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November 4, 2019

Via Hand Delivery

James F. Ledbetter, Esq.
Gordon County Administrator
201 North Wall Street
Calhoun, Georgia 30701

Re: Development Authority of Gordon County – LG Hausys America, Inc. and LG Hausys America Capital, LLC

Dear Jim:

As you are aware, the Development Authority of Gordon County adopted a Bond Resolution for the issuance of $52,000,000.00 of industrial revenue bonds for LG HAUSYS AMERICA, INC. This Project completes the financing portion for the construction of LG's Viatera Plant # 3 which was begun earlier in the year. For your reference, I attach a copy of the original Incentive Letter dated July 24, 2018 relating to this Project.

The Viatera Project # 3 contains a tax abatement schedule, found on Page 2 of that letter. These abatements include Gordon County M&O and Gordon County School taxes and this is identical to the abatement schedule provided to the other two Viatera Plants built by LG.

I also enclose a copy of the proposed Payment in Lieu of Taxes (PILOT) Agreement. This Agreement contains the tax abatement referenced above, and is also referenced in the Lease Agreement which will be a part of the Bond Issue. The Lease Agreement provides for a starting date for the tax abatement. See attached Lease Agreement.

A Petition for Validation of the Industrial Revenue Bonds will be filed with the Superior Court of Gordon County in November of 2019 and confirmation of the bonds will be scheduled in the Superior Court of Gordon County in November or early December 2019.

Please place this matter on the County's next agenda for consideration. On behalf of the Development Authority we will be asking formal approval of the PILOT Agreement. With the completion of this Project, LG will have invested over $212,000,000 in Gordon County.

Please disseminate the attachments as you deem appropriate and I will be glad to answer any questions any interested party may have.

Very truly yours,

William R. Thompson, Jr.

WRTJr/fp

Attachments

cc: Ms. Kathy Johnson, President, Gordon County Chamber of Commerce
cc: Mr. Larry Roye, Chairman, Development Authority of Gordon County
cc: Ms. Dana Burch, Gordon County Tax Assessor
cc: Scott Clements, Gordon County Tax Commissioner

DEVELOPMENT AUTHORITY OF GORDON COUNTY

300 South Wall Street
Calhoun, GA 30701
706-625-3200
706-625-5062 (fax)

Bill Thompson, Attorney
williamrthompson@aol.com

Kathy Johnson, President
kjohnson@gordoncountychamber.com

July 24, 2018

Via Email to: jwkimh@lghausys.com
Via Email to: charles.palmer@troutmansanders.com

Mr. Jooweon Kim, President
LG Hausys America, Inc.
900 Circle 75 Parkway, Suite 1500
Atlanta, Georgia 30339

Charles F. Palmer, Esq.
600 Peachtree Street, N.E.; Suite 3000
Atlanta, Georgia 30308

Re: Development Authority of Gordon County – LG – Viatera 3

Dear Sirs:

We appreciate your interest in Calhoun and Gordon County. The Development Authority of Gordon County is willing to propose an initial series of incentives for location of your Project. The Development Authority will pursue approval of incentives based on the assumptions provided below:

Assumptions for Project

Capital Investment - $50,000,000.00

Jobs – 50

Wages - Average Wage Rates of $39,000.00 with benefits

Utility Usage – Unknown

Tax Abatements

Ad Valorem Tax Abatement Schedule: 7 years for building and equipment based upon $40,000,000.00 of "new value" on a schedule as follows:

Year 1	100%
Year 2	100%
Year 3	100%
Year 4	100%
Year 5	100%
Year 6	50%
Year 7	50%

This abatement schedule includes an abatement of Gordon County M&O for the affected years and the Gordon County School Tax is included. For the years in which the abatement is less than 100%, the company will pay PILOT payments to Gordon County as set forth in a PILOT Agreement hereinafter negotiated by the parties and approved by the respective taxing authorities. The Development Authority is willing to structure any potential abatement in order to maximize the value of that abatement to the company.

Conditions

Incentives outlined above are subject to the following conditions and/or limitations:

a. Any tax abatement schedule will be subject to formal approval by the appropriate governmental agency, which may include Gordon County and/or the Gordon County Tax Assessor and/or the Gordon County Tax Commissioner.

b. Ad Valorem Tax Concessions are subject to the issuance of Industrial Revenue Bonds and the proper structuring of the transaction, which includes confirmation of the bonds in the Superior Court of Gordon County, as well as the payment of normal and necessary fees for the transaction.

c. All incentives are based upon investments that comprise "New Value". New Value includes real property and equipment investments pursuant to the assumptions outlined above, but do not include real and/or personal property and the taxes assessed thereon prior to construction of this Project.

The above-listed incentives and conditions comprise the community's offer to your Project. However, there are another series of possible incentives which are outlined on Exhibit "A" attached hereto. If any of those incentives are of interest, please follow up with us, and we will help you evaluate the compatibility of those incentives for this Project.

On behalf of the Authority and the local governments, it is both an honor and a pleasure to work with you on your project and we thank you for showing an interest in our community.

Sincerely,

T. Larry Roye, Chairman

AGREEMENT FOR PAYMENT IN LIEU OF REAL ESTATE TAXES

THIS AGREEMENT, dated as of the 1st day of November, 2019 (the "Dated Date"), but effective on the date the Bond referred to below is issued (the "Effective Date"), by and between the DEVELOPMENT AUTHORITY OF GORDON COUNTY (the "Issuer"), a public body corporate and politic created pursuant to the laws of the State of Georgia, the BOARD OF TAX ASSESSORS OF GORDON COUNTY (the "Board"), and LG HAUSYS AMERICA, INC., a corporation organized and existing under the laws of the State of New Jersey (the "Company").

W I T N E S S E T H:

WHEREAS, the Issuer is issuing its Taxable Industrial Revenue Bonds (LG Hausys America, Inc. Project), Series 2019 in a principal amount of up to $52,000,000 (the "Bond") to pay the costs of acquiring, constructing and equipping a manufacturing facility on land located in Gordon County, Georgia (the "Project"); and

WHEREAS, the Company proposes to enter into an Amended and Restated Lease Agreement dated as of November 1, 2019 (the "Lease Agreement") with the Issuer under the terms of which the Issuer will agree to issue the Bonds and lease the Project to the Company in consideration for rental payments in such amounts and payable on such dates as will be sufficient to pay the principal of and interest on the Bonds as and when the same become due and payable; and

WHEREAS, the Issuer will have record title to the Project and its interest in the Project will not be subject to *ad valorem* property taxation under current law; and

WHEREAS, it is anticipated that the leasehold interest of the Company will be subject to *ad valorem* property taxation; and

WHEREAS, the parties wish to enter into this Agreement to confirm the method that will be used to calculate *ad valorem* property taxes with respect to the Project and the interests of the Issuer and the Company therein.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants contained herein, and of such other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Issuer and the Company hereby agree as follows:

Section 1. Definitions. The capitalized terms set forth below shall have the meanings ascribed in this Section 1, unless the context or use clearly indicates another or different meaning or intent, and any other words and terms defined in the Lease Agreement shall have the same meanings when used herein as assigned them in the Lease Agreement, unless the context or use clearly indicates another or different meaning or intent:

"Additional PILOT Payments" shall have the meaning given such term in Section 4(b)(vi) hereof.

"Additional Tax Payments" shall have the meaning given such term in Section 4(d) hereof.

"Company Property" shall have the meaning given such term in Section 2 hereof.

"Force Majeure Event" shall mean, without limitation, the occurrence of any of the following events: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders of any kind of the government of the United States or of any state or any of their respective departments, agencies, or officials, or any civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquakes; fire; hurricanes; storms; floods; washouts; droughts; arrests; restraint of government and people; civil disturbance; explosions; breakage or accident to machinery, transmission pipes or canals; partial or entire failure of utilities or electronic transmission components; or any other cause or event not reasonably within the control of the Company.

"Lease Year" shall mean each calendar year during the Lease Term.

"PILOT Payments" shall mean the payments in lieu of tax made in accordance with Section 4(a) of this Agreement.

"Property Tax Differential" shall mean, for any period of calculation which shall in any event commence with the first Lease Year, the difference between (a) the amount of Property Taxes that would have been paid by the Company if the Company had owned fee simple record title to the Project during the period of calculation less (b) the aggregate amount of Property Taxes paid by the Company with respect to its leasehold interest in the Project or with respect to the Issuer's interest in the Project during said period.

"Property Taxes" shall mean any and all *ad valorem* real and personal taxes levied, assessed or imposed by the City of Calhoun or Gordon County with respect to the Project or any interest therein and includes, without limitation, all School Taxes and taxes payable to the State of Georgia.

"School Taxes" means all Property Taxes that under applicable law are to be paid to the County Board of Education or a municipal independent school system for the purpose of supporting public schools in accordance with O.C.G.A. § 48-5-400 or § 48-5-405, respectively.

"Tax Official" means the Board of Tax Assessors, Chief Appraiser or Tax Commissioner for Gordon County.

Section 2. Property Tax Payments. Under current law, the fee simple interest of the Issuer, as landlord, in the Project is exempt from Property Taxes. Because the Constitution or laws of the State may be amended in a manner that might subject the Issuer's ownership interest in the Project to Property Taxes, and because the Issuer is without funds to pay such taxes or the cost of contesting the imposition of taxes, the Issuer and the Company have agreed, in the Lease Agreement, that the Company shall bear the risk of taxation as to the Issuer's leasehold interest and as to the Issuer's ownership interest in the Project and shall be entitled to contest any Property Taxes sought to be imposed thereon, in its own name or in the name of the Issuer. Thus, by operation of express covenant and not by operation of law, the Lessee shall be responsible for paying any Property Taxes that may become payable with respect to the Issuer's interest in the Project. The parties acknowledge and agree that any personal property owned by the Company which is not covered under the Lease Agreement but is located on or installed in the Project (collectively, the "Company Property") will be subject to Property Taxes, unless otherwise exempt by operation of law.

Section 3. Special Covenants Related to Leasehold Property Tax Assessments. The Issuer and the Company have consulted with the Board with respect to the property tax treatment of the Project and the Company's leasehold interest therein. The valuation of Company's leasehold interest in the Project pursuant to the Lease Agreement for Property Tax purposes as set forth below has been determined by the Board in accordance with its standard policies and procedures. Because the Rents under the Lease Agreement are intended to be at fair rental value, the parties agree that the fair market value in exchange of the Lessee's leasehold interest in the Project property during each year of the Lease Term is zero. Accordingly, the Issuer, the Board, and the Company hereby agree that during each year of the Lease Term the Company's leasehold interest in the Project for Property Tax purposes shall be valued, assessed and placed on the annual Gordon County property tax digest at an assessed value of $0.00.

Section 4. Payments in Lieu of Taxes.

(a) PILOT Payments. In order to provide the local taxing authorities with additional revenues relating to the Project during a portion of the period record title thereto is held by the Issuer, the parties hereby agree that, subject to the limitations and conditions set forth herein, the Company, in consideration of the Issuer's agreement to issue the Bonds and to lease the Project to Company, shall, during the sixth and seventh years of the Lease Term, make PILOT Payments equal to fifty percent (50%) of the Property Taxes which would otherwise have been due and payable if the Company owned the Project property in fee simple on January 1 of such years. After year seven of the Lease Term, and thereafter, the Company shall owe 100% of Property Taxes due and payable for the Property.

(b) Investment and Jobs Goals. The amount of the PILOT Payments provided in Subsection (a) of this Section 4 are based on the assumption that on and after December 31, 2019, the total combined capital investment at the Project site (including the amount of the Bonds, equity invested by the Company, and any investment by any equipment leasing companies) will amount to at least $52,000,000.00 (the "Investment Goal") and that employment levels at the Project site will be, in aggregate, at least fifty (50) average full time jobs (the "Jobs Goal").

(i) Investment Shortfall Percentage. If on or by January 1, 2020, or any January 1 of any year thereafter while the Lease Agreement related to the Project is in effect (each a tax-year), the aggregate investment at the Project site (including the amount of the Bonds, equity invested by the Company, and any investment by any equipment leasing company) has not reached the Investment Goal (based on original cost without taking into account depreciation), the amount of actual investment as of such January 1 shall be subtracted from the Investment Goal to determine the "Investment Shortfall" for such tax year. The Investment Shortfall for such tax-year shall then be divided by the Investment Goal and the result shall be the "Investment Shortfall Percentage" for such tax-year.

(ii) Average Annual Full Time Jobs. In determining the number of full time jobs for purposes of the Jobs Goal, the definition of "full time job" shall be as follows from the job tax credit regulations of the Georgia Department of Community Affairs, except that transferred jobs and replacement jobs shall be counted:

Full time job – means a job with no predetermined end date, with a regular work week of 35 hours or more for the entire normal year of local company operations, and with benefits provided to other regular employees of the local company, but does not mean a job classified for federal tax purposes as an independent contractor. Leased employees will, for the purposes of the Job Tax Credit Program, be considered employees of the company using the services of leased employees. Leased employees and other employees must be counted toward new job totals for purposes of determining a business enterprise's job tax credit when such employees otherwise meet the definition of full time job contained herein. Leased employees and other employees that do not meet the definition of full time job contained herein may not be counted toward job totals.

In addition to those employees that fall within the definition of full time job (as defined in the job tax credit regulations of the Georgia Department of Community Affairs, as modified herein), the hours of temporary employees working at the Project Site shall be aggregated into full time job equivalents which shall be counted as full time jobs whether or not such temporary employees are employed by the Company or are leased by the Company. There also shall be counted: (a) "temp-to-perm" employees; and (b) employees of Affiliates of the Company working on the Project Site at all times relevant hereto. References are to the monthly average number of full time employees in a taxable year, which shall be determined by counting, for each month of the taxable year, the total number of full time employees that are subject to Georgia income tax withholding as of the last payroll period of the month or as of the payroll period during each month used for the purpose of reports to the Georgia Department of Labor, adding the monthly totals of full time employees, and dividing the result by the number of months the business enterprise was in operation during the taxable year. Notwithstanding the foregoing, the Jobs Goal in any year is subject to the effect of *force majeure* as provided below, if the Company certifies to the Issuer in writing the dates of the commencement and, if the event of *force majeure* has abated, the date of the abatement, of such event of *force majeure*. For purposes hereof, "*force majeure*" means any unexpected event (including, without limitation, any event or act of god, war, civil commotion, flood, fire, explosion, earthquake or other natural disaster, any strikes, walkouts or other labor unrest and any economic conditions amounting to a recession or depression, and terrorist acts) which prevents the Company from attaining the Jobs Goal in such year, which act or event (i) is beyond the reasonable control and not arising out of the fault of the Company, (ii) is one in which the Company has been unable to overcome by the exercise of due diligence and reasonable efforts, skill and care, exclusive of the expenditure of unbudgeted sums of money and (iii) has a material adverse effect on the employment at the Project Site; provided, however, notwithstanding anything contained herein, the Company shall not be obligated to negotiate, settle or otherwise take any actions to end any strike, walkout or other labor unrest if it deems such to be in the best interest of the Company. The effect of *force majeure* shall be that, for any year in which the Company claims the benefit of such provision, the applicable number of full time jobs at the Project that are the Jobs Goal for such year shall be reduced by the number of full time jobs that the Company shall demonstrate were not filled as a result of such *force majeure.*

(iii) Annual Certification. Not later than March 1, 2020, and not later than March 1 of each year thereafter (to and including the March 1 of the year following the last year in which the Company realizes any tax savings hereunder), the Company shall provide to the Issuer and the Tax Commissioner a certificate of its authorized officer (the "Annual Certification") stating (i) the cumulative investment at the Project as of January 1 immediately preceding and (ii) the average number of full time jobs at the Project Site during the immediately preceding calendar year. For the first year of operation of the Project, the average number of full time job equivalents calculation shall be annualized to reflect the commercial operation date of the Project. The Company shall provide such other supporting documentation as the Issuer or the Tax Commissioner may from time to time reasonably request. The Issuer and the Tax Commissioner shall have the right to inspect the investment and payroll records of the Company relating to the Project to verify the correctness of the Annual Certification and may make adjustments in investment and the jobs information if an error is found.

(iv) Jobs Shortfall Percentage. If the Annual Certification (or an adjustment thereto) shows that the average number of full time jobs at the Project in the immediately preceding year was less than the Jobs Goal, then the Job Shortfall Percentage shall be calculated as follows: The number of average full time jobs for the previous year shall be subtracted from the Jobs Goal which shall be the Jobs Shortfall. The Jobs Shortfall shall then be divided by the Jobs Goal to determine the Jobs Shortfall Percentage. For example, if there is no Jobs Shortfall, the Jobs Shortfall Percentage shall be zero percent.

(v) Project Shortfall Percentage. The Investment Shortfall Percentage and the Jobs Shortfall Percentage for each tax year shall be totaled and divided by two (2); the result shall be the Project Shortfall Percentage.

(vi) Additional PILOT Payments. If there is a Project Shortfall Percentage for any tax year of greater than ten percent (10%), additional payments in lieu of tax ("Additional PILOT Payments") for such tax year shall be calculated as follows: the Project Shortfall Percentage shall be multiplied by (1) the amount of Property Tax that would have been due for the Project assets as if the Company had owned the Project assets in fee simple (rather than holding a leasehold interest) as of January 1 of such tax year and (2) reduced by the amount of any PILOT Payment for such tax year under Section 4(a) hereof. For the avoidance of doubt, and by way of example, assume a Year 6 Project Shortfall Percentage of 12%, a fair market value of the fee simple interest in the Project as of January 1 of $30,000,000.00, and a resulting combined tax liability of $300,000.00. The PILOT Payment for Year 6 would be $150,000.00 (50% of $300,000.00) and the Tax Savings Recovery Payment would be $18,000.00 (($300,000.00 - $150,000.00) x 12%). Separate calculations shall be made for the amount of State, City, County O&M and school Property Taxes and PILOT Payments for each such tax year and of the amount of Tax Savings Recovery Payments due. If the Year 6 Project Shortfall Percentage had been less than 10%, no Tax Savings Recovery Payment would be due.

(vii) Payment Procedures. Tax Savings Recovery Payments shall be paid by the Company by separate checks made payable to the State, City, County and its school system, and shall be delivered by the Company to the Tax Commissioner within thirty (30) days following the date of the Annual Certification. Checks received by the Tax Commissioner from the Company pursuant to this Section 4(b)(vii) shall be delivered by the Tax Commissioner to the State, City, County and its school system.

(c) Other Costs and Expenses. The Company shall be responsible for all costs and expenses paid by the Issuer or the Tax Commissioner for the collection of any amounts due under this Section 4, including but not limited to reasonable attorneys' fees, administrative costs or other collection expenses.

(d) Reduction for Additional Tax Payments. Notwithstanding anything in this Agreement to the contrary, if the Company is for any reason required to pay more Property Taxes with respect to its leasehold interest in the Project than those payable as calculated pursuant to Section 3 of this Agreement (collectively, the "Additional Tax Payments"), any PILOT Payments under Section 4(a) or any Additional PILOT Payments under Section 4(b) hereof shall be reduced by the amount of any such Additional Tax Payments.

Section 5. Tax Filings.

(a) The Issuer shall take such action as shall be necessary to cause its interest in the Project to be reflected on the tax rolls of the County as exempt property and to reflect that the Company's leasehold interest therein is valued as set forth in Section 3 herein.

(b) During the Lease Term, the parties hereto agree that the Company shall have sole authority, right and power to file grievances or to institute and prosecute proceedings, protests, complaints or challenges or other forms of judicial or administrative review, seeking any adjustment or decrease in the assessment of all or any portion of the Project or challenging the tax rate applicable to all or any portion of the Project or seeking a clarification of or challenging the valuation or methods utilized to compute the Property Taxes with respect to all or any portion of the Project. The Issuer hereby irrevocably appoints the Company as its agent and attorney-in-fact (such appointment being coupled with an interest) for the purpose of filing, instituting or prosecuting any grievance, protest, challenge, review or proceedings described in this subsection (b) (collectively, the "Tax Proceedings") which shall be undertaken at the sole cost and expense of the Company. In order to further evidence the appointment described herein, at the request of the Company, the Issuer agrees to execute and deliver any and all further written authorizations or other documents which the Company deems to be necessary or convenient in order to exercise its rights hereunder, and to join in any such Tax Proceedings at the expense of the Company.

(c) The Issuer shall provide to the Company, within ten (10) days of receiving the same, any and all demands for payment, bills, invoices, assessment notices or other written communications or notices from any Tax Official regarding Property Taxes affecting the Project or any interest therein and shall otherwise cooperate with the Company in connection with any such Tax Proceedings necessary or convenient in order to exercise its rights hereunder.

Section 6. Affect of Project Closure. Notwithstanding anything to the contrary contained herein or in the Lease Agreement, in the event that the Project is not operated as a manufacturing facility for at least twenty-four (24) consecutive months during the Lease Term (a "Project Closure"), the Company shall pay an amount equal to the Property Tax Differential. For purposes of this Section, the Project shall be deemed to be operated as a manufacturing facility during any period said operations are temporarily suspended due, directly or indirectly, to a Force Majeure Event.

Section 7. Termination. This Agreement shall terminate upon termination of the Lease Term, and shall remain in effect through any periods of extension of the Lease Agreement. Termination of this Agreement shall not affect the accrued rights and obligations of any party hereunder.

Section 8. Successors and Assigns. This Agreement shall inure to the benefit of, and the obligations of the respective parties hereunder shall be binding upon the successors and assigns of the respective parties hereto. In the event the Company's rights under the Lease Agreement are assigned in accordance with the Lease Agreement, the rights and obligations of the Company hereunder shall become the rights and obligations of the successor Lessee, as provided in the Lease Agreement.

Section 9. Third Party Beneficiaries. The holder of the Bonds, the City, the County, and the other taxing authorities having taxing jurisdiction over the sites of the Project and the BOTA are hereby declared to be third party beneficiaries of this Agreement.

Section 10. Governing Law. This Agreement shall be governed by the law of the State of Georgia.

Section 11. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute but one and the same instrument.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement through their duly authorized representatives as of the day and year first above written.

DEVELOPMENT AUTHORITY OF GORDON COUNTY

By:___________________________________
T. Larry Roye, Chairman

Attest:

By:___________________________________
Jim Rosencrance, Secretary

(SEAL)

BOARD OF TAX ASSESSORS OF GORDON COUNTY

By: __________________________________
Chairman

Attest:

By:___________________________________
Secretary

(SEAL)

[Signature Page — Agreement for Payment in Lieu of Real Estate Taxes]

LG HAUSYS AMERICA, INC.

By:________________________________

KwangJin Kim
President

(CORPORATE SEAL)

[Signature Page — Agreement for Payment in Lieu of Real Estate Taxes]