

RESOLUTION NO. 2026 - 41

**A RESOLUTION APPROVING AN ECONOMIC DEVELOPMENT PROJECT
AGREEMENT WITH A1 COMPOSITES, LLC PURSUANT TO SECTION 94.01 OF THE
CONSTITUTION OF ALABAMA OF 2022**

BE IT RESOLVED AND ORDERED by the Cullman County Commission (the "County"), as follows:

Section 1. Findings and Public-Purpose Determination.

WHEREAS, the County desires to promote economic and industrial development in unincorporated Cullman County, expand employment opportunities, support advanced manufacturing, and increase the County tax base; and

WHEREAS, A1 Composites, LLC (the "Company") proposes to acquire, improve, equip, and operate an advanced composites manufacturing facility supporting aerospace and defense-related production at approximately 4005 County Road 35, Hanceville, Alabama 35077, in the unincorporated Arkadelphia community of Cullman County (the "Project Site"); and

WHEREAS, based upon information submitted by the Company to the State of Alabama, Project Ark is expected to involve a capital investment of approximately Nine Million Seven Hundred Eighty-Five Thousand Dollars (\$9,785,000), create one hundred seventy (170) new full-time jobs, and provide wages and benefits consistent with the final State incentive documents; and

WHEREAS, the Company has requested assistance with the grading, drainage, construction, and paving of a privately owned employee parking and circulation area at the Project Site and the widening and improvement of the facility entrance from County Road 35 (collectively, the "Infrastructure Improvements"); and

WHEREAS, the Cullman County Industrial Development Authority has separately indicated a commitment of up to Thirty Thousand Dollars (\$30,000) toward eligible Infrastructure Improvement costs on a reimbursement basis without a matching requirement, which separate commitment is not an obligation of the County under the Project Agreement; and

WHEREAS, after the first Thirty Thousand Dollars (\$30,000) of eligible costs is allocated to the separate Industrial Development Authority contribution, the County proposes to reimburse the Company for fifty percent (50%) of the remaining eligible and documented Infrastructure Improvement costs, in a total County amount not to exceed One Hundred Sixty Thousand Dollars (\$160,000), with the Company providing the remaining fifty percent (50%) match and paying all costs exceeding the approved amount; and

WHEREAS, all County assistance will be reimbursement based, no County funds will be advanced before eligible work is completed and paid by the Company, and reimbursement will require paid invoices, proof of payment, lien waivers, inspection and approval, and the other documentation required by the Project Agreement; and

WHEREAS, the preliminary total cost of the Infrastructure Improvements has been estimated at approximately Three Hundred Fifty Thousand Dollars (\$350,000), based upon contractor pricing obtained for calculation purposes; and

WHEREAS, the Company will select and contract directly with the contractor or contractors performing the work, is not required to use the contractor whose pricing was used for the preliminary estimate, and is encouraged to compare proposals from multiple qualified contractors; and

WHEREAS, the County does not represent or warrant that any particular contractor is preferable to, more qualified than, or better than any other contractor, and review or inspection by the County Engineer shall not constitute a warranty of the design, materials, workmanship, durability, or fitness of the Infrastructure Improvements; and

WHEREAS, Section 94.01 of the Constitution of Alabama of 2022, as amended, formerly known as Amendment 772 ("Section 94.01"), authorizes a county to grant public funds and things of value in aid of a private business entity for the purpose of promoting economic and industrial development after compliance with the public-notice, public-meeting, resolution, and public-purpose requirements stated therein; and

WHEREAS, at least seven (7) days before the public meeting at which this Resolution is considered, the County caused notice of the proposed action to be published in a newspaper in circulation in Cullman County, describing in reasonable detail the proposed County assistance, the public benefits sought to be achieved, and the Company as the private business entity for whose benefit the assistance is proposed; and

WHEREAS, the County and the Company desire to memorialize their respective agreements and obligations in the Economic Development Project Agreement for Project Ark (the "Project Agreement"), substantially in the form attached as Exhibit A; and

WHEREAS, the County finds that the Project Agreement and the proposed County assistance are expected to promote economic and industrial development, create and maintain quality employment opportunities, increase capital investment and tax revenues, improve safe and efficient access to the Project Site, support aerospace and defense manufacturing, and otherwise enhance the prosperity, welfare, and quality of life of Cullman County and its residents; and

WHEREAS, the County hereby determines that the expenditure of public funds and grant of things of value described in the Project Agreement will serve a valid and sufficient public purpose, notwithstanding any incidental benefit accruing to the Company or any other private entity.

Section 2. Approval and Authorization of Project Agreement.

- (a) The Cullman County Commission hereby authorizes and approves the Project Agreement substantially in the form attached as Exhibit A, including the reimbursement, Company-match, job-performance, clawback, monthly diminution, cessation-of-operations, recordation, and security provisions contained therein.
- (b) The Chairman of the Cullman County Commission is authorized to execute and deliver the Project Agreement for and on behalf of the County, and the County Administrator is authorized to attest the Chairman's signature and affix the seal of the County.
- (c) The Chairman is authorized to execute and deliver the recordable memorandum, security instruments, certificates, notices, reimbursement approvals, and other documents, and to take other actions reasonably necessary to carry out the transactions contemplated by the Project Agreement, provided that any material increase in the County Contribution or material reduction in the Company's performance, repayment, or security obligations must be approved by the Cullman County Commission.

Section 3. Conditions and Limitations.

The County's obligation to make any reimbursement is subject to execution of the Project Agreement, lawful appropriation and availability of County funds, the Company's acquisition of title to the Project Site, approval of final plans and costs, completion and payment of eligible work, satisfaction of the required Company Match, delivery and recordation of County-approved security instruments, and

satisfaction of all other conditions stated in the Project Agreement. Nothing in this Resolution creates an obligation of the County to fund the separate Industrial Development Authority contribution.

Section 4. Severability.

The provisions of this Resolution are severable. If any provision is held invalid, illegal, or unenforceable, the remaining provisions shall remain in effect, and this Resolution shall be construed as if the invalid, illegal, or unenforceable provision had not been included.

ADOPTED BY THE CULLMAN COUNTY COMMISSION at a public meeting held on the **11th** day of **August**, 2026.

CULLMAN COUNTY COMMISSION

By: _____

Chairman

ATTEST:

County Clerk

EXHIBIT A

ATTORNEY REVIEW DRAFT - SUBJECT TO COMMISSION APPROVAL

ECONOMIC DEVELOPMENT PROJECT AGREEMENT

(PROJECT ARK)

BETWEEN

THE CULLMAN COUNTY COMMISSION

AND

A1 COMPOSITES, LLC

Effective Date: **Wednesday, August 12, 2026**

Prepared for review by the Cullman County Attorney and the parties.

This draft is not effective until approved and executed in accordance with Section 94.01 of the Constitution of Alabama of 2022 and all other applicable law.

Key Term	Draft Provision
County Contribution Cap	\$160,000
Required Company Match	50% of Eligible Costs remaining after the first \$30,000 allocated to the separate IDA Contribution
Funding Method	Reimbursement only; no advance payment; separate \$30,000 IDA allocation applied first, followed by County/Company 50/50 sharing
Performance Period	Ten (10) years after the Operations Commencement Date
Job Commitment	One hundred seventy (170) new full-time jobs, subject to the final State Incentive Documents
Security	Recorded County-approved repayment mortgage/security instrument and memorandum after Company acquires title
Separate IDA Allocation	Up to \$30,000, reimbursement based, no Company match; separate from and not guaranteed by the County

THIS ECONOMIC DEVELOPMENT PROJECT AGREEMENT (this "Agreement") is made and entered into as of **Wednesday, August 12, 2026** (the "Effective Date"), by and between the CULLMAN COUNTY COMMISSION, the governing body of Cullman County, Alabama (the "County"), and A1 COMPOSITES, LLC, a limited liability company (the "Company"). The County and the Company are sometimes referred to individually as a "Party" and collectively as the "Parties."

RECITALS

- A. Section 94.01 of the Constitution of Alabama of 2022, as amended, formerly known as Amendment 772 ("Section 94.01"), authorizes a county to grant public funds and things of value in aid of a private business entity for the purpose of promoting economic and industrial development, provided that the required public notice, public meeting, resolution, and public-purpose determination are completed.
- B. The Company proposes to acquire, improve, equip, and operate an advanced composites manufacturing facility supporting aerospace and defense-related production at approximately 4005 County Road 35, Hanceville, Alabama 35077, in the unincorporated Arkadelphia community of Cullman County (the "Facility").
- C. Based upon the information submitted by the Company to the State of Alabama, the Project is expected to involve a capital investment of approximately Nine Million Seven Hundred Eighty-Five Thousand Dollars (\$9,785,000), create one hundred seventy (170) new full-time jobs, and provide wages consistent with the final State Incentive Documents.
- D. The Company has requested financial assistance from the County for the construction, grading, drainage, and paving of an employee parking and circulation area at the Facility and for the widening and improvement of the Facility entrance from County Road 35, all as more particularly described in Exhibit A (collectively, the "Improvement Project").
- E. The County has determined that the Improvement Project and the Company commitments set forth in this Agreement are expected to promote economic and industrial development, support the creation and retention of quality jobs, expand the tax base, improve safe and efficient access to the Facility, support defense and aerospace manufacturing, and provide other public benefits to Cullman County and its residents.
- F. At least seven (7) days before the public meeting at which this Agreement is approved, the County will cause notice of the proposed action to be published in a newspaper in circulation in Cullman County, describing in reasonable detail the proposed County assistance, the public benefits sought to be achieved, and the private entity for whose benefit the assistance is proposed.
- G. At a public meeting held on **Tuesday, August 11, 2026**, the Cullman County Commission adopted Resolution No. **INSERT RESOLUTION NUMBER**, determining that the County assistance described in this Agreement serves a valid and sufficient public purpose, notwithstanding any incidental benefit to the Company, and authorizing the execution of this Agreement.
- H. The Cullman County Industrial Development Authority has separately indicated a commitment of up to Thirty Thousand Dollars (\$30,000) toward Eligible Costs of the Improvement Project on a reimbursement basis without a Company matching requirement (the "IDA Contribution"). The Authority is not a party to this Agreement, and the County does not guarantee, assume, or become responsible for the separate IDA Contribution.
- I. For calculation purposes, the first Thirty Thousand Dollars (\$30,000) of Eligible Costs shall be allocated to the separate IDA Contribution and excluded from the County/Company matching calculation. After that

amount is exhausted, the County assistance will be provided solely as reimbursement for fifty percent (50%) of remaining documented and paid Eligible Costs, subject to a maximum County Contribution of One Hundred Sixty Thousand Dollars (\$160,000), a corresponding fifty percent (50%) Company Match, the ten-year monthly diminishing repayment obligation, performance-based clawbacks tied principally to job-creation performance reported to the State of Alabama, and the recordable security requirements stated in this Agreement.

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

ARTICLE 1

DEFINITIONS

- 1.1 "Actual Qualified Jobs" means the average number of Qualified Jobs at the Facility during the applicable Performance Year, as certified or accepted by the State of Alabama under the State Incentive Documents. If a final State certification is not available when an annual report is due, the County may use payroll records, unemployment-insurance reports, employee rosters, and other documentation reasonably acceptable to the County, subject to later true-up when the State certification becomes available.
- 1.2 "Monthly Diminution Date" means each monthly anniversary of the Operations Commencement Date, beginning one (1) month after the Operations Commencement Date and ending with the one hundred twentieth (120th) monthly anniversary. If a calendar month does not contain the corresponding numerical day, the Monthly Diminution Date for that month is the last calendar day of the month. The scheduled diminution described in Section 7.2 occurs only on a Monthly Diminution Date, and no daily, interim, or partial-month diminution accrues between Monthly Diminution Dates.
- 1.3 "Annual Target Jobs" means the number of Qualified Jobs required for the applicable Performance Year under the State Incentive Documents and Exhibit B. The final cumulative job commitment shall not be less than one hundred seventy (170) Qualified Jobs unless the County approves a written amendment in compliance with applicable law.
- 1.4 "Cessation of Operations" means the date on which the Company discontinues regular manufacturing operations at the Facility. A temporary interruption caused by casualty, force majeure, planned maintenance, utility interruption, or another event beyond the Company's reasonable control shall not constitute a Cessation of Operations if the Company diligently pursues restoration and resumes regular operations within one hundred eighty (180) days, or within a longer period expressly approved by the County Commission. If the Company does not timely resume regular operations, the Cessation of Operations shall be deemed to have occurred on the initial date operations were discontinued, and any monthly diminution credited after that date shall be void and restored to the Repayment Obligation.
- 1.5 "Company Match" means the Company's cash contribution equal to not less than fifty percent (50%) of verified Eligible Costs remaining after the first Thirty Thousand Dollars (\$30,000) of Eligible Costs allocated to the separate IDA Contribution. The Company Match shall be paid from non-County funds and shall not include the purchase price of the Facility, manufacturing equipment, ordinary operating costs, in-kind contributions, or any cost reimbursed by the County or another governmental entity.
- 1.6 "County Contribution" means the amount actually reimbursed by the County to the Company under this Agreement, not to exceed the lesser of: (a) One Hundred Sixty Thousand Dollars (\$160,000); (b) fifty percent (50%) of verified Eligible Costs remaining after exclusion of the first Thirty Thousand Dollars (\$30,000) allocated to the separate IDA Contribution; or (c) the amount lawfully appropriated and

available for the Improvement Project. The County Contribution is calculated only after the separate \$30,000 IDA allocation and does not include or guarantee the IDA Contribution.

- 1.7 "Eligible Costs" means reasonable and necessary third-party costs actually incurred and paid by the Company for the Improvement Project after the date authorized by the County, including approved engineering, surveying, grading, subgrade preparation, aggregate base, asphalt paving, drainage, striping, curbing, entrance widening, testing, permitting, and directly related construction costs, but only to the extent approved in advance by the County Engineer and included in the approved budget in Exhibit C.
- 1.8 "Facility Property" means the real property commonly known as 4005 County Road 35, Hanceville, Alabama 35077, presently identified as Cullman County Parcel Identification Number 201054, together with the improvements located thereon and the final legal description to be inserted in Exhibit A after closing.
- 1.9 "Improvement Project" has the meaning stated in Recital D and includes only the work shown in the final plans and specifications approved by the County Engineer.
- 1.10 "Operations Commencement Date" means the date on which the Company begins regular commercial manufacturing operations at the Facility, as certified by the Company and accepted by the County.
- 1.11 "Performance Period" means the period beginning on the Operations Commencement Date and continuing through the one hundred twentieth (120th) Monthly Diminution Date. If a Cessation of Operations occurs before the one hundred twentieth (120th) Monthly Diminution Date, all further monthly diminution stops and the frozen Repayment Obligation continues until paid, released, or otherwise satisfied in accordance with this Agreement.
- 1.12 "Performance Year" means each consecutive twelve-month period during the Performance Period, with the first Performance Year beginning on the Operations Commencement Date.
- 1.13 "Qualified Job" means a new, full-time, permanent job located and based at the Facility that is recognized as an eligible or qualified job by the applicable State agency under the State Incentive Documents, satisfies the applicable wage and benefit requirements, and is not excluded as a transferred, temporary, contract, seasonal, or otherwise ineligible position under those documents.
- 1.14 "Repayment Obligation" means, without duplication: (a) the Scheduled Repayment Balance, which initially equals the County Contribution actually paid and diminishes by one-one hundred twentieth (1/120) of the original County Contribution on each Monthly Diminution Date in accordance with Section 7.2; and (b) any fixed and unpaid Annual Performance Clawback, accrued interest, enforcement costs, and other amount then due under this Agreement. If no Cessation of Operations has occurred and no Event of Default remains uncured, the Scheduled Repayment Balance becomes zero upon the one hundred twentieth (120th) Monthly Diminution Date.
- 1.15 "State Incentive Documents" means the Company's final Request for Incentives submissions, the Alabama Department of Commerce offer and project agreement, Alabama Jobs Act documents, AIDT documents, Alabama Department of Revenue certifications, and any State-approved amendments or annual certifications relating to the Project.
- 1.16 "Substantial Completion" means completion of the Improvement Project in accordance with the approved plans and specifications, except for minor punch-list items that do not materially impair safe use, as certified by the Company's engineer and accepted by the County Engineer.

ARTICLE 2

THE PROJECT AND PUBLIC PURPOSE

- 2.1 **Company Project.** The Company shall acquire, improve, equip, open, and operate the Facility as an advanced composites manufacturing operation and shall use commercially reasonable efforts to achieve and maintain the investment, employment, wage, and operational commitments stated in this Agreement and the State Incentive Documents.
- 2.2 **Improvement Project.** The Company shall cause the Improvement Project to be designed and constructed in accordance with final plans and specifications approved in writing by the County Engineer. County approval is for purposes of administering this Agreement and does not constitute a warranty of design, construction, code compliance, or fitness for any purpose.
- 2.3 **Public Purpose.** The Parties acknowledge that the County Contribution is intended to promote the economic and industrial development of Cullman County through job creation, capital investment, safer facility access, support for local manufacturing, expansion of the tax base, and related public benefits. The County's public-purpose determination shall be stated in the authorizing resolution.
- 2.4 **Private Ownership and Maintenance.** Except for any portion of the entrance improvements accepted by the County within the County right-of-way, the Improvement Project shall remain privately owned. The Company shall be solely responsible for operation, maintenance, repair, replacement, drainage, safety, and liability associated with the employee parking and circulation area and all private portions of the Facility entrance.
- 2.5 **No Partnership.** Nothing in this Agreement creates a partnership, joint venture, agency, employment, or fiduciary relationship between the County and the Company. The Company is an independent private entity and shall control its contractors and construction activities.
- 2.6 **Private Contracting; No County Endorsement or Warranty.** The Company shall select, contract with, supervise, and pay the contractor or contractors performing the Improvement Project. The contractor whose pricing was used to develop the preliminary estimate was consulted solely for cost-estimating purposes. The Company is not required to use that contractor and is encouraged to solicit and compare proposals from multiple qualified contractors. The County does not represent or warrant that any particular contractor is preferable to, more qualified than, or better than another contractor. Neither review by the County Engineer nor reimbursement by the County constitutes a warranty of the design, materials, workmanship, durability, or fitness of the Improvement Project.

ARTICLE 3

CONDITIONS PRECEDENT

- 3.1 **Conditions to County Obligation.** The County shall have no obligation to reimburse any cost unless and until all of the following conditions have been satisfied or expressly waived in writing by the County, except that constitutional, statutory, public-notice, public-meeting, appropriation, and authorization requirements may not be waived:
- (a) completion of the notice, public meeting, public-purpose determination, and authorizing resolution required by Section 94.01;
 - (b) execution of this Agreement by authorized representatives of both Parties;
 - (c) the Company's acquisition of good and marketable fee-simple title to the Facility Property, subject only to liens and exceptions approved by the County Attorney;
 - (d) delivery of the final deed, survey, title commitment or policy, and complete legal description for the Facility Property;

- (e) approval by the County Engineer of the final plans, specifications, construction schedule, and itemized budget for the Improvement Project;
- (f) receipt of all required permits, approvals, access permissions, and right-of-way approvals;
- (g) evidence satisfactory to the County that the Company has committed sufficient funds to pay the Company Match and all costs exceeding the County Contribution;
- (h) evidence that the Company is duly formed, in good standing, authorized to conduct business in Alabama, and authorized to execute this Agreement;
- (i) delivery of certificates of insurance meeting the County's requirements;
- (j) execution, acknowledgment, and recordation of the security instruments required by Article 9, in form and priority acceptable to the County Attorney;
- (k) confirmation that the Company is not in default under this Agreement, the purchase contract, the acquisition financing, or any material State Incentive Document; and
- (l) lawful appropriation and continued availability of County funds.
- (m) After closing any funds expended by the County shall constitute a lien on the property for the amount expended by the County for improvements to the property, and a document reflecting said lien shall be duly executed by the County and recorded at the Office of the Judge of Probate of Cullman County.

3.2 Outside Date. If the conditions in Section 3.1 are not satisfied by **Friday, May 7, 2027**, the County may terminate this Agreement by written notice without liability, unless the County Commission extends the deadline by resolution.

3.3 No Reliance Before Closing. The Company acknowledges that it has not yet closed on the purchase of the Facility Property. The County shall not reimburse costs incurred before the Company acquires title unless the County expressly approves those costs in writing, and no such approval shall obligate the County to fund the Improvement Project before all conditions precedent are satisfied.

ARTICLE 4

COUNTY CONTRIBUTION, MATCH, AND ELIGIBLE COSTS

4.1 Contribution Cap and Formula. Subject to all terms of this Agreement, the County shall provide a conditional reimbursement grant for approved Eligible Costs in an aggregate amount not to exceed One Hundred Sixty Thousand Dollars (\$160,000). The County reimbursement shall equal fifty percent (50%) of verified Eligible Costs remaining after exclusion of the first Thirty Thousand Dollars (\$30,000) allocated to the separate IDA Contribution. The County Contribution is a maximum, not a guaranteed payment.

4.2 Separate IDA Allocation and Required Company Match. The first Thirty Thousand Dollars (\$30,000) of Eligible Costs shall be allocated solely to the separate IDA Contribution and shall not require a Company match under this Agreement. After that \$30,000 allocation is exhausted, the Company shall provide and document a cash match equal to at least fifty percent (50%) of the remaining Eligible Costs, and the County may reimburse the other fifty percent (50%), subject to the County Contribution cap. Any delay, denial, reduction, or nonpayment of the separate IDA Contribution shall not increase the County Contribution or create liability for the County. County funds shall not be used to satisfy the Company Match.

4.3 Reimbursement Only; No Advance. The Company shall pay all contractors, vendors, consultants, and suppliers before requesting reimbursement. The County shall not provide an advance, mobilization payment, deposit, loan draw, escrow deposit, or other upfront payment.

- 4.4 Approved Eligible Costs. Only costs included in the County-approved budget and supported by paid invoices, cancelled checks or other proof of payment, lien waivers, and required certifications are eligible. Any material change in scope, design, contractor, or budget must be approved in writing before the changed cost is incurred.
- 4.5 Ineligible Costs. Ineligible costs include land or building acquisition, earnest money, debt service, interest, financing fees, manufacturing or office equipment, ordinary maintenance, internal labor or overhead, legal fees unrelated to closing or recordation of County-required instruments, taxes, fines, penalties, costs incurred before authorization, costs outside the approved scope, costs reimbursed from another source, and costs resulting from defective work, negligence, or noncompliance.
- 4.6 Cost Overruns. The Company is solely responsible for all cost overruns and all costs exceeding the County Contribution. The County is not required to amend this Agreement or increase its contribution because of an underestimate, change order, inflation, delay, or unforeseen condition.
- 4.7 Retainage. The County may retain ten percent (10%) of each approved reimbursement until final completion, acceptance of the work, receipt of final lien waivers, delivery of as-built plans if requested, and satisfaction of all final documentation requirements.

ARTICLE 5

REIMBURSEMENT PROCEDURE

- 5.1 Reimbursement Request. The Company may submit one or more reimbursement requests using the form in Exhibit D. Each request shall include an itemized cost schedule, paid invoices, proof of payment, contractor and supplier lien waivers, evidence of the Company Match, photographs, inspection or testing reports, and any other documentation reasonably requested by the County.
- 5.2 County Review. The County, County Engineer, County Attorney, and their representatives may review, inspect, audit, verify, approve, reject, or reduce any request. Approval of a request does not waive a later audit, overpayment claim, or remedy for misrepresentation or ineligible costs.
- 5.3 Payment. Subject to approval and availability of funds, the County shall use commercially reasonable efforts to pay an approved request within thirty (30) days after receiving a complete request. No payment is due while the Company is in default or while any required documentation is incomplete.
- 5.4 Final Request Deadline. The final reimbursement request must be submitted no later than ninety (90) days after Substantial Completion and in all events by **Friday, May 7, 2027**, unless extended by the County in writing.
- 5.5 Overpayments. The Company shall repay any duplicate, unsupported, ineligible, erroneous, or excessive reimbursement within thirty (30) days after written demand. Such amount is part of the Repayment Obligation and is secured under Article 9.
- 5.6 No Assignment of Reimbursement. The Company may not assign the right to receive County funds to a contractor, lender, seller, affiliate, or other person without the County's prior written consent.

ARTICLE 6

COMPANY PERFORMANCE COMMITMENTS

- 6.1 Capital Investment. The Company shall make or cause to be made a total capital investment in the Project of not less than Nine Million Seven Hundred Eighty-Five Thousand Dollars (\$9,785,000), measured and certified in accordance with the State Incentive Documents. The County may rely on final State determinations of eligible investment.

- 6.2 Job Creation. The Company shall create the Annual Target Jobs according to the ramp-up schedule in the final State Incentive Documents and shall achieve a final cumulative commitment of not less than one hundred seventy (170) Qualified Jobs by the applicable performance date.
- 6.3 Wages and Benefits. Qualified Jobs must satisfy the wage and benefit commitments applicable under the State Incentive Documents. A job that is not recognized by the applicable State agency because it fails a wage, benefit, location, permanence, or eligibility requirement shall not be counted as a Qualified Job under this Agreement.
- 6.4 Maintenance of Operations. During the Performance Period, the Company shall maintain regular manufacturing operations at the Facility and shall not voluntarily relocate substantially all Project operations or Qualified Jobs outside Cullman County without the prior approval of the County Commission.
- 6.5 Use of Improvements. During the Performance Period, the Company shall use and maintain the employee parking and circulation area and the Facility entrance substantially for the Project and shall not materially remove, abandon, or repurpose the improvements in a manner inconsistent with the public purpose without County approval.
- 6.6 Compliance with Law. The Company shall comply with all applicable federal, State, and local laws, permits, safety requirements, environmental requirements, access standards, and construction requirements.
- 6.7 No Double Funding. The Company shall disclose all other public grants, reimbursements, tax credits, insurance proceeds, or third-party payments applicable to the same costs. The same cost may not be reimbursed twice. The first Thirty Thousand Dollars (\$30,000) of Eligible Costs shall be treated as the separate IDA allocation before calculation of the County Contribution, and those costs shall not also be included in the County/Company fifty-fifty matching base. The County may reduce its reimbursement or require repayment to prevent duplication.
- 6.8 State Reports. The Company shall provide the County copies of all material annual employment certifications, project reports, compliance determinations, default notices, cure notices, and amendments submitted to or issued by the State relating to the Project, subject to lawful confidentiality protections.

ARTICLE 7

PERFORMANCE MEASUREMENT, MONTHLY DIMINUTION, AND CLAWBACK

- 7.1 State-Based Measurement. The Parties intend that job-creation performance under this Agreement generally track the jobs reported to and accepted by the State of Alabama. The final State-approved employment ramp-up schedule shall be incorporated into Exhibit B without requiring a substantive amendment, provided that no incorporation may reduce the final commitment below one hundred seventy (170) Qualified Jobs without approval by the County Commission.
- 7.2 Scheduled Monthly Diminution. Beginning on the first Monthly Diminution Date and on each Monthly Diminution Date thereafter through the one hundred twentieth (120th) Monthly Diminution Date, the Scheduled Repayment Balance shall automatically diminish once by an amount equal to one-one hundred twentieth (1/120) of the original County Contribution. Each diminution is a discrete monthly reduction effective only on the applicable Monthly Diminution Date. No portion of a monthly diminution accrues or is earned between Monthly Diminution Dates, and no daily or partial-month proration shall apply. The monthly diminution is not adjusted by the Job Performance Percentage; job-creation performance is enforced separately through the Annual Performance Clawback in Section 7.4. If a Cessation of Operations occurs, Article 8 controls and all remaining monthly diminutions stop.

- 7.3 Job Performance Percentage. For each Performance Year, the "Job Performance Percentage" equals Actual Qualified Jobs divided by Annual Target Jobs, expressed as a percentage and capped at one hundred percent (100%). Jobs that fail applicable State eligibility or wage requirements are excluded.
- 7.4 Annual Performance Clawback. For each Performance Year, the job-creation shortfall percentage equals one hundred percent (100%) minus the Job Performance Percentage. The "Annual Performance Base Amount" equals twelve (12) Monthly Diminution Amounts, or one-tenth (1/10) of the original County Contribution. The "Annual Performance Clawback" equals the Annual Performance Base Amount multiplied by the job-creation shortfall percentage. The Company shall pay the Annual Performance Clawback to the County within sixty (60) days after written notice. The Annual Performance Clawback is a cash repayment obligation separate from the scheduled monthly diminution and does not postpone, reduce, or accelerate the monthly diminution schedule.
- 7.5 Application of Clawback Payments. A payment of an Annual Performance Clawback reimburses the County for the unperformed portion of the public benefit attributable to that Performance Year and shall not create an additional reduction of the Scheduled Repayment Balance. The County shall account for all clawback payments, frozen-balance collections, and other principal recoveries so that total principal recovered by the County, together with the remaining Scheduled Repayment Balance, does not exceed the original County Contribution.
- 7.6 Effect of Nonpayment. If an Annual Performance Clawback is not timely paid, it becomes a fixed debt included in the Repayment Obligation, constitutes an Event of Default, bears interest at 6% (six percent) per annum or the maximum lawful rate, whichever is less, and is secured by the instruments described in Article 9. A fixed, unpaid Annual Performance Clawback does not diminish on a later Monthly Diminution Date.
- 7.7 True-Up. If the County calculates performance using interim records and the State later certifies a different number of Qualified Jobs, the County shall make a reasonable true-up of the applicable Annual Performance Clawback. Any additional amount owed by the Company is due within thirty (30) days after notice. Any overpayment shall, at the County's option, be credited against a future Annual Performance Clawback or refunded to the Company, without changing the scheduled monthly diminution of the Scheduled Repayment Balance.
- 7.8 County Discretion for Temporary Shortfall. Upon a written request supported by a specific cure plan, the County Commission may defer, restructure, or conditionally waive an Annual Performance Clawback. Any material waiver or amendment must be approved at a public meeting and must comply with Section 94.01 and other applicable law if required. No employee or agent of the County may orally waive a performance obligation.
- 7.9 Maximum Recovery. The County shall not recover aggregate principal amounts exceeding the County Contribution. For purposes of this limitation, principal recovered includes Annual Performance Clawback payments, amounts collected upon a Cessation of Operations or other acceleration, and other principal repayments. This limitation does not restrict recovery of interest, recording costs, audit costs, reasonable attorneys' fees, court costs, or damages unrelated to repayment of the County Contribution.

ARTICLE 8

CESSATION OF OPERATIONS AND OTHER CLAWBACK EVENTS

- 8.1 Freeze Upon Cessation. On the first date of any Cessation of Operations, all future monthly diminutions immediately stop. The Scheduled Repayment Balance shall freeze at the amount in effect immediately after the most recent Monthly Diminution Date preceding the Cessation of Operations; no partial-month or

prorated diminution shall be allowed for the period between that Monthly Diminution Date and the date of cessation. If the Cessation of Operations is deemed retroactive under Section 1.4, any diminution credited after the initial discontinuance date is void and shall be restored. The frozen balance, together with any unpaid Annual Performance Clawback and other amounts due, remains fixed and enforceable and shall not diminish on any later Monthly Diminution Date, including the one hundred twentieth (120th) Monthly Diminution Date.

- 8.2 Temporary Interruption. A temporary interruption satisfying Section 1.4 is not a Cessation of Operations and does not by itself alter the original Monthly Diminution Dates. If regular operations are not timely resumed, Section 8.1 applies retroactively to the initial date operations were discontinued.
- 8.3 Permanent Closure. If the Company announces or implements a permanent closure, or fails to resume operations within the period allowed by Section 1.4, the frozen Repayment Obligation becomes immediately due and payable, without any further monthly diminution.
- 8.4 Failure to Complete or Open. If the Company fails to acquire the Facility Property, complete the Improvement Project, or commence regular manufacturing operations by **Friday, May 7, 2027**, the County may terminate this Agreement and recover all County funds previously paid, together with interest and enforcement costs, unless the County Commission approves an extension.
- 8.5 Misuse or Misrepresentation. All County funds applicable to a false statement, material omission, unsupported claim, duplicate reimbursement, diversion, or ineligible cost are immediately repayable. Fraud or intentional misrepresentation is not subject to a cure period.
- 8.6 Relocation, Sale, or Transfer. A sale, conveyance, lease of substantially all of the Facility, relocation of substantially all Project operations, or assignment not approved under Article 10 is a clawback event. The outstanding Repayment Obligation is due at or before the transaction closing unless the County approves an assumption agreement.
- 8.7 Default Under State Incentives. A material default, recapture determination, or termination under a State Incentive Document arising from failure to achieve or maintain investment, employment, wage, or operational commitments constitutes evidence of default under this Agreement, subject to the Company's right to provide contrary documentation and any cure rights expressly granted by the County.

ARTICLE 9

SECURITY, RECORDATION, AND DIMINISHING REPAYMENT BALANCE

- 9.1 Security Required Before Reimbursement. After the Company acquires title to the Facility Property and before the County makes any reimbursement, the Company shall execute, acknowledge, and deliver a County-approved mortgage, repayment covenant, memorandum of agreement, UCC financing statement if applicable, and any other security instrument reasonably required by the County Attorney to secure the Repayment Obligation (collectively, the "Security Instruments").
- 9.2 Recorded Notice. The Company authorizes the County to record this Agreement or a memorandum of this Agreement in the Office of the Judge of Probate of Cullman County promptly after the deed conveying the Facility Property to the Company is recorded. The recorded document shall provide notice of the conditional public assistance, performance obligations, monthly diminishing repayment balance, freeze-upon-cessation provision, and transfer restrictions.
- 9.3 Mortgage or Equivalent Lien. The Security Instruments shall create a valid lien or other enforceable security interest in the Facility Property and related collateral to secure the Repayment Obligation. The final form, collateral description, priority, and permitted liens are subject to approval by the County.

Attorney. The County may accept a subordinate position behind acquisition or construction financing specifically approved by the County Commission or County Attorney.

- 9.4 Diminishing Secured Amount. The principal amount conditionally secured initially equals the County Contribution actually paid. Unless a Cessation of Operations has occurred, the Scheduled Repayment Balance automatically diminishes once on each Monthly Diminution Date by exactly one-one hundred twentieth (1/120) of the original County Contribution. The secured amount does not diminish daily, continuously, or on a prorated basis between Monthly Diminution Dates. After the one hundred twentieth (120th) Monthly Diminution Date, the Scheduled Repayment Balance is zero if no Cessation of Operations occurred. The Security Instruments shall continue to secure any fixed and unpaid Annual Performance Clawback, accrued interest, enforcement costs, or other existing default until those amounts are satisfied and the Security Instruments are released.
- 9.5 Freeze Date. If a Cessation of Operations occurs, the amount secured shall freeze in accordance with Section 8.1 and shall not diminish on any subsequent Monthly Diminution Date. The Company shall execute any confirmatory instrument reasonably requested by the County to state the frozen balance, but failure to execute a confirmatory instrument does not alter the balance calculated under this Agreement.
- 9.6 Protection of Security. The Company shall pay property taxes, maintain insurance, prevent waste, maintain the Facility Property, and avoid liens superior to the County's approved position. The Company shall promptly notify the County of any foreclosure notice, tax sale notice, condemnation, casualty, bankruptcy filing, or material title dispute.
- 9.7 Release. Promptly after the one hundred twentieth (120th) Monthly Diminution Date, the County shall execute a release or satisfaction of the Security Instruments if: (a) no Cessation of Operations occurred before that date; (b) all Annual Performance Clawbacks and other fixed amounts due have been paid; and (c) no Event of Default remains uncured. If a Cessation of Operations occurred before the one hundred twentieth (120th) Monthly Diminution Date, the Repayment Obligation does not automatically expire on that date, and the Security Instruments shall remain in effect until the frozen balance and all other secured amounts are paid, released, or otherwise satisfied. Recording costs are the responsibility of the Company.

ARTICLE 10

ASSIGNMENT, CHANGE OF CONTROL, AND PROPERTY TRANSFERS

- 10.1 County Consent Required. The Company may not assign this Agreement, transfer the Facility Property, lease substantially all of the Facility, or undergo a change of control that materially affects performance without prior written approval by the County Commission.
- 10.2 Assumption by Successor. The County may condition consent upon the transferee's written assumption of this Agreement and the Security Instruments, evidence of financial and operational capacity, continuation of the Project and Qualified Jobs, and preservation or replacement of the County's security.
- 10.3 No Release Without Writing. An assignment or assumption does not release the Company or any guarantor unless the County Commission expressly approves a written release.
- 10.4 Due-on-Transfer. If a transfer occurs without an approved assumption, the Repayment Obligation is immediately due at or before closing, and the County may exercise all remedies under the Security Instruments.

ARTICLE 11

DEFAULT AND REMEDIES

- 11.1 Events of Default. Each of the following is an Event of Default: failure to pay an amount when due; failure to satisfy a material performance obligation; false or misleading information; misuse of County funds; unauthorized transfer; failure to maintain insurance; failure to preserve the County's security; permanent closure; bankruptcy or insolvency that materially impairs performance; or material default under the Security Instruments.
- 11.2 Notice and Cure. Except for fraud, intentional misrepresentation, unauthorized disposition of collateral, permanent closure, or another default not reasonably curable, the County shall give written notice and a cure period of ten (10) days for monetary defaults and thirty (30) days for nonmonetary defaults. If a nonmonetary default cannot reasonably be cured within thirty (30) days, the Company may receive additional time if it begins cure promptly and diligently completes it, subject to County approval.
- 11.3 Remedies. Upon an Event of Default, the County may suspend or deny reimbursement, demand immediate repayment, apply setoff, enforce the Security Instruments, foreclose, seek specific performance or injunctive relief, recover damages, and exercise any legal or equitable remedy. Remedies are cumulative.
- 11.4 Costs of Enforcement. The Company shall reimburse the County for reasonable audit expenses, title expenses, recording expenses, court costs, and attorneys' fees incurred to enforce this Agreement or the Security Instruments, to the extent permitted by law.
- 11.5 No Waiver. Delay or failure to exercise a remedy is not a waiver. A waiver must be in writing and applies only to the specific matter stated.

ARTICLE 12

REPORTING, RECORDS, INSPECTION, AND AUDIT

- 12.1 Annual Performance Report. Within ninety (90) days after the end of each Performance Year, the Company shall deliver the certification in Exhibit E and supporting State reports, payroll records, job and wage information, proof of continuing operations, and any other reasonably requested documentation.
- 12.2 Construction Records. The Company shall maintain complete records of bids, contracts, change orders, invoices, payments, lien waivers, testing, inspections, permits, and other Improvement Project documentation.
- 12.3 Retention. Records supporting reimbursement and performance shall be retained through the later of: (a) seven (7) years after the end of the Performance Period; or (b) final resolution of any audit, dispute, or repayment obligation.
- 12.4 Inspection and Audit. Upon reasonable notice, the County and its representatives may inspect the Improvement Project and Facility, review records, verify operations, and audit reimbursement and performance. Inspections shall be conducted in a manner that reasonably minimizes disruption and protects lawful security and confidentiality interests.
- 12.5 Public Records. The Company acknowledges that this Agreement, reimbursement records, and other materials held by the County may be public records. The County will apply any lawful confidentiality protection but does not guarantee that information marked confidential will be exempt from disclosure.

ARTICLE 13

REPRESENTATIONS AND WARRANTIES

- 13.1 **Company Representations.** The Company represents and warrants that: it is duly organized and authorized to do business; execution and performance are duly authorized; information submitted to the County and State is materially accurate; the Agreement does not violate another obligation; it will acquire sufficient rights in the Facility Property; and it has or will obtain the financial capacity to complete the Project and pay all costs exceeding the County Contribution.
- 13.2 **County Representations.** The County represents that, upon completion of the required Section 94.01 procedures and adoption of the authorizing resolution, it has authority to enter this Agreement, subject to lawful appropriation and the limitations stated herein.
- 13.3 **No Guarantee.** The County does not guarantee financing, permits, title, construction, operating results, government contracts, State incentives, tax treatment, profitability, or the success of the Project. The Company is relying on its own investigation and professional advisers.
- 13.4 **Continuing Accuracy.** Each representation is continuing. The Company shall promptly disclose any material change that makes a representation inaccurate or materially affects Project completion or performance.

ARTICLE 14

INSURANCE, INDEMNITY, AND RISK OF LOSS

- 14.1 **Insurance.** Before construction and throughout the Performance Period, the Company shall maintain insurance reasonably required by the County, including commercial general liability, workers' compensation, automobile liability, builder's risk during construction, property insurance after completion, and such other coverage as may be appropriate. The County shall be named as an additional insured where commercially customary and legally permissible.
- 14.2 **Indemnity.** To the fullest extent permitted by law, the Company shall defend, indemnify, and hold harmless the County, its officials, employees, and agents from claims, losses, liabilities, damages, liens, penalties, and expenses arising from the Company's acquisition, design, construction, ownership, operation, maintenance, or use of the Facility or Improvement Project, except to the extent caused by the County's own negligent or wrongful act.
- 14.3 **Risk of Loss.** Risk of loss, casualty, theft, defect, environmental condition, and contractor default remains with the Company. A casualty does not obligate the County to provide additional funds.
- 14.4 **Governmental Immunity.** Nothing in this Agreement waives any immunity, defense, limitation of liability, or protection available to the County or its officials under the Constitution or laws of Alabama.

ARTICLE 15

TERM AND TERMINATION

- 15.1 **Term.** This Agreement begins on the Effective Date. If no Cessation of Operations occurs, the Scheduled Repayment Balance diminishes to zero upon the one hundred twentieth (120th) Monthly Diminution Date, and the contingent repayment obligation expires at that time, subject to payment of any fixed Annual Performance Clawback or other amount that became due before expiration and remains unpaid. If a Cessation of Operations occurs before the one hundred twentieth (120th) Monthly Diminution Date, the monthly diminution and automatic expiration stop, and this Agreement continues until the frozen Repayment Obligation and every other surviving duty are fully paid, released, or otherwise satisfied.

- 15.2 Termination Before Reimbursement. The County may terminate this Agreement before any reimbursement if the Company fails to satisfy the conditions precedent or the Project no longer appears reasonably capable of producing the stated public benefits. If no County funds have been paid, neither Party shall owe damages solely because of such termination.
- 15.3 Termination After Reimbursement. Except for the monthly diminution and expiration expressly provided in Sections 7.2, 9.7, and 15.1, termination after reimbursement does not extinguish a frozen Repayment Obligation, unpaid Annual Performance Clawback, Security Instrument, audit right, indemnity, confidentiality or public-record obligation, enforcement right, or any provision intended to survive.
- 15.4 Mutual Termination. The Parties may terminate by written agreement approved by the County Commission. Any release or compromise of a repayment obligation must comply with applicable law and any required Section 94.01 procedure.

ARTICLE 16

MISCELLANEOUS

- 16.1 Notices. Notices shall be in writing and delivered personally, by nationally recognized overnight service, by certified United States mail, return receipt requested, or by email with confirmation of receipt, to the following addresses, as updated by written notice:

County	Company
Cullman County Economic Development 325 2 nd Street SE Cullman, Alabama 35055 Attn: Matt Kinsland, Director Email: mkinsland@co.cullman.al.us	A1 Composites, LLC 7362 University Avenue NE, Suite 310-5 Fridley, Minnesota 55432 Attn: President Email: angelo@a1composites.com

- 16.2 Amendments. An amendment must be in a written instrument executed by both Parties and approved by the County Commission. If the amendment materially changes the County assistance, beneficiary, public benefits, or obligations, the County may require a new or supplemental Section 94.01 notice and resolution.
- 16.3 Governing Law and Venue. Alabama law governs. Any action shall be filed in a court of competent jurisdiction in Cullman County, Alabama, unless another venue is required by law.
- 16.4 Entire Agreement. This Agreement, the exhibits, the authorizing resolution, and the Security Instruments constitute the entire agreement concerning the County Contribution and supersede prior oral or written statements on that subject. The State Incentive Documents are incorporated only for performance measurement and do not make the County a party to any State agreement.
- 16.5 Conflict. If this Agreement conflicts with a Security Instrument, the provision providing greater protection to the County's repayment and security rights controls, unless the County Attorney determines otherwise in writing. Final approved plans control over preliminary concept drawings.
- 16.6 Severability. If a provision is invalid or unenforceable, the remaining provisions remain effective to the fullest extent possible, and the Parties shall replace the invalid provision with a lawful provision that most closely reflects the original intent and public purpose.
- 16.7 No Third-Party Beneficiaries. This Agreement benefits only the Parties and their approved successors. Contractors, employees, lenders, the seller, State agencies, and other persons are not third-party beneficiaries.

16.8 Counterparts and Electronic Signatures. This Agreement may be executed in counterparts and by lawful electronic signature. For recordation, the Parties shall provide original or recordable counterparts and acknowledgments as requested by the County Attorney.

16.9 Time. Time is of the essence for payment, reporting, completion, and performance obligations.

16.10 Construction. The Parties and their counsel have had the opportunity to review this Agreement. No presumption shall arise against a Party as drafter. Headings are for convenience only.

SIGNATURES

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives as of the dates written below, to become effective only upon satisfaction of the requirements stated herein.

CULLMAN COUNTY COMMISSION

By: Jeff Clem Clemons
Name: Jeff "Clem" Clemons
Title: Chairman
Date: 8/12/26

ATTEST:

By: John M Bullard
Name: John M Bullard
Title: County Administrator
Date: 8/12/26

A1 COMPOSITES, LLC

By: _____
Name: Angelo D'Urso
Title: President
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

ACKNOWLEDGMENTS

STATE OF ALABAMA COUNTY OF CULLMAN

I, the undersigned Notary Public, certify that Jeff Clem Clemons, whose name as Chairman of the Cullman County Commission is signed to the foregoing instrument, and who is known to me or satisfactorily proven to be the person named, acknowledged before me on this day that, being informed of the contents of the instrument, he or she executed the same voluntarily for and as the act of the Cullman County Commission.

Given under my hand and seal this 12 day of August

Frances A. Montgomery
Notary Public
My Commission Expires: 5-19-2030

STATE OF Alabama
COUNTY OF Cullman



I, the undersigned Notary Public, certify that Angelo D'Urso, whose name as President of A1 Composites, LLC is signed to the foregoing instrument, and who is known to me or satisfactorily proven to be the person named, acknowledged before me on this day that, being informed of the contents of the instrument, he executed the same voluntarily for and as the act of the limited liability company.

Given under my hand and seal this ____ day of _____, 20____.

Notary Public
My Commission Expires: _____

EXHIBIT A

FACILITY PROPERTY AND IMPROVEMENT PROJECT SCOPE

A.1 Facility Property. 4005 County Road 35, Hanceville, Alabama 35077; Cullman County Parcel Identification Number 201054.

A.2 Final Legal Description. **[INSERT COMPLETE LEGAL DESCRIPTION FROM THE RECORDED DEED, SURVEY, OR TITLE COMMITMENT AFTER CLOSING]**.

A.3 Reimbursable Improvement Scope. The Company shall be responsible for designing and constructing the following Improvement Project through its own retained contractor and design professionals:

- design, grading, drainage, subgrade preparation, base, paving, striping, and related construction of the employee parking and circulation area serving the Facility;
- widening and improving the Facility entrance from County Road 35, including approved work within or adjacent to the County right-of-way;
- traffic-control, testing, erosion-control, and restoration work directly required by the foregoing; and
- other directly related work included in Exhibit C or otherwise approved in writing by the County in accordance with this Agreement.

A.4 Company Plans and Specifications. The Company shall cause the final signed and dated plans and specifications to be prepared or approved by its retained contractor and, where appropriate, its licensed design professional. The plans and specifications shall be attached or identified here by project number, preparer, and date: **[INSERT FINAL PLAN IDENTIFICATION]**. The Company shall provide the plans and specifications to the County solely to identify the reimbursable scope and facilitate inspection of reimbursement requests. The County Engineer does not prepare, direct, or approve the design or specifications and is not responsible for contractor selection, construction administration, or warranties. Preliminary aerials, outlines, and verbal descriptions are for general reference only and do not expand the reimbursable scope.

A.5 Private Employee Area. The parking and circulation area is an employee area serving the Facility and is not represented or required to be a public parking facility.

EXHIBIT B

STATE COMMITMENTS AND EMPLOYMENT PERFORMANCE SCHEDULE

The final executed State Incentive Documents should be attached or incorporated by specific document title before execution or before the first reimbursement. Where a State-approved schedule differs from the preliminary information below, the State-approved schedule controls for measurement, subject to the County's minimum final job commitment.

Commitment	Current Project Information	Controlling Source
Total capital investment	\$9,785,000	Final State Incentive Documents
Final new full-time job commitment	170 Qualified Jobs	Final State Incentive Documents
Average wage commitment	As finally approved by the State; current offer materials indicate approximately \$28.00 per hour, exclusive of benefits	Final State Incentive Documents
Operations commencement	INSERT STATE-APPROVED DATE	Final State Incentive Documents
Annual job ramp-up	Year 1: 41; Year 2: 77; Year 3: 114; Year 4: 148; Years 5-10: 170 (preliminary; subject to the final State Incentive Documents)	Final State Incentive Documents

EXHIBIT C

APPROVED PROJECT BUDGET AND FUNDING ALLOCATION

Eligible Cost Category		Approved Budget
Mobilization		\$4,000
Construction layout, engineering, and surveying		\$5,000
Roadbed processing, grading, subgrade preparation, and aggregate base		\$195,000
Asphalt paving - binder and wearing surface		\$137,000
Entrance widening, supplemental base stone, traffic control, testing, and other approved eligible costs		\$9,000
TOTAL APPROVED PROJECT BUDGET		\$350,000
Funding Source / Calculation	Amount	Treatment
Cullman County Industrial Development Authority (separate entity)	\$30,000	Reimbursement only; no Company match; subject to separate IDA authorization and agreement
Remaining Matchable Eligible Costs	\$320,000	Balance after the separate IDA contribution is exhausted
Cullman County Commission	\$160,000	Fifty percent (50%) reimbursement of remaining eligible costs; County cap
A1 Composites, LLC	\$160,000	Required fifty percent (50%) Company match on remaining eligible costs
TOTAL PROJECT FUNDING	\$350,000	Combined separate IDA, County Commission, and Company funding

C.1 Total Approved Project Budget: \$350,000.

C.2 Separate IDA Contribution: Up to \$30,000 from the Cullman County Industrial Development Authority, a separate public entity, on a reimbursement basis without Company match. It is not an obligation of the County Commission and is subject to the IDA's separate approval and agreement.

C.3 Remaining Matchable Eligible Costs: \$320,000 after exhaustion of the separate \$30,000 IDA contribution.

C.4 County Contribution Cap and Share: The County Commission shall reimburse fifty percent (50%) of Remaining Matchable Eligible Costs, not to exceed \$160,000.

C.5 Required Company Match: The Company shall fund the other fifty percent (50%) of Remaining Matchable Eligible Costs, equal to \$160,000 if the full budget is incurred and approved.

C.6 Order of Application: The separate IDA contribution applies first to the first \$30,000 of verified Eligible Costs. Thereafter, the County Commission and Company share each additional verified Eligible Cost equally, subject to the County cap.

C.7 Budget Basis and Limitation: This planning cap is based on comparative contractor pricing, the County Engineer's unit-price review, and revised plans, area, and scope. It is not a contractor quote or cost guarantee. Transfers among categories require prior written approval of the County Engineer and may not increase the total budget or County cap without a Commission-approved amendment.

C.8 Approved Construction Completion Date: Friday, May 7, 2027.

EXHIBIT D

REIMBURSEMENT REQUEST AND CERTIFICATION

Request Number:

Request Date:

Period Covered:

Total Eligible Costs in Request:

IDA Allocation Applied to This Request:

Company Match Included:

Eligible Costs Subject to County/Company 50/50 Match:

County Reimbursement Requested:

Cumulative County Reimbursement Previously Paid:

Remaining County Contribution Available:

Company Certification

The undersigned authorized representative of A1 Composites, LLC certifies that: (1) the costs requested are Eligible Costs under the Agreement and approved budget; (2) the Company has paid each cost in full; (3) the required Company Match has been paid from eligible non-County funds; (4) the costs have not been and will not be reimbursed from another source except as disclosed; (5) the work complies with the approved plans and applicable law; (6) all attached invoices, proof of payment, lien waivers, and certifications are true and complete; and (7) the Company is not in default under the Agreement.

A1 COMPOSITES, LLC

By: _____

Name: _____

Title: _____

Date: _____

County Review

County Engineer Recommendation: Approved / Approved with Adjustment / Rejected

Approved Eligible Costs: \$ _____

Recommended County Reimbursement: \$ _____

Comments: _____

By: _____ Date: _____

EXHIBIT E

ANNUAL EMPLOYMENT AND OPERATIONS CERTIFICATION

Performance Year:

Annual Target Jobs:

Actual Qualified Jobs Accepted by State:

Job Performance Percentage:

Monthly Diminution Amount:

Scheduled Repayment Balance After Most Recent Monthly Diminution:

Annual Performance Clawback:

Date State Certification Attached:

Operations Status: Active / Temporarily Suspended / Ceased

Company Certification

The Company certifies that the foregoing information is true and complete; all reported jobs are located at the Facility and satisfy the applicable State eligibility, wage, and benefit requirements; the Company remains in regular manufacturing operation except as expressly disclosed; and all attached State reports and payroll documentation are accurate copies of records submitted to or accepted by the State.

A1 COMPOSITES, LLC

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT F

REPAYMENT, MONTHLY DIMINUTION, AND CLAWBACK CALCULATION

- F.1 Original County Contribution = County Contribution actually paid.
- F.2 Monthly Diminution Amount = Original County Contribution divided by one hundred twenty (120). The amount is not prorated for a partial month.
- F.3 On each Monthly Diminution Date, Scheduled Repayment Balance = Prior Scheduled Repayment Balance minus Monthly Diminution Amount, but not less than zero, unless a Cessation of Operations has occurred.
- F.4 Job Performance Percentage = Actual Qualified Jobs divided by Annual Target Jobs, capped at 100%.
- F.5 Annual Performance Base Amount = Monthly Diminution Amount multiplied by twelve (12), which equals Original County Contribution divided by ten (10). Annual Performance Clawback = Annual Performance Base Amount multiplied by (100% minus Job Performance Percentage).
- F.6 Annual Performance Clawback payments do not create an additional reduction of the Scheduled Repayment Balance. Aggregate principal recovery remains subject to Section 7.9.
- F.7 Upon a Cessation of Operations, the Scheduled Repayment Balance freezes at the amount in effect after the last Monthly Diminution Date preceding cessation. No partial-month diminution applies, and no later Monthly Diminution Date reduction occurs.
- F.8 After the one hundred twentieth (120th) Monthly Diminution Date, the Scheduled Repayment Balance is zero and the contingent repayment obligation and related security expire if no Cessation of Operations occurred and all fixed amounts due have been satisfied.
- F.9 Fixed-Dollar Schedule Assumption. The table assumes the maximum County Contribution of \$160,000. If the County Contribution actually paid is less, all dollar amounts shown shall be adjusted proportionally. Actual Jobs and related performance calculations shall be completed after each annual certification. The preliminary cumulative job targets are 41, 77, 114, 148, and 170 for Performance Years 1 through 5, and 170 for Performance Years 6 through 10, subject to the final State Incentive Documents. Ending Obligation equals the Year-End Scheduled Balance plus any fixed and unpaid Annual Performance Clawback, subject to Section 7.9.

Year	Target Jobs	Actual Jobs	Job Perf. %	Scheduled Diminution During Year	Year-End Scheduled Balance	Annual Clawback	Ending Obligation
1	41	To be certified	Actual ÷ 41	\$16,000	\$144,000	$\$16,000 \times (1 - \text{Actual}/41)$	\$144,000 + unpaid clawback
2	77	To be certified	Actual ÷ 77	\$16,000	\$128,000	$\$16,000 \times (1 - \text{Actual}/77)$	\$128,000 + unpaid clawback
3	114	To be certified	Actual ÷ 114	\$16,000	\$112,000	$\$16,000 \times (1 - \text{Actual}/114)$	\$112,000 + unpaid clawback
4	148	To be certified	Actual ÷ 148	\$16,000	\$96,000	$\$16,000 \times (1 - \text{Actual}/148)$	\$96,000 + unpaid clawback
5	170	To be certified	Actual ÷ 170	\$16,000	\$80,000	$\$16,000 \times (1 - \text{Actual}/170)$	\$80,000 + unpaid clawback
6	170	To be certified	Actual ÷ 170	\$16,000	\$64,000	$\$16,000 \times (1 - \text{Actual}/170)$	\$64,000 + unpaid clawback
7	170	To be certified	Actual ÷ 170	\$16,000	\$48,000	$\$16,000 \times (1 - \text{Actual}/170)$	\$48,000 + unpaid clawback

Year	Target Jobs	Actual Jobs	Job Perf. %	Scheduled Diminution During Year	Year-End Scheduled Balance	Annual Clawback	Ending Obligation
8	170	To be certified	Actual ÷ 170	\$16,000	\$32,000	$\$16,000 \times (1 - \text{Actual}/170)$	\$32,000 + unpaid clawback
9	170	To be certified	Actual ÷ 170	\$16,000	\$16,000	$\$16,000 \times (1 - \text{Actual}/170)$	\$16,000 + unpaid clawback
10	170	To be certified	Actual ÷ 170	\$16,000	\$0	$\$16,000 \times (1 - \text{Actual}/170)$	\$0 + unpaid clawback