I stared at the contract again last night - headed to get food with tuck but if you want to discuss, lmk:

The state's goal of the Foxconn deal was to create many manufacturing jobs, paying family sustaining wages (53875\year) with benefits.

Right now the biggest obstacles are:

1. Misalignment of the contract and the project underway means we can't verify that what they are constructing/hiring for is related to the benefit of the Zone/Project
2. Even if we verify jobs and pay for jobs and capex, we do not know if they are for the gen 10, and our only recourse will be clawback if they ultimately don't build a gen 10. However, if we pay jobs and capex on an annual basis, one could say we knowingly paid and therefore are estopped from clawing back the payments.

Possible solution is relatively simple, but will require some triggering events down the road:

1. Agree with Alan that the project is for an undefined set of "advanced manufacturing " projects - we take a straight edge to the words "gen 10.5"
2. In exchange for that agreement, any monies paid to Foxconn will be held in escrow for the initial six years of the project

Triggering:

1. As a triggering event for the release of the monies from escrow, we will use the job numbers associated with the gen 6 facility, and the same percentages of achievement as currently used in the contract table (minimums and maximum)
2. If Foxconn overachieves, it will be paid on a per job basis in the same formula.
3. The release will be prorated down if Foxconn doesn't achieve the numbers however if Foxconn fails to achieve 50% of the job numbers all will be returned to the state, and the returned monies will be used to cover the states moral obligation to the local municipalities. Contract will be null and void if Foxconn fails.
4. Capex will be the same, but prorated down at the same rate that jobs numbers are prorated.
5. If Foxconn meets the requirements, we set another range of jobs, use the achieved jobs as a new baseline, and continue payments but maybe without the escrow requirements .

Redefining and resetting the job numbers to the gen 6 is the real carrot for Foxconn as that basis is 5200 jobs.

Use the same amount of incentives and same multiplier as the current contract.