

PRATT AND WHITNEY, A DIVISION OF RAYTHEON TECHNOLOGIES CORPORATION

and

BUNCOMBE COUNTY, NORTH CAROLINA

INCENTIVE AGREEMENT

Dated as of , 2020

INCENTIVE AGREEMENT

THIS INCENTIVE AGREEMENT (this “**Agreement**”) is dated as of XX, 2020 (“**Effective Date**”), and is between **PRATT AND WHITNEY**, a division of **RAYTHEON TECHNOLOGIES CORPORATION**, a Delaware corporation (hereinafter referred to as “**P&W**”), and **BUNCOMBE COUNTY**, a public body politic and a political subdivision of the State of North Carolina (“**County**”). P&W and the County may also be referred to as “**Parties**” in this Agreement.

RECITALS:

- WHEREAS, P&W is a leader in the design, manufacture and service of aircraft and helicopter engines, and auxiliary power units;
- WHEREAS, P&W currently employs more than 40,000 employees worldwide;
- WHEREAS, P&W plans to locate certain operations to a manufacturing facility, to be located in the County;
- WHEREAS, P&W desires to invest \$530,000,000.00 in Buncombe County and create 750 new full-time project related jobs, that pay the average annual wage specified herein;
- WHEREAS, P&W may invest an additional \$120,000,000 in Buncombe County and create an additional 50 new full-time project related jobs that pay the average annual wage specified herein;
- WHEREAS, P&W requested that the County provide economic development incentives to induce it to make capital investments and create jobs for the Project;
- WHEREAS, P&W informed the County that if the County did not promise economic development incentives, then P&W may not locate the Project in Buncombe County;
- WHEREAS, as incentive for the proposed capital investment of \$650,000,000.00 and creation of 800 new full-time project related jobs, the County proposes to pay P&W grants in the total cumulative amount of \$27,000,000.00; such incentives shall be paid as specified herein, based on the completion of specific investment and job creation/retention objectives as described in detail herein;
- WHEREAS, the County and P&W now wish to enter into this Agreement setting forth the terms and conditions governing the economic development incentives with respect to the Project.

NOW, THEREFORE, for and in consideration of the mutual promises and covenants contained in this Agreement, the Parties hereby agree as follows:

ARTICLE I

DEFINITIONS

1.1 **Definitions.** For all purposes of this Agreement, unless the context requires otherwise, the following terms shall have the following meanings:

“Adjusted Incentive Amount” shall have the meaning set forth on Schedule A to this Agreement.

“Annual Wage Objective” shall have the meaning specified in Section 3.1. (c) of this Agreement.

“Bonus Direct Investment Milestone” shall have the meaning specified in Section 4.2 of this Agreement.

“Bonus Job Milestone” shall have the meaning specified in Section 4.2 of this Agreement.

“Bonus Wage Objective” shall have the meaning specified in Section 4.2 of this Agreement.

“Bonus Incentives” shall have the meaning specified in Section 4.2 of this Agreement.

“Business Day” means any day that is not a Saturday or a Sunday, or a day on which banks in the State of North Carolina are required by law to be closed.

“Confirmation Date” for this Agreement is no later than each April 1st during the term of this Agreement.

“Confirmation Letter” shall have the meaning specified in Section 3.3 of this Agreement.

“Direct Investment” as to real property means the capital investment in new construction and real property, improvements to real property, and as to business personal property means new machinery and equipment based on property tax value (total original cost before depreciation). The amount of Direct Investment shall be as reasonably determined by the Buncombe County Tax Department in accordance with applicable law, regardless of the funding sources for said property. For example, Direct Investment may include facilities and business personal property, improvements to real property, but does not include land acquisition.

“Direct Investment Performance Commitment” shall have the meaning specified in Section 3.1 (e).

“Direct Investment Retention Commitment” shall have the meaning specified in Section 3.1 (e).

“Direct Investment Retention Period” is a four (4) year period commencing on January 1, 2030 or (ii) such other time frame as agreed between the Parties.

“Facility” means the building and improvements to the building related to the Project to be located in the County.

"Full-Time Project Related Jobs" means the total number of new full-time employees (employees working at least 35 hours per week) employed by P&W in connection with the Project, to be measured as of each Assessment Date. Such employees may be hired at any time on or prior to an Assessment Date. Full-Time Project Related Jobs must pay the average annual wages specified in this Agreement. "Part-Time" (working less than 35 hours per week) or "Temporary" employees may not be counted towards the "Full-Time Project Related Jobs" commitment.

"Jobs Creation Performance Commitment" has the meaning specified in Section 3.1 (a) of this Agreement.

"Jobs Retention Performance Commitment" has the meaning specified in Section 3.1 (b) of this Agreement.

"Job Retention Period" is a four (4) year period commencing on January 1, 2030, or (ii) such other time frame as agreed between the Parties.

"Incentives" has the meaning specified in Article IV of this Agreement.

"Performance Commitments" has the meaning specified in Section 3.1 of this Agreement.

"Project" shall mean P&W's intended investment of \$530,000,000.00 (in words: five hundred and thirty million United States Dollars) in Buncombe County, and creation of seven hundred and fifty (750) new full-time project related jobs, that pay the average annual wage specified herein.

"Pratt & Whitney or P&W" shall have the meaning set forth in the Preamble.

"State" means the State of North Carolina.

ARTICLE II

RULES OF CONSTRUCTION

2.1 Unless the context otherwise indicates:

(a) Words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include the feminine and neuter genders as well;

(b) All references to Articles, Sections or Exhibits are references to Articles, Sections and Exhibits of this Agreement;

(c) The headings and Whereas clauses contained herein are solely for convenience of reference and shall not constitute a part of this Agreement nor shall they affect its meanings, construction or effect.

ARTICLE III

P&W PERFORMANCE COMMITMENTS

3.1 In return for the Incentives (as specifically defined in Article IV of this Agreement, which Incentives are a competitive consideration for P&W to locate the Project to the County), P&W commits to the Performance Commitments set forth below. The Parties acknowledge and agree that the consideration for the County to enter into this Agreement, and pay the Incentives, is the expectation that P&W will meet the below defined Performance Commitments, in accordance with the terms and conditions set forth in this Agreement.

Specifically, P&W agrees to the commitments set forth below in Articles 3.1 (a) – (e) below (collectively the “**Performance Commitments**”):

- (a) Subject to Section 3.4 below, P&W will use good faith efforts to create seven hundred and fifty (750) Full-Time Project Related Jobs on or before December 31, 2029, in accordance with the job creation schedule set forth in Exhibit 1 to this Agreement (“**Jobs Creation Performance Commitment**”). For clarity any job creation that exceeds the Job Creation requirement for a particular year may be credited to the following year’s schedule.
- (b) P&W will use good faith efforts to retain five hundred and twenty five (525) Full-Time Project Related Jobs for the Job Retention Period (the “**Jobs Retention Performance Commitment**”). For clarity this Jobs Retention Performance Commitment is not subject to Section 3.4 below, and any failure of P&W to meet the Jobs Retention Performance Commitment in any year will result in forfeiture of the applicable corresponding Incentive for such year(s), as indicated in Exhibit 1.
- (c) Subject to Section 3.4 below, P&W agrees that the average hourly wage level of the Full-Time Project Related Jobs specified in Section 3.1(a) above shall be \$68,000, (in words: sixty eight thousand United States Dollars) not including benefits (“**Annual Wage Objective**”). The calculation of the average wages for Full-Time Project Related Jobs shall be done as of the applicable Assessment Date each year during the term of this Agreement. Average wage will be determined based on the Statement of Deposits and Filings provided by P&W to the N.C. Employment Security Commission.

Below is a chart representative of certain of the job functions currently intended be hired in connection with the Project, with intended annual wages; such chart is provided for illustrative purposes only.

Position Description	Jobs	Avg Wage
Machine Operator	396	\$ 55,000.00
Welder	6	\$ 55,000.00

Position Description	Jobs	Avg Wage
Quality Inspector	83	\$ 55,000.00
NDT Inspector	15	\$ 55,000.00
Machine Repair Tech	33	\$ 75,000.00
Shipping and Receiving	44	\$ 75,000.00
Facilities Maintenance	4	\$ 75,000.00
Receptionist/Admin	1	\$ 75,000.00
Quality Technicians (MCL/Layout)	8	\$ 75,000.00
Tool Room/Development Operations	10	\$ 75,000.00
Manufacturing Engineer	30	\$ 112,000.00
Design Engineering	30	\$ 112,000.00
Industrial Engineer	6	\$ 112,000.00
Quality Engineer	15	\$ 112,000.00
Quality Manager/Supervisor	12	\$ 112,000.00
Operations Management	41	\$ 112,000.00
Human Resources	3	\$ 112,000.00
Finance Controller/Analyst	3	\$ 112,000.00
EH&S Professional	3	\$ 112,000.00
Facilities/Maintenance Manager/Supervisor	7	\$ 112,000.00

- (d) Subject to Section 3.4 below, P&W shall use good faith efforts to make Direct Investment having a property tax value of at least \$530,000,000, (in words: five hundred and thirty million United States Dollars) on or before December 31, 2029, in accordance with the schedule set forth in Exhibit 1 to this Agreement (**“Direct Investment Performance Commitment”**). In accordance with State law, real property is tracked by the County in accordance with a permanent listing system, and P&W will be required to report improvements to its real property to the tax assessor. P&W will do so by letter directed to the tax assessor in January of every year, and the Real Property will be assessed in accordance with State law. Per NCGS 105-308, P&W must file Business Personal Property listings (**“County Tax Listings”**) with the Buncombe County Tax Department by January 31st or request an extension of time to file until March 15th for good cause as permitted by NCGS 105-307. P&W may only claim the Direct Investment for business personal property that is reported in such County Tax Listings, and Direct Investment of real property will be measured at the assessed value.

However for the year 2020, the County shall pay P&W the 2020 Incentive Amounts set forth on the Yearly Incentive Column of Exhibit 1 to this Agreement, no later than December 15, 2021, notwithstanding that P&W may have no Direct Investment included in its County Tax Listing for 2020 or 2021. P&W shall provide the County with either grading invoices or other site expenses, no later than October 15, 2021. For clarity any Direct Investment that exceeds the investment requirement for a particular year may be credited to the following year’s

schedule.

(e) Direct Investment (or replacement property of equal or greater value for property tax purposes, before depreciation) in the amount of \$371,000,000 (in words: three hundred and seventy one million United States Dollars) shall remain in the County subject to ad valorem property tax assessments for the Direct Investment Retention Period (“**Direct Investment Retention Commitment**”). For clarity, this Direct Investment Retention Commitment is not subject to Section 3.4 below, and any failure of P&W to meet the Direct Investment Retention Commitment in any year will result in forfeiture of the applicable corresponding Incentive for such year(s), as indicated in Exhibit 1.

(f) For clarity, P&W’s failure to meet the Performance Commitments set forth in this Article III shall not be deemed a breach of this Agreement or create any obligation on the part of P&W to refund any Incentives previously paid to P&W pursuant to this Agreement.

3.2 Confirmation Letter.

(a) P&W recognizes that Incentives can only be awarded if P&W submits a Confirmation Letter on or prior to each Confirmation Date in accordance with this Section 3.2.

(b) Annually during the term of this Agreement, on or prior to the Confirmation Date (including for clarity as early as the Early Confirmation Date referenced in Section 3.2 (g) and set forth in Exhibit 1 to this Agreement), P&W will submit a notarized letter to the County certifying that the applicable Performance Commitments (i) have been met, or retained during the applicable retention period, and requesting release of Incentives, or (ii) have not been met or retained, as applicable (each such letter a “**Confirmation Letter**”).

(c) Each Confirmation Letter must provide reasonable supporting documentation related to the applicable annual Performance Commitments. P&W understands that all supporting documentation for each Confirmation Letter is subject to timely and reasonable review by County staff. P&W acknowledges that a Sample Form of Confirmation Letter and samples of supporting documentation are provided in Article X of this Agreement for illustrative purposes only. In the event that the County requires additional information to support a Confirmation Letter, the County will request such information from P&W no later than thirty (30) days after P&W’s initial submission of the applicable Confirmation Letter.

(d) Each Confirmation Letter must confirm whether P&W has met and/or maintained the Performance Commitments and set forth the following:

- (1) the amount of Direct Investment as of each Assessment Date for the applicable year;
- (2) the number of Full-Time Project Related Jobs that P&W has as of each Assessment Date for the applicable year; and
- (3) information demonstrating the Annual Wage Objective.

(e) The Confirmation Letter will include a copy of the employment filings made with the N.C. Employment Security Commission (as redacted by P&W for privacy purposes) and County Tax Listing made with the Buncombe County Tax Department. The County shall review those filings and, if confirmed to be correct, and provided there are no pending or unresolved dispute with the County or a governmental taxing authority as to the value of some or all of P&W's property or as to property tax owed by P&W, pay the applicable Incentives set to P&W in accordance with the Incentive Payment dates set forth on Exhibit 1.

(f) Request for Earlier Incentive Payment. The Parties agree and acknowledge that P&W desires to receive Incentive payments no later than sixty (60) days after submission of each Confirmation Letter. The County hereby agrees that, provided there are no pending appeals with respect to P&W's current County tax filings, and thirty (30) days have passed since P&W has received notice of all applicable tax values for the then current year (during which time P&W/RTX understands that its appeal rights will have expired for the then current tax year), the County shall pay the applicable Incentive to P&W within sixty (60) days of receipt of a Confirmation Letter (but not earlier than November 1st of the then current year). In order to receive early Incentive payments in accordance with this Section 3.2 (f), P&W's Confirmation Letter for the applicable year must certify that P&W waives defense to the enforcement of the collection of tax assessed and will not seek refund of the taxes it paid with respect to the then current year.

(g) If P&W for any reason fails to file its required County Tax Listings in a timely manner then an Incentive will not be paid until such time as the listings are properly filed and accepted.

(h) Further if P&W is in default of its obligation to pay property taxes to the County, the County will not be required to make any Incentive payment until P&W pays the amount of such property taxes it owes the County, unless P&W is in a bona fide dispute with the County or a governmental taxing authority as to the value of some or all of its property or as to property tax owed. Nothing herein shall preclude the County and the Buncombe County Tax Collector from seeking to recover any such unpaid property taxes in accordance with applicable laws.

(i) For clarity, if P&W does not make a request for early Incentive payment in accordance with Section 3.2 (f), nothing herein shall preclude P&W from exercising its right to appeal any tax listing, assessment, bill and/or enforcement action.

3.4 Performance Commitments Partial Compliance Threshold Formula

If, in accordance with a particular scheduled Assessment Date set forth in the chart in Exhibit 1 of this Agreement, P&W does not meet the corresponding annual Job Creation or Direct Performance Commitments or Annual Wage Objective on or before the corresponding Assessment Date, then P&W's Incentive for such year shall be prorated in accordance with the Compliance Threshold formula set forth on Schedule A to this Agreement, and in such event P&W will receive an Adjusted Incentive Amount for such year. In such event, P&W shall be entitled to the catch up right set forth in Section 3.5 below. For clarity the Adjusted Incentive Amount set forth in this Section 3.4 shall only apply to P&W's Job Creation and Direct Investment Performance Commitments and shall have no applicability to the Job Retention or Direct Investment Retention Performance Commitments.

3.5 Catch Up

If, in accordance with a particular scheduled Assessment Date set forth in the chart in Exhibit 1 of this Agreement, P&W fails to meet one hundred percent (100%) of its Performance Commitments, P&W shall be granted an automatic extension of up to one (1) year to achieve the previous year's Performance Commitments and to receive the full Incentive for such year in the following year. For clarity such catch up right shall be in addition to the Adjusted Incentive Amount set forth in Section 3.4 above.

ARTICLE IV

INCENTIVES/BONUS INCENTIVE

4.1 To incentivize P&W to make an additional Direct Investment of \$120,000,000 (in words: one hundred and twenty million United States Dollars) above the Direct Investment Performance Commitment ("**Bonus Direct Investment Milestone**") and to create an additional fifty (50) Full-Time Project Related Jobs above the Job Creation Performance Commitment ("**Bonus Job Milestone**"), paying the Annual Wage Objective ("**Bonus Wage Objective**"), the County commits to, and shall, pay P&W additional incentives in the amount of (i) \$500,000 (in words: five hundred thousand United States Dollars) for achievement of the Bonus Direct Investment Milestone, (ii) \$400,000 (in words: four hundred thousand United States Dollars) for achievement of the Bonus Job Milestone and (iii) \$100,000 (in words: one hundred thousand United States Dollars) for achievement of the Bonus Wage Objective ("**Bonus Incentives**"). At any time during the term of this Agreement, during a year in which P&W achieves any one or more of the Bonus Job Milestone, Bonus Direct Investment Milestone, and/or the Bonus Wage Objective ("**Bonus Milestone or Objective**"), P&W may provide a letter to the County regarding such achievement, along with reasonable supporting documentation with respect to the Bonus Milestone or Objective achieved ("**Bonus Completion Letter**"), and upon P&W's submission, the County shall pay the applicable Bonus Incentive to P&W or its designee no later than one (1) year after P&W's submission of such Bonus Completion Letter. P&W may, in its sole discretion, submit a Bonus Completion Letter in any year a Bonus Milestone or Objective is achieved during the term of this Agreement, but shall not be obligated to do so.

4.2 Notwithstanding the P&W Performance Commitments as described in Article III and as indicated in Exhibit 1, should P&W attain and be paid a Bonus Incentive by the County for any Bonus Milestone or Objective on or before December 31, 2029 then P&W shall retain the required applicable performance level that was necessary to achieve the applicable attained Bonus Milestone or Objective until January 1, 2030; should P&W attain and be paid by the County for any Bonus Milestone or Objective during the Retention Period, then P&W shall retain at least seventy percent (70%) of the required performance level that was necessary to achieve the applicable attained Bonus Milestone or Objective through the end of the Retention Period.

4.3 P&W may, in its sole discretion, provide the applicable Bonus Completion Letter to the County in any year during which P&W achieves such Bonus Milestone or Objective, provided such year is during the term of this Agreement, even if P&W achieves such Bonus Milestone or Objective in numerous prior years. For clarity P&W shall not be entitled to more than a total of one million United States Dollars in Bonus Incentives during the term of this Agreement. The requirement to increase levels

of Performance Commitments as set forth in Section 4.2 shall not commence until the year immediately following the year in which P&W submits the corresponding applicable Bonus Completion Letter. By way of example, if P&W achieves the Bonus Direct Investment Milestone in Year 2031 and submits a Bonus Completion Letter in such year, and receives the corresponding Bonus Incentive, P&W would be required to retain \$455,000,000 (in words: four hundred and fifty-five million United States Dollars) which is seventy percent (70%) of \$650,000,000 (in words: six hundred and fifty million United States Dollars) from 2032 through the Retention Period.

ARTICLE V

TEMPORARY REDUCTIONS IN PERFORMANCE COMMITMENTS OR OPERATIONS; PAUSE

5.1 Force Majeure. Notwithstanding anything herein to the contrary, if P&W is prevented or delayed from fulfilling, continuing to fulfill, or retaining any of the Performance Commitments as set forth in herein, by reason of a:

- (a) government moratorium;
- (b) delay in obtaining any governmental or quasi-governmental approvals, permits or certificates, despite reasonable efforts by P&W to obtain same;
- (c) enemy or hostile governmental or terrorist action;
- (d) act of God, including but not limited to hurricane, tornado, snowstorm, windstorm, earthquake or flood, fire or other extreme weather conditions or other casualty, pandemic;
- (e) strike, lockout or a labor dispute involving entities other than P&W which causes P&W an inability to obtain labor or materials;
- (f) delay in funding from any state or local government incentive to or for the benefit of P&W, or;
- (g) any other event, other than normal business exigencies, which is beyond the reasonable control of P&W (each of the foregoing (a) to (g) of this Article V, a "Force Majeure Event",

then (i) the then the County shall extend the time period for achieving Performance Commitments for the duration of the Force Majeure Event, and such additional time as it determines to be reasonable, or (ii) subject to the Party's mutual agreement, alternatively, the Performance Commitments and Incentives for the year(s) in which such Force Majeure Event occurred shall be equitably reduced to reflect the effect of such Force Majeure Event.

In the case of Article V(g)(ii), the Parties shall negotiate in good faith to make an equitable reduction in the Performance Commitments for any Force Majeure affected year(s). However, if the Parties cannot in good faith reach an agreement as to such adjustment, all Parties agree to submit this issue to non-binding Mediation to be conducted in accordance with local rules of the General Court of Justice of Buncombe County, North Carolina.

5.2 Pause of Project/Incentive Payments. If at any time during the term of this Agreement, P&W provides written notice to the County of its intent to pause the Project, the County agrees to, and shall, extend the time period for achieving the Performance Commitments for the duration of such pause. The County shall have no obligation to pay Incentives related to the time period of the pause. P&W shall provide the County with written notice of intent to resume the Project, promptly after P&W's

determination to resume the project is made. Such pause shall not exceed a period of five (5) years from P&W's notification to the County.

ARTICLE VI

ASSIGNMENT

P&W will have the right to assign this Agreement, and any rights, privileges, or claims under this Agreement, to any future purchaser or lessee of the Facility without the consent of the County. If the assignee agrees in writing to assume P&W's obligations under this Agreement, then P&W will be relieved of its obligations under this Agreement. P&W will give the County written notice of any such assignment and assumption.

P&W may, without the consent of the County, pledge, mortgage, grant a security interest in, and collaterally assign this Agreement, and any rights, privileges or claims under this Agreement, to any person or entity, including a collateral agent acting on behalf of lenders providing financing for the Facility (collectively, "**Financing Parties**") or to any affiliate of P&W. The County will cooperate with P&W, its affiliates, any assignee of this Agreement, and any Financing Parties from time to time, including by entering into a consent to assignment or other agreements in connection with any collateral assignment on such terms as may be customary under the circumstances and shall be reasonably required by such Financing Parties or such affiliates of P&W.

ARTICLE VII

REPRESENTATIONS AND WARRANTIES

P&W (a division of Raytheon Technologies Corporation) represents and warrants to the County that as of the Effective Date: (i) Raytheon Technologies Corporation is a company duly organized and existing under the laws of the State of Delaware; (ii) P&W has the power and authority to own its properties and assets and to carry on its business as now being conducted and has the power and authority to execute and perform this Agreement; (iii) this Agreement (A) is the legal, valid and binding agreement of P&W, enforceable against P&W in accordance with its terms, (B) does not violate any order of any court or other agency of government binding on P&W or the charter documents of P&W, and (C) does not conflict with, result in a breach of, or constitute an event of default under any material indenture, agreement or other instrument to which P&W is a party; and (iv) P&W's right and power to enter into and perform this Agreement.

The County represents and warrants to P&W that: (i) the County is a political subdivision and body politic of the State of North Carolina with power and authority to enter into and perform this Agreement; (ii) the County has taken all action necessary to authorize the execution, delivery and performance of this Agreement; (iii) this Agreement is a legal, valid, and binding obligation of the County, enforceable against the County in accordance with its terms; and (iv) the County has not received written notice of any action or proceeding that challenges the validity of this Agreement or the County's right and power to enter into and perform this Agreement.

ARTICLE VIII

CONTINUING CONTRACT/TERMINATION

8.1 The Parties hereto understand that this Agreement is and shall be construed as a continuing contract pursuant to N.C.G.S. §153A-13.

8.2 This Agreement shall terminate on December 31, 2035 unless extended or terminated early by written agreement of the Parties, or extended by a Force Majeure event or pause as provided for in this Agreement.

ARTICLE IX

MISCELLANEOUS

Governing Law. The parties intend that this Agreement shall be governed by the law of the State of North Carolina as follows:

Mediation

- Any claim, dispute, or other matter in question arising out of or related to this Agreement shall be subject to voluntary non-binding mediation as a condition precedent to the institution of legal or equitable proceedings by either Party. If the Parties are unable to agree upon a certified mediator to hear their dispute, the Buncombe County Resident Superior Court Judge shall name a mediator to hear the matter.
- The Parties shall equally share the mediator's fee. The mediation shall be held in Asheville at a location designated by the mediator selected to hear the matter.

Legal Proceedings

- Claims, disputes and/or other matters in question between the Parties that are not resolved by mediation shall be heard in the North Carolina General Courts of Justice in Asheville, Buncombe County, North Carolina, which said Court shall have jurisdiction to hear any dispute between the parties arising out of this agreement. The Parties hereby agree that this paragraph establishes exclusive and sole jurisdiction for any legal proceeding in Buncombe County, North Carolina.

Notices. Any notice permitted or required under this Agreement from one party to the other must be in writing and will be effective (a) on the date it was actually delivered to the addressee if delivered personally, or sent by a nationally recognized courier (such as FedEx or United Parcel Service) or sent by facsimile, or (b) three days after having been deposited in the United States mail, if sent by certified mail, return receipt request, in each case to the respective addresses of P&W and the County listed below, or those other addresses of which either party gives the other party written notice:

If to P&W, to:

Pratt & Whitney

400 Main Street
East Hartford, CT 06118
Attn: Vice President and General Counsel, Legal Operations
M/S 132-12

If to the County, to:

Timothy T. Love
Economic Development Director
200 College Street, Suite 300
Asheville, NC 28801

With copy to:

Michael C. Frue
Buncombe County
Senior Staff Attorney
200 College Street, Suite 100
Asheville, NC 28801

Any addressee may designate additional or different addresses for communications by notice given under this Section to each of the others.

Non-Business Days. If the date for making any payment or the last day for performance of any act or the exercising of any right shall not be a Business Day, such payment shall be made or act performed or right exercised on or before the next preceding Business Day.

Severability. Each provision in this Agreement is severable. If any provision of this Agreement will be determined to be invalid or unenforceable by a court of competent jurisdiction, then: (a) such determination will not invalidate or render unenforceable any other provision of this Agreement; (b) such provision will be construed as closely as possible to the parties' original intent in order to render such provision valid or enforceable, as applicable; and (c) the remaining terms of this Agreement, together with such reconstructed provision, will constitute the parties' entire agreement.

Entire Agreement; Amendments. This Agreement constitutes the entire contract between the parties, and this Agreement shall not be changed except in writing signed by both parties.

Binding Effect. Subject to the specific provisions of this Agreement, this Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

Time. Time is of the essence in this Agreement and each and all of its provisions.

Liability of Directors, Officers and Agents. No director, officer, agent or employee of the County or P&W shall be subject to any personal liability or accountability by reason of the execution of this Agreement or any other documents related to the transactions contemplated hereby. Such officers, agents, or employees shall be deemed to execute such documents in their official capacities only, and not

in their individual capacities. This Section shall not relieve any such officer, agent or employee from the performance of any official duty provided by law.

Confidentiality. The County will keep confidential and will not disclose or publish any of P&W's trade secrets as defined in Section 132-1.2(1) of the North Carolina General Statutes, will keep all records evidencing such trade secrets marked as "confidential trade secrets", and will keep all such records segregated in the County's files. If the County receives a request, subpoena or court order to disclose any information or records P&W or its representatives have provided or provide in the future relating to this Agreement or the Project described in this Agreement, the County will give P&W prompt written notice of the request, subpoena or court order and will discuss any proposed disclosure of such information or records with P&W (and, to the full extent legally possible, give P&W the opportunity to contest any disclosure of information or records UP&W believes should not be disclosed) before making any such disclosure. The Parties agree that any public announcement or press release with respect to the activities contemplated by this Agreement shall be mutually agreed to by the County and P&W, in writing in advance of any public release.

Counterparts. This Agreement may be executed in several counterparts, including separate counterparts. Each shall be an original, but all of them together constitute the same instrument.

ARTICLE X

SAMPLE CONFIRMATION LETTER AND DOCUMENTATION

A sample Confirmation Letter is provided below. Acceptable forms of documentation are filings by P&W with the N.C. Employment Security Commission as to unemployment compensation taxes, and filings by P&W with the Buncombe County Tax Department as to business personal property listings. The below sample confirmation letter, and sample documentation are provided for illustrative purposes only and do not reflect any agreement between P&W and the County.

Sample Confirmation Letter

To Whom It May Concern,

This statement made as of the ____ day of _____, 20## by _____ ("Company") is intended to certify that Company has [achieved / not achieved, maintained / not maintained] the investment, job creation, and average wage goals identified in the Economic Development Agreement (EDA) with Buncombe County. If any of the goals are not met, the exceptions are documented in this letter. Where all goals have been achieved, this letter serves as Company's request for disbursement based on the grant incentive schedule defined in the EDA.

Company recognizes that incentive grants can only be awarded if Company certifies that all goals have been met and provides adequate supporting documentation for these targets. Company further realizes that all supporting documentation is subject to reasonable review by County staff. Company acknowledges that the definition and requirements for adequate supporting documentation are documented in the EDA.

Below is a summary of EDA goals and actual performance.

Type	Goal (for Year Requesting Disbursement)	Actual Performance (for Year Requesting Disbursement)	Goal Status (Achieved, Not Achieved)	Prior Year	Total (since EDA Award)
Investment	\$5,000,000.00	\$5,123,987.00	Achieved	\$1,234,698.15	\$8,000,000
Jobs (Full-Time)	47	47	Achieved	12	64
Average Wage	\$25.97	\$32.23	Achieved	\$15.05	\$29.00
Health Insurance (Full-Time Employees)	50% cost covered	50% cost covered	Achieved	50% cost covered	50% cost covered

Enclosed please find supporting documentation for the data provided above.

-Duly Authorized Representative of P&W]

ATTEST:

NAME, Pratt and Whitney

STATE OF NORTH CAROLINA
COUNTY OF BUNCOMBE

I, _____, a Notary Public of the County and State aforesaid, certify that _____ personally appeared before me this day and acknowledged that s/he is the TITLE of P&W a division of Raytheon Technologies Corporation, a Delaware for profit corporation, and that as TITLE, being authorized to do so, voluntarily executed the foregoing instrument on behalf of the corporation, as its act and deed.

Witness my hand and official stamp or seal, this the ____ day of _____, ____.

Notary Public

My Commission Expires:

IN WITNESS WHEREOF, the Grantor executes the foregoing instrument in the ordinary course of its business by the signature(s) below of its duly authorized representative(s) and as the act of such entity.

Pratt and Whitney

By: _____
NAME / TITLE

STATE OF NORTH CAROLINA
COUNTY OF BUNCOMBE

I, _____, a Notary Public of the County and State aforesaid, certify that _____ personally appeared before me this day and acknowledged his due execution of the foregoing instrument as a Member/Manager of P&W, a division of Raytheon Technologies Corporation, a Delaware company, on behalf of said company, by authority duly vested.

Witness my hand and official stamp or seal, this the ____ day of _____, ____.

My commission expires:


NOTARY PUBLIC

Sample Supporting Investment Documentation

Example investment documentation with redacted information.

BUNCOMBE COUNTY TAX ASSESSOR
LISTING DIVISION
94 COXE AVENUE
ASHEVILLE, NC 28801
(828) 250-4630
www.buncombecounty.org

Return by
JANUARY 31, 2018
to avoid a 10% penalty

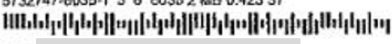

0000798431201820180000

2018

BUSINESS LISTING FORM

ABSTRACT NUMBER	OWNER ID	LOCATION	DISTRICT CODES
			BUN, CAS

5732747-8035-1 3 6 6035 2 MB 0.423 37



Bus. Begin Date: 01/01/1957 Bus. Yr End:

Type of Bus: MANUFACTURING

Sole Prop: () Partnership: () Corp: () LLP: () LLC: ()

Person to contact for additional information

Phone: FAX#

E-Mail:

OTHER NC COUNTIES WHERE PERSONAL PROPERTY IS LOCATED

Please make any corrections to name, address and location that are needed

SCHEDULE A PERSONAL PROPERTY - SEE INSTRUCTIONS

MACHINERY & EQUIPMENT				
ACQUIRED YEAR	PRIOR YR. COST	ADDITIONS	DELETIONS	TOTAL
2017				
2016				
2015				
2014				
2013				
2012				
2011				
2010				
2009				
2008				
2007				
2006				
2005				
2004				
2003				
2002				
PRIOR				
TOTAL				

FURNITURE & FIXTURES				
ACQUIRED YEAR	PRIOR YR. COST	ADDITIONS	DELETIONS	TOTAL
2017				
2016				
2015				
2014				
2013				
2012				
2011				
2010				
2009				
2008				
2007				
2006				
2005				
2004				
2003				
2002				
PRIOR				
TOTAL				

COMPUTER EQUIPMENT				
ACQUIRED YEAR	PRIOR YR. COST	ADDITIONS	DELETIONS	TOTAL
2017				
2016				
2015				
2014				
2013				
2012				
2011				
2010				
2009				
2008				
2007				
2006				
2005				
2004				
2003				
2002				
PRIOR				
TOTAL				

EXPENSED ITEMS				
ACQUIRED YEAR	PRIOR YR. COST	ADDITIONS	DELETIONS	TOTAL
2017				
2016				
2015				
2014				
2013				
2012				
2011				
2010				
2009				
2008				
2007				
2006				
2005				
2004				
2003				
2002				
PRIOR				
TOTAL				

IMPROVEMENTS TO LEASED PROPERTY				
ACQUIRED YEAR	PRIOR YR. COST	ADDITIONS	DELETIONS	TOTAL
2017				
2016				
2015				
2014				
2013				
2012				
2011				
2010				
2009				
2008				
2007				
2006				
2005				
2004				
PRIOR				
TOTAL				

OTHER				
ACQUIRED YEAR	PRIOR YR. COST	ADDITIONS	DELETIONS	TOTAL
2017				
2016				
2015				
2014				
2013				
2012				
2011				
2010				
2009				
2008				
2007				
2006				
2005				
2004				
PRIOR				
TOTAL				

CONSTRUCTION IN PROGRESS (PLEASE ATTACH A DETAILED LIST)

Report 100% of cost of all personal property carried in a CIP account as of January 1, 2018 \$

SUPPLIES ON HAND JANUARY 1, 2018

Beauty & Barber, restaurant, hotel & motel items medical, dental & professional, office, maintenance & janitorial, equipment spare parts & tools and fuel of all kinds etc.

Prior Year Supplies: Jan. 1 2018 Supplies:

SCHEDULE B OTHER EQUIPMENT OWNED AS OF JANUARY 1 BOATS & BOAT MOTORS, AIRCRAFT, MANUFACTURED HOMES (EQUIPMENT ADDED AFTER ORIGINAL PURCHASE SHOULD BE LISTED SEPARATELY) ATTACH ADDITIONAL SCHEDULE IF NECESSARY.

Property Type	Description: (Make/model/serial #, size, cost, registration #, location, year acquired)	Tax office use

Sample Supporting Job and Wage Documentation

Example job documentation with redacted information. Submitted documentation should redact personal information (e.g., social security numbers), but provide level of detail necessary to calculate number of full-time jobs employed during the period and average wage of full-time jobs in the period.

STATEMENT OF DEPOSITS & FILINGS

ADP TAX FILING SERVICE

** FOURTH QUARTER 2017 **

STATEMENT DATE 01/24/18
 SR/COMPANY ST/SE6R
 AGENT 005
 COMBO NO

SIT-ID: 101029871
 SUI-ID: 01-06-749 5

STATE OF NORTH CAROLINA

QUARTER WAGE RECAP:

SIT TOTAL WAGES	169,333.50
SUI SUBJECT WAGES	174,252.11
EXCESS SUI WAGES	165,152.11
SUI TAXABLE WAGES	9,100.00

STATE INCOME TAX WITHHELD 8,623.00

EMPLOYERS: TOTAL MALE FEM NEW
 MONTH 1 7 6 1 HIRE
 MONTH 2 7 6 1
 MONTH 3 6 6 0 0
 WAGE DTL 8
 SUI FR RATE 1.58004
 SUI LIMIT 23,100
 SUI DEPOSIT FREQ: ACCELERATED QUARTERLY VIA E

SIT DEPOSIT FREQ: SEMI-WEEKLY VIA EFT

ADF FILING RESPONSIBILITY: SIT QUARTERLY ANNUAL/W2S SUI QUARTERLY IF REQUIRED
 CLIENT FILING RESPONSIBILITY: NONE

DEPOSIT DETAIL

QDC BATCH NBR 17/4/000

DEPOSIT DATE	STATE INCOME TAX	EMPLOYER SUI	TOTAL
10-11-17			
10-17-17			
10-24-17			
10-31-17			
11-07-17			
11-14-17			
11-21-17			
11-28-17			
12-05-17			
12-12-17			
12-19-17			
12-26-17			
01-03-18			
02-02-18			
TOTAL DEPOSITS			
TOTAL LIABILITY			
*ADJUSTMENT			
DIFFERENCE			

We have filed this information with the appropriate agency. We have also filed the annual reconciliation and W-2 Forms required by the state agency.

CONTINUED ON THE NEXT PAGE

THIS STATEMENT SHOULD BE RETAINED AS PART OF YOUR TAX RECORDS.

215TX-9001

[Signature Page Follows]

**SIGNATURE PAGE 1 OF 2 TO INCENTIVE AGREEMENT BETWEEN
P&W and BUNCOMBE COUNTY**

IN WITNESS WHEREOF, the parties have caused this Incentive Agreement to be executed in their corporate names by their duly authorized officers, all as of the date first above written.

[SEAL]

Pratt and Whitney

ATTEST:

By: _____
Printed Name:
Title:

By: _____
Printed Name: _____
Title: _____

**SIGNATURE PAGE 2 OF 2 TO INCENTIVE AGREEMENT BETWEEN
P&W and BUNCOMBE COUNTY**

[SEAL]

BUNCOMBE COUNTY

ATTEST:

By: _____

Printed Name: _____

Title: _____

Lamar Joyner, Clerk to the Board

This instrument has been preaudited
in the manner required by The Local
Government Budget and Fiscal Control Act

Name: Don Warn
Finance Officer
Buncombe County, North Carolina

Schedule A

Compliance Threshold Formula for Adjusted Incentives

For any applicable year, should P&W's Average Actual Performance be less than one hundred percent (100%) of the Performance Commitments, P&W's Incentive for such year will be adjusted proportionately by multiplying the Incentive for such year by the Average Actual Performance which shall be determined in accordance with the formula below ("**Adjusted Incentive Amount**").

Average Actual Performance shall be determined by the following formula

Direct Investment - weighted fifty percent (50%)

Jobs - weighted forty percent (40%)

Average Wage - weighted ten percent (10%)

STEP 1

Actual Direct Investment = Percentage of Committed Direct Investment x 50%
Direct Investment Commitment

Actual Jobs Created = Percentage of Committed Jobs Created x 40%
Job Creation Commitment

Average Annual Wage = Percentage of Annual Wage x 10%
Average Annual Wage Objective

The following are examples, for illustrative purposes only, of Adjusted Incentive Amounts.

Incentive Year	2022	2024	2026
Target Incentive	\$ 2,600,000.00	\$ 2,600,000.00	\$ 2,600,000.00
Actual Investment	\$ 332,000,000.00	\$ 410,400,000.00	\$ 487,000,000.00
Target Investment	\$ 332,000,000.00	\$ 432,000,000.00	\$ 487,000,000.00
% to Target	100%	95%	100%
Investment Weight	50%	50%	50%
Payout % of Target Incentive	50%	47.5%	50%
Investment Payout Amount	\$ 1,300,000.00	\$ 1,235,000.00	\$ 1,300,000.00

Incentive Year	2022	2024	2026
Actual Jobs	200	300	600
Target Jobs	250	500	600
% to Target	80%	60%	100%
Jobs Weight	40%	40%	40%
Payout % of Target Incentive	32%	24%	40%
Jobs Payout Amount	\$ 832,000.00	\$ 624,000.00	\$ 1,040,000.00
Actual Wage	\$ 68,000.00	\$ 68,000.00	\$ 54,400.00
Target Wage	\$ 68,000.00	\$ 68,000.00	\$ 68,000.00
% to Target	100%	100%	80%
Wage Weight	10%	10%	10%
Payout % of Target Incentive	10%	10%	8%
Wage Payout Amount	\$ 260,000.00	\$ 260,000.00	\$ 208,000.00
Adjusted Incentive Amount	\$ 2,392,000.00	\$ 2,119,000.00	\$ 2,548,000.00

EXHIBIT 1 – SCHEDULE

Incentive Period													
Calendar Year	Period Start Date	Period End Date	Assessment Date	Tax Billing Date	Proposed Early Request Date	Early Payment Date	Confirmation Date (Non-Early)	Payment Date	Total Incentive	Direct Investment (Cumulative)	Jobs (Cumulative)		
2020	1/1/2020	12/31/2020	1/1/2021	9/1/2021	10/15/2021	12/15/2021 or +60 days from receipt of early request	4/1/2022	5/31/2022	\$2,600,000	\$0	0		
2021	1/1/2021	12/31/2021	1/1/2022	9/1/2022	10/15/2022	12/15/2022 or +60 days from receipt of early request	4/1/2023	5/31/2023	\$2,600,000	\$72,000,000	0		
2022	1/1/2022	12/31/2022	1/1/2023	9/1/2023	10/15/2023	12/15/2023 or +60 days from receipt of early request	4/1/2024	5/31/2024	\$2,600,000	\$332,000,000	250		
2023	1/1/2023	12/31/2023	1/1/2024	9/1/2024	10/15/2024	12/15/2024 or +60 days from receipt of early request	4/1/2025	5/31/2025	\$2,600,000	\$387,000,000	350		
2024	1/1/2024	12/31/2024	1/1/2025	9/1/2025	10/15/2025	12/15/2025 or +60 days from receipt of early request	4/1/2026	5/31/2026	\$2,600,000	\$432,000,000	500		
2025	1/1/2025	12/31/2025	1/1/2026	9/1/2026	10/15/2026	12/15/2026 or +60 days from receipt of early request	4/1/2027	5/31/2027	\$2,600,000	\$467,000,000	550		
2026	1/1/2026	12/31/2026	1/1/2027	9/1/2027	10/15/2027	12/15/2027 or +60 days from receipt of early request	4/1/2028	5/31/2028	\$2,600,000	\$487,000,000	600		
2027	1/1/2027	12/31/2027	1/1/2028	9/1/2028	10/15/2028	12/15/2028 or +60 days from receipt of early request	4/1/2029	5/31/2029	\$2,600,000	\$505,000,000	650		
2028	1/1/2028	12/31/2028	1/1/2029	9/1/2029	10/15/2029	12/15/2029 or +60 days from receipt of early request	4/1/2030	5/31/2030	\$2,600,000	\$520,000,000	700		
2029	1/1/2029	12/31/2029	1/1/2030	9/1/2030	10/15/2030	12/15/2030 or +60 days from receipt of early request	4/1/2031	5/31/2031	\$1,300,000	\$530,000,000	750		
Retention Period													
Calendar Year	Period Start Date	Period End Date	Assessment Date	Tax Billing Date	Proposed Early Request Date	Early Payment Date	Confirmation Date	Payment Date	Total Incentive	Direct Investment Retention	Jobs Retention	Direct Investment Retention Incentive	Job Retention Incentive
2030	1/1/2030	12/31/2030	1/1/2031	9/1/2031	10/15/2031	12/15/2031 or +60 days from receipt of early request	4/1/2032	5/31/2032	\$600,000	\$371,000,000	525	\$420,000	\$180,000
2031	1/1/2031	12/31/2031	1/1/2032	9/1/2032	10/15/2032	12/15/2032 or +60 days from receipt of early request	4/1/2033	5/31/2033	\$300,000	\$371,000,000	525	\$210,000	\$90,000
2032	1/1/2032	12/31/2032	1/1/2033	9/1/2033	10/15/2033	12/15/2033 or +60 days from receipt of early request	4/1/2034	5/31/2034	\$300,000	\$371,000,000	525	\$210,000	\$90,000
2033	1/1/2033	12/31/2033	1/1/2034	9/1/2034	10/15/2034	12/15/2034 or +60 days from receipt of early request	4/1/2035	5/31/2035	\$100,000	\$371,000,000	525	\$70,000	\$30,000