



SOUTH DAKOTA
GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT

July 25, 2019

Kirk Aughenbaugh
Ratio, LLC
43204 US Highway 14
DeSmet, SD 57231

Kirk,

It is our pleasure to present this proposal to you and Ratio, LLC on behalf of the State of South Dakota.

We are excited at the prospect of your expansion in South Dakota. We appreciate the costs associated with the expansion of operations and stand ready to financially assist you in that process as follows:

- The State of South Dakota may provide a reinvestment payment of up to \$477,385, but not to exceed the state sales/use tax paid on eligible project costs during the project time period. The GOED understands that if it were not for the ability to help provide additional financial incentives associated with this project to Hand County, Ratio, LLC may be unsuccessful in obtaining necessary county permits and would not be able to pursue this project opportunity in South Dakota. As such, Ratio LLC agrees that the reinvestment payment will be conditioned on Ratio LLC's assignment of such payment to Hand County. Ratio LLC further agrees it will work with the GOED to pursue application through South Dakota's Reinvestment Payment Program.

Eligibility and funding for the assistance described above is contingent upon the timely filing of a formal application, additional due diligence on our part as we deem necessary, the securing of adequate collateral which may include personal and corporate guarantees, and the lack of any material adverse change in circumstances. This letter, and any acceptance thereof communicated to GOED, shall not create an obligation on the part of GOED or the State of South Dakota to provide assistance without, to the extent applicable, the conclusion of subsequent definitive agreements with GOED and any applicable boards governing the terms of such assistance and/or approval by the board(s) and review committee(s) with jurisdiction over the assistance being offered. This offer of assistance will lapse if a formal application is not received at GOED's

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offices at 711 E. Wells Avenue, Pierre, SD, 57501, within 90 calendar days after the date of this letter.

My office is at your disposal, Kirk, to help make this expansion a reality. Expanding in South Dakota is a decision you won't regret.

Sincerely,

A handwritten signature in black ink, appearing to read 'Steve Westra', with a long horizontal flourish extending to the right.

Steve Westra, Commissioner
Governor's Office of Economic Development