

**RESTATED AND AMENDED  
ECONOMIC DEVELOPMENT GRANT AGREEMENT**

**By and Among**

**BEEHCRAFT CORPORATION**

**and**

**TEXTRON AVIATION INC.**

**and**

**THE CITY OF WICHITA, KANSAS,**

**and**

**SEDGWICK COUNTY, KANSAS**

**Dated as of  
November \_\_, 2015**

This Restated and Amended Economic Development Grant Agreement (the “Restated Agreement”) is entered into as of November \_\_, 2015, by and among Beechcraft Corporation, successor in interest to Hawker Beechcraft Corporation (“HBC”) and Textron Aviation Inc., a Kansas corporation (the “Company”), the City of Wichita, Kansas (the “City”) and Sedgwick County, Kansas (the “County”).

WITNESSETH

**WHEREAS**, pursuant to a certain Workforce Services Training Agreement dated as of December 21, 2010, (“State Impact Agreement”) and a Restated and Amended Workforce Services Training Agreement dated October 15, 2015, and attached hereto as “Exhibit B” (the “State Impact Restated and Amended Agreement”), by and between the Company and the Kansas Department of Commerce (hereinafter, “KDOC”), the KDOC covenanted to use its reasonable efforts to cause the City and County to enter into an agreement to provide to HBC a \$5,000,000 grant; and,

**WHEREAS**, the Governing Bodies of the City and County found it to be in the best interests of the City and County to enter into the Agreement which provided for a \$5,000,000 economic development grant to HBC, on terms similar to those established for the Major Project Investment (“MPI”) payments under the State Impact Agreement; and

**WHEREAS**, HBC filed for Chapter 11 bankruptcy protection in May of 2012 and emerged in February of 2013 as Beechcraft Corporation, who assumed the Agreement; and

**WHEREAS**, the goal of the Beechcraft Corporation ownership group was to stabilize the business and then sell at the maximum price; and

**WHEREAS**, Beechcraft Corporation marketed the business to Textron Inc. and other entities located in Brazil, China, India and Mexico; and

**WHEREAS**, Textron Inc. invested \$1.4 billion into the Wichita and Sedgwick County community acquiring Beechcraft Corporation in March of 2014, retaining a significant number of its employees, iconic product lines and facilities, and desires to continue to participate in the IMPACT Program; and

**WHEREAS**, since the acquisition of Beechcraft Corporation, Company has demonstrated its long-term commitment to Wichita and Sedgwick County by signing a long-term labor agreement for the Cessna and Beechcraft bargaining unit employees; converted the vacant Beechcraft Plant III into a Composite Center of Excellence and product development facility, with 400 engineers moving into the facility; relocating parts distribution from a third-party vendor in Texas to a facility on the east (Beechcraft) campus to be completed in December 2015; created a Fabrication Center of Excellence at the Pawnee facility; and purchased Goodrich’s Interior Manufacturing Facility on Maize Road in January of 2015 and preserving 400 jobs; and

**WHEREAS**, by the year 2016 employees of Beechcraft Corporation will be employees of the Company and tracked with the Company ID’s; and

**WHEREAS**, the work scope of the Beechcraft Corporation former location has changed and the Company has added new projects at such location; and

**WHEREAS**, the City and County and the Company agree that it is in their mutual best interests to enter into this Restated Agreement to revise the terms to reflect Beechcraft Corporation's current situation and the Company's continuing investment strategy.

**NOW, THEREFORE**, in consideration of the premises and the mutual representations and agreements hereinafter contained the parties hereto agree as follows:

## **ARTICLE I DEFINITIONS**

As used herein, the following words and phrases shall have the following meanings:

"Agreement" means the Economic Development Grant Agreement dated May 17, 2011, by and among Hawker Beechcraft Corporation, the City and the County.

"Company" means Textron Aviation Inc. and its successors and assigns.

"Contract Year" means a 12-month period from January 1 to December 31.

"Existing Job" means any job or position of employment with the Company at any of its facilities in Sedgwick County, Kansas which is filled by an employee of the Company. For purposes of this Agreement, the number of Existing Jobs shall be deemed to be 4,300 as set forth on Exhibit A of the State Impact Restated and Amended Agreement.

"Expiration Date" means December 31, 2020.

"Grant Repayment Amount" means any amount the Company is required to repay to the City and County if the Company fails to retain at least the Required Minimum Number of Existing Jobs measured as of the Job Commitment Dates for Contract Years 2015, 2016, 2017, 2018, 2019, and 2020 of this Restated Agreement. The Grant Repayment Amount shall be \$35,567, each to the City and County, per Contract Year.

"Headquarters and Administration Employees" means all Company's employees working in Administration, IT, Sales, Marketing, Finance, Legal, Human Resources, Wichita Citation Service Center, HBS Service Center, Aftermarket and Aftermarket administration and support and Product Line Teams.

"IMF" means the Company's Interior Manufacturing Facility located on Maize Road in Wichita and purchased from Goodrich in January of 2015.

"Job Commitment Dates" means the dates on which the Company is required by the State Impact Restated and Amended Agreement to have met job retention requirements.

“Performance Percentage” means the total number of Existing Jobs on each Job Commitment Date divided by 4,300.

“Project” means the Project as defined in the State Impact Restated and Amended Agreement.

“Project Facilities” means the facilities so defined in the State Impact Restated and Amended Agreement.

“Required Minimum Number of Existing Jobs” means 3,870 Existing Jobs.

“Repayment Amount” means \$426,810 reduced by the amount of any Grant Repayment Amount.

“Term of this Restated Agreement” means the period from the date hereof to the Expiration Date.

## **ARTICLE II REPRESENTATIONS AND WARRANTIES AND COVENANTS**

Section 2.1. Representations and Warranties of the Company. The Company extends to the City and County the same representations and warranties it has made to KDOC pursuant to Section 2.1 of the State Impact Restated and Amended Agreement.

Section 2.2. Covenants of the Company. The Company covenants as follows:

- (a) It will honor and perform the covenants made to KDOC in Section 2.2(b), (c), (d) and (e), of the State Impact Restated and Amended Agreement, and hereby extends such covenants to the City and County.
- (b) Subject to, and in accordance with the terms and conditions set forth in this Agreement, the Company agrees to retain 4,300 Existing Jobs in Sedgwick County, Kansas.
- (c) The Company covenants and agrees to keep its corporate headquarters in Sedgwick County, Kansas until December 31, 2020.

Section 2.3. Representations and Warranties of the City and County. Each of the City and County hereby respectively represents and warrants to the Company as follows:

- (a) It has all the requisite power and authority to enter into this Restated Agreement and to carry out the obligations on its part set forth herein; and the person signing this Restated Agreement on its behalf has the authority to so execute this Restated Agreement and bind it to all the terms of this Agreement.

- (b) This Restated Agreement has been duly authorized, executed and delivered by it and constitutes on its part a legal, valid, and binding obligation, enforceable in accordance with its terms.

**ARTICLE III  
PROJECT; GRANT REPAYMENT AMOUNT**

Section 3.1. The Project. Company agrees that Existing Jobs in the Project shall remain at 4,300 full-time employees with a ten percent (10%) threshold of 3,870, the Required Minimum Number of Existing Jobs.

- (a) Employees to be considered in the Project shall be those full-time employees of Company working on the Product Lines, working at Company’s IMF and Headquartered and Administration Employees, inclusive of all employees at the combined Company’s Wichita based service centers. Additionally, if during the term of this Restated Agreement, should another Textron business unit bring an operation to Sedgwick County, the full-time employees of such unit shall be included in the Existing Jobs.
- (b) Additional Employees to be considered in the Project at the agreement of the Company and the City and County shall be any aircraft product lines produced in the future by Company in Sedgwick County.

Section 3.2. Repayment of Amount.

- (a) The parties agree the current balance of Repayment Amount is \$426,810 or \$213,405 each to the City and County.
- (b) Subject to Company failing to have at least 3,870 Existing Jobs on the Job Commitment Date immediately prior to each subsequent Required Payment Date, the Grant Repayment Amount is set forth in the table below.

<b>Job Commitment Date</b>	<b>Required Reporting Date</b>	<b>Grant Repayment Amount City/County</b>
December 31, 2015	February 1, 2016	\$35,567/\$35,567
December 31, 2016	February 1, 2017	\$35,567/\$35,567
December 31, 2017	February 1, 2018	\$35,567/\$35,567
December 31, 2018	February 1, 2019	\$35,567/\$35,567
December 31, 2019	February 1, 2020	\$35,567/\$35,567
December 31, 2020	February 1, 2021	\$35,567/\$35,567

- (c) By February 1 following a Contract Year (“Required Reporting Date”), Company shall provide the City and County a report certifying Company’s employment numbers for Existing Jobs as of December 31 of that Contract Year. For 2015,

Company's employment numbers for Existing Jobs shall be based upon numbers for 2015. For 2016, Company's employment numbers for Existing Jobs shall be based on an average of 2015 and 2016. Beginning in 2017, Company's employment numbers for Existing Jobs shall be based on a three year rolling average.

- (d) For each year the Company satisfies the Required Minimum Number of Existing Jobs as of the Job Commitment Dates as set forth above, the Repayment Amount shall be deemed reduced by the amount associated with the Grant Repayment Amount set forth above.
- (e) If Company does not keep its corporate headquarters in Kansas until December 31, 2020, then City and County, at their sole discretion, may consider this Agreement to be in default and pursue any remedies available under this Agreement.

#### **ARTICLE IV EVENTS OF REPAYMENT AND REMEDIES**

Section 4.1. Events and Terms of Repayment. The Company is subject to the following repayment terms and conditions. Each of the following shall be an "event of repayment":

- (a) Any material representation or warranty made by the Company herein or any statement in any report, certificate, financial statement or other instrument furnished in connection with this Agreement shall at any time prove to have been intentionally false or misleading in any material respect when made or given. In such event, the Company shall pay to the City and County the Grant Repayment Amount for that specific Contract Year.
- (b) If as of any Job Commitment Date in Contract Years 1, 2, 3, 4, 5 and 6 of this Restated Agreement, as set forth above in Section 3.2(b), the Company fails to meet a Performance Percentage of 90% or greater then the Company will be required to pay to the City and County the Grant Repayment Amount for that specific Contract Year.
- (c) Notwithstanding the provisions in Section 4.1(b), if in any Contract Year the U.S. economy goes into recession, defined as two consecutive quarters of negative Gross Domestic Product, and the Company fails to satisfy the Required Minimum Number of Existing Jobs as of the Job Commitment dates as set forth in Section 3.2(b), the Grant Repayment Amount for that Contract Year shall be deferred, and the terms of this Restated Agreement shall be extended for an additional Contract Year.
- (d) In no event shall the Company's repayment obligation under this Restated Agreement exceed \$213,405 to the City and \$213,405 to the County.

- (e) In the event of a default under Section 3.2(e), then the Company shall be required to pay City and County the current balance of their respective Repayment Amount.
- (f) If the Company hires and/or retains/trains the Required Minimum Number of Existing Jobs, and meets the other terms of this Restated Agreement, then the Company shall have no obligation for any Repayment Amount.

Section 4.2. Force Majeure. Should the Company fail to perform its responsibilities pursuant to the terms of this Restated Agreement by reason of fire, lightning, tornado, wind damage, tempest, riot, war, terrorism, or unusual delay by common carriers, unavoidable casualties, or by any other cause considered an act of God, otherwise considered "Force Majeure" beyond the control of the Company and such events would otherwise cause the Company to be in default under the terms of this Agreement, then the Company shall be permitted a reasonable extension of time to cure or resolve its failure to perform. Such time period shall be mutually agreed to by the City and County and the Company to cure any such default caused by Force Majeure and during this period the Company shall not be deemed to be in default under this Restated Agreement with respect to the subject of such Force Majeure. In the event of a production interruption (such as labor stoppage, supply chain disruption, etc.), the Company, the City and County may agree to suspend performance under this Agreement for a mutually acceptable period of time. Any such suspension shall be without penalty to any party.

Section 4.3. City or County Breach. If the Company is unable to perform any obligation under this Restated Agreement due to a breach by the City or County of their respective responsibilities or obligations under this Restated Agreement, the Company shall be released from any such requirement.

Section 4.4. Remedies. Whenever an event of repayment shall have happened and be continuing, the City and County may take whatever action at law or in equity may appear necessary or desirable to collect any payment and other amounts then due and thereafter to become due from the Company hereunder, or to enforce observance of any other obligation or agreement of the Company under this Restated Agreement.

Section 4.5. No Remedy Exclusive. No remedy conferred upon or reserved to any party by this Restated Agreement is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy now or hereafter existing at law, in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle any party to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be expressly required herein.

Section 4.6. Waivers and Amendments. In the event any agreement contained in this Restated Agreement should be breached by any party and thereafter waived by the other parties, such waiver must be in writing and the waiver shall be limited to the particular breach so waived and

shall not be deemed to waive any other breach hereunder. This Restated Agreement may be amended only upon the written consent and approval of all parties.

## **ARTICLE V MISCELLANEOUS**

Section 5.1. Execution in Counterparts. This Restated Agreement may be executed in any number of counterparts, each of which shall be regarded as an original and all of which shall constitute but one and the same instrument.

Section 5.2. Severability. If any provisions of this Restated Agreement, or any covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into or taken thereunder or any application thereof, is for any reason held to be illegal or invalid, such illegality or invalidity shall not affect any other provision or any other covenant, stipulation, obligation, agreement, act or action or part thereof, made, assumed, entered into, or taken, each of which shall be construed and enforced as if such illegal or invalid portion were not contained herein. Nor shall such illegality or invalidity of any application thereof affect any legal and valid application thereof, and each such provision, covenant, stipulation, obligation, agreement, act or action, or part shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

Section 5.3. Governing Law; Venue. This Restated Agreement shall be governed exclusively by and construed in accordance with the laws of the State of Kansas. In the event of any dispute, the exclusive venue for such dispute shall be the state or federal courts located in the State of Kansas.

Section 5.4. Notices. All notices, requests or other communications hereunder shall be in writing and shall be deemed to be sufficiently given when mailed by registered or certified mail, postage prepaid, addressed to the parties at their respective addresses shown below:

To the Company:

Textron Aviation Inc.  
One Cessna Blvd.  
Wichita, Kansas 67215

Attention: General Counsel

To the City:

The City of Wichita, Kansas  
Office of the City Clerk  
455 N. Main Street – 12<sup>th</sup> Floor  
Wichita, Kansas 67202

To the County:

Sedgwick County Legal Department  
Attn: Contract Notification  
Sedgwick County Courthouse  
525 N. Main, Suite 359  
Wichita, KS 67203-3790

With a copy to:

Division of Finance  
Attn: Chief Financial Officer  
525 N. Main, Rm. 823  
Wichita, KS 67203

The respective parties hereto may, by notice given hereunder, designate any further or different addresses to which subsequent notices, requests or other communications shall be sent.

Section 5.5. Assignment. This Restated Agreement shall inure to the benefit of and shall be binding in accordance with its terms upon the parties signatory hereto and their respective permitted successors and assigns provided that this Restated Agreement may not be assigned by the Company without the express written consent of the City and County which consent shall not be unreasonably withheld.

Section 5.6. Cash Basis and Budget Laws. The rights of the City and County to enter into this Restated Agreement are subject to the provisions of the Cash Basis Law (K.S.A. 10-1112 and 10-1113), the Budget Law (K.S.A. 79-2935), and other laws of the State of Kansas. This Restated Agreement shall be construed and interpreted so as to ensure that the City and County shall at all times stay in conformity with such laws, and as a condition of this Restated Agreement the City and County reserve the right to unilaterally sever, modify, or terminate this Restated Agreement at any time if, based on the written opinion of their respective legal counsel, the Restated Agreement violates the terms of such laws, or if mill levy funds generated are less than anticipated.

Section 5.7. Confidential Information. Unless required to be publicly disclosed by K.S.A. 46-1101 *et seq.*, K.S.A. 45-220 *et seq.*, or as otherwise required by law, the information provided pursuant to this Restated Agreement ("Confidential Information") shall be considered confidential and shall not be disclosed to the public without the consent of the Company. The City and County shall use their respective best efforts to protect the Confidential Information from accidental, inadvertent, or negligent disclosure and shall, immediately upon receipt of a request for disclosure pursuant to K.S.A. 46-1101 *et seq.*, K.S.A. 45-220 *et seq.*, or if otherwise required by law, provide notice of such request to the Company so that the Company may seek a protective order or other appropriate remedy or consent to the disclosure of such information. In the event that no such protective order or other remedy is obtained by the Company, or if the Company does not waive compliance with the terms of this Restated Agreement within the time

period required by K.S.A. 46-1101 *et seq.*, K.S.A. 45-220 *et seq.*, or as otherwise required by law, the City and County will furnish to the public that portion of the Confidential Information which it is advised by counsel is required to disclosed, and will exercise reasonable efforts to obtain reliable assurance that confidential treatment will be accorded the Confidential Information, if any, not required to be disclosed.

IN WITNESS WHEREOF, the parties hereto have caused this Restated Agreement to be duly executed and dated as of November \_\_, 2015.

**TEXTRON AVIATION INC.**

By \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**CITY OF WICHITA, KANSAS**

By \_\_\_\_\_  
Jeff Longwell, Mayor

ATTEST:

\_\_\_\_\_  
Karen Sublett, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Jennifer Magana, City Attorney

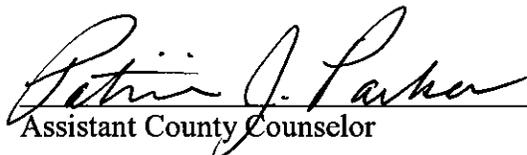
**BOARD OF COUNTY COMMISSIONERS  
OF SEDGWICK COUNTY**

\_\_\_\_\_  
Richard Ranzau, Chairman

ATTEST:

\_\_\_\_\_  
Kelly Arnold, County Clerk

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Assistant County Counselor