least \$8,000,000 in LEDA-Eligible expenses that have not already been reimbursed with Closing Fund Contribution proceeds, and being current with all reporting requirements under this Agreement.

For purposes of this Agreement, “LEDA-eligible Expenses” shall mean expenditures including, but not limited to, land, building and infrastructure, including permanently installed and situated physical assets and the design, labor and permitting required to put them in place, with examples including, but not being limited to, foundation, drainage improvements, electrical wiring, architecture fees, insulation, landscaping and equipment rentals.

From time to time during the term of this Agreement, Maxeon may deliver to the Economic Development Director of the City or their designee a requisition and written certification in the form attached hereto as Exhibit B by Maxeon documenting the applicable costs associated with Maxeon’s acquisition, construction and improvement expenses related to the Project and proof of payment for those expenses.

4. The City Contribution; Procedure for disbursement of City Contributions. Pursuant to the City Project Ordinance and the City LEDA Plan, the City has committed the amount of \$2,000,000 for use in connection with the Project. As required by the City LEDA Plan, 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 in the manner as follows:

- 1) \$1,000,000 upon Maxeon obtaining a certificate of occupancy, hiring at least 750 full-time employees and maintaining those employees for at least one quarterly reporting period, incurring at least \$1,000,000 in LEDA-eligible Expenses that have not already been reimbursed with Closing Fund Contribution proceeds, and being current with all reporting requirements under this Agreement; and
- 2) \$1,000,000 upon Maxeon hiring at least 1,200 full-time employees and maintaining those employees for at least one quarterly reporting period, incurring at least \$1,000,000 in LEDA-eligible Expenses that have not already been reimbursed with Closing Fund Contribution proceeds, and being current with all reporting requirements under this Agreement.

From time to time during the term of this Agreement, Maxeon may deliver to the Economic Development Director of the City or their designee a requisition and written certification in the form attached hereto as Exhibit B by Maxeon documenting the applicable costs associated with Maxeon’s acquisition, construction and improvement expenses related to the Project and proof of payment for those expenses.

5. GRT Increment Contribution. The City has dedicated by ordinance the City Increment, the County has dedicated by ordinance the County Increment, and EDD agrees to dedicate the State Increment for purposes related to all LEDA-eligible Expenses associated with the construction of the Project to the Local Economic Development Act fund (the “Fund”) created by Section 5-10-14 NMSA 1978. The GRT Increment will be distributed from the Fund as provided in Section 6 herein.

6. GRT Increment Distributions.
 - A. The City, County and EDD anticipate that the County Increment and the State Increment will be deposited into the fund as contemplated under Section 5-10-14(B) NMSA 1978 and delivered to the City, as fiscal agent for the State and the County on the Project in connection with the Project Ordinance and the IGA. Upon receipt of the County Increment and the State Increment, the City will place the County Increment and the State Increment into a separate account established in connection with the Project, as required by law.
 - B. The Contributors agree that their respective portions of the GRT Increment collected and generated by the taxable expenses related to the construction of the Project will be distributed to Maxeon by the City, as fiscal agent for the State and the County, through December 12, 2033, upon the accrual of \$350,000,000 in expenses related to the construction and infrastructure of the Project in the State. Disbursements shall be paid on a reimbursement basis and Maxeon shall first incur LEDA-eligible Expenses and then submit requests for reimbursement to the City. It shall be the obligation of Maxeon to provide the City with funds delivery instructions, including the name of the account, name of the bank, ABA number, account number and contact information for a Maxeon representative to coordinate funds transfer.
 - C. The Contributors will provide to Maxeon as soon as it is available from the New Mexico Taxation and Revenue Department the specific reporting code for the Project.
 - D. Maxeon agrees to provide to the Contributors all documentation as required in Section 5-10-17(A)(5) NMSA 1978 prior to the end of each month so that the Contributors will have sufficient time to confirm and verify all funds have been duly submitted and collected.
 - E. Maxeon will require all contractors and subcontractors for the Project to provide monthly to Maxeon documents consistent with the requirements of Section 5-10-17(A)(5) NMSA 1978, such as the CRS-1 (or its equivalent) filing to the New Mexico Taxation and Revenue Department, redacted to reflect GRT related to the Project or the specific reporting code for the Project.
 - F. On a quarterly basis, beginning 120 days after the first receipt of CRS-1 (or its equivalent) documentation from Maxeon, EDD, in accordance with the schedule set by the New Mexico Taxation and Revenue Department, will transfer all GRT Increment collected from the Project to the City for disbursement to Maxeon consistent with Section 6.B. herein. The City in turn will disburse such GRT Increment to Maxeon within 15 days of the City’s receipt.

7. Time Commitment. Maxeon intends to invest up to approximately \$2,422,232,343 for the acquisition, construction, redevelopment, renovation, rehabilitation and equipping of the Facility. Operations at the Facility are expected to begin following completion of the acquisition, construction, redevelopment, renovation, rehabilitation and equipping of the Facility, or as soon thereafter as possible. Maxeon will continue to operate the Facility and diligently conduct operations in the Facility in the manner contemplated by this Agreement at least through December 13, 2033.
8. Use of Closing Fund Contribution. Provided that the City receives the State Contribution and the State Increment and the County Increment, the City will reimburse Maxeon up to \$20,000,000 in Closing Fund Contribution proceeds and the GRT Increment consistent with the provisions of Section 6.B. herein for the costs of the acquisition, construction, redevelopment, renovation, rehabilitation and equipping of the Facility actually incurred after the adoption of the Project Ordinance. The City will make payment to Maxeon following submission to the City of documentation reasonably satisfactory to the City the fulfillment of the disbursement requirements outlined in Sections 3 and 4 herein. No Project funds will be used to reimburse expenses from any individuals or a company that has a financial interest in Maxeon or its employees.
9. Job Commitment and Clawbacks.
 - A. Number of Jobs. Maxeon will increase employment, above the current level of 0 New Mexico employees, as set forth in the table below in Section 9.C. A “Job” means 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 those benefits offered to other similarly situated Maxeon 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 9.A.
 - B. Wages and Benefits. Maxeon anticipates that the Jobs will fall within the wage ranges and benefits shown on Exhibit C. However, Maxeon will not commit an Event of Default if the wage and benefit projections shown on Exhibit C or the total estimated increase set forth in Section 9.A. are not achieved, neither shall the City have the right to seek any clawback payment.
 - C. Performance Clawbacks. If Maxeon does not employ and maintain at least 90% of the required number of full-time employees as set forth in the table below, by October 31, 2026 or by October 31, 2032, then Maxeon may cure any shortfall in meeting the Minimum Job Number as per Section 9.C(ii). If Maxeon fails to reach the Minimum Job Number during the Cure Period, Maxeon will repay to the City, within sixty (60) days the Closing Fund Contribution paid on behalf of Maxeon pursuant to this Agreement that has already been disbursed to Maxeon for such year as of the date of repayment (the “Performance Clawback”) in accordance with the following table:

<i>Job Creation Commitment and Schedule</i>
--

<u>Year</u>	<u>Job Target</u>	<u>Minimum Full-Time Job Creation</u>	<u>Cumulative Payroll for New Jobs</u>	<u>Job Determination Date</u>	<u>%-Clawback</u>
1	25	23	\$1,358,572	12/31/24	100%
5	1500	1350	\$81,348,000	12/31/28	50%
10	1773	1596	\$96,685,236	12/31/33	25%
Additional Notes: Starting Headcount 0 as of 6/30/2023.					

For the purposes of this table:

- (i) The “Clawback Penalty” is a penalty that Maxeon will be required to repay to the City upon Maxeon’s failure to meet the minimum Job Target on or before the conclusion of the applicable Job Determination Date, if such Job Target is not otherwise reached by Maxeon during the Cure Period. The Clawback Penalty shall be equal to the product of the Percentage Hiring Shortfall (as defined herein), multiplied by the applicable %-Clawback value and the total amount of the Closing Fund Contribution paid under this Agreement to Maxeon as of that time. For purposes of this subsection, “Percentage Hiring Shortfall” shall be the quotient of (i) the Minimum Full-Time Job Creation for the applicable Job Determination Date, minus the actual number of jobs Maxeon maintains at the Facility at that time, divided by (ii) the Minimum Full-Time Job Creation for the applicable Job Determination Date. 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 Maxeon exceed the total amount of the Closing Fund Contribution paid to Maxeon under this Agreement.
- (ii) Maxeon shall complete an annual economic impact data sheet (“EIA”) provided by EDD and the City of Albuquerque Economic Development Department; completion shall be no later than February 28 of each year beginning in 2024. This will reflect actual economic activity and job creation by Maxeon for the preceding calendar year. Failure to complete EIA data sheet by April 15th of any calendar year, Maxeon shall be subject to a 10% clawback of the Closing Fund Contribution received.
- (iii) “Cure Period” is the period of 180 days after the end of each Job Determination Period during which time Maxeon may cure any shortfall in meeting the Minimum Full-Time Job Creation. For the avoidance of doubt, if Maxeon meets the Minimum Full-Time Job Creation at any time during the Cure Period, Maxeon shall have no obligation to pay a Clawback Penalty corresponding to the applicable Job Determination Period. If Maxeon fails to reach the Job Target during the Cure Period, then Maxeon shall pay the City a Clawback Penalty determined in accordance with the table set forth above.

Notwithstanding the foregoing, if Maxeon fails to employ the required full-time employees as identified in Section 9.A herein, and Maxeon believes Business Climate Changes were the cause for the failure to meet such requirements, Maxeon will so advise the City in writing describing the Business Climate Changes in detail.

“Business Climate Changes” means substantial changes outside of the control of Maxeon, in the segment of the industry in which Maxeon operates, that cause a significant decrease in the amount of sales Maxeon is able to achieve. The shifting of Maxeon’s operations to another Project, whether within or outside of Albuquerque, will not constitute a Business Climate Change.

If the City determines that Business Climate Changes affect Maxeon’s 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 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 Maxeon of its decision or the decision of EDD. If Maxeon 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 Maxeon 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 October 31, 2032, Maxeon 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 Closing Fund 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 Maxeon):

Date of Cessation of Operations	Percent of Public Contributions to be Repaid
On or before December 12, 2028	100%
From December 13, 2028, through December 12, 2029	60%
From December 13, 2029, through December 12, 2033	25%

Winding down of Maxeon’s 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 \$20,000,000, 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.

10. 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 Maxeon, Maxeon shall provide the City an acceptable form of security in favor of the City of a type and of a value reasonably acceptable to the City. If Maxeon 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 9 herein, whichever is less. If Maxeon achieves and then sustains 1773 employees for 180 consecutive days prior to December 31, 2033, Maxeon may request that the security required under this Section 10 be released. Said request shall be made in writing and accompanied by documentation comprising the reports required under Section 13 herein, demonstrating such employment. In that event, the City's consent to such release of the security required under this Section 10 shall not be unreasonably withheld. A request for release of the Mortgage may not be submitted prior to December 31, 2028.
11. Events of Default and Remedies.
 - A. Failure to Comply with Obligations. Failure by Maxeon 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 or County shall notify Maxeon and the other Contributors in writing, and Maxeon 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 and County shall have and may exercise any remedies available at law or in equity.
12. Fees. Maxeon will promptly pay or reimburse the City and the County for all reasonable third-party expenses incurred by the City and the County in connection with this Agreement and the Project, provided, however, that Maxeon shall not be liable for costs incurred by the City or the County that are the responsibility of the City or the County in the ordinary course of business. If so, determined by the City or the County, in each entity's sole discretion, such third-party expenses may be offset against or reimbursed from the City Contribution, the State Contribution or the County Increment. 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.

13. Reporting Requirement, Performance Review and Termination. Quarterly, on or before each January 31, April 30, July 31 and October 31, Maxeon will provide to the City and to EDD Maxeon's 903A or its equivalent filed with New Mexico's Department of Workforce Solutions for the previous quarter regarding the workforce for Maxeon and such other information necessary for the City or its independent contractor to determine whether Maxeon has met its obligations under this Agreement. As required by the LEDA Plan, 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 Maxeon has ceased operations and paid all amounts due to the City as provided herein, the City may enact an ordinance terminating the City Project Ordinance.

FINDINGS:

1. LEDA 24-1 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 24-1 would make positive substantive contributions to the local economy and community by creating 1,773 base jobs; and
3. Subject to the development of acceptable security documents, LEDA 24-1 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 24-1 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 24-1 as proposed in the project plan application.

Max Gruner,
Director
Economic Development Department



EDD ECONOMIC
DEVELOPMENT
DEPARTMENT

8/1/2023

FISCAL IMPACT ANALYSIS AND ECONOMIC IMPACT OF THE EXPANSION OF GOLDEN EAGLE

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:

Maxeon Solar Technologies, Ltd. (the "Project Sponsor"), is a company formed under the laws of Singapore and traded on the NASDAQ as MAXN. Built from 35 years of boundary-pushing solar DNA, Maxeon spun-off from US-based SunPower Corporation in 2020. We now independently design, manufacture and sell our industry-leading solar panels in more than 100 countries around the globe. As Maxeon, we continue to push the limits of solar innovation through the record-setting efficiency and unmatched reliability of our flagship Maxeon line panels, while our value line Performance panels offer superior reliability and output compared to conventional panels.

Description of the Project:

Maxeon seeks to expand its current manufacturing capacity of approximately 6.4 GW of industry-leading solar products in Mexico, China, Malaysia, and the Philippines by establishing a U.S. manufacturing base. The new "Golden Eagle" factory will fabricate silicon photovoltaic solar cells and assemble those solar cells into solar panels, while having annual production capacity over 3.2 GW (over 5 million solar panels), which will be shipped to our utility scale solar power plant customers throughout the United States. The project will require a total investment over US \$1B and will employ approximately 1,500 operators, technicians, engineers, and managers when fully staffed. The project will require the construction of an approximately 550k sqft solar cell fabrication facility (including a clean room), an approximately 750 k sqft solar panel assembly facility, and on-site utilities infrastructure.

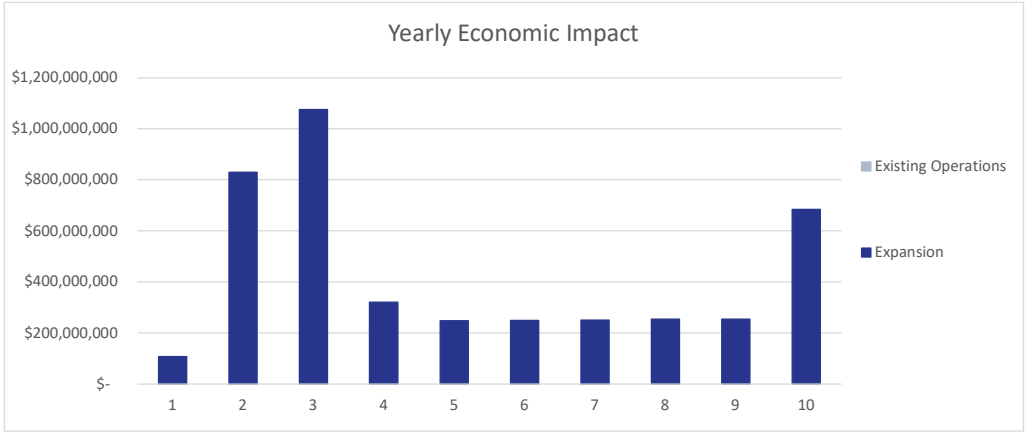


Economic Impact



Total Economic Impact

	Total
Estimated Economic Impact Over 10 Years:	\$ 4,273,042,497
Combined Total Incentive Over 10 Years:	\$ 117,737,648
Economic Impact Rate of Return:	3,529%



Workers and New Residents over 10 years

	Direct	Indirect and Induced
Number of Jobs Created:	1773	2311
Estimated Number of Construction Workers:	11720	
Estimated Number of New Residents to the State:	0	
Estimated Number of New Residents to the County:	0	
Estimated Number of New Residents to the City:	0	

Total Public Impacts



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

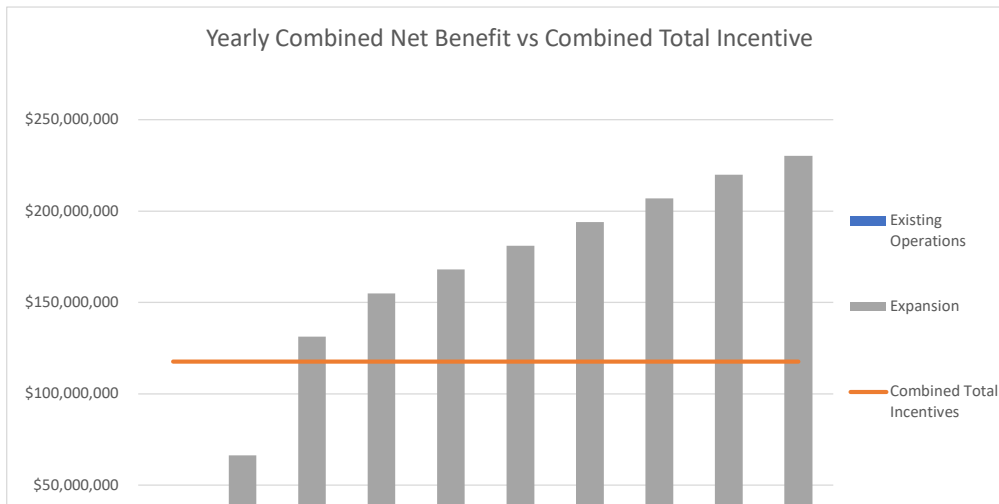
	Cumulative Net Benefits			
	Existing Operations	Expansion	Existing & Expanded Operations	Present Value of Net Benefits*
State of New Mexico	\$ -	\$ 122,771,198	\$ 122,771,198	\$ 106,147,028
County	\$ -	\$ 21,296,807	\$ 21,296,807	\$ 19,087,165
City	\$ -	\$ 86,092,597	\$ 86,092,597	\$ 72,841,285
School District	\$ -	\$ -	\$ -	\$ -
Special Taxing District	\$ -	\$ -	\$ -	\$ -
Total	\$ -	\$ 230,160,602	\$ 230,160,602	\$ 198,075,478

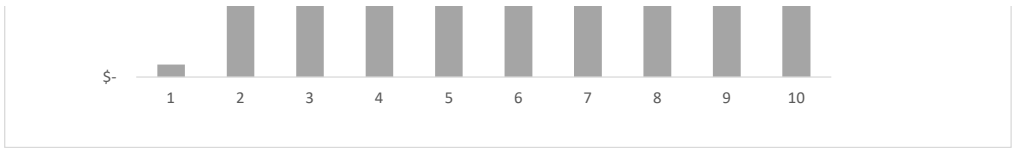
* The Present Value of Net Benefits expresses the future stream of net benefits received over several years as a single value in today's dollars. Today's dollar and a dollar to be received at differing times in the future are not comparable because of the time value of money. The time value of money 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

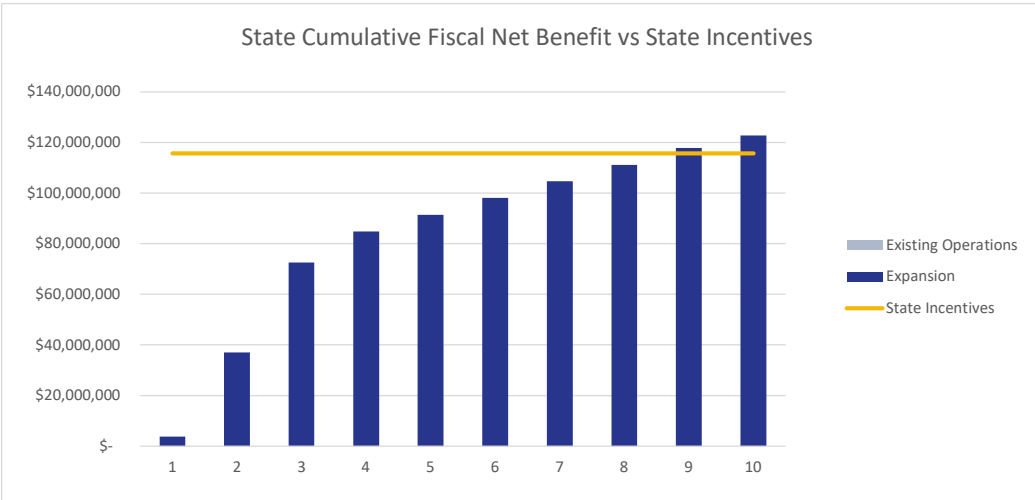
	Total
Estimated Total Public Net Benefit Over 10 Years:	\$ 230,160,602
Combined Total Incentive Over 10 Years:	\$ 117,737,648
Total Public Net Benefit Rate of Return:	95%





State Impacts





Incentives

Total State Incentive:	\$ 115,737,648
State Incentive Per Job:	\$ 65,278

Combined Payback and Return

State Payback Period Combined:	8.69 Years
State Rate of Return Combined:	-8%

Expansion Only Payback and Return

State Payback Period Expansion:	8.69 Years
State Rate of Return Expansion:	-8%

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	\$ 3,811,972	\$ -	\$ 3,811,972	\$ 3,811,972
2	\$ 33,245,442	\$ -	\$ 33,245,442	\$ 37,057,414
3	\$ 35,488,218	\$ -	\$ 35,488,218	\$ 72,545,632
4	\$ 12,353,311	\$ -	\$ 12,353,311	\$ 84,898,942
5	\$ 6,571,863	\$ -	\$ 6,571,863	\$ 91,470,805
6	\$ 6,575,845	\$ -	\$ 6,575,845	\$ 98,046,650
7	\$ 6,579,886	\$ -	\$ 6,579,886	\$ 104,626,536
8	\$ 6,583,988	\$ -	\$ 6,583,988	\$ 111,210,523
9	\$ 6,588,151	\$ -	\$ 6,588,151	\$ 117,798,674
10	\$ 4,972,524	\$ -	\$ 4,972,524	\$ 122,771,198

State Combined Net Benefits

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$ 3,811,972	\$ -	\$ 3,811,972	\$ 3,811,972
2	\$ 33,245,442	\$ -	\$ 33,245,442	\$ 37,057,414
3	\$ 35,488,218	\$ -	\$ 35,488,218	\$ 72,545,632
4	\$ 12,353,311	\$ -	\$ 12,353,311	\$ 84,898,942
5	\$ 6,571,863	\$ -	\$ 6,571,863	\$ 91,470,805
6	\$ 6,575,845	\$ -	\$ 6,575,845	\$ 98,046,650
7	\$ 6,579,886	\$ -	\$ 6,579,886	\$ 104,626,536
8	\$ 6,583,988	\$ -	\$ 6,583,988	\$ 111,210,523
9	\$ 6,588,151	\$ -	\$ 6,588,151	\$ 117,798,674
10	\$ 4,972,524	\$ -	\$ 4,972,524	\$ 122,771,198

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

Taxes and Revenue

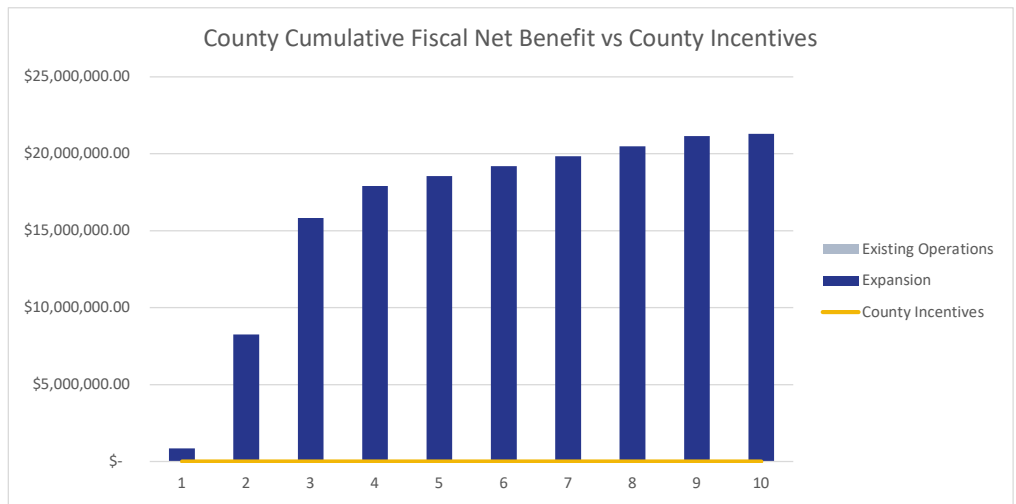
Gross Receipt Taxes	\$ 67,701,430
Personal Income Taxes	\$ 55,069,768
Corporate Income Taxes	\$ -
Misc. Taxes and Revenue	\$ -
Subtotal of Benefits	\$ 122,771,198

Costs

Costs	\$	-
Subtotal of Costs	\$	-
Net Benefits		
Net Benefits	\$	122,771,198
Present Value	\$	106,147,028

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	\$ 852,622	\$ -	\$ 852,622	\$ 852,622
2	\$ 7,413,059	\$ -	\$ 7,413,059	\$ 8,265,681
3	\$ 7,560,114	\$ -	\$ 7,560,114	\$ 15,825,795
4	\$ 2,075,028	\$ -	\$ 2,075,028	\$ 17,900,823
5	\$ 647,729	\$ -	\$ 647,729	\$ 18,548,552
6	\$ 648,981	\$ -	\$ 648,981	\$ 19,197,533
7	\$ 650,253	\$ -	\$ 650,253	\$ 19,847,786
8	\$ 651,543	\$ -	\$ 651,543	\$ 20,499,329
9	\$ 652,853	\$ -	\$ 652,853	\$ 21,152,182
10	\$ 144,626	\$ -	\$ 144,626	\$ 21,296,807

County Combined Net Benefits

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$ 852,622	\$ -	\$ 852,622	\$ 852,622
2	\$ 7,413,059	\$ -	\$ 7,413,059	\$ 8,265,681
3	\$ 7,560,114	\$ -	\$ 7,560,114	\$ 15,825,795
4	\$ 2,075,028	\$ -	\$ 2,075,028	\$ 17,900,823
5	\$ 647,729	\$ -	\$ 647,729	\$ 18,548,552
6	\$ 648,981	\$ -	\$ 648,981	\$ 19,197,533
7	\$ 650,253	\$ -	\$ 650,253	\$ 19,847,786
8	\$ 651,543	\$ -	\$ 651,543	\$ 20,499,329
9	\$ 652,853	\$ -	\$ 652,853	\$ 21,152,182
10	\$ 144,626	\$ -	\$ 144,626	\$ 21,296,807

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

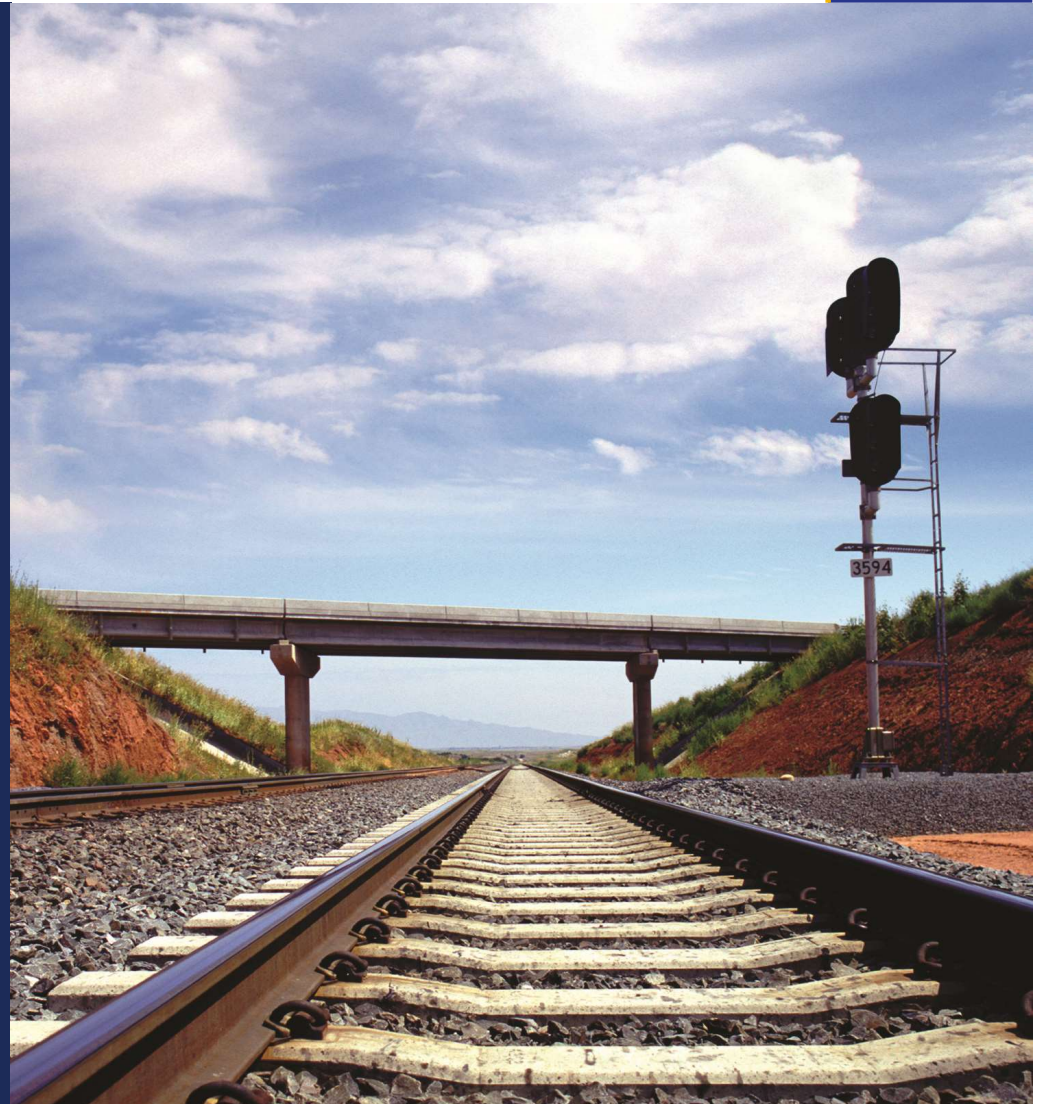
Taxes and Revenue

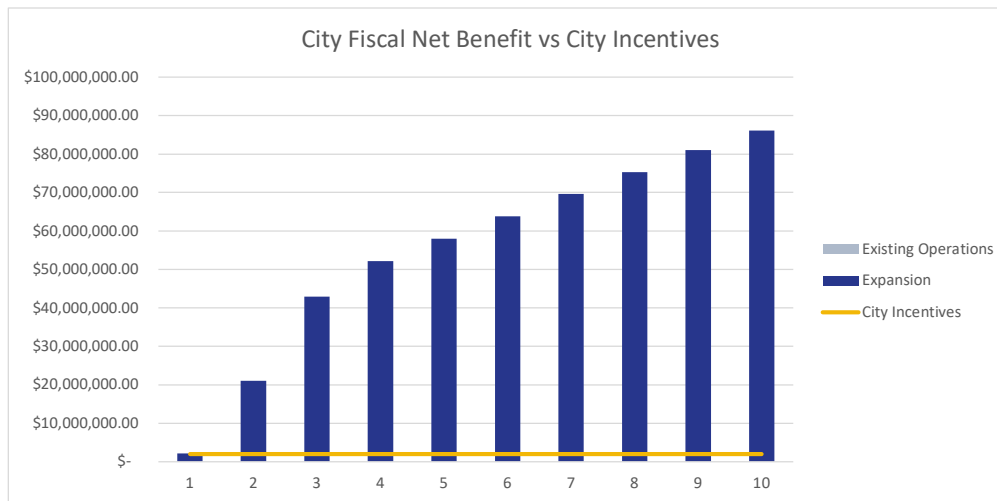
Gross Receipt Taxes	\$ 21,296,807
Misc. Taxes and Revenue	\$ -
Property Taxes	\$ -
Subtotal of Benefits	\$ 21,296,807

Costs

Costs	\$	-
Subtotal of Costs	\$	-
Net Benefits		
Net Benefits	\$	21,296,807
Present Value	\$	19,087,165

City Impacts





Incentives

Total City Incentive:	\$ 2,000,000
City Incentive Per Job:	\$ 1,128

Combined Payback and Return

City Payback Period Combined:	0.92 Years
City Rate of Return Combined:	3542%

Expansion Only Payback and Return

City Payback Period Expansion:	0.92 Years
City Rate of Return Expansion:	3542%

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	\$ 2,157,154	\$ (15,661)	\$ 2,172,815	\$ 2,172,815
2	\$ 18,762,756	\$ (106,461)	\$ 18,869,216	\$ 21,042,032
3	\$ 20,424,669	\$ (1,448,991)	\$ 21,873,660	\$ 42,915,692
4	\$ 7,643,441	\$ (1,609,990)	\$ 9,253,431	\$ 52,169,123
5	\$ 4,229,351	\$ (1,626,090)	\$ 5,855,441	\$ 58,024,564
6	\$ 4,167,730	\$ (1,642,351)	\$ 5,810,081	\$ 63,834,645
7	\$ 4,108,003	\$ (1,658,775)	\$ 5,766,778	\$ 69,601,424
8	\$ 4,048,272	\$ (1,675,362)	\$ 5,723,635	\$ 75,325,058
9	\$ 3,980,905	\$ (1,692,116)	\$ 5,673,021	\$ 80,998,079
10	\$ 3,385,480	\$ (1,709,037)	\$ 5,094,518	\$ 86,092,597

City Combined Net Benefits

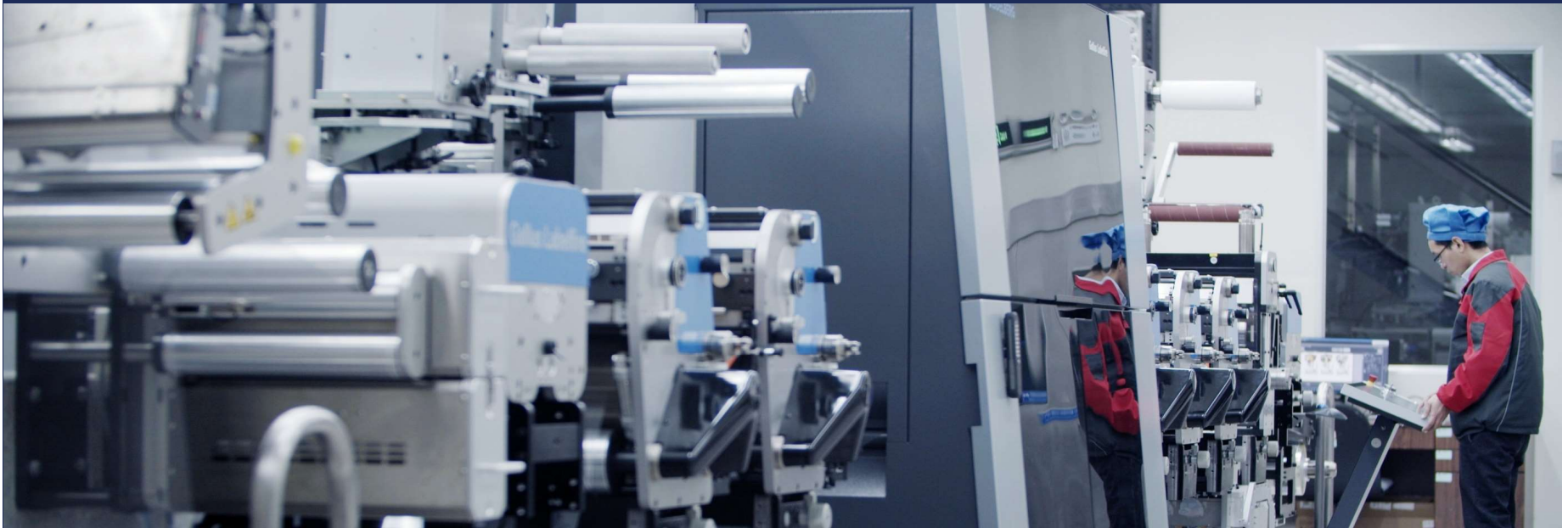
Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$ 2,157,154	\$ (15,661)	\$ 2,172,815	\$ 2,172,815
2	\$ 18,762,756	\$ (106,461)	\$ 18,869,216	\$ 21,042,032
3	\$ 20,424,669	\$ (1,448,991)	\$ 21,873,660	\$ 42,915,692
4	\$ 7,643,441	\$ (1,609,990)	\$ 9,253,431	\$ 52,169,123
5	\$ 4,229,351	\$ (1,626,090)	\$ 5,855,441	\$ 58,024,564
6	\$ 4,167,730	\$ (1,642,351)	\$ 5,810,081	\$ 63,834,645
7	\$ 4,108,003	\$ (1,658,775)	\$ 5,766,778	\$ 69,601,424
8	\$ 4,048,272	\$ (1,675,362)	\$ 5,723,635	\$ 75,325,058
9	\$ 3,980,905	\$ (1,692,116)	\$ 5,673,021	\$ 80,998,079
10	\$ 3,385,480	\$ (1,709,037)	\$ 5,094,518	\$ 86,092,597

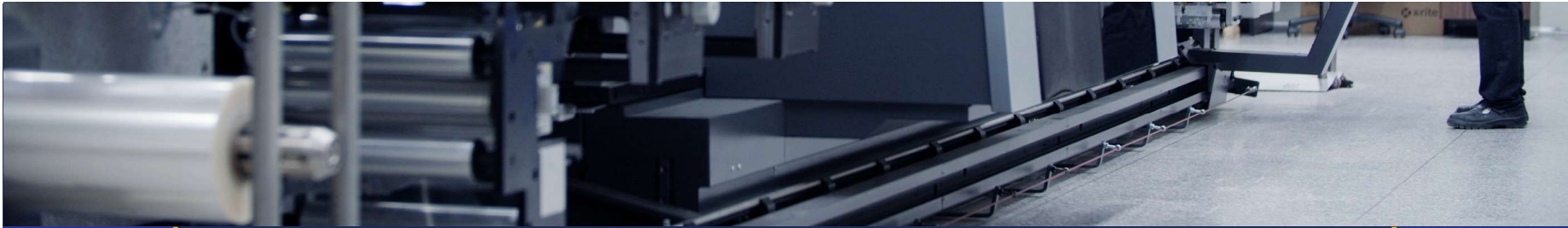
City Breakdown of Combined Benefits, Costs, and Net Benefits Over the Next 10 Years

Taxes and Revenue	
Gross Receipt Taxes	\$ 49,993,963
Misc. Taxes and Revenue	\$ 8,237
Property Taxes	\$ 22,905,562
Subtotal of Benefits	\$ 72,907,761

Costs	
Costs	\$ (13,184,836)
Subtotal of Costs	\$ (13,184,836)
Net Benefits	
Net Benefits	\$ 86,092,597
Present Value	\$ 72,841,285

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	\$	-	\$	-	\$	-
2	\$	-	\$	-	\$	-
3	\$	-	\$	-	\$	-
4	\$	-	\$	-	\$	-
5	\$	-	\$	-	\$	-
6	\$	-	\$	-	\$	-
7	\$	-	\$	-	\$	-
8	\$	-	\$	-	\$	-
9	\$	-	\$	-	\$	-
10	\$	-	\$	-	\$	-

Special District Combined Net Benefits

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
------	----------	-------	--------------	-------------------------

1	\$	-	\$	-	\$	-	\$	-
2	\$	-	\$	-	\$	-	\$	-
3	\$	-	\$	-	\$	-	\$	-
4	\$	-	\$	-	\$	-	\$	-
5	\$	-	\$	-	\$	-	\$	-
6	\$	-	\$	-	\$	-	\$	-
7	\$	-	\$	-	\$	-	\$	-
8	\$	-	\$	-	\$	-	\$	-
9	\$	-	\$	-	\$	-	\$	-
10	\$	-	\$	-	\$	-	\$	-

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

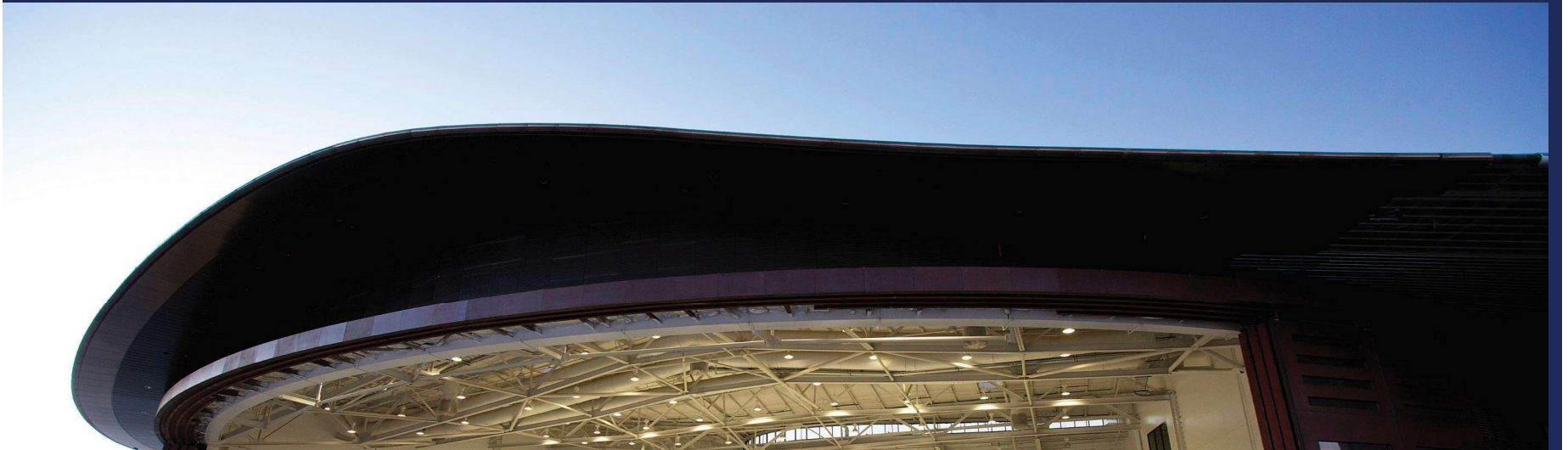
Year	Benefits		Costs		Net Benefits	Cumulative Net Benefits
1	\$	-	\$	-	\$	-
2	\$	-	\$	-	\$	-
3	\$	-	\$	-	\$	-
4	\$	-	\$	-	\$	-
5	\$	-	\$	-	\$	-
6	\$	-	\$	-	\$	-
7	\$	-	\$	-	\$	-
8	\$	-	\$	-	\$	-
9	\$	-	\$	-	\$	-
10	\$	-	\$	-	\$	-

Public Schools Combined Net Benefits

Cumulative

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

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:	Yes
Building and Property Improvements:	Yes
Furniture, Fixtures and Equipment:	Yes

Property Tax Percentage Exemptions On Land and Building

County	City	Schools	Special Taxing District
90%	90%	90%	90%

Property Tax Percentage Exemptions On Furniture, Fixtures and Equipment



County	City	Schools	Special Taxing District
90%	90%	90%	90%

Value of Exemption Through 10 Years:	\$ 63,123,051	\$ 59,497,426	\$ 8,096,217	\$ 7,435,593
*Value of Payment in Lieu of Taxes Through 10 Years:	\$ -	\$ 22,905,562	\$ -	\$ -

*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	100%	100%	100%
2	100%	100%	100%
3	100%	100%	100%



4	100%	100%	100%
5	100%	100%	100%
6	100%	100%	100%
7	100%	100%	100%
8	100%	100%	100%
9	100%	100%	100%
10	100%	100%	100%
<hr/>			
Value of Exemption			
Through 10 Years:	\$ 4,257,143	\$ 1,339,168	\$ 3,143,520

FY23/24 LEDA Application

Applicant	Dan Cohen
Applicant ID	APP-017860
Company Name	Maxeon Solar Technologies
Phone	+1 408 372 8870
Email	dan.cohen@maxeon.com
Status	Submitted
Application Amount	\$0.00
Funded/Approved	<input type="checkbox"/>
LEDA PPA Job Count Target	1,750

Contact Information

Question: Legal Company Name

The "Applicant" is a to-be-formed subsidiary of Maxeon Solar Technologies, Ltd.

Question: Trade Name (dba)

Maxeon Solar Technologies, Ltd. ("Maxeon") is the ultimate parent of Applicant.

Question: Project Name

Project Golden Eagle

Question: Company Street Address

51 Rio Robles

Question: Company City

San Jose

Question: Company State

California

Question: Company Zip

95134

Question: Phone

1-408-372-8870

Question: Website

<https://maxeon.com/us/>

Question: Primary Contact Person First Name

Dan

Question: Primary Contact Person Last Name

Cohen

Question: Federal Tax ID #

TBD

Question: NM State Tax and Revenue (CRS) #

TBD

Question: City/County Business License Registration will be pursued

Yes

No

Question: NAICS Code(s)

334413 & 335999

Question: DUNS # (preferred but not required)

TBD

Question: This Business is organized as a:

C-Corporation

S-Corporation

LLC

Partnership

Sole Proprietorship

B-Corporation

Question: Incorporation Papers

[Maxeon Solar - Post- Spin Public Company Constitution \(25 Aug 2020\).pdf](#) (9/25/2023, 10:21 PM)

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

[Question 19 - Resume Information - Maxeon.pdf](#) (9/25/2023, 10:22 PM)

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

Same as above.

Question: Title

Consultant, Special Projects

Question: Telephone

1-408-372-8870

Question: Cell Phone

1-408-372-8870

Question: Email

dan.cohen@maxeon.com

Project Information

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.

Maxeon independently designs, manufactures and sells industry-leading solar panels in more than 100 countries around the globe. Project Golden Eagle will entail greenfield development of an 800,000-square-foot PV silicon solar cell fabrication facility with 660,000 square feet of clean manufacturing space and a 920,000-square-foot solar panel assembly facility with 460,000 square feet of manufacturing space, and a shared utility courtyard on a 160 acre parcel in Mesa Del Sol in Albuquerque, New Mexico (the “Project”).

The Applicant is proposing to construct and operate a new photovoltaic (solar) cell fabrication and panel assembly facility along University Boulevard in Albuquerque, New Mexico. The Applicant’s current plan is to manufacture 4.5 gigawatts (GWs) of photovoltaic cells and modules in the proposed facilities every year, which corresponds to about 7,000,000 solar panels annually. The Applicant’s objective is to supplement Maxeon’s two existing factories in Mexico that supply products for the U.S. market, which are already at full production capacity. The U.S. solar market has been struggling to find modules that can comply with the UFLPA and AD/CVD tariffs, and global logistics issues have resulted in supply constraints. As a result, there is immense demand for de-risked products for the U.S. market.

The Applicant estimates that once fully ramped to the 4.5 GW capacity, each year of production would displace 4,000,000 metric tons of CO₂ in the first year after fielding the photovoltaic cells, and about 90,000,000 tons CO₂ would be displaced over the anticipated 25-year warranty period of the panels.

The Applicant proposes to construct the Project at the Mesa Del Sol mixed-use master planned community in Albuquerque, New Mexico. The new facility will consist of a Cell Fab (solar cell manufacturing factory) and Modco (Module Company), a solar panel assembly factory. Each factory unit will include a manufacturing area, manufacturing support space, warehousing, and office space. The Cell Fab and Modco buildings will have a new core and shell suitable for the manufacturing processes.

The new facilities will require Cell Fab support facilities that includes a Chiller Plant with Cooling Towers, a Compressed Dry Air (CDA) Building, a Waste Treatment Facility, Fluoride Waste Treatment Facility, Industrial Water Tank and Pump House, a Chemical Storage Building, Bulk Gas Yard, Silane Gas Pad, Hazardous Waste Storage Building, and Emergency/Back-up Generators.

The Site will require a main entrance off of University Boulevard and 2 service entrances and exits, facility roads, logistics shipping, receiving and container yard, approximately 1,200 parking spaces, fire access roads/loops around the factories, and 3 site stormwater management/retention ponds. During construction, typical building construction materials will be used, including foundation pilings, steel, poured and pre-fabricated concrete, crushed stone, roof deck, rubber membrane roofing, insulation, electrical switchgear and transformers, HVAC equipment, cleanroom systems, flooring products, and common fixtures and furnishings used to fit out industrial spaces, offices, cafeterias, and restrooms.

The Applicant is currently targeting a Q1 2024 closing and an a general contract signing projected for December 8, 2023. Construction of the facility is scheduled to begin in February of 2024 and be completed January of 2026. The Project is expected to become operational in 2025. The Project is expected to be in operation for at least 20 years.

Maxeon has no outstanding federal, state, or local tax issues that will or are likely to have any material impact on the development of the Project.

Maxeon intends to use its reasonable, best efforts to purchase locally, where possible.

The Project would generate up to 1,773 jobs in the New Mexico economy; infuse the local area with capital from the development of the Project; generate tax revenue; improve infrastructure; attract co-location of suppliers and partners to foster additional economic development; and support professional, maintenance, landscaping, office supplies, consumables, restaurants, and other service providers in the local economy.

No individuals or businesses are anticipated as being displaced in connection with the Project.

The total average water consumption is estimated as 5,000,000 gallons per day, and approximately 151,000,000 gallons per month. The Applicant's current strategy entails sending 3,500,000 gallons of water per day to an Advanced Water Treatment Plant (AWTP) operated by Albuquerque Bernalillo County Water Utility Authority, which will be re-used as industrial water. The will also used treated reclaim water from other sources to provide the Applicant with an additional 1,000,000 gallons per day of industrial water. Once the AWTP is operational, the

Applicant's potable water consumption will be greatly reduced to approximately 500,000 gallons per day.

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.

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

Attached is a document titled "Market Analysis and Strategy" providing additional information regarding Maxeon's business plan. Additionally, the attached document titled "Ownership Chart-2023- Maxeon Americas Inc& Subs GE" provides information regarding Maxeon's current ownership structure, and the attached document titled "Ownership Chart-plan-New Mexico" provides information regarding Maxeon's current plans with respect to structuring the Applicant.

Question: Supporting Documentation

[Ownership Chart-plan-New Mexico.pdf](#) (9/25/2023, 10:25 PM)

[Ownership Chart-2023- Maxeon Americas Inc& subs GE.pdf](#) (9/25/2023, 10:25 PM)

[Market Analysis and Strategy.pdf](#) (9/25/2023, 10:24 PM)

Financial Information CONFIDENTIAL INFORMATION

*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.

CONFIDENTIAL INFORMATION

[GE 3 Statements \(Draft - Confidential\) 2023-09-22 1335.pdf](#) (9/25/2023, 10:26 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.

[Question 30 - Financial Statements.pdf](#) (9/25/2023, 10:26 PM) CONFIDENTIAL INFORMATION

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?

\$422,000,000.00

Question: External Equity Investment Sources

Customer Coinvestment

Question: External Equity Investment Amount

\$250,000,000.00

Question: City/County Funding Source

City of Albuquerque (IRB & LEDA direct & GRT Share) & Bernalillo County (LEDA GRT Share)

Question: City/ County Funding Amount

\$2,000,000.00

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

Department of Energy Title 17 Loan

Question: Bank Loans Amount Total

\$1,207,000,000.00

Question: Other Loans Source

Working Capital Facility to be determined

Question: Other Loans Amount

\$544,000,000.00

Question: Other Sources

None currently identified.

Question: Other Sources Amount

\$0.00

Question: Total Project Amount (Sum of above)

\$2,425,000,000.00

Question: Supporting financial documentation

[Sources and Uses Table.pdf](#) (9/25/2023, 10:27 PM)

Company History and Background

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

Applicant will be formed by Maxeon, which is a 2020 spinout of Sunpower, which has a 39 year legacy.

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.

The Applicant upon creation would be wholly-owned (indirectly) by Maxeon. In connection with equity-raising operations for this project, we may add one or more equity partners (which, if added, would hold a minority interest in the Applicant).

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.

Maxeon is current with all its financial obligations.

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

Applicant is wholly owned by Maxeon. Other than its subsidiaries, Maxeon does not have 20%

or more ownership in any other enterprise. Maxeon is publicly-traded, and its shareholders may freely own equity in other enterprises without disclosing to Maxeon.

Community Aspects

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

The project will require new infrastructure and roads extended to the site by Mesa Del Sol and local utilities. The Applicant has engaged with and is working with Mesa Del Sol, local engineering firm Bohannon Huston, and local utilities (PNM, NMGCO, and ABCWUA) to develop and extend utilities infrastructure elsewhere to the project site, including the following:

- MDS will extend University Drive to the site and construct Industrial Park Road along the north boundary of the project site
- Power: Primary and Secondary 115kV transmission lines to a new, 95MW High Voltage Substation adjacent to the project site provided by PNM
- Water supply extension to site provided by ABCWUA
- Storm Sewer extension to site provided by ABCWUA
- Sanitary Sewer extension to site provided by ABCWUA
- City Reuse Water extension to site provided by ABCWUA
- Advanced Water Treatment Plant by Water Authority for Applicant Industrial Wastewater Recycling provided by ABCWUA
- Provider of broadband extension to site to be determined

Cost sharing will be required. The below estimates are preliminary and not yet comprehended in definitive agreements:

- Electricity (PNM): dedicated substation, transmission, distribution, and redundancy. Total estimated cost of \$141,800,000 and Applicant cost share of \$75,800,000
- Gas (NMGCO): TBD cost share for gas line extension
- Water/Sewer: Cost responsibility is with Mesa Del Sol
- Fiber: Cost responsibility is with Mesa Del Sol
- Advanced Water Treatment Facility: Cost responsibility is with NMED and CABQ

Substantial infrastructure improvements are required for electricity, water and sewer. They are being planned and will be implemented by PNM, Mesa Del Sol, and ABCWUA.

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.

Applicant is requesting the issuance of industrial revenue bonds from the City of Albuquerque to support and facilitate the Project, as well as \$18,000,000 in direct LEDA support from the State in connection with this application, \$2,000,000 in direct LEDA support from the City of Albuquerque, and LEDA GRT sharing from the City of Albuquerque and Bernalillo County. Applicant has submitted applications to both the City of Albuquerque and Bernalillo County in connection with submitting this application.

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

Utility access or extensions are not required from the City of Albuquerque as the property infrastructure development is under the remit of Mesa Del Sol owner SC3 International. Utility Easements and ROW are being coordinated with the utility companies and coordinated with the plat being developed by Bohannon Huston. The New Mexico Environment Department has also committed \$100,000,000 towards the Advanced Water Treatment Facility.

Job Creation / Performance

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.

Information regarding the number and types of jobs to be created is included in the attached document titled "Maxeon Job Creation Worksheet v.2".

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

The proposed pay scale and payroll proposed by the Applicant is included in the attached document titled "Maxeon Job Creation Worksheet v.2".

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

Applicant estimates the value of employee benefits as being 38.5% of base compensation with the following contribution breakdown: Employer/80% to Employee/20%.

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

Given nationwide competition for the roles the Applicant seeks to fill, it may not be possible to hire all required staff locally, though the Applicant will use its best efforts to do so. To that end Maxeon is engaged with CNM, UNM, and other institutions of higher learning to develop training programs and curriculums, and also with STEM Boomerang and NMDWS to develop an in-state talent pipeline.

Question: Attach job creation worksheet

[Maxeon Job Creation Worksheet v.2.pdf](#) (9/25/2023, 10:28 PM)

Question: Starting Headcount (from worksheet above)

0.00

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

25.00

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

\$4,355,053.24

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

351.00

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

\$20,806,203.33

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

700.00

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

\$41,520,644.89

Economic Impact Analysis

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

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

The Applicant estimates that once fully ramped to the 4.5 GW capacity, each year of production would displace 4,000,000 metric tons of CO₂ in the first year after fielding the photovoltaic cells, and about 90,000,000 tons CO₂ would be displaced over the anticipated 25-year warranty period of the panels.

The Project will emit certain exhausts that will be abated in accordance with EPA and local codes. The Project will also have certain liquid discharges that will be pre-treated on site and further processed and recycled through an advanced water treatment facility, with more than 80% of the industrial wastewater being recycled and returned to the Cell Fab for reuse. Project operations will generate some noise that will be abated to meet local nighttime minimum dBA at property line.

Question: Status of permitting/regulatory matters needed for project.

The Project will require typical permits, such as ground disturbance, air, and wastewater discharge permits, among others. The Cell Fab and Modco will generate emergency generator

exhaust, natural gas boiler exhaust, and various process exhausts that will all be abated in accordance with EPA and local codes under the Air Permit.

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.

[Auth for examination and release of info. executed notarizedpdf.pdf](#) (9/25/2023, 10:29 PM)

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

[Question 70 - Wage & Contribution Report.pdf](#) (9/25/2023, 10:29 PM)

Question: Affirmation and any other supporting documents

[Form of Affirmation Executed.pdf](#) (9/25/2023, 10:29 PM)

Project Participation Agreement
City of Albuquerque, Bernalillo County,
New Mexico Economic Development Department
and [MAXEON NEW MEXICO HOLDINGS, LLC]
Local Economic Development Act Project

This Project Participation Agreement (this “Agreement”) is made as of _____, 2023, by and among the CITY OF ALBUQUERQUE, NEW MEXICO (the “City”), BERNALILLO COUNTY, NEW MEXICO (the “County”), the NEW MEXICO ECONOMIC DEVELOPMENT DEPARTMENT (“EDD” and together with the City and the County, the “Contributors”), as agent for the State of New Mexico (the “State”), and [MAXEON NEW MEXICO HOLDINGS, LLC], a Delaware limited liability company, with a place of business at _____ (together with its successors, affiliates, subsidiaries and assigns, “Maxeon”) (each individually a “Party” and collectively “Parties”).

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 “City LEDA Plan”), approving an economic development plan for the City and authorizing the City to consider applications for economic development assistance; and

WHEREAS, pursuant to LEDA, the County has adopted Ordinance No. 2007-7, codified at Section 2-322 *et seq.* of the Bernalillo County Code of Ordinances, which approved the Bernalillo County Local Economic Development Act Plan, as amended from time to time (the “County LEDA Plan” and together with the City LEDA Plan, the “LEDA Plan”); and

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

Maxeon shall acquire, construct, improve, equip, install, maintain and redevelop a facility located at Mesa Del Sol in Albuquerque (the “Facility”), at an estimated cost of approximately up to \$2,422,232,343, including land, building, infrastructure, and equipment;

Maxeon anticipates investing in the Facility in a manner comparable to the below Anticipated Capital Investment Schedule:

Anticipated Capital Investment Schedule					
Year	Land	Building and other Real Property Improvements	Furniture, Fixtures & Equipment	Infrastructure	Total
1	\$39,815,850	\$59,512,860	\$ -	\$ -	\$99,328,710

2	\$ -	\$527,471,457	\$245,128,000	\$16,960,000	\$789,559,457
3	\$ -	\$485,760,146	\$367,692,000	\$59,360,000	\$912,812,146
4	\$ -	\$97,152,029	\$ -	\$8,480,000	\$105,632,029
5	\$ -	\$ -	\$14,300,000	\$ -	\$14,300,000
6	\$ -	\$ -	\$14,300,000.00	\$ -	\$14,300,000
7	\$ -	\$ -	\$14,300,000.00	\$ -	\$14,300,000
8	\$ -	\$ -	\$14,300,000.00	\$ -	\$14,300,000
9	\$ -	\$ -	\$14,300,000.00	\$ -	\$14,300,000
10	\$ -	\$ -	\$443,400,000.00	\$ -	\$443,400,000
Total	\$39,815,850	\$1,169,896,493	\$1,127,720,000	\$84,800,000	\$2,422,232,343

Maxeon shall manufacture solar panels at the Facility;

Maxeon shall operate the Facility for a minimum of ten (10) years;

Maxeon shall hire and retain employees as contemplated by this Agreement all in accordance with the schedule and other terms and conditions set forth in Section 9.A herein; and

WHEREAS, the City Council approved the Project on November 20, 2023, through its adoption of City Ordinance No. _____ (the “City Project Ordinance”) (i) finding that Maxeon is a qualifying entity as defined in Section 5-10-3(L) NMSA 1978; (ii) approving the Application for assistance with the Project pursuant to the City LEDA Plan, which Application proposed that the City direct up to \$18,000,000 in funds to be received from EDD (the “State Contribution”), up to \$2,000,000 in funds to be committed by the City (the “City Contribution” and together with the State Contribution, the “Closing Fund Contribution”), and 0.797370% of the City’s gross receipts and compensating tax (“GRT”) increment generated by the taxable expenses related to the construction of the Project during the term of this Agreement pursuant to Section 5-10-15 NMSA 1978 (the “City Increment”), all to finance certain statutorily eligible expenses of the Project consisting of reimbursement for the acquisition, construction, redevelopment, renovation, rehabilitation and equipping of the Facility; and (iii) approving this Agreement; and

WHEREAS, the Board of County Commissioners approved the Project on December 12, 2023, through its adoption of County Ordinance No. _____ (the “County Project Ordinance” and together with the City Project Ordinance, the “Project Ordinance”) (i) finding that Maxeon is a qualifying entity as defined in Section 5-10-3(L) NMSA 1978; (ii) approving the Application for assistance with the Project pursuant to the County LEDA Plan, which Application proposed that the County direct 0.375% of the County’s GRT increment generated by the taxable expenses related to the construction of the Project during the term of this Agreement pursuant to Section 5-10-15 NMSA 1978 (the “County Increment”); and (iii) approving this Agreement; and

WHEREAS, by entering this Agreement, EDD approves the Application for assistance with the Project, which Application proposed that the State direct 0.912500% of the State’s GRT increment generated by the taxable expenses related to the construction of the Project during the term of this Agreement pursuant to Section 5-10-15 NMSA 1978 (the “State Increment” and together with the City Increment and the County Increment, the “GRT Increment”); and

WHEREAS, Maxeon estimates a total investment of approximately up to \$2,422,232,343 for the acquisition, construction, redevelopment, renovation, rehabilitation and equipping of the Facility; 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 Maxeon, shows that the City will recoup the value of its contribution within ten (10) years; and

WHEREAS, the Application clearly demonstrates that Maxeon, by completing the Project, will be making a substantive contribution to the community, as required by the LEDA Plan; 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 total amount of public money expended, and the value of credit pledged in each fiscal year in which that money is expended by the County for economic development projects pursuant to LEDA does not and will not exceed ten percent of the general fund expenditures of the County in that fiscal year; and

WHEREAS, the City anticipates receiving: (i) an appropriation of the State Contribution allocated from EDD; and (ii) the delivery of the County Increment and the State Increment from the Local Economic Development Act fund as contemplated under Section 5-10-14(B) NMSA 1978; with the direction of EDD and the County to convey these funds to the benefit of Maxeon via LEDA; and

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

NOW, THEREFORE, in consideration of these premises and the agreements by the Parties set forth herein, Maxeon and the Contributors further agree as follows:

1. Goals and Objectives. The 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 Application.
2. Company Contribution. Maxeon shall acquire, construct, improve, equip, install, maintain and redevelop the Facility, 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. Maxeon will take all reasonable efforts to maintain the Project's operations in Albuquerque for a minimum of ten (10) years. Maxeon will comply with all applicable laws in connection with the operation of the Project and will timely pay all

personal property taxes owed with respect thereto.

3. The State Contribution; Procedure for Disbursement of the State Contribution. The City anticipates that the State Contribution of up to \$18,000,000 will be delivered to the City for subsequent disbursement to Maxeon, following enactment of the Project Ordinance and execution of this Agreement and an intergovernmental agreement among the State, the County, and the City (the “IGA”). 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 Maxeon in the manner as follows:
- 1) \$1,000,000 upon adoption of the City Project Ordinance, execution of this Agreement and the IGA, the security contemplated under Section 10 herein being in place, Maxeon incurring at least \$1,000,000 in LEDA-eligible Expenses (as defined below) that have not already been reimbursed with Closing Fund Contribution proceeds, and Maxeon being current with all its reporting requirements under this Agreement;
 - 2) \$5,000,000 upon Maxeon obtaining a certificate of occupancy for the Facility, hiring 25 full-time employees, incurring at least \$5,000,000 in LEDA-eligible Expenses that have not already been reimbursed with Closing Fund Contribution proceeds, and being current with all its reporting requirements under this Agreement;
 - 3) \$4,000,000 upon Maxeon spending at least \$350,000,000 in expenses related to the construction and infrastructure of the Project, incurring at least \$4,000,000 in LEDA-eligible Expenses that have not already been reimbursed with Closing Fund Contribution proceeds, and being current with all reporting requirements under this Agreement; and
 - 4) \$8,000,000 upon Maxeon hiring at least 1,000 full-time employees and maintaining those employees for at least one quarterly reporting period, incurring at least \$8,000,000 in LEDA-Eligible expenses that have not already been reimbursed with Closing Fund Contribution proceeds, and being current with all reporting requirements under this Agreement.

For purposes of this Agreement, “LEDA-eligible Expenses” shall mean expenditures including, but not limited to, land, building and infrastructure, including permanently installed and situated physical assets and the design, labor and permitting required to put them in place, with examples including, but not being limited to, foundation, drainage improvements, electrical wiring, architecture fees, insulation, landscaping and equipment rentals.

From time to time during the term of this Agreement, Maxeon may deliver to the Economic Development Director of the City or their designee a requisition and written certification in the form attached hereto as Exhibit B by Maxeon documenting the applicable costs associated with Maxeon’s acquisition, construction and improvement expenses related to the Project and proof of payment for those expenses.

4. The City Contribution; Procedure for disbursement of City Contributions. Pursuant to the City Project Ordinance and the City LEDA Plan, the City has committed the amount of \$2,000,000 for use in connection with the Project. As required by the City LEDA Plan, 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 in the manner as follows:

- 1) \$1,000,000 upon Maxeon obtaining a certificate of occupancy, hiring at least 750 full-time employees and maintaining those employees for at least one quarterly reporting period, incurring at least \$1,000,000 in LEDA-eligible Expenses that have not already been reimbursed with Closing Fund Contribution proceeds, and being current with all reporting requirements under this Agreement; and
- 2) \$1,000,000 upon Maxeon hiring at least 1,200 full-time employees and maintaining those employees for at least one quarterly reporting period, incurring at least \$1,000,000 in LEDA-eligible Expenses that have not already been reimbursed with Closing Fund Contribution proceeds, and being current with all reporting requirements under this Agreement.

From time to time during the term of this Agreement, Maxeon may deliver to the Economic Development Director of the City or their designee a requisition and written certification in the form attached hereto as Exhibit B by Maxeon documenting the applicable costs associated with Maxeon's acquisition, construction and improvement expenses related to the Project and proof of payment for those expenses.

5. GRT Increment Contribution. The City has dedicated by ordinance the City Increment, the County has dedicated by ordinance the County Increment, and EDD agrees to dedicate the State Increment for purposes related to all LEDA-eligible Expenses associated with the construction of the Project to the Local Economic Development Act fund (the "Fund") created by Section 5-10-14 NMSA 1978. The GRT Increment will be distributed from the Fund as provided in Section 6 herein.

6. GRT Increment Distributions.

- A. The City, County and EDD anticipate that the County Increment and the State Increment will be deposited into the fund as contemplated under Section 5-10-14(B) NMSA 1978 and delivered to the City, as fiscal agent for the State and the County on the Project in connection with the Project Ordinance and the IGA. Upon receipt of the County Increment and the State Increment, the City will place the County Increment and the State Increment into a separate account established in connection with the Project, as required by law.
- B. The Contributors agree that their respective portions of the GRT Increment collected and generated by the taxable expenses related to the construction of the Project will be distributed to Maxeon by the City, as fiscal agent for the State and the County, through December 12, 2033, upon the accrual of \$350,000,000 in expenses related to the construction and infrastructure of the Project in the State.

Disbursements shall be paid on a reimbursement basis and Maxeon shall first incur LEDA-eligible Expenses and then submit requests for reimbursement to the City. It shall be the obligation of Maxeon to provide the City with funds delivery instructions, including the name of the account, name of the bank, ABA number, account number and contact information for a Maxeon representative to coordinate funds transfer.

- C. The Contributors will provide to Maxeon as soon as it is available from the New Mexico Taxation and Revenue Department the specific reporting code for the Project.
 - D. Maxeon agrees to provide to the Contributors all documentation as required in Section 5-10-17(A)(5) NMSA 1978 prior to the end of each month so that the Contributors will have sufficient time to confirm and verify all funds have been duly submitted and collected.
 - E. Maxeon will require all contractors and subcontractors for the Project to provide monthly to Maxeon documents consistent with the requirements of Section 5-10-17(A)(5) NMSA 1978, such as the CRS-1 (or its equivalent) filing to the New Mexico Taxation and Revenue Department, redacted to reflect GRT related to the Project or the specific reporting code for the Project.
 - F. On a quarterly basis, beginning 120 days after the first receipt of CRS-1 (or its equivalent) documentation from Maxeon, EDD, in accordance with the schedule set by the New Mexico Taxation and Revenue Department, will transfer all GRT Increment collected from the Project to the City for disbursement to Maxeon consistent with Section 6.B. herein. The City in turn will disburse such GRT Increment to Maxeon within 15 days of the City's receipt.
7. Time Commitment. Maxeon intends to invest up to approximately \$2,422,232,343 for the acquisition, construction, redevelopment, renovation, rehabilitation and equipping of the Facility. Operations at the Facility are expected to begin following completion of the acquisition, construction, redevelopment, renovation, rehabilitation and equipping of the Facility, or as soon thereafter as possible. Maxeon will continue to operate the Facility and diligently conduct operations in the Facility in the manner contemplated by this Agreement at least through December 13, 2033.
8. Use of Closing Fund Contribution. Provided that the City receives the State Contribution and the State Increment and the County Increment, the City will reimburse Maxeon up to \$20,000,000 in Closing Fund Contribution proceeds and the GRT Increment consistent with the provisions of Section 6.B. herein for the costs of the acquisition, construction, redevelopment, renovation, rehabilitation and equipping of the Facility actually incurred after the adoption of the Project Ordinance. The City will make payment to Maxeon following submission to the City of documentation reasonably satisfactory to the City the fulfillment of the disbursement requirements outlined in Sections 3 and 4 herein. No Project funds will be used to reimburse expenses from any individuals or a company that has a financial interest in Maxeon or its employees.
9. Job Commitment and Clawbacks.

- A. Number of Jobs. Maxeon will increase employment, above the current level of 0 New Mexico employees, as set forth in the table below in Section 9.C. A “Job” means 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 those benefits offered to other similarly situated Maxeon 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 9.A.
- B. Wages and Benefits. Maxeon anticipates that the Jobs will fall within the wage ranges and benefits shown on Exhibit C. However, Maxeon will not commit an Event of Default if the wage and benefit projections shown on Exhibit C or the total estimated increase set forth in Section 9.A. are not achieved, neither shall the City have the right to seek any clawback payment.
- C. Performance Clawbacks. If Maxeon does not employ and maintain at least 90% of the required number of full-time employees as set forth in the table below, by October 31, 2026 or by October 31, 2032, then Maxeon may cure any shortfall in meeting the Minimum Job Number as per Section 9.C(ii). If Maxeon fails to reach the Minimum Job Number during the Cure Period, Maxeon will repay to the City, within sixty (60) days the Closing Fund Contribution paid on behalf of Maxeon pursuant to this Agreement that has already been disbursed to Maxeon for such year as of the date of repayment (the “Performance Clawback”) in accordance with the following table:

<i>Job Creation Commitment and Schedule</i>					
<i>Year</i>	<i>Job Target</i>	<i>Minimum Full-Time Job Creation</i>	<i>Cumulative Payroll for New Jobs</i>	<i>Job Determination Date</i>	<i>%-Clawback</i>
1	25	23	\$1,358,572	12/31/24	100%
5	1500	1350	\$81,348,000	12/31/28	50%
10	1773	1596	\$96,685,236	12/31/33	25%
Additional Notes: Starting Headcount 0 as of 6/30/2023.					

For the purposes of this table:

- (i) The “Clawback Penalty” is a penalty that Maxeon will be required to repay to the City upon Maxeon’s failure to meet the minimum Job Target on or before the conclusion of the applicable Job Determination Date, if such Job Target is not otherwise reached by Maxeon during the Cure Period. The Clawback Penalty shall be equal to the product of the Percentage Hiring Shortfall (as defined herein), multiplied by the applicable %-Clawback value and the total amount of the Closing Fund Contribution paid under this Agreement to Maxeon as of that time. For purposes of this subsection, “Percentage Hiring Shortfall” shall be the quotient of (i) the Minimum Full-Time Job Creation for the applicable Job Determination Date, minus the actual number of jobs Maxeon maintains at the Facility at that time, divided by (ii) the Minimum

Full-Time Job Creation for the applicable Job Determination Date. 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 Maxeon exceed the total amount of the Closing Fund Contribution paid to Maxeon under this Agreement.

- (ii) Maxeon shall complete an annual economic impact data sheet (“EIA”) provided by EDD and the City of Albuquerque Economic Development Department; completion shall be no later than February 28 of each year beginning in 2024. This will reflect actual economic activity and job creation by Maxeon for the preceding calendar year. Failure to complete EIA data sheet by April 15th of any calendar year, Maxeon shall be subject to a 10% clawback of the Closing Fund Contribution received.
- (iii) “Cure Period” is the period of 180 days after the end of each Job Determination Period during which time Maxeon may cure any shortfall in meeting the Minimum Full-Time Job Creation. For the avoidance of doubt, if Maxeon meets the Minimum Full-Time Job Creation at any time during the Cure Period, Maxeon shall have no obligation to pay a Clawback Penalty corresponding to the applicable Job Determination Period. If Maxeon fails to reach the Job Target during the Cure Period, then Maxeon shall pay the City a Clawback Penalty determined in accordance with the table set forth above.

Notwithstanding the foregoing, if Maxeon fails to employ the required full-time employees as identified in Section 9.A herein, and Maxeon believes Business Climate Changes were the cause for the failure to meet such requirements, Maxeon will so advise the City in writing describing the Business Climate Changes in detail. “Business Climate Changes” means substantial changes outside of the control of Maxeon, in the segment of the industry in which Maxeon operates, that cause a significant decrease in the amount of sales Maxeon is able to achieve. The shifting of Maxeon’s operations to another Project, whether within or outside of Albuquerque, will not constitute a Business Climate Change.

If the City determines that Business Climate Changes affect Maxeon’s 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 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 Maxeon of its decision or the decision of EDD. If Maxeon 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 Maxeon 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 October 31, 2032, Maxeon 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 Closing Fund 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 Maxeon):

Date of Cessation of Operations	Percent of Public Contributions to be Repaid
On or before December 12, 2028	100%
From December 13, 2028, through December 12, 2029	60%
From December 13, 2029, through December 12, 2033	25%

Winding down of Maxeon’s 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 \$20,000,000, 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.
10. 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 Maxeon, Maxeon shall provide the City an acceptable form of security in favor of the City of a type and of a value reasonably acceptable to the City. If Maxeon 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 9 herein, whichever is less.

If Maxeon achieves and then sustains 1773 employees for 180 consecutive days prior to December 31, 2033, Maxeon may request that the security required under this Section 10 be released. Said request shall be made in writing and accompanied by documentation comprising the reports required under Section 13 herein, demonstrating such employment. In that event, the City's consent to such release of the security required under this Section 10 shall not be unreasonably withheld. A request for release of the Mortgage may not be submitted prior to December 31, 2028.

11. Events of Default and Remedies.
 - A. Failure to Comply with Obligations. Failure by Maxeon 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 or County shall notify Maxeon and the other Contributors in writing, and Maxeon 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 and County shall have and may exercise any remedies available at law or in equity.
12. Fees. Maxeon will promptly pay or reimburse the City and the County for all reasonable third-party expenses incurred by the City and the County in connection with this Agreement and the Project, provided, however, that Maxeon shall not be liable for costs incurred by the City or the County that are the responsibility of the City or the County in the ordinary course of business. If so, determined by the City or the County, in each entity's sole discretion, such third-party expenses may be offset against or reimbursed from the City Contribution, the State Contribution or the County Increment. 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.
13. Reporting Requirement, Performance Review and Termination. Quarterly, on or before each January 31, April 30, July 31 and October 31, Maxeon will provide to the City and to EDD Maxeon's 903A or its equivalent filed with New Mexico's Department of Workforce Solutions for the previous quarter regarding the workforce for Maxeon and such other information necessary for the City or its independent contractor to determine whether Maxeon has met its obligations under this Agreement. As required by the LEDA Plan, 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 Maxeon has ceased operations and paid all amounts due to the City as provided herein, the City may enact an ordinance terminating the City Project Ordinance.
14. 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 _____ of Maxeon, or his/her designee, the Director or Deputy Director of the County's Economic

Development Department, the Director or Deputy Director of the City's Economic Development Department, and the EDD Deputy Cabinet Secretary shall meet and attempt in good faith to resolve the dispute. If they are unable to resolve the dispute, the _____ of Maxeon, the City's Chief Administrative Officer, the County Manager and the EDD Cabinet Secretary 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.

15. ADA Compliance. Maxeon shall meet all the requirements of the Americans with Disabilities Act of 1990, and all applicable rules and regulations (ADA), which are imposed directly on Maxeon. Maxeon shall identify all applicable requirements of the ADA and to defend, indemnify and hold harmless the Contributors, their 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 Maxeon or its agents in violation of the ADA.
16. Audits and Inspections. At any time during normal business hours and as often as the City may deem necessary, upon seventy-two (72) hours' written notice to Maxeon, the City may examine all of Maxeon's records with respect to all matters covered by this Agreement. Upon seventy-two (72) hours' notice, Maxeon 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. Maxeon 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 upon seventy-two (72) hours' notice 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.
17. Indemnity. Maxeon shall defend, indemnify and hold harmless the Contributors and their officials, agents and employees from and against any and all claims, actions, suits or proceedings of any kind brought against said persons because of any injury or damage received or sustained by any person, persons or property arising out of or resulting from this Agreement or by reason of any asserted act or omission, neglect or misconduct of Maxeon or Maxeon's 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.
18. No Collusion. Maxeon represents that this Agreement is entered into by Maxeon without collusion on the part of Maxeon with any person or firm, without fraud and in good faith. Maxeon 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 Maxeon, or any agent or representative of Maxeon, to any officer or employee of the City or County 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.
19. 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 and Bernalillo County, without regards to its conflicts of laws provisions. The venue for actions arising out of this Agreement is Bernalillo County, New Mexico.

20. Enforcement. Maxeon agrees to pay to the City and County all costs and expenses, including reasonable attorney's fees, actually incurred by the City and County in exercising any of its rights or remedies in connection with the enforcement of this Agreement arising by an Event of Default by Maxeon.
21. 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.
22. 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.
23. 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.
24. 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; restraint by court or public authority; adoption, enactment, rescission, expiration, termination, invalidation or comparable event with respect to any legislation, regulation, rule, order or equivalent that would limit, restrict, prevent or deprive Maxeon from accessing the capital, funding or financing necessary for the Project; 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 it 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.

25. 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.
26. Assignment by Maxeon. Should Maxeon 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 or County may deny any 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 Maxeon terminates this Agreement and pays any Clawback or reimbursement amounts due hereunder as of such date. At its discretion, the City or County may choose to deny said assignment, lease or transfer or may negotiate a new agreement with the new operator.
27. Ratification. The Parties hereby ratify all actions consistent with this Agreement that the Parties or their respective agents may have taken in furtherance of the Project.
28. 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.
29. Effective Date. This Agreement will be effective as of December 12, 2023 (the “Effective Date”).
30. Term. Except as otherwise provided herein, this Agreement will terminate on the earlier of: (i) the date on which the City has drawn against the entire amount of the security pursuant to Section 10 herein; or (ii) December 12, 2033, subject to the satisfaction of all obligations of Maxeon hereunder.

[Signature Page Follows]

[MAXEON NEW MEXICO HOLDINGS,
LLC]

BERNALILLO COUNTY, NEW MEXICO

By _____
Name: _____
Title: _____

By _____
Chair, Board of Commissioners

Address for notice:

Address for notice:

Solely with respect to its obligations under Sections 6 and 14:

CITY OF ALBUQUERQUE, NEW
MEXICO

NEW MEXICO ECONOMIC DEVELOPMENT
DEPARTMENT

By _____
Name: _____
Title: _____

By _____
Name: _____
Title: _____

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

Address for notice:

With a copy to:
City Attorney
One Civic Plaza NW Albuquerque,
NM 87102
Tel: (505) 768-3000
Email:

Exhibits

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

EXHIBIT A

Application for LEDA Assistance

EXHIBIT B

Requisition and Certificate

REQUISITION AND CERTIFICATE

To: City of Albuquerque
One Civic Plaza NW
Albuquerque, NM 87102
Attention: Economic Development Director

The undersigned, pursuant to and as contemplated by that certain Project Participation Agreement (the "PPA"), between the City of Albuquerque, New Mexico (the "City") and [Maxeon New Mexico Holdings, LLC] (the "Company"), requests on behalf of the Company the disbursement of \$ _____ from the accounts described in the PPA (the "Accounts") reimburse the Company for statutorily eligible costs of the renovation and improvement actually incurred after December 12, 2023:

<u>Amount</u>	<u>General Classification of Expenditure</u>	<u>Payee</u>
\$ _____		
Total: \$ _____		

The undersigned certifies that:

a. obligations in the stated amounts were incurred for statutorily eligible expenses of the Project (as defined in the PPA) for the acquisition, construction and improvement of the Facility (as defined in the PPA) and that each item is a proper charge against the Accounts and has not been the subject of a previous withdrawal from the Accounts;

b. to the best knowledge of the undersigned there has not been filed with or served upon the City or the Company notice of any lien, right or attachment upon, or claim affecting the right of any such payee to receive payment of, the respective amounts stated in this requisition which has not been released or will not be released simultaneously with the payment of such obligation; and

c. with respect to any item for payment for labor or to contractors, builders or materialmen, (i) the obligations stated have been properly incurred, (ii) to the best knowledge of the undersigned such work was actually performed or such materials or supplies were actually furnished or installed in or about the Project, and (iii) to the best knowledge of the undersigned either such materials or supplies are not subject to any lien or security interest or any such lien or security interest will be released or discharged upon payment of this requisition.

Dated: _____, 2023.

[NAME], [TITLE]

EXHIBIT C

Wages and Benefits

EXHIBIT D

Clawback Example

Example Clawback Calculations				
Typical Job Creation Commitment and Schedule for non-City of ABQ				
Year	Clawback % on Job Creation % Shortfall	Cumulative Full Time Job Creation Target	Job Determination Period	
			Start	End
1	100%	25	Execution	30-Jun-18
2	100%	75	1-Jul-18	30-Jun-19
3	100%	125	1-Jul-19	30-Jun-20
4	75%	175	1-Jul-20	30-Jun-21
5	50%	200	1-Jul-21	30-Jun-22
Clawback may be exercised if cum hiring target not retained through period Assumption - Cure period of 6 months				
Typical Job Creation Commitment and Schedule City of ABQ				
Year	Clawback % on Job Creation % Shortfall	Cumulative Full Time Job Creation Target	Job Determination Period	
			Start	End
1	100%	25	Execution	30-Jun-18
2	100%	75	1-Jul-18	30-Jun-19
3	100%	125	1-Jul-19	30-Jun-20
4	65%	175	1-Jul-20	30-Jun-21
5	65%	200	1-Jul-21	30-Jun-22
6	50%	200	1-Jul-22	30-Jun-23
7	50%	200	1-Jul-23	30-Jun-24
8	50%	200	1-Jul-24	30-Jun-25
9	25%	200	1-Jul-25	30-Jun-26
10	25%	200	1-Jul-26	30-Jun-27

Clawback Calculations			
Clawback Formula =		(Job Creation % Shortfall) * (Cumulative LEDA Dollars Distributed)	
Job Creation % Shortfall =		(1 - (actual jobs / cumulative hiring target))*100%	
Example - 1 End of 30 Mos, inclusive of cure period			
Actual Employees	(a)	60	
Cumulative Hiring Target	(b)	75	
Job Creation % Shortfall =	(c) = 1-(a/b)	20%	
LEDA Dollars Distributed	(d)	\$ 300,000.00	
Clawback %	(e)	100%	
Penalty	(f) = c*d*e	\$ 60,000.00	
Example - 2 End of 66 Mos, inclusive of cure period			
Actual Employees	(a)	175	
Cum Hiring Target	(b)	200	
Job Creation % Shortfall =	(c) = 1-(a/b)	13%	
LEDA Dollars Distributed	(d)	\$ 500,000.00	
Clawback %	(e)	50%	
Penalty	(f) = c*d*e	\$ 31,250.00	