MEMORIALIZED AGREEMENT
Zeta Industries and the Government of Capo

Zeta Industries (Zeta) and the Government of Capo (Capo) met on September 7, 2017 and negotiated to propose legislation to establish goals for renewable energy specifications. Zeta’s input could become the gold standard; however, this would be subject to meeting engineering and scientific studies accepting that specification.

Terms of the Agreement:

Zeta will provide:

1. Building of a renewable energy manufacturing plant for the wind, stream flows (hydro), and solar collection systems in the country of Capo.
2. Opportunities for employment.

Capo will provide:

1. Loan guarantees up to $100 million for the building of a Zeta manufacturing plant located in Capo.
2. Labor cost offset of 10% of wages for up to three (3) years.
3. Exchange rate locks.
4. Cap on shadow costs of 3%.
5. Trained/educated work force to meet the skills needed at Zeta’s manufacturing facility within close proximity to the facility.
6. Access to sell renewable energy systems manufactured in Capo to China under a free trade agreement.

Signed:
Zeta Industries
Farai Melton
Roy Ledesma
Marnie Packard

Capo Government
Ryan Adelman
Mike Ruehman
MEMORIALIZED AGREEMENT
Zeta Industries and Asian Energy Solutions

Zeta Industries (Zeta) and Asian Energy Solutions (AES) met on September 7, 2017 on several occasions to discuss partnering to distribute utilities and renewable energy products to Zeta’s customers in the countries of Huma and Capo in the Asian Pacific.

Terms of the Agreement:

1. Zeta will provide:
   a. Electrical generation systems powered by wind, stream flows (hydro), and solar collection systems to AES to source from Zeta’s manufacturing facility and distribute to Zeta’s customer base;
   b. Strong incentives for our existing and future customers to provide AES advanced battery systems (bundle with our Zeta renewable energy solutions).
   c. Payment terms of 180 days

2. AES will provide:
   a. Distribution of Zeta’s products at cost to Zeta’s current and future customers.
   b. Provide money management consultation to improve Zeta’s cash flow challenges from supply chain/accounts receivables.

Signed:
Zeta Industries
Farai Melton
Roy Ledesma
Marnie Packard

Asian Energy Solutions
Mick Ysursa
Cale Coyle
Jade Chase
Brian Greber

Negotiation Simulation

⇒ Huma Government
  • Aron Lunde
  • Shannon Smith
Capo Trading Company – Huma Government

All Capo Trading Company (CTC) new money investments and reinvestments qualify for Huma line of credit at up to 40% and loan rate of ¼ of prime rate (currently 1.65%)

New construction to be completed within 3 years

- 49% owned and operated by CTC
- 51% owned and operated by some combo of Huma private equity/govt

Repatriate money

- After 5 years (and to run in perpetuity)
  - Profits can be removed at x% rate
    - Gamma determines x% and timing at their discretion
  - New money must be invested in Huma at x%/2 rate
  - All Gamma reinvestments qualify for Huma line of credit at up to 40% and loan rate of ¼ of prime rate (currently 1.65%)
- After 10 years (assuming you stay in country)
  - Profits repatriation holiday for up to 100% of profits
- After 20 years (sale of assets OK)
  - Profits repatriation holiday for up to 100% of profits

Existing CTC businesses in country for 5 years or more can take advantage of the 5 year repatriation rule above starting immediately. The clock for the 10 year and 20 year repatriation holiday coincides with the date of this agreement.

CTC is approved to purchase the WildHorse assets. Repatriation of profits to occur for this agreement as follows:

- After 5 years (and to run in perpetuity)
  - Profits can be removed at x% rate
    - Gamma determines x% and timing at their discretion
  - New money must be invested in Huma at x%/2 rate
  - All Gamma reinvestments qualify for Huma line of credit at up to 40% and loan rate of ¼ of prime rate (currently 1.65%)
- After 10 years (assuming you stay in country)
  - Profits repatriation holiday for up to 100% of profits
- After 20 years (sale of assets OK)
  - Profits repatriation holiday for up to 100% of profits

All other details, other than those stated above, are to be enforced per the simulation guidelines dated August 2016.
Asian Energy Solutions Huma – Huma Government

Agreement requires the construction of 2 new manufacturing facilities in the next 6 years.

All Asian Energy Solutions Huma (AES) new money investments and reinvestments qualify for Huma line of credit at up to 40% and loan rate of \( \frac{3}{4} \) of prime rate (currently 1.65%)

First new factory to be completed within 3 years

- 49% owned and operated by AES
- 51% owned and operated by some combo of Huma private equity/govt

Repatriate money

- After 5 years (and to run in perpetuity)
  - Profits can be removed at x% rate
    - Gamma determines x% and timing at their discretion
  - New money must be invested in Huma at \( x%/2 \) rate
  - All Gamma reinvestments qualify for Huma line of credit at up to 40% and loan rate of \( \frac{3}{4} \) of prime rate (currently 1.65%)

- After 10 years (assuming you stay in country)
  - Profits repatriation holiday for up to 100% of profits

- After 20 years (sale of assets OK)
  - Profits repatriation holiday for up to 100% of profits

Existing AES businesses in country for 5 years or more can take advantage of the 5 year repatriation rule above starting immediately. The clock for the 10 year and 20 year repatriation holiday coincides with the date of this agreement.

All other details, other than those stated above, are to be enforced per the simulation guidelines dated August 2016.

Huma Official  
Aron Lunde

Huma Official  
Shannon Smith

Asian Energy Solutions – Huma Representative  

Asian Energy Solutions – Huma Representative  

Asian Energy Solutions – Huma Representative  

Asian Energy Solutions – Huma Representative
 Gamma – Huma Government

HAB Sale price is 49% of $180M ($88,200,000)

- To be paid in total over 4 years
- Minimum of $22,050,000 per year
- Early payoff acceptable

Export trade agreement – Gamma manufacture at HAB, export parts to Capo, Gamma to receive a 10% investment tax credit as if exporting 50% of products (as long as Gamma exports 20% or more of the HAB output)

Repatriate money

- After 5 years (and to run in perpetuity)
  - Profits can be removed at x% rate
    - Gamma determines x% and timing at their discretion
  - New money must be invested in Huma at x%/2 rate
  - All Gamma reinvestments qualify for Huma line of credit at up to 40% and loan rate of ¾ of prime rate (currently 1.65%)

- After 10 years (assuming you stay in country)
  - Profits repatriation holiday for up to 100% of profits

- After 20 years (sale of assets OK)
  - Profits repatriation holiday for up to 100% of profits

All other details, other than those stated above, are to be enforced per the simulation guidelines dated August 2016.

Huma Official  Aron Lunde

Huma Official  Shannon Smith

Gamma Representative  

Gamma Representative  

Gamma Representative  

EMBA 521 – Assignment 3.1
Memorialized Agreement Between Alpha Industries & CTC

**Alpha Industries Objectives:** Create a strategic partnership with an established company doing business within the country of Capo, while retaining ownership of IP and controlling brand development, sales & distribution.

**CTC Objectives:** Increase market share by 5x in the country of Capo and align with a recognized leader in the industry.

**Agreement Principles**

- Alpha & CTC have reached an agreement to establish a Joint Venture ("NewCo") and construct a new manufacturing facility in the country of Capo.
- NewCo ownership will be 70% Alpha and 30% CTC.
- Initial investment will be $150 million.
- Contingent upon each party guaranteeing a minimum of 35% in equity, with the balance to be financed using external sources.
- Alpha will retain all ownership of product IP.
- Alpha will oversee R&D, Sales & Distribution.
- CTC will oversee Plant Operations.
- Alpha will have first right of refusal to co-invest with CTC in any new business ventures in the country of Huma.
- NewCo will not produce and / or sell competitive products currently manufactured by Alpha or CTC without prior written consent of the other party.

**Unresolved / Unanswered Questions**

- Financing complete within 30 days
- Finalize JV agreement complete within 60 days
- Site selection & purchase complete within 60 days
- Facility design complete within 90 days
- Construction complete within 18 months
- Plant start-up complete within 24 months
Any additions, deletions, changes, and/or modifications to this Memorialized Agreement must be mutually agreed to by the parties, with the details outlined in a new Addendum.

Agreed to and signed on this 8th day of September, 2017.

Alpha Industries
Name: Tim Cowles   Signature:  
Name: Michelle Mehr  
Name: Jeff Grohs  

Capo Trading Company (CTC)
Name: David Borgholthaus   Signature:  
Name: Mark Gerasimas  
Name: Joe Stover  

The government of Capo will lock interest rates, if requested by Alpha, for imported plant equipment and annual exchange rate locks for exports.

The government of Capo is willing to compromise on the repatriated earnings for Alpha, subject to growth and investment capacity over time. A general arrangement would be as follows:

<table>
<thead>
<tr>
<th>Investment:</th>
<th>Repatriated Rate:</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0 - $250M</td>
<td>15%</td>
</tr>
<tr>
<td>$251M - $500M</td>
<td>12.5%</td>
</tr>
<tr>
<td>$501M - $700M</td>
<td>10%</td>
</tr>
<tr>
<td>Each additional $200M</td>
<td>1% Reduction (capped at 5%)</td>
</tr>
</tbody>
</table>

This agreement is contingent upon no material changes to government of Capo tax policies on repatriation.

Alpha signatures: Tim Cowles, Jeff Grohs, Michelle Mehr

Capo Government: Ryan Adelman, Mike Ruehman
WILD HORSE ENTERPRISES agrees to sell 49% of HUMA MFG to CAPO TRADING COMPANY FOR $120 million dollars.

AGREES TO NON COMPETE IN HUMA.

WILD HORSE

Pyrochta  CAPO TRADING CO.

Erin Retzel

Dale

date: 9/7/17
Asian Energy Systems – Memorialized Agreements

1. Our Negotiating Position

- Only energy storage recycler in the region.
- Mature interpersonal connections allowing for expedited distribution of products in both countries.
- Mature client base allowing for increased manufacturing production absorption.
- Vertically integrated supply chain using locally sourced materials.
- Completely closed loop supply and distribution system providing QA to clients/partners.
- Region leader in advanced energy storage solutions.
- Assembled product is uniquely situated in both collection and distribution energy systems; all others batteries are in distribution.
- Contracted to provide advanced energy storage and distribute storage for sole/emerging renewable energy manufacturer in region.
- One of limited companies situated to leverage new Chinese capital loan policies.

2. Negotiated Agreements

- Capo Government:

  The government of Capo is willing to compromise on the repatriated earnings for AES, subject to growth and investment capacity over time. A general arrangement would be as follows:

<table>
<thead>
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<th>Investment</th>
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<td>12.5%</td>
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</tbody>
</table>
$501M $700M 10%
Each additional $200M 1% Reduction (capped at 5%)

- **Huma Government:**

  Agreement requires the construction of 2 new manufacturing facilities in the next 6 years.

  All Asian Energy Solutions Huma (AES) new money investments and reinvestments qualify for Huma line of credit at up to 40% and loan rate of \( \frac{1}{4} \) of prime rate (currently 1.65%). First new factory to be completed within 3 years

  - 49% owned and operated by AES
  - 51% owned and operated by some combo of Huma private equity/govt

  Repatriate money

  - After 5 years (and to run in perpetuity)
    - Profits can be removed at x% rate
      - Gamma determines x% and timing at their discretion
    - New money must be invested in Huma at x%/2 rate
    - All Gamma reinvestments qualify for Huma line of credit at up to 40% and loan rate of \( \frac{1}{4} \) of prime rate (currently 1.65%)

  - After 10 years (assuming you stay in country)
    - Profits repatriation holiday for up to 100% of profits

  - After 20 years (sale of assets OK)
    - Profits repatriation holiday for up to 100% of profits
Existing AES businesses in country for 5 years or more can take advantage of the 5-year repatriation rule above starting immediately. The clock for the 10 year and 20-year repatriation holiday coincides with the date of this agreement.

All other details, other than those stated above, are to be enforced per the simulation guidelines dated August 2016.

- **Gamma Industries:**
  - **Year 1:**
    - AES will provide 35% of its current ownership share in its Huma subsidiary (AES Huma).
    - AES will use its completely closed loop supply and distribution system along with a mature client based for the absorption of the increased manufacturing production.
    - Gamma will provide $20 million in capital to build a manufacturing plant in Huma.
    - Gamma will negotiate an import trade agreement with the Capo Government for the import from AES Huma to AES’s Capo subsidiary (AES Capo).
  - **Year 2:**
    - Gamma will provide $25 million to build a second manufacturing plant in Huma.
  - **Year 3:**
    - AES will offer an equity share in AES Capo relative to the capital investment needed from Gamma to build a manufacturing plant in Capo.
• **Zeta Industries:**

   Zeta Industries (Zeta) and Asian Energy Solutions (AES) met on September 7, 2017 on several occasions to discuss partnering to distribute utilities and renewable energy products to Zeta’s customers in the countries of Huma and Capo in the Asian Pacific.

   **Terms of the Agreement:**

   Zeta will provide:
   
   • Electrical generation systems powered by wind, stream flows (hydro), and solar collection systems to AES to source from Zeta’s manufacturing facility and distribute to Zeta’s customer base;
   
   • Strong incentives for our existing and future customers to provide AES advanced battery systems (bundle with our Zeta renewable energy solutions).
   
   • Payment terms of 180 days

   AES will provide:
   
   • Distribution of Zeta’s products at cost to Zeta’s current and future customers.
   
   • Provide money management consultation to improve Zeta’s cash flow challenges from supply chain/accounts receivables.
Memorialized Agreements

Capo Government

Team Members: Mike Ruehman & Ryan Adelman

General Principles: Increase infrastructure investment in the Country of Capo over a 2-10 year period. Capo has a need to install at least $220M of capacity in next ten years. Moreover, Capo seeks capacity of $900M - $1.5B to position us to export to other countries like Huma, Latin America, Asia, most recently China.

The government of Capo has the following general benefits available to current businesses and future investors.

- Our workforce has a high literacy rate, very well educated and trained, and available to work.
- Is business friendly, especially to those investors familiar with and desiring to follow US law, especially around anti-trust and IP laws.
- More net productive labor than the competition country of Huma.
- Capo offers no business tax rate.
- 10% “new job” labor cost offsets for 3 years

These benefits help support the greater goal of bringing high quality jobs and a high quality of life to our population. The Capo government also places importance on maintaining or improving regulations that deal with human rights, fair labor practices, environmental quality, and consumer safety. Our intention is to improve our country’s appeal to US based firms and strengthen overall trade status with the US.
Firm Agreements:

Capo Trading Company / Alpha:

Capo Trading will provide investment three-fold within four years ($450M) and five-fold within ten years ($600M total). Alpha will help Capo Trading with financial support.

The government of Capo is willing to compromise on the repatriated earnings for Alpha, subject to growth and investment capacity over time. A general arrangement would be as follows:

<table>
<thead>
<tr>
<th>Investment</th>
<th>Repatriated Rate</th>
</tr>
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<tbody>
<tr>
<td>$0 - $250M</td>
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</table>

This agreement is contingent upon no material changes to government of Capo tax policies on repatriation.

Agreed To By: Ryan Adelman and Mike Ruehman, Capo Government

Tim Cowles, Jeff Grohs, and Michelle Mehr, Alpha

Mark Gerasimas, Joe Stover, David Borgholthaus, Capo Trading
Zeta:

Zeta, with Asia Energy, will be providing high paying, highly skilled workforce jobs in the renewable energy sector. This positions the country of Capo well with China’s recent announcements. Zeta and AES will initially invest $100M.

The government of Capo negotiated to propose legislation to establish goals for renewable energy specifications, working jointly with Zeta. Zeta’s input could become the gold standard; however, this would be subject to meeting engineering and scientific studies accepting that specification.

Remaining Questions: The government of Capo and Zeta are establishing a development and buildout plan. To help support Zeta, Capo has offered to provide loan guarantees one plant at a time to stimulate development.

Agreed To: Ryan Adelman and Mike Ruehman, Capo Government

Farai Melton, Marnie Packard, Roy Ledesma, Zeta Industries
Gamma:

The government of Capo is willing to compromise on the repatriated earnings contingent upon a minimum investment of $500M and subject to investment over time. A general arrangement would be as follows:

<table>
<thead>
<tr>
<th>Investment Time:</th>
<th>Repatriated Rate:</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-7 Years</td>
<td>15%</td>
</tr>
<tr>
<td>7-10 Years</td>
<td>12%</td>
</tr>
<tr>
<td>10-15 Years</td>
<td>7.5%</td>
</tr>
<tr>
<td>After 15 Years</td>
<td>5%</td>
</tr>
</tbody>
</table>

The government of Capo is willing to waive the 3% import barrier costs for a period of three years, at which time they revert to current rates.

Agreed To: Ryan Adelman and Mike Ruehman, Capo Government

Hanna Recla, Brian Von Herbulis, and Will Hecox, Gamma
3.1 Wildhorse Greber
Ryan Chatel
Jared Maughan
Erin Retelle

Memorialized Agreements
Wildhorse assigned personality – Unabashedly short-term in our view, ruthless negotiators, money is no object, no need to buy or sell, anything is for sale at any time at the right rate of return on invested capital.

Wild horse executed one agreement for the full 49% ownership of the Huma Manufacturing Facility in Huma to the Capo Trading Company for exactly $120 Million Dollars paid in full, in cash. Additionally, Wildhorse agreed to a non-compete clause in Huma.

Executed Agreement:
Dismantled Agreements that were initially agreed to by all parties and later fell out:

*Wildhorse and Alpha*
Wildhorse and Alpha Industries shook hands on a partnership to enter into Capo.
Wildhorse agreed to go to Capo Government and work on more favorable terms in that government specifically around the items of:
1) Incentives to open manufacturing facility in Capo
2) Protection of Intellectual Property
3) Receipt of Tax Credits
4) Adjust the variability of the exchange rate
5) Negotiate better than 15% penalty for re-patriating funds.

Wildhorse agreed to the terms and advised Alpha we would go to bat and get this for them on the contingency of a three way partnership between all three of us: Capo Government, Wildhorse Enterprises, and Alpha Industries. Wildhorse and Alpha shook hands on this agreement.

*Wildhorse and Capo Government*
Wildhorse and Capo Government started negotiating immediately as Wildhorse got right into the terms of agreement with Alpha, but did not disclose our Operator.
Wildhorse successfully negotiated all of the terms that Alpha was looking for per the following:
- Incentives: 0% corporate tax. 10% return on payroll.
- Protection of IP: N/A, Capo doesn’t own the property or the business. IP is sole ownership of Alpha.
- Tax Credits: 10% return on Payroll
- Exchange rate: lock it in at historic low annually.
- Repatriation: 15% reduced to 10%, and for each $200 million invested in Capo, repatriation tax reduces by 1% until the 5% floor.
  - Opportunity for Wildhorse to retain this sliding repatriation, and always charge Alpha 10%. An opportunity for arbitrage.

*Wildhorse and Alpha re-meet to solidify terms previously agreed*
Wildhorse was advised that Alpha had already engaged in another deal, that they indicated was better than our deal, and the deal fell apart and both parties walked away from each other vowing to not do business together in the future.

In summary, only one agreement was executed and met the criteria of Wildhorse’s objectives. We are in the business to make money. We had a business that was making $40 million in revenue per year, of which $18 million was Wildhorse’s share. We sold that 49% stake for $120 million in full, in cash, to CTC. Considering our
objectives, we did not want to enter into an agreement that would tie us to Operational responsibilities. Wildhorse is proud to take our >7X return on invested capital and invest elsewhere in the future.
The government of Capo will lock interest rates, if requested by Alpha, for imported plant equipment and annual exchange rate locks for exports.

The government of Capo is willing to compromise on the repatriated earnings for Alpha, subject to growth and investment capacity over time. A general arrangement would be as follows:

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This agreement is contingent upon no material changes to government of Capo tax policies on repatriation.

Alpha signatures: Tim Cowles, Jeff Grohs, Michelle Mehr

Capo Government: Ryan Adelman, Mike Ruehman