



**Re: MEMORANDUM OF UNDERSTANDING BETWEEN White Horse Research and Development
AND The Town of Great Falls**

Mr. Brantley,

White Horse Research and Development (White Horse R&D) is pleased to provide the below Memorandum of Understanding to the Town of Great Falls ("Great Falls") for the redevelopment of the three Cotton Mills (the "Mills") and surrounding area into White Horse R&D's headquarters and manufacturing facilities, as well as a trade school. We project that our proposal will result in the creation of approximately 280 jobs in Great Falls and the surrounding areas.

White Horse R&D is the right partner for Great Falls. We are an established company, we are confident in our finances, and our plan includes providing for the community.

Background of White Horse R&D

White Horse R&D is an established company with multiple products and business lines. We have been in business since 1998. We have approximately 30 employees and 20 contractors and we, and our affiliated partners, are currently based in Fort Mill, South Carolina. We are fortunate to count the Catawba Indian Nation as a partner in many of our projects, including this one. Our multiple product lines and revenue streams provide multiple avenues for growth while also providing support and stability should growth in any product slow.

Our clients include both government entities like the DOE, DOD, and State Department and private individuals. Our products and services include:

- Ballistic Protections Solutions like Body Armor, Mobile Defense Panels, and ballistic blankets
- Industrial Polymer Coating Applications
 - Clients include DOE, DOD and the State Department
 - Environmentally friendly Green Technologies with carbon footprint mitigation
- E-Learning Training Modules for various government branches
- Fabrication of full-sized vehicle targets to all branches of the U.S. Military
- One of the largest manufacturers and suppliers of food entrees to the Department of Defense's Meals Ready to Eat (MRE) and FEMA/Humanitarian programs since 1998.
- Fuel Solutions – environmentally friendly carbon reduction products

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3565 Centre Circle
Fort Mill, SC 29715

Beau@WhiteHorseRD.com

Finances

White Horse R&D has the financial strength and backing to follow through on the three-phase proposal below. We also plan to pursue tax credits, including those available for the rehabilitation of the Mills to help offset the investment we will make in the project.

Our proposal is dependent on the Great Falls cooperating and providing White Horse R&D support in obtaining grants and tax credits to aid in the development of the project. Further, the proposal depends on the Great Falls acquiring title to any of the parcels identified in the Proposal and assigning title to White Horse R&D or an affiliated company.

Our Interest in the Community

Our idea is to pursue a project that will allow White Horse R&D to grow and reach its full potential by relocating the Company and much of its operations and manufacturing to Great Falls while also providing an economic boost and amenities to the city. Economic Development must begin and continue in Great Falls to create a lasting, long-term solution in the growth of a Greater Great Falls. Our proposal will help this effort by creating good paying jobs and providing opportunities for the current residents and the future residents of Great Falls. We also propose building a trade school that will: 1. Train our current employees; 2. Develop a pipeline for future employees; and 3. To provide training for residents of Greater Great Falls to allow them to pursue other opportunities.

This type of partnership is how we get this town back on the map. Great Falls cannot rely on government funding for survival anymore. The town needs to win. White Horse R&D wants to create opportunities in Great Falls to help in laying the foundation for success and for a better future by creating good paying jobs year-round. Restoration of the mills and creating job opportunities as well as improve the aesthetics of the town. Giving residents & visitors something to look forward to and want to come be a part of while maintaining the small-town atmosphere.

The Proposal

Have the Town of Great Falls transfer ownership of the following properties to White Horse R&D.

- 202-13-02-003-000 (Mill #1)
- 202-07-17-008-000 (Mill #2) * Once transferred to the town of Great Falls from Chester County Forfeited Land Commission.
- 202-06-01-070-000 (Parking lot beside mill #2)
- 202-10-15-005-000 (Mill #3)

1. The Rehabilitation and Redevelopment of Mills #1-3

White Horse R&D proposes a three phased approach to the redevelopment of the Mills as follows:

Phase 1: Construction of Mill #1 (Dearborn St. and Farrow Street, Great Falls, SC 29055).

Mill #1 will be redeveloped and converted into White Horse R&D's headquarters and principal offices, which will relocate to Great Falls from Fort Mill. (5-6 acres). We estimate that the relocation of White Horse R&D's headquarters will create approximately 40 jobs in the town for various skills such as Accounting, Sales, Marketing, Engineering, Key management, HR Department & more.

As Great Falls starts to develop, White Horse R&D has obtained letters of intent from thriving businesses that will bring job opportunities and create a larger tax base for Great Falls.

Properties included for Phase 1:

- 202-13-02-003-000 (Republic Plant #1)

Phase 2: Restoration of Mill #2 (Dearborn St. and Broad St., Great Falls, SC 29055).

Restoration will start once title has been transferred from Chester County Forfeited Land Commission to the Town of Great Falls and the town will transfer ownership to White Horse R&D with DHEC/EPA remediation guidelines as a guidepost. Beautification of the landscape will take place during this phase. Starting with cleaning the inside of the mill and restoring the mill back to its original shape while renovating the parking lot and pond. Fencing and a new driveway will be added while removing the boiler room and annex. The focus is to bring back the original architecture look of the mill as much as possible and to maintain the existing character of the mill otherwise.

Upon completion of the renovation of Mill #2 White Horse R&D will initially employ approximately 120 people focusing on the sewing operations and innovation center. White

Horse R&D plans to increase the number of jobs available at Mill #2 to over 250. In conjunction with relocating its team to Mill #2, White Horse R&D will also pursue a retail and tourism approach to the Mill. We foresee opportunities for Retail Offices, Business Offices, Restaurants, and showrooms within Mill #2. Residential space is also an option for Mill #2.

The renovation of Mill #2 will begin as soon as practicable after cleaning of Mill #2 area is completed and approved by South Carolina DHEC/EPA for operations to start inside Mill #2.

- Properties included for Phase 2:
 - 202-07-17-008-000 (Mill #2)
 - 202-06-01-070-000 (Parking lot beside of Mill #2)

Phase 3: Rebuild and Updates to Mill #3 (Argonne Ave. and Walnut St., Great Falls, SC 29055).

Mill #3 will be renovated and rehabbed to allow for the manufacturing and fabrication of DOD military vehicle targets, food development and packaging for meals ready to eat (MRE), and the production of ballistic plates. We selected Mill #3 for these opportunities to minimize the impact of the industrial side of the business by locating it on the outskirts of town.

Additionally, we will locate the maintenance facility for all properties at the Mill #3 site.

We also plan to include a welding and trade school program at Mill #3. This site will create not only approximately 120 jobs but also opportunities for residents to acquire a new trade skill.

- Properties for Phase 3:
 - 202-10-15-005-000 (Mill #3)

2. Obtaining the land

Great Falls holds or will acquire title to the parcels identified in this Proposal and then assign them to White Horse R&D or its specified affiliate once title is obtained, regardless of which phase of the project is currently under development.

3. Term and Exclusivity

This Memorandum of Understanding is effective upon the day and date last signed and executed by the duly authorized representatives of the parties to this Memorandum of Understanding and the governing bodies of the parties' respective counties or municipalities.

Upon the effectiveness of this Memorandum of Understanding Great Falls agrees, in consideration of each parties commitment of time and resources regarding the proposed project, that it will not, and will not permit any of its respective government officials, employees or representatives (collectively, the "Representatives") to directly or indirectly, solicit, encourage, initiate, enter into, continue, or participate in any negotiation or discussions with any other entity (other than White Horse R&D and its representatives)

concerning any sale, lease, transfer, exchange, mortgage, pledge, or other disposition of the properties discussed in the proposal and this Memorandum of Understanding and will cease discussion with any other party during the Exclusivity Period.

The Exclusivity Period shall mean the period between when this Memorandum of Understanding is issued and 5:00 p.m. ninety (90) days after the effective date.

If, upon expiration of the Exclusivity Period, White Horse R&D and Great Falls continue to be actively engaged in the negotiation and preparation of the Transaction documents, then the Exclusivity Period may be extended by mutual written agreement of Purchaser and Sellers.

4. Definitive Agreement

White Horse R&D and Great Falls will work in good faith to finalize a set of definitive transaction documents based on the terms herein on or before the Exclusivity Period, provided, however, neither White Horse R&D nor Great Falls is required to enter any definitive agreement(s). Further, prior to the execution of any definitive agreement(s), Great Falls shall have presented the same to the governing body of Great Falls for approval by ordinance.

5. Termination of this Memorandum of Understanding

This Memorandum of understanding shall expire on the earliest to occur of: (1) the end of the Exclusivity Period, as extended, (2) the execution and delivery of definitive agreements relating to the Transaction contemplated hereby, or (3) the mutual written agreement of the parties to terminate this Letter of Intent.

6. Funding and Support

White Horse R&D believes that it has the financial strength and backing to uphold the terms outlined in this Memorandum of Understanding. White Horse R&D will also pursue grants and other opportunities to help offset and fund the project. Great Falls agrees to collaborate with White Horse R&D and to provide support in obtaining any grants available for the development of the project and the redevelopment of the Mills.

7. Timing of the Project

The timing of the project will be dependent on South Carolina DHEC and EPA approval, including, a determination that the property is safe for human operations, Grant/Funding availability, and any other obligations in the definitive agreements between Great Falls and

White Horse R&D. The intention of White Horse R&D is to complete one phase of the project before commencing on the next stage.

8. Liability

White Horse R&D does not accept any general liability for pre-existing conditions including but not limited to asbestos, lead, coal ash pollution in soil, groundwater, or air pollution. White Horse R&D will only accept liability for future pollution and after DHEC and the EPA have deemed the properties as safe for human operations.

9. Legal Fees

White Horse R&D understands and agrees that White Horse R&D is responsible for all of the Town's legal fees arising out of or relating to this Agreement and any definitive agreement(s), which fees shall not exceed \$15,000.

10. Other Terms and Conditions

(a) Representation and Warranties.

White Horse R&D and the Great Falls will make customary representations and warranties.

(b) Governing Law

This Memorandum of Understanding will be governed and construed in accordance with the laws of the State of South Carolina, regardless of the laws that might otherwise govern under applicable principles of conflict of laws.

(c) Signatures and Authorization

The parties to this Agreement agree and warrant that the person signing this Memorandum of Understanding is an authorized signatory and has the power to bind the respective party insofar as the commitments in this MOU are sufficient to provide for the Parties' continuing working toward a set of more definitive agreement.

(d) Counterparts

This Memorandum of Understanding may be executed in counterparts and delivered electronically. Each counterpart shall be deemed to be an original and all of which together shall constitute one agreement. The headings of the various sections of this Memorandum of Understanding have been inserted for reference only and shall not be deemed to be a part of this Memorandum of Understanding.

If the terms of this Memorandum of Understanding are acceptable, please sign and return a copy of his Memorandum of Understanding to Will Markolf at will@whitehorserd.com, copying company counsel, Frank R. Martin at frank@nosajeterlaw.com, by 5:00 p.m. on December 6, 2023.

IN WITNESS WHEREOF, the parties have executed this Letter of Intent effective as of the date set forth below.

Town of Great Falls, South Carolina

By: _____
(Signature)

Date: _____

Name: _____

Title: _____

White Horse Research and Development

By: _____
(Signature)

Date: _____

Name: _____

Title: _____