

PROJECT AGREEMENT

THIS PROJECT AGREEMENT (this “Agreement”) is made and entered into as of _____, 2020 (the “Effective Date”) by and among **BALDWIN COUNTY, ALABAMA**, a political subdivision of the State of Alabama (the “County”), **AIRBUS AMERICAS, INC.**, a Delaware corporation (“AAI”), and **ALABAMA AVIATION EDUCATION CENTER, INC.**, a nonprofit corporation organized under the laws of the State of Alabama (“Flight Works Alabama”). The County, AAI, and Flight Works Alabama are each a “Party” to this Agreement and are collectively referred to as the “Parties.”

WITNESSETH:

WHEREAS, Airbus U.S. A220, Inc. (“USA220”) has entered into a business relationship to develop and operate a new final assembly line facility for the assembly and manufacture of A220 aircraft at the Brookley Aeroplex in neighboring Mobile County, Alabama (the “A220 Project”); and

WHEREAS, the A220 Project will require a total capital investment of approximately \$210,000,000 in capital improvements and approximately \$54,000,000 in additional jigs, tools, and leased equipment; and

WHEREAS, approximately 432 employees will be hired for the A220 Project, with an annual payroll of approximately \$24,000,000, plus approximately 155 additional integral service provider jobs will be required on site; and

WHEREAS, the County has determined that the capital expenditures and increased jobs associated with the A220 Project will result in economic growth, increased tax revenues, and other benefits to be received by the County and its citizens, including the creation of an estimated 469 indirect jobs in the region and over \$23,000,000 in additional annual payroll in the region. Over the next 10 years, the County anticipates that the A220 Project will produce approximately \$615,000,000 in new direct and indirect payroll to the region, bring approximately 247 new residents to Baldwin County, and result in over \$4,100,000 in direct revenue to the Baldwin County Commission and Baldwin County Public Schools; and

WHEREAS, Airbus and USA220 will develop and operate shared facilities to support the A220 Project and existing Airbus activities at the Brookley Aeroplex (the “Shared Assets Project”). The Shared Assets Project will require a total of approximately \$130,000,000 in capital improvements and approximately \$5,500,000 in additional jigs, tools, and leased equipment.

WHEREAS, Airbus will develop and operate a new support hangar as Airbus expands production at the Brookley Aeroplex to seven (7) planes per month (the “Expansion Project”). The Expansion Project will require a total capital investment of approximately \$27,000,000 in capital improvements and additional capital investment in jigs, tools, and leased equipment. The Expansion Project represents approximately 104 new jobs.

WHEREAS, the A220 Project, the Shared Assets Project and the Expansion Project are collectively referred to herein as the “Projects.”

WHEREAS, Airbus, the State of Alabama, and other regional stakeholders have agreed to provide funding to Flight Works Alabama for the design, construction, and equipping of a facility to be located at the Brookley Aeroplex (the “Education Center”). Flight Works Alabama will celebrate the past, present, and future of aviation and innovation in the coastal Alabama area and the U.S. and feature an exhibition area, classroom, workshop/laboratory space, programs and traveling exhibitions, and other educational amenities; and

WHEREAS, the mission of Flight Works Alabama is to educate multiple generations of students through hands-on, aviation-themed experiences, activities, and educational programs and to encourage students to pursue a career in the aerospace industry; and

WHEREAS, the County has determined that the operation of Flight Works Alabama will serve a public purpose that benefits the County by encouraging students in the County to learn more about STEM subjects and the aerospace sector and by educating teachers, students, parents, and others about the opportunities that exist in the aerospace and aviation industry; and

WHEREAS, as part of its charitable and educational mission, Flight Works Alabama will undertake the “FlightPath9” student training program whereby students will participate in an aviation training and industry certification program for a total of 200 hours of instruction, and upon the completion of FlightPath9, a student will be prepared to enter into Airbus’s Fast Track job training program; and

WHEREAS, Airbus, by and through Flight Works Alabama and FlightPath9, intends to provide workforce development support and other services described in this Agreement to the County and its citizens; and

WHEREAS, Flight Works Alabama will invite students and teachers from Baldwin County schools to participate in educational and professional development activities at the Education Center and make applications for FlightPath9 available to every 11th grade student in Baldwin County; and

WHEREAS, Airbus and Flight Works Alabama also intend to provide certain assistance and support to the Baldwin County Board of Education related to the aviation components of a new technical high school; and

WHEREAS, in consideration of the economic impact, increased tax revenues, workforce development support, education system development and training, and other benefits to be received by the County and its citizens, the County has committed to making available certain incentives in the manner and amounts described herein, subject to existing law as presently interpreted and construed.

NOW, THEREFORE, upon and in consideration of the respective promises and covenants contained herein and for other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

AGREEMENT

Capitalized terms utilized herein shall have the meaning ascribed thereto in this Agreement, unless the meanings of such terms have been otherwise specified in a different context.

1. Scope of Agreement. This Agreement fully sets out the complete agreement of the Parties. This Agreement includes the facts, averments and representations set out in the Recitals, as well as all exhibits, attachments or appendices attached hereto or referenced herein, all of which are hereby incorporated by reference.

2. Airbus's Commitments, Representations, and Warranties. In consideration of the County providing the incentives described herein, Airbus makes the following commitments to the County:

a) Airbus, and the affiliated entity parties hereto, are in good standing, licensed and qualified to do business in Alabama, all in accordance with Alabama law, and shall remain licensed, qualified, in good standing and in compliance with all Alabama laws applicable to its operations throughout the duration of this Agreement including any applicable employment and immigration laws.

b) By signing this Agreement, Airbus and its affiliates affirm, for the duration of the Agreement, that it will not violate federal immigration law or knowingly employ, hire for employment or continue to employ an unauthorized alien within the State. Furthermore, if Airbus is found to be in violation of this provision, Airbus shall be deemed in breach of this Agreement and shall be responsible for all damages resulting therefrom.

c) Airbus shall satisfy in all material respects its obligations under other agreements with local governments or private economic development organizations, if any, which relate to the Projects.

d) Airbus is not prohibited from consummating the transactions contemplated in this Agreement by any law, regulation, agreement, instrument, restriction, order or judgment.

e) Airbus has the legal power and authority to enter into this Agreement and to make the respective commitments made in this Agreement. To the extent that (i) any authorization, approval, resolution or consent of Airbus's board of directors, officers, managers, trustees or any other persons is required under either Airbus's organizational and/or governing documents or otherwise is required by law and (ii) that any authorization, approval or consent of any governmental authority, body, or agency or third party is required for Airbus to enter into this Agreement and make the commitments contained in this Agreement, such authorizations, approvals and consents have been duly obtained in accordance with applicable law and procedures. Upon request by the County, reasonable documentation of the foregoing authority and action shall be provided by Airbus. Airbus's legal counsel, upon reasonable request by the County, shall furnish to the County an opinion of counsel or other form of documentation reasonably satisfactory as to the matters set forth in Section 2(a) and Section 2(d). Further, upon reasonable request of the County, Airbus's accountants and other representatives shall furnish to the County other forms of documentation reasonably satisfactory as to the matters described herein.

f) Airbus, in partnership with Flight Works Alabama, agrees to provide the workforce development support and other services described herein.

g) Airbus agrees that upon violation by Flight Works Alabama of any of the covenants and agreements herein contained, on account of any act or omission or commission of Flight Works Alabama, the County may, at its option, terminate and cancel this Agreement as set forth herein.

h) Airbus shall release, save, hold harmless, and indemnify the County, its elected officials, officers, employees, and agents (collectively, the “Indemnified Parties”) from and against any and all third party claims arising from the performance of any obligation herein, or arising from or in connection with any activity of Airbus or any of its agents, contractors, or employees in connection with the Projects, and from and against all costs, attorney fees, expenses and liabilities incurred in the defense of any such claim or any action against the Indemnified Parties, or any of them individually, by reason of any such claim, and Airbus, upon notice from the County, shall defend the same at Airbus’s expense by counsel reasonably satisfactory to the County as the case may be. The foregoing indemnity obligation shall include, but is not limited to, indemnification of the Indemnified Parties against any claim for payment brought by any contractor, subcontractor, materialman, supplier, laborer, design professional or the like in connection with work, labor and/or materials supplied in connection with the improvements of the Projects. The foregoing indemnity obligation shall survive the expiration or earlier termination of this Agreement.

3. Flight Works Alabama’s Commitments, Representations, and Warranties. In consideration of the County providing the incentives described herein, Flight Works Alabama makes the following commitments to the County:

a) Flight Works Alabama acknowledges that the incentives provided to Flight Works Alabama by the County pursuant to this Agreement will further the purpose and mission of Flight Works Alabama.

b) Flight Works Alabama has made available adequate funding to complete the development and construction of the Education Center and fund the operations of the same.

c) Flight Works Alabama is nonprofit corporation tax-exempt under §501(c)(3) of the Internal Revenue code and is in good standing, licensed and qualified to do business in Alabama, all in accordance with Alabama law, and shall remain licensed, qualified, in good standing and in compliance with all Alabama laws applicable to its operations throughout the duration of this Agreement including any applicable employment and immigration laws.

d) By signing this Agreement, Flight Works Alabama affirms, for the duration of the Agreement, that it will not violate federal immigration law or knowingly employ, hire for employment or continue to employ an unauthorized alien within the State. Furthermore, if Flight Works Alabama is found to be in violation of this provision, Flight Works Alabama shall be deemed in breach of this Agreement and shall be responsible for all damages resulting therefrom.

e) Flight Works Alabama shall satisfy in all material respects its obligations under other agreements with local governments or private economic development organizations, if any, which relate to the Education Center.

f) Flight Works Alabama is not prohibited from consummating the transactions contemplated in this Agreement by any law, regulation, agreement, instrument, restriction, order or judgment.

g) Flight Works Alabama has the legal power and authority to enter into this Agreement and to make the respective commitments made in this Agreement. To the extent that (i) any authorization, approval, resolution or consent of Flight Works Alabama's board of directors, officers, managers, trustees or any other persons is required under either Flight Works Alabama's organizational and/or governing documents or otherwise is required by law and (ii) that any authorization, approval or consent of any governmental authority, body, or agency or third party is required for Flight Works Alabama to enter into this Agreement and make the commitments contained in this Agreement, such authorizations, approvals and consents have been duly obtained in accordance with applicable law and procedures. Upon request by the County, reasonable documentation of the foregoing authority and action shall be provided by Flight Works Alabama. Flight Works Alabama's legal counsel, upon reasonable request by the County, shall furnish to the County an opinion of counsel or other form of documentation reasonably satisfactory as to the matters set forth in Section 3(c) and Section 3(f).

h) Flight Works Alabama agrees to continue its operations in coastal Alabama and to continue its efforts to expand and enhance those operations in the Mobile Bay area during the term of this Agreement to encourage and facilitate County students to enter the aerospace and aviation industry.

i) Flight Works Alabama hereby commits to make the "Educational Opportunities" set forth on Exhibit A available to the County and its residents. The Parties may modify and update Exhibit A to include additional Educational Opportunities.

j) Flight Works Alabama, in the performance of its operations and obligations hereunder, shall not be deemed to be the agent of the County but shall be deemed to be an independent contractor in every respect and shall take all steps at its own expense, as the County may from time to time request, to indicate that it is an independent contractor. County does not and will not assume any responsibility for the means by which or manner in which services by Flight Works Alabama, provided for herein, are performed, but on the contrary, Flight Works Alabama shall be wholly responsible therefor.

k) Flight Works Alabama acknowledges that its identity and peculiar capacity to provide the services and fulfill its obligations described hereinabove constitute a material consideration for the County's having entered into this Agreement. Therefore, Flight Works Alabama shall not transfer or assign this Agreement or any of the rights or privileges granted herein without the prior written consent of the County, which such consent shall be granted or denied solely at the County's discretion.

l) Flight Works Alabama agrees that upon violation of any of the covenants and agreements herein contained, on account of any act or omission or commission of Flight Works Alabama, the County may, at its option, terminate and cancel this Agreement as set forth herein.

m) Flight Works Alabama agrees to indemnify and hold the County, its elected officials, officers, agents, and employees whole and harmless from all costs, liabilities and claims

for damages of any kind (including interest and attorneys' fees) arising in any way out of the performance of this Agreement and/or the activities of Flight Works Alabama, its principals, directors, agents, servants and employees in the performance of this Agreement, for which the County is alleged to be liable. In the event that the County, through no fault of its own, is made a party to any lawsuit or legal proceeding arising in any way from this Agreement or any activities conducted pursuant thereto, Flight Works Alabama hereby agrees to pay all of the County's costs of defense, including but not limited to all attorneys' fees, court costs, expert witness fees and other expenses, through trial and, if necessary, appeal. This section is not as to third parties or to anyone a waiver of any defense of immunity or statutory damages cap otherwise available to Flight Works Alabama or the County, and these defenses and matters may be raised in the County's behalf in any action or proceeding arising from this Agreement.

4. Commitments of the County. In consideration of the educational and workforce development support to be provided by Airbus and Flight Works Alabama, the undertaking of the Projects and the economic benefits to the County and local community to be realized from the Projects, the County shall make available Two Million, Five Hundred Thousand and No/100 Dollars (\$2,500,000). The County shall make annual payments in five (5) equal installments of Five Hundred Thousand and No/100 Dollars (\$500,000), as follows:

a) The County shall pay the first installment payment to Flight Works Alabama within thirty (30) days of the execution of this Agreement.

b) Each subsequent installment payment shall be made by the County to Airbus on or before October 31st of each subsequent year until all installments have been paid in full. Said funds shall be used in support of the development of one or more of the Projects. Airbus, at its discretion, may direct that a subsequent installment payment be paid to a designated third party for the benefit of the development of the Projects.

5. Grounds for Termination of the Obligations of the County. The payment obligations of the County hereunder may be terminated by the County by providing written notice to Airbus and Flight Works Alabama upon the occurrence of any of the following events:

c) Failure of Airbus to perform any of its obligations hereunder. After any such failure, the County shall provide thirty (30) days written notice to Airbus and Flight Works Alabama and provide Airbus with an opportunity to cure before declaring a default.

d) Failure of Flight Works Alabama to perform any of its obligations hereunder. After any such failure, the County shall provide thirty (30) days written notice to Airbus and Flight Works Alabama and provide Flight Works Alabama with an opportunity to cure before declaring a default.

6. Notice. All notices required by this Agreement or necessary to the furtherance of its purposes shall be sent through the United States Postal Service as registered first class mail, postage prepaid, or by a nationally recognized overnight courier for delivery on the following business day, with a written acknowledgement of receipt available, or by telecopy (with such telecopy to be confirmed promptly in writing sent by mail or overnight courier as aforesaid), as follows:

The County: Baldwin County Commission
Attn: Wayne A. Dyess
County Administrator
312 Courthouse Square
Suite 12
Bay Minette, AL 36507

With copies to: J. Bradford Hicks, Esq.
Stone Crosby, P.C.
8820 Highway 90
Daphne, AL 36526
jbh@sgclaw.com

and

Lee Lawson
Baldwin County Economic Development Alliance
22251 Palmer Street
Robertsdale, Alabama 36567
llawson@baldwineda.com

and

C. Britton Bonner, Esq.
Adams and Reese, LLP
11 N. Water Street, Suite 23200
Mobile, Alabama 36602

AAI: Airbus Americas, Inc.
Wasser Terrace, Suite 9100
Herndon, Virginia 20171
Attention: General Counsel

With a copy to: Warren C. Matthews
Burr & Forman LLP
RSA Dexter Building
445 Dexter Avenue, Suite 2040
Montgomery, Alabama 36104

Flight Works Alabama: Alabama Aviation Education Center, Inc.
2000 Aerospace Drive
Mobile, Alabama 36605

7. Costs and Expenses. Each Party agrees to pay its own costs and expenses incurred in connection with the proposals, responses, and negotiation of the transactions contemplated herein, including all costs and expenses incurred in connection with the preparation of any studies or reports, surveys or approvals for this Agreement or otherwise.

8. **Assignment.** This Agreement is not assignable outside of a corporate merger or otherwise by operation of law.

9. **Further Assurances.** The County agrees to do all things and take all actions permitted by law required by this Agreement. Airbus and Flight Works Alabama agree to do all things and take all actions permitted by law required by this Agreement.

10. **Section Titles and Headings.** The section titles and headings of this Agreement are for convenience only and do not define, modify or limit any of the terms and provisions hereof.

11. **Survival of Representations and Warranties.** The representations, warranties, and covenants made by each of the Parties hereto and contained herein shall survive the performance of any obligations to which such representations, warranties, and covenants relate.

12. **Waivers.** Waiver of any of the obligations of any Party under this Agreement will be effective only when stated in writing and signed by the waiving Party. No delay or omission to exercise any right or power by any Party shall be construed to be a waiver. In the event any provision is waived by a Party, such waiver shall not be deemed to waive any other provision. To the extent that any Party's performance is subject to any regulatory or governing body approvals or requires approval by qualified electors under applicable law, that Party or those Parties shall have no obligation to perform and shall not be liable for non-performance, unless and until such regulatory or governing body approves or authorizes such performance, or such approval of the qualified electors is obtained; provided, however, all Parties affected shall use their best reasonable efforts to secure such approval or authorization.

13. **Entire Agreement; Amendment.** This Agreement, except as expressly noted herein, is the entire agreement and supersedes all prior and collateral communications and agreements of the Parties relating to the subject matter hereof. This Agreement may be amended only by a written modification executed by duly authorized representatives of each of the Parties.

14. **Binding Effect; Change in Law.** This Agreement and all terms, provisions and obligations of Airbus and Flight Works Alabama herein are binding upon and shall inure to the benefit of them and their permitted successors and assigns. This Agreement and all terms, provisions and obligations of the County herein are binding upon and shall to the extent provided by the terms of this Agreement inure to the benefit of the County, as the case may be, and all other agencies, departments, divisions, governmental entities, public corporations and other entities acting on behalf of the County. In the event of a change in law after the Effective Date, the result of which would be to lessen or remove from the Projects the economic benefit of any incentives provided hereunder, the County shall enter into good faith discussions for the purpose of seeking a mutually acceptable way, to the extent permitted by law, to provide Airbus either with an exemption from the law as so changed or another incentive having equivalent economic effect to the benefit so lessened or removed.

[Execution Begins on the Following Page]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date(s) indicated below.

BALDWIN COUNTY, ALABAMA

By _____
Its Chairman

DATE: _____

ATTEST:

By _____
Its County Administrator

[Signature Page for Airbus on the Following Page.]

AIRBUS AMERICAS, INC.

By _____

Name: _____

Its: _____

STATE OF ALABAMA)

COUNTY OF _____)

I, the undersigned Notary Public, in and for said County in said State, hereby certify that _____, whose name as _____ of **AIRBUS AMERICAS, INC.** is signed to the foregoing Agreement, and who is known to me, acknowledged before me on this day that, being informed of the contents of the above and foregoing Agreement, (s)he, as such officer and with full authority executed the same voluntarily for and as the act of said corporation on the day the same bears date.

Given under my hand this the _____ day of _____, 2020.

(SEAL)

Notary Public
State of Alabama At-Large
My Commission Expires: _____

[Signature Page for Flight Works Alabama on the Following Page.]

ALABAMA AVIATION EDUCATION CENTER, INC.
a nonprofit corporation

By _____

Name: _____

Its: _____

STATE OF ALABAMA)

COUNTY OF _____)

I, the undersigned Notary Public, in and for said County in said State, hereby certify that _____, whose name as _____ of **ALABAMA AVIATION EDUCATION CENTER, INC.** is signed to the foregoing Agreement, and who is known to me, acknowledged before me on this day that, being informed of the contents of the above and foregoing Agreement, (s)he, as such officer and with full authority executed the same voluntarily for and as the act of said corporation on the day the same bears date.

Given under my hand this the _____ day of _____, 2020.

(SEAL)

Notary Public
State of Alabama At-Large
My Commission Expires: _____

EXHIBIT A

EDUCATIONAL OPPORTUNITIES

Flight Works Alabama shall provide the following Educational Opportunities to Baldwin County and its residents, as follows:

- Invite fifty (50) 10th grade STEM students from each high school in Baldwin County (public, private, and home school) to participate in a full day of learning experience applying curriculum with hands-on, real world application, including a tour of the Discovery Space and Airbus Final Assembly Line.
- Invite each high school in Baldwin County (public, private, and home school) to send a team of five (5) students and one (1) teacher to an orientation to receive their manufacturing project/challenge, and each spring, schools will be invited to return on *Baldwin County Day* to showcase their research and solutions to the public.
- Make applications for FlightPath9 available to all 11th grade students in Baldwin County.
- Invite up to fifty (50) STEM middle and high school teachers from Baldwin County to participate in two (2) professional development days, including one (1) all-inclusive day on-site at the Education Center to include lunch, tour, exhibits, classroom activities, and teacher resources, and one (1) day of web-based learning available to an unlimited number of teachers to participate in an online professional development day encouraging the learning experience to continue throughout the year.
- Provide insight and guidance through its educational consultants and staff to assist in the design, construction, and equipping of the new technical school in Baldwin County as it relates to aviation.
- Work with representatives of the Baldwin County technical high school to identify other aviation companies, vendors, and suppliers who may be able to assist in the design, construction, and equipping of the high school, including but not limited to Airbus staff (Management, HR, and Operations) who can provide insight regarding day-to-day activities and tasks.
- Coordinate with Airbus and its different divisions to provide guidance or contact as needed for the Baldwin County technical high school.