**NON-BINDING LETTER OF UNDERSTANDING**
**(Germann Road Alignment)**

THIS NON-BINDING LETTER OF UNDERSTANDING (Germann Road Alignment) (this "**Letter**"), dated as of January 29, 2024, is entered into by, between and among PINAL COUNTY, ARIZONA, a political subdivision of the State of Arizona ("**County**"), TOWN OF QUEEN CREEK, ARIZONA, an Arizona municipal corporation ("**Town**"), THE STATE OF ARIZONA, in its capacity as Trustee of the State Land Trust ("**ASLD**"), SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT, an agricultural improvement district organized and existing under the laws of the State of Arizona ("**SRP**"), LG ENERGY SOLUTION ARIZONA, INC., a Delaware corporation, successor (by conversion) to ES AMERICA, LLC, a Delaware limited liability company ("**LG**") and LG ENERGY SOLUTION ARIZONA ESS, INC., a Delaware corporation, and an affiliate of LG ("**LG ESS**") (County, Town, ASLD, SRP, LG and LGESS are severally referred to as a "**Party**" and collectively as the "**Parties**").

1. Background. LG acquired from ASLD at auction (i) fee title to certain real property located in the Town of Queen Creek, Pinal County, Arizona and depicted on **Exhibit A** as the "Patent Property", and (ii) a Certificate of Purchase with respect to certain real property owned by ASLD, adjacent to the Patent Property and depicted on **Exhibit A** as the "COP Property". The Patent Property abuts Ironwood Road to the west, and the COP Property abuts the right of way for the future Kenworthy Road on the east, all as depicted on **Exhibit A**. The Patent Property and the COP Property are subject to existing rights of way for public access for the future development of Germann Road (and for public utilities), which extends the collective distance between Ironwood Road and the Kenworthy Road right of way, all as depicted on **Exhibit A**. LG and LG ESS intend to develop manufacturing facilities on the Patent Property. The Patent Property and the COP Property are also subject to an existing right of way for SRP, which runs parallel to the right of way for Germann Road, where SRP's power poles and related facilities are located, all as generally depicted on **Exhibit A** ("SRP ROW").

2. Expansion of Germann Road. A traffic study obtained by LG and LG ESS indicates that the proposed development of the Patent Property by LG and LG ESS, together with the development of other real property located in the vicinity of the Patent Property by LG and LG ESS, will require Germann Road to be widened and/or reconfigured, and may similarly require SRP's power poles and related facilities to be relocated or otherwise modified. The Parties have discussed alternative configurations, and have approved the general alignment and reconfiguration of Germann Road, and the construction and installation of SRP power poles and facilities (collectively "SRP Facilities") in a new SRP easement or right of way in a location generally depicted on **Exhibit B** ("Future SRP ROW"). County and Town, and any successor governmental authority, acknowledge that the SRP ROW and the SRP Facilities located therein are "prior rights" with respect to the current right-of-way for Germann Road and the proposed right-of-way for the future alignment of Germann Road. SRP's approval of the general alignment and reconfiguration of Germann Road is expressly conditioned on any exercise of governmental authority to relocate or modify the existing SRP ROW and SRP Facilities located therein being based on such governmental authority (i) recognizing the "prior rights" of all SRP Facilities located within the

SRP ROW and, upon relocation, the Future SRP ROW, and (ii) (A) causing SRP to be paid and/or reimbursed for any and all costs incurred for such relocation or modification, as reasonably determined by SRP in accordance with SRP's relocation procedures ("SRP Relocation Costs"), and (B) providing a reasonable new location for any SRP Facilities caused to be relocated or modified, and all easement rights reasonably necessary to protect the SRP Facilities, and access thereto, in accordance with SRP construction and maintenance standards. The Parties will continue to negotiate in good faith the terms of one or more agreements (generally, "Germann Road Agreements") in order to set forth the final configuration, alignment and location of Germann Road and SRP Facilities with the following proposals:

A. Town will lead the design effort for the widening and reconfiguration of Germann Road and will coordinate with LG, LG ESS, County, ASLD and SRP to develop a consensus on a final alignment, required rights-of-way and relocations of the SRP Facilities, while maintaining Town's funding commitment for improvements to Germann Road outlined in the existing Development Agreement by and among Town, County and LG, and consented to by ASLD.

B. County will provide reasonably required additional funding to deliver the new roadway alignment, including increased necessary construction costs, right-of-way purchases and SRP Relocation Costs, after all reasonable efforts have been made by the Town to minimize costs, above funding levels previously committed by Town.

C. LG or LG ESS, or both, as applicable, will dedicate to Town the additional required rights-of-way for a revised Germann Road realignment to the extent located on the Patent Property. The rights-of-way will include the area located between the proposed right of way for main Germann Road and the existing right-of-way for limited access Germann Road, which area will be maintained by Town following dedication. ASLD, in consultation with County, LG and LG ESS, will explore with Town the provision of any required rights-of-way at appraised value as required by applicable law, on ASLD's standard right-of-way form, for a revised Germann Road realignment that is on the COP Property. All rights of way granted by ASLD for the realignment of Germann Road, the Future SRP ROW and relocation of SRP Facilities shall be contiguous and leave no gaps of ASLD land between the rights-of-way.

D. SRP will work with Town's design and engineering staff to prepare designs for any required relocations or modifications of SRP Facilities. SRP will be responsible for the construction and installation of such relocated or modified SRP Facilities, subject to SRP being reimbursed for all Relocation Costs. SRP shall have no obligation for any costs associated with the foregoing. With respect to the agreement between the Town and County to fund such costs, the Town's funding commitment will be limited as set forth in subparagraph 2A above.

E. LG or LG ESS, or both, as applicable, will convey to SRP the required High Voltage Easement or Power Transmission Easement, as applicable, and any new access easements, in each case to the extent located on the Patent Property, that may be required by SRP for relocation of the SRP Facilities (with such conveyance being on SRP's standard forms when the final alignment has been confirmed). LG or LG ESS, or both, as applicable, will reasonably and collaboratively work with Town and County to facilitate the purchase of any additional rights-of-way at appraised value as required by applicable law that are required within the COP Property.

F. In consideration of SRP's agreement to the attached alignment for Germann Road (as shown on **Exhibit B**), the County and Town, for themselves and any successor governmental authority agree to maintain SRP's access to the SRP Facilities as follows:

(i) No above ground improvements will be allowed or permitted inside the SRP ROW, including without limitation trees, signs, streetlights, traffic control devices, drainage and other improvements, except as set forth on plans and specifications approved by SRP, which approval will not be unreasonably withheld, conditioned or delayed, provided it shall be deemed to be reasonable for SRP to withhold or condition any such approval if one or more improvements conflict with SRP Facilities or access thereto, as determined through the sole discretion of SRP.

(ii) The only landscaping that will be installed within the SRP ROW will be SRP approved drive over ground cover, from the SRP's approved list.

(iii) Any and all below-ground facilities located within the SRP ROW shall be designed to meet SRP's then-current minimum loading standards, and may only be installed perpendicular to the line of poles.

(iv) All utility crossings and relocations within the SRP ROW shall be subject to SRP approval through SRP's conflict review process.

(v) SRP shall have the right of ingress and egress to and from the SRP ROW from both the main Germann Road and the limited access Germann Road. SRP shall have the right to temporarily close (in accordance with Town's traffic control procedures applicable to road closures) all or any portion of Germann Road, whether the limited access Germann Road, the main Germann Road, or both, if reasonably necessary to access the SRP Facilities.

(vi) All curbing within the SRP ROW shall be mountable curbing.

(vii) The maximum grade inside the SRP ROW shall remain at 20:1.

- (viii) No work, other than construction of Germann Road and its related improvements, shall be allowed inside the SRP ROW during roadway construction, and all such construction shall be coordinated between Town and SRP. The SRP ROW shall not be used for storage of materials, spoils or equipment. SRP will require a Work Plan identifying all construction activities to be performed inside the SRP ROW or the Future SRP ROW. Once SRP approves the Work Plan, SRP will issue a Notice to Proceed.

(ix) The Parties will reasonably collaborate to identify construction staging areas in connection with the construction by Town and SRP contemplated in this Letter.

3. Non-Binding Letter. The Parties acknowledge that this Letter does not create a binding obligation on any Party with respect to the final alignment or improvement of Germann Road and/or the SRP Facilities located along the Germann Road alignment. Any final decision with respect to such matters will depend on the agreement of the Parties with respect to engineering

studies, costs analyses, funding sources, construction schedules, dedication requirements, neighborhood impact, safety, and other factors, as well as final forms of the Germann Road Agreements approved by Town's Town Council and County's Board of Supervisors in their sole and absolute discretion, provided, however, that such Germann Road Agreements shall not be binding on SRP. Subject to the foregoing, the Parties are signing this Letter for the sole purpose of evidencing their preliminary approval of the proposed Germann Road widening and realignment and the relocation of the SRP Facilities as depicted on **Exhibit B**, and memorializing their intent to negotiate in good faith to determine the final resolution with respect to the Germann Road alignment, including the location of the SRP Facilities, and all other matters that may be required in the Germann Road Agreements or any agreements required by SRP with respect to the SRP Facilities, the SRP ROW, or the Future SRP ROW. The Parties further confirm that no Party will have any equitable, reliance or similar rights against any other Party or Parties as a result of their execution and delivery of this Letter, or discussions or negotiations ensuing thereafter.

4. Counterparts. This Letter may be executed in counterparts (any of which may be delivered by PDF, facsimile or other electronic transmission), each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

**[Signatures of the parties appear on following pages]**

**SIGNATURE PAGE TO NON-BINDING LETTER OF UNDERSTANDING**
**(Germann Road Alignment)**

**COUNTY**

PINAL COUNTY, ARIZONA, a political subdivision of the State of Arizona

By: _____
Its: _____

ATTEST:

By: _____
County Clerk

APPROVED AS TO FORM:

By: _____
County Attorney

**SIGNATURE PAGE TO NON-BINDING LETTER OF UNDERSTANDING**
**(Germann Road Alignment)**

STATE OF ARIZONA

By_____
James W. Perry
Deputy State Land Commissioner

**SIGNATURE PAGE TO NON-BINDING LETTER OF UNDERSTANDING**
**(Germann Road Alignment)**

**SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT**,
an agricultural improvement district organized and existing under the laws of the State of Arizona

By _____
Name: _____
Title: _____

**SIGNATURE PAGE TO NON-BINDING LETTER OF UNDERSTANDING**
**(Germann Road Alignment)**

TOWN OF QUEEN CREEK, ARIZONA, an Arizona municipal corporation

By: _____
Its: _____

ATTEST:

By: _____
Town Clerk

APPROVED AS TO FORM:

By: _____
Town Attorney

**SIGNATURE PAGE TO NON-BINDING LETTER OF UNDERSTANDING**
**(Germann Road Alignment)**

LG ENERGY SOLUTION ARIZONA, INC., a Delaware corporation, successor (by conversion) to ES AMERICA, LLC, a Delaware limited liability company

By: _____
Name: Heekwan Ra, President

**SIGNATURE PAGE TO NON-BINDING LETTER OF UNDERSTANDING**
**(Germann Road Alignment)**

LG ENERGY SOLUTION ARIZONA ESS, INC.,
a Delaware corporation

By: _____
Name: _____

**Exhibit A**
**To Non-Binding Letter of Understanding**
**(Germann Road Alignment)**

**Map Showing Patent Property and COP Property**

(see attached)

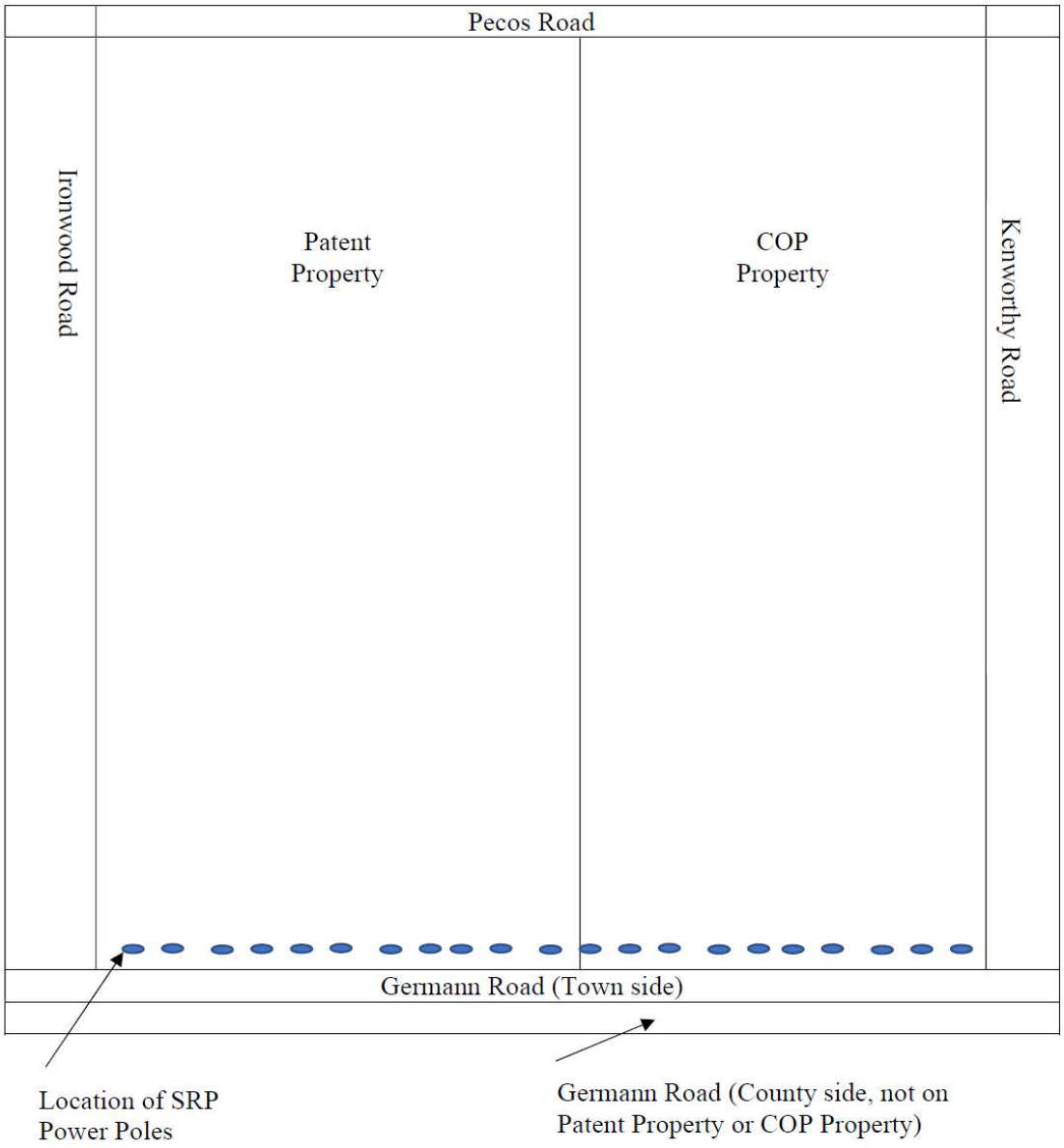
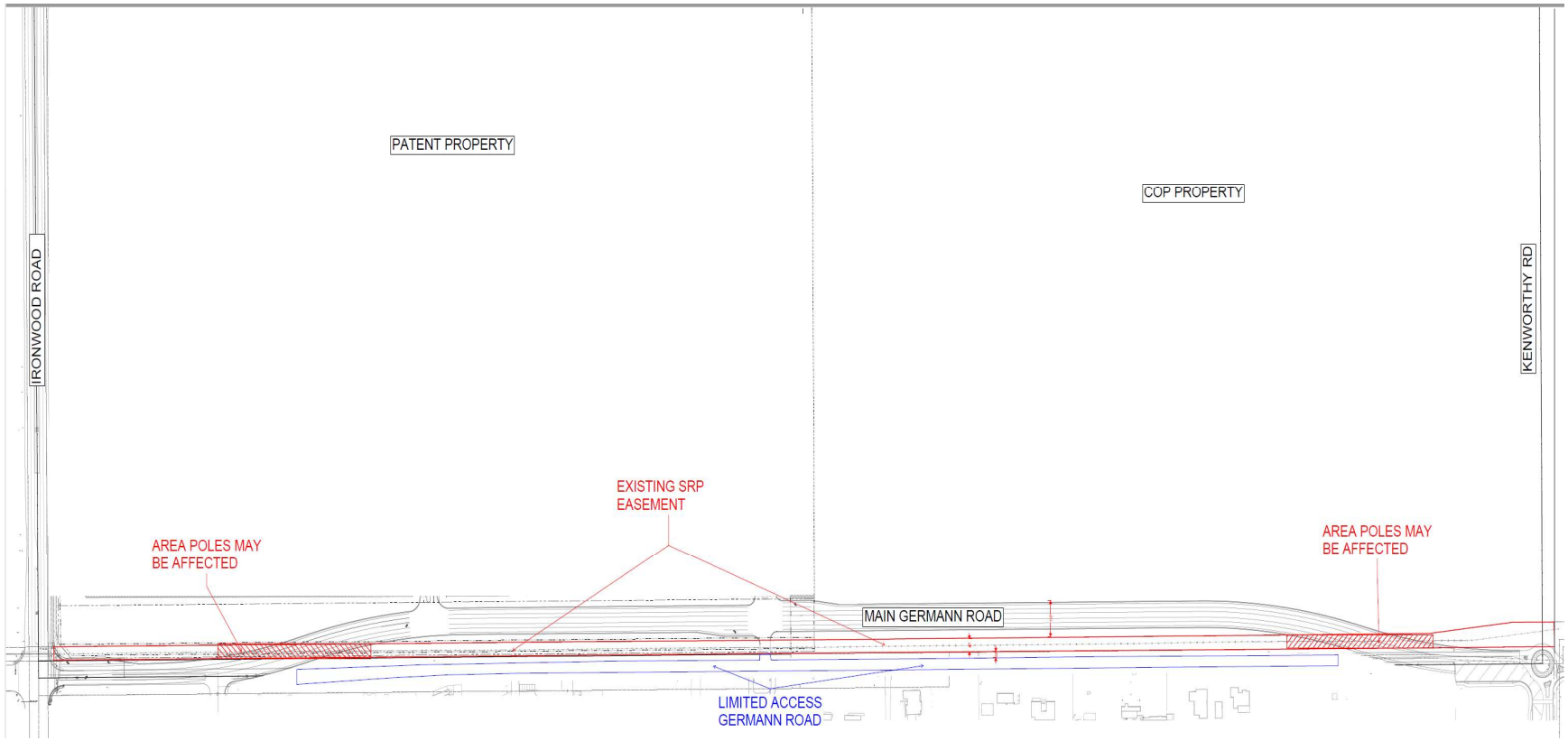

Pecos Road
Ironwood Road
Patent Property
COP Property
Kenworthy Road
Germann Road (Town side)
Location of SRP Power Poles
Germann Road (County side, not on Patent Property or COP Property)

**Exhibit B**
**To Non-Binding Letter of Understanding**
**(Germann Road Alignment)**

**Map Showing Germann Road Alignment and Location of SRP Power Poles and Facilities**


PATENT PROPERTY
COP PROPERTY
IRONWOOD ROAD
KENWORTHY RD
EXISTING SRP
EASEMENT
AREA POLES MAY
BE AFFECTED
AREA POLES MAY
BE AFFECTED
MAIN GERMANN ROAD
LIMITED ACCESS
GERMANN ROAD