

RESOLUTION NO. 2013 - 84

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF ST. JOHNS COUNTY, FLORIDA, AUTHORIZING THE COUNTY ADMINISTRATOR, OR DESIGNEE, TO EXECUTE AN ECONOMIC DEVELOPMENT GRANT AGREEMENT WITH NORTHROP GRUMMAN SYSTEMS CORPORATION, ON BEHALF OF ST. JOHNS COUNTY; AND PROVIDING FOR THE EFFECT OF RECITALS; PROVIDING FOR THE CORRECTION OF ERRORS; AND PROVIDING AN EFFECTIVE DATE.

RECITALS

WHEREAS, NORTHROP GRUMMAN submitted an application to the St. Johns County Economic Development Agency (AGENCY) requesting business incentives be considered to construct approximately 330,000 square feet production/office space at the Northeast Florida Regional Airport in St. Augustine, Florida to serve as their Aircraft Integration Center of Excellence; and

WHEREAS, NORTHROP GRUMMAN anticipates creating 400 new jobs at an average wage greater than 125% of the St. Johns County average wage; and

WHEREAS, the AGENCY prepared a written report and presented the request to the Board of County Commissioners (BOARD) on April 2, 2013; and

WHEREAS, the BOARD approved the incentive request for a Local Job Creation Grant and up to 100% of Impact Fees, Water and Sewer Connections Fees paid, and four (4) years of Ad Valorem Taxes (general county portion) on capital improvements for this project with an incentive value estimated to be \$2,994,000; and

WHEREAS, the BOARD directed the County Attorney's office to prepare an Economic Development Grant Agreement for this project; and

WHEREAS, the COUNTY has reviewed the terms, provisions, conditions and requirements of the proposed Economic Development Grant Agreement (attached hereto and incorporated herein), and has determined that accepting the terms of the Economic Development Grant Agreement, and executing said Agreement will serve the interests of the COUNTY.

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. JOHNS COUNTY, FLORIDA, THAT:

SECTION 1. Incorporation of Recitals.

The Recitals expressed above are incorporated by reference into the body of this Resolution, and such Recitals are hereby adopted as findings of fact.

SECTION 2. Authorization to Execute.

The County Administrator, or designee, is hereby authorized to execute the Economic Development Grant Agreement on behalf of the County for the purposes mentioned above.

SECTION 3. Correction of Errors.

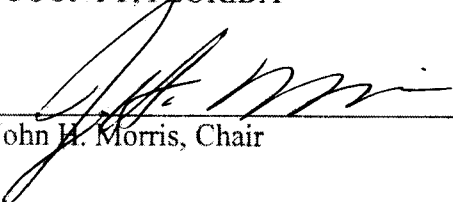
To the extent that there are typographical and/or administrative errors and/or omissions that do not change the tone, tenor, or context of this Resolution, then this Resolution may be revised without subsequent approval of the Board of County Commissioners.

SECTION 4. Effective Date.

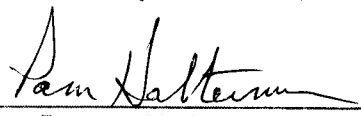
This Resolution shall be effective upon execution by the Chair of the Board of County Commissioners.

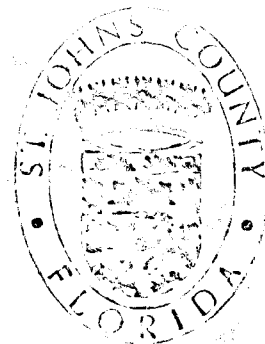
PASSED AND ADOPTED by the Board of Board of County Commissioners of St. Johns County, Florida this 16th day of April 2013.

BOARD OF COUNTY COMMISSIONERS OF ST.
JOHNS COUNTY, FLORIDA

By: 
John H. Morris, Chair

ATTEST: Cheryl Strickland, Clerk

By: 
Deputy Clerk



**ECONOMIC DEVELOPMENT
GRANT AGREEMENT**

THIS ECONOMIC DEVELOPMENT GRANT AGREEMENT ("Agreement") dated this _____ day of _____, 2013, by and between **St. Johns County, Florida** (the "County"), a political subdivision of the State of Florida, located at 500 San Sebastian View, St. Augustine, Florida, 32084 and **Northrop Grumman Systems Corporation**, a Delaware corporation ("NORTHROP GRUMMAN"), whose primary place of business is located at 2980 Fairview Park Drive, Falls Church, Virginia 22042.

RECITALS

WHEREAS, Section 125.045, Florida Statutes, declares that a public purpose is served when a County makes economic development grants to private enterprises for the expansion of businesses existing in the County, or the attraction of new businesses to the County; and

WHEREAS, Section 125.045, Florida Statutes, authorizes Counties to spend public funds for economic development activities, including the making of economic development grants; and

WHEREAS, Section 125.045, Florida Statutes, expressly notes that such section of the Florida Statutes, "must be liberally construed in order to effectively carry out the purposes of this section" of the Florida Statutes; and

WHEREAS, consistent with Section 125.045, Florida Statutes, St. Johns County, pursuant to County Ordinance 2006-99, *as amended*, adopted and implemented a St. Johns County Business Incentive Program, for the purpose of providing economic development grants for private enterprises (including new industry) which meets the criteria established under County Ordinance 2006-99, *as amended*, and NORTHROP GRUMMAN received a favorable recommendation for award of an Economic Development Grant by the Board of County Commissioners; and

WHEREAS, NORTHROP GRUMMAN anticipates creating 400 new jobs at an average wage greater than 125% of the St. Johns County average wage (which is currently \$35,954) in addition to the 959 NORTHROP GRUMMAN full time jobs existing on March 1, 2013 and the other third party supporting positions present at the existing facility in St. Johns County; and

WHEREAS, NORTHROP GRUMMAN seeks to construct one building in two phases totaling approximately 330,000 square feet of production/office space on NORTHROP GRUMMAN owned property adjacent to the Northeast Florida Regional Airport in St. Augustine, Florida to serve as its Aircraft Integration Center of Excellence; and

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WHEREAS, in accordance with County Ordinance 2006-99, *as amended*, NORTHROP GRUMMAN submitted to the County an application for the award of an Economic Development Grant, seeking incentives to reimburse one hundred percent (100%) of impact fees, water and sewer connection fees paid and four (4) years of the general County portion of ad valorem taxes paid on capital improvements associated with the Project; and

WHEREAS, NORTHROP GRUMMAN also requested a local job creation grant (the "Local Job Creation Grant") of \$1,200 per new Full-time Equivalent Job created, which is equivalent to providing a 20% match for the State's Qualified Target Industry program that it would be eligible for and the County supports for qualifying projects (for which the Project would otherwise qualify); and

WHEREAS, in accordance with County Ordinance 2006-99, *as amended*, the St. Johns County Economic Development Agency ("Public Agency") reviewed the application and issued a report evaluating the proposed enterprise.

NOW THEREFORE, the County and NORTHROP GRUMMAN (collectively the "Parties") hereto for, and in consideration of, the mutual covenants and conditions hereinafter set forth, do hereby agree as follows:

Section 1. Effect of Recitals.

The Recitals expressed above are incorporated by reference into the body of this Agreement as a substantive part hereof, and such Recitals shall be adopted as findings of fact.

Section 2. Project Details/Parameters.

The Project shall be restricted to the specific details and/or parameters contained in NORTHROP GRUMMAN's Application for Economic Development Grant (the "Application") a copy of which is attached hereto as Exhibit A and incorporated herein by this reference.

Section 3. Duration.

This Agreement shall be effective from _____, 2013, until 11:59 p.m., Eastern Standard Time, _____, 20____, or until the final payment of the County Economic Development Grant as set forth herein.

Section 4. Definitions.

The following terms shall be defined as follows:

- a) *Board* means the Board of County Commissioners of St. Johns County, Florida.
- b) *County* means St. Johns County, a political subdivision of the State of Florida.

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- c) *County Administrator* means the County Administrator of St. Johns County, and/or authorized designees of the County Administrator.
- d) *County Economic Development Grant* means the \$2,994,000 available to NORTHROP GRUMMAN through reimbursement of the County portion of ad valorem taxes for a period of up to 10 years which shall the impact fees, water connection charges, sewer connection charges and the County portion of ad valorem taxes for a four year period paid by NORTHROP GRUMMAN and to fund the Local Job Creation Grant.
- e) *County Fiscal Year* means and shall reference the period time from October 1 of one calendar year, up to and including September 30 of the following calendar year.
- f) *County Ordinance 2006-99, as amended* means St. Johns County Ordinance 2006-99, as amended, which among other things, replaced prior ordinances relating to business incentive programs, adopted the County Business Incentive Program, as currently in effect, created a Public Economic Development Agency, and authorized expenditure of County funds for economic development grants.
- g) *Full-time Equivalent Jobs* means full-time equivalent positions, as such terms are consistent with terms used by the Florida Department of Labor and Employment Security, and the United States Department of Labor for purposes of unemployment compensation tax administration, and employment estimation, resulting directly from the Project in the County. This term shall not include temporary construction jobs involved in construction for the facility constituting the Project, or any jobs which have previously been included in any application for tax refunds under Sections 228.1045 and/or 288.106, Florida Statutes.
- h) *Program* means the St. Johns County Business Incentive Program, in accordance with County Ordinance 2006-99, as amended.
- i) *Project* means expansion of NORTHROP GRUMMAN's business in St. Johns County, Florida as more fully set forth in the Recitals hereof.

Section 5. Total Number of New Full-Time Equivalent Jobs.

The number of new Full-time Equivalent Jobs was a factor relied upon by the County with respect to entering into this Agreement. Therefore, from and after the date for the satisfaction of such condition as set forth herein, the number of new Full-time Equivalent Jobs in the County shall be considered a condition associated with NORTHROP GRUMMAN submitting a claim for or receiving County Economic Development Grant payment(s).

Consistent with NORTHROP GRUMMAN's application for a County Economic Development Grant, NORTHROP GRUMMAN will provide at least 400 new Full-time Equivalent Jobs in St. Johns County as a result of the Project, in addition to the 959 full-time jobs (as of March 1, 2013) existing in St. Johns County. The new Full-time Equivalent Jobs are to be created by December 31, 2017, at the latest.

Section 6. Average Wage of Full-Time Equivalent Jobs.

The average wage of the new Full-time Equivalent Jobs was a factor relied upon by the County with respect to entering into this Agreement. Therefore, from and after the date for the satisfaction of such condition as set forth herein, the average wage of the new Full Time Equivalent Jobs in the County shall be considered a condition associated with NORTHROP GRUMMAN submitting a claim for, or receiving, County Economic Development Grant payment(s).

Consistent with NORTHROP GRUMMAN's application for a County Economic Development Grant, NORTHROP GRUMMAN will provide wages at an average of at least \$44,943 (equal or greater than 125% of St. Johns County's average wage) in the aggregate for the new Full-time Equivalent Jobs in St. Johns County as a result of the Project.

Section 7. Payment of Fees and/or Taxes Prior to Claim Submission.

Prior to any submission of claim by NORTHROP GRUMMAN to the County for a County Economic Development Grant payment, NORTHROP GRUMMAN shall pay to the County a total amount equal to the general County portion of County ad valorem taxes, applicable impact fees and applicable water and sewer connection fees. It is expressly understood by the Parties that the total amount of County ad valorem taxes (to the extent not adjusted by increased property values) shall be paid by NORTHROP GRUMMAN prior to NORTHROP GRUMMAN applying for, and/or receiving any County Economic Development Grant payment(s) in any eligible County Fiscal Year.

Section 8. Authority of the Board to Review, Verify Records.

(a) The Board (or when duly authorized, the Board's designee) specifically and explicitly reserves the right to review, inspect, examine and verify the applicable financial and personnel records of NORTHROP GRUMMAN relating to the new Full-time Equivalent Jobs contemplated under this Agreement as maintained at 5000 U.S. 1 North, St. Augustine, Florida, as is reasonably necessary in order to determine the degree of NORTHROP GRUMMAN's compliance with this Agreement, as well as NORTHROP GRUMMAN's compliance with the applicable provisions of County Ordinance 2006-99, *as amended*.

(b) The Board (or when duly authorized, the Board's designee) further specifically and explicitly reserves the right to review, inspect, examine and verify any and all necessary data, information, correspondence and documents, regardless of form or format, of NORTHROP GRUMMAN relating to the capital investment contemplated under this Grant Agreement as maintained at 5000 U.S. 1 North, St. Augustine, Florida, in order to determine the degree of NORTHROP GRUMMAN's compliance with this Agreement, as well as NORTHROP GRUMMAN's compliance with the applicable provisions of County Ordinance 2006-99, *as amended*.

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(c) The Board (or its designee) shall maintain such financial and personnel records, data, information, correspondence and documents as confidential to the full extent permitted under Chapter 119, Florida Statutes consistent with the request of NORTHROP GRUMMAN for such purpose.

Section 9. Timely Filed Claims; Consequences for Failure to File Timely Claims.

(a) In accordance with County Ordinance 2006-99, *as amended*, the first County Economic Development Grant payment shall be available to NORTHROP GRUMMAN, and may be distributed, during the eligible County Fiscal Year in which a portion of the requisite improvement is recognized on the County's ad valorem tax roll.

(b) For each County Fiscal Year in which NORTHROP GRUMMAN is eligible for a County Economic Development Grant payment by the County, NORTHROP GRUMMAN shall submit a claim to the County for such payment by prior to the end of that particular County Fiscal Year.

(c) In the event NORTHROP GRUMMAN fails to timely submit a claim to the County for a County Economic Development Grant payment during any eligible County Fiscal Year, then NORTHROP GRUMMAN shall waive its right to such payment for that particular eligible County Fiscal Year. Any such waiver during any particular County Fiscal Year shall not affect NORTHROP GRUMMAN's ability or right to seek County Economic Grant payments in any other particular County Fiscal Year.

(d) Upon written request by NORTHROP GRUMMAN, the Board, at its sole discretion, may grant special relief to NORTHROP GRUMMAN to consider and approve an untimely claim for a County Economic Development Grant payment in an eligible County Fiscal Year. Such special relief shall be granted no more than once during the term of this Agreement.

Section 10. Conditions of Compliance; Consequence for Failure to Comply.

(a) In order to remain eligible for County Economic Development Grant payment(s), NORTHROP GRUMMAN must abide by and comply with the provisions set forth in this Agreement, any incorporated attachments/exhibits, any amendments hereto and any applicable provisions of County Ordinance 2006-99, *as amended*.

(b) NORTHROP GRUMMAN must complete the construction of the Project by no later than 11:59 p.m., Eastern Standard Time, December 31, 2017.

(c) Should the Board determine that NORTHROP GRUMMAN has failed to comply with the conditions noted in Sections 5, 6 or 10(b) above, then the Board shall promptly notify NORTHROP GRUMMAN of such non-compliance (and in any event, no later than thirty (30) days after the Board makes such a determination of non-compliance). Upon the date of such notification, NORTHROP GRUMMAN shall be granted thirty (30) days in which to submit to the County a written report that sufficiently

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documents NORTHROP GRUMMAN's compliance with the conditions set forth , or that sufficiently details all corrective action to be taken by NORTHROP GRUMMAN in order to come into compliance with the conditions set forth in Sections 5, 6 or 10(b) above.

(d) In the event that NORTHROP GRUMMAN has created at least 100 Full-time Equivalent Jobs but fails to comply solely with the condition noted in Section 5 to create 400 new Full-time Equivalent Jobs, then the total amount of the aggregate County Economic Development Grant payment as specified in Section 17(c) shall be reduced by the product of \$1,200 multiplied by the per Full-time Equivalent Job shortfall (400 Full-time Equivalent Jobs less the total amount of new Full-time Equivalent Jobs actually created by December 31, 2017) for each County Economic Development Grant payment thereafter.

(e) In the event that NORTHROP GRUMMAN fails to sufficiently establish its compliance with the conditions set forth above within thirty (30) days after notification of non-compliance, or fails to provide a plan to cure approved by the Board within such time, then the County may terminate this Agreement without further notice to NORTHROP GRUMMAN, and the Parties shall be released from any further obligations as provided herein.

Section 11. Conditions Associated with County Economic Development Grant Payment(s).

(a) No Economic Development Grant payment shall be made unless, and until, NORTHROP GRUMMAN submits a claim for Economic Development Grant payment, and such claim is approved by the County Administrator in the manner set for in County Ordinance 2006-99, *as amended*.

(b) As noted elsewhere in this Agreement, each claim for a County Economic Development Grant payment must be filed during the eligible County Fiscal Year.

(c) Each claim for a County Economic Development Grant payment shall include a copy of all receipts or other relevant data and/or documentation related to the achievement of each applicable performance condition specified in this Agreement not previously accepted for compliance purposes herein.

(d) The amount requested by NORTHROP GRUMMAN in each claim for a County Economic Development Grant payment shall not exceed the amount specified in this Agreement for the eligible County Fiscal Year.

(e) The first claim for a County Economic Development Grant payment by NORTHROP GRUMMAN shall include NORTHROP GRUMMAN's authorization to deliver this Agreement to the County Administrator and to disclose the contents of this Agreement to the public.

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(f) Upon receipt of each claim for a County Economic Development Grant payment by NORTHROP GRUMMAN, in accordance with County Ordinance 2006-99, *as amended*, the County Administrator shall review, evaluate and determine: (1) if NORTHROP GRUMMAN has met and complied with all applicable terms and conditions of this Agreement; and (2) if the Board has appropriated adequate funds necessary to make the County Economic Development Grant payment. Upon determination that NORTHROP GRUMMAN has complied with the terms and conditions of this Agreement, and that the Board has appropriated adequate funding, the County Administrator shall approve that claim for the County Economic Development Grant payment.

(g) Upon approval by the County Administrator, a check shall be made payable to NORTHROP GRUMMAN in the amount of the approved claim for the County Economic Development Grant payment.

Section 12. Acknowledgment of Compliance as a Condition Precedent to Payment and Consequences for Failure to Comply.

(a) By executing this Agreement, NORTHROP GRUMMAN hereby acknowledges, understands and agrees that compliance with all applicable terms, conditions, provisions and requirements contained in this Agreement shall be a condition precedent to NORTHROP GRUMMAN receiving any County Economic Development Grant payment(s).

(b) By executing this Agreement, NORTHROP GRUMMAN further acknowledges, understands and agrees that failure by NORTHROP GRUMMAN to comply with all applicable terms, conditions, provisions and requirements contained in this Agreement shall result in NORTHROP GRUMMAN losing its eligibility to receive future County Economic Development Grant payment(s) in the County Fiscal Year of such non-compliance.

Section 13. Requisite Notice Regarding Grant Payment(s) to NORTHROP GRUMMAN.

Pursuant to County Ordinance 2006-99, *as amended*, the following notice is set forth, and incorporated herein:

This Economic Development Grant Agreement is neither a general obligation of St. Johns County, nor is it backed by the full faith and credit of St. Johns County. Payment of each County Economic Development Grant payment is conditioned upon, and subject to, specific annual appropriations by the Board of County Commissioners of St. Johns County of monies sufficient to pay the County Economic Development Grant payment(s) due that County Fiscal Year.

Section 14. Effect of Short Fall and/or Unavailability of Funds.

(a) The County makes no express commitment to provide County Economic Development Grant funds any given County Fiscal Year. Moreover, it is expressly noted that NORTHROP GRUMMAN cannot demand that the County provide any such funds in any given County Fiscal Year.

(b) It is specifically noted that if County Economic Development Grant funds are unavailable in one or more County Fiscal Years, NORTHROP GRUMMAN is not entitled to receive one or more County Economic Development Grants payments in a succeeding County Fiscal Year in order to make up such short-fall and/or unavailability of funds, unless the Board specifically and expressly authorizes such payment by County Resolution (which shall also be noted in an amendment to this Agreement).

Section 15. Total Amount of County Economic Development Grant; Recalculation of Total Amount Permitted.

Consistent with, and based upon, the methodology set forth in County Ordinance 2006-99, *as amended*, and all Exhibits attached to and incorporated herein, the total amount of the County Economic Development Grant payment(s) (which is referenced throughout this Agreement) represents the annual general County portion of ad valorem tax on capital improvements, and the annual tangible personal property tax (if applicable).

It is expressly noted that the actual amount of the County Economic Development Grant payment(s) may fluctuate in any given County Fiscal Year based upon periodic increases in property values.

The County Economic Development Grant payment(s) shall be distributed to NORTHROP GRUMMAN over a maximum period of ten (10) years.

Section 16. Eligible County Fiscal Years.

For purposes of this Agreement, the following represent eligible County Fiscal Years:

- | | |
|----------|-----------|
| (1) 2016 | (6) 2021 |
| (2) 2017 | (7) 2022 |
| (3) 2018 | (8) 2023 |
| (4) 2019 | (9) 2024 |
| (5) 2020 | (10) 2025 |

Section 17. Economic Development Grant Payment(s) for Each Eligible Fiscal Year.

(a) As provided elsewhere in this Agreement and subject to NORTHROP GRUMMAN's compliance with County Ordinance 2006-99, *as amended*, and the terms and conditions of this Agreement, the amount of County Economic Development Grant

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payment(s) for each eligible County Fiscal Year is estimated to be an average of approximately \$431,200. The County Economic Development Grant calculation completed by the Public Agency is attached hereto as Exhibit B and incorporated herein by this reference.

(b) In any given eligible County Fiscal Year, the amount of a County Economic Development Grant payment paid to NORTHROP GRUMMAN may be adjusted to reflect an increase in property values.

(c) Notwithstanding any other provision contained in this Agreement and/or County Ordinance 2006-99, *as amended*, the maximum economic development incentive available in County Economic Development Grant payment(s) to NORTHROP GRUMMAN shall not exceed \$2,994,000, unless otherwise approved by the Board.

Section 18. Notices.

All official notices to the County shall be delivered either by hand (receipt of delivery required), reputable overnight courier or by certified mail, return-receipt requested with postage prepaid and shall be deemed delivered upon confirmed receipt to:

St. Johns County Economic Development Director
500 San Sebastian View
St. Augustine, Florida 32084

With a copy to the Office of County Attorney:

Office of County Attorney
500 San Sebastian View
St. Augustine, Florida 32084

All official notices to NORTHROP GRUMMAN shall be delivered either by hand (receipt of delivery required), reputable overnight courier or by certified mail, return-receipt requested with postage prepaid and shall be deemed delivered upon confirmed receipt to:

Terri Zinkiewicz
Vice President, Controller
Aerospace Systems
Northrop Grumman Systems Corporation
One Space Park Drive
Redondo Beach, CA 90278

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With a copy to:

Walter Page, Esq.
Vice President, Associate General Counsel and Sector Counsel
Aerospace Systems
Northrop Grumman Systems Corporation
One Space Park
Redondo Beach, CA 90278

Section 19. Timeframe for NORTHROP GRUMMAN's Approval, Acceptance and Execution of this Agreement; Consequences for Failure to Comply.

(a) Consistent with County Ordinance 2006-99, *as amended*, NORTHROP GRUMMAN shall, within thirty (30) days of the date that this Agreement is approved by the Board, execute and deliver two (2) copies of this Agreement to the Public Agency.

(b) Consistent with County Ordinance 2006-99, *as amended*, in the event that NORTHROP GRUMMAN fails to timely execute and deliver two (2) copies of this Agreement to the Public Agency within the thirty (30) day time frame set forth above, the effect of such failure on the part of NORTHROP GRUMMAN shall result in the automatic termination of the Board's Approval of this Agreement.

(c) The automatic termination as set forth above shall be deemed a rejection of this Agreement by the Board, and shall therefore render this Agreement null, void and having no further effect. Upon the occurrence of such circumstances, neither the County nor the Board shall be required to provide NORTHROP GRUMMAN any notice, official or otherwise of such rejection of the Agreement.

Section 20. Amendments to this Agreement.

Both the County and NORTHROP GRUMMAN acknowledge that this Agreement constitutes the complete agreement and understanding of the parties.

Further, both the County and NORTHROP GRUMMAN acknowledge that any change, amendment, modification, revision, or extension of this Agreement (other than termination, as noted elsewhere in this Agreement) shall be in writing, and shall be executed by duly authorized representatives of both the County, and NORTHROP GRUMMAN.

Section 21. Termination.

This Agreement is automatically terminated should NORTHROP GRUMMAN fail to abide by or comply with any provision or requirement for which adherence to or compliance with is mandated or required under County Ordinance 2006-99, *as amended*.

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This Agreement may be terminated by the County should the Board determine that NORTHROP GRUMMAN is not in compliance with or adhering to any term, condition, provision or requirement of this Agreement (and any amendment hereto) that is necessary for NORTHROP GRUMMAN to maintain its eligibility to receive County Economic Development Grant payment(s) in any County Fiscal Year for the duration of this Agreement.

Section 22. Expedited Processing of Local Permits and Licenses.

To the extent necessary, and in accordance with local, state and federal law, the County Administrator shall direct County staff to expedite the County's permitting/licensing process in order to facilitate progress of the Project as specifically described in the Application.

Section 23. Assignment.

In light of the scope and rationale for this Agreement, NORTHROP GRUMMAN may not assign, transfer or sell any rights noted in this Agreement. Any attempts to assign, transfer or sell any rights noted in this Agreement by NORTHROP GRUMMAN, other than to any affiliate, subsidiary or parent company of NORTHROP GRUMMAN is strictly prohibited. Should NORTHROP GRUMMAN or any affiliate, subsidiary or parent company of NORTHROP GRUMMAN assign, transfer or sell any rights noted in this Agreement, such action or attempted action shall constitute cause for automatic termination of this Agreement with no further notice to NORTHROP GRUMMAN.

Section 24. Access to Records.

The access to, disclosure, non-disclosure, or exemption of records, data, documents, and/or materials, associated with this Agreement shall be subject to the applicable provisions of the Florida Public Records Law (Chapter 119, Florida Statutes), and other applicable State or Federal law. Access to such public records, may not be blocked, thwarted, and/or hindered by placing the public records in the possession of a third party, or an unaffiliated party.

Section 25. Captions.

The captions and headings in this Agreement are for convenience only and do not define, limit, or describe the scope or intent of any Articles or Sections of this Agreement.

Section 26. Severability.

If any word, phrase, sentence, part, provision, section, subsection, article exhibit or other portion of this Agreement, or any application thereof, to any person or circumstance is declared void, unconstitutional, or otherwise invalid for any reason by a court of competent jurisdiction, then such word, phrase, sentence, part, provision, section, subsection, article exhibit or other portion of this Agreement, or proscribed application

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thereof, shall be severable and all applications thereof not having been declared void, unconstitutional or invalid shall remain in full force and effect.

Section 27. Authority to Execute.

Each Party covenants to the other Party that it has the lawful authority to enter into this Agreement and has authorized the execution of this Agreement by the Party's authorized representative.

IN WITNESS WHEREOF, the Parties have set their hand and seals as of the _____ day of _____, 2013.

**ST. JOHNS COUNTY, FLORIDA
BOARD OF COUNTY COMMISSIONERS**

By: _____
County Administrator

ATTEST: CHERYL STRICKLAND, CLERK

By: _____

**NORTHROP GRUMMAN SYSTEMS
CORPORATION**

By: _____

Name: _____

Title: _____

WITNESS AS TO:

By: _____

Print: _____

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EXHIBIT A
APPLICATION
[to be attached]

DRAFT

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EXHIBIT B

COUNTY ECONOMIC DEVELOPMENT GRANT CALCULATION

[to be attached]

DRAFT

**ESTIMATE OF ECONOMIC DEVELOPMENT
GRANT CALCULATION
PROJECT GREEN**

Calculations based on County Ordinance 2006-99 and millage rates effective on October 1, 2012

Category: Existing Industry

POINTS AWARDED

Target Industry: Manufacturing	2
Facility Size: 330,000 sq. ft.	2
Job Creation: 400 net new positions	2
Wages: 125% above County wage	2
	2
Total Points	8

The applicant scored 8 points under the Existing Industry Category. Therefore, this project is eligible for Expedited Permitting and an Economic Development Grant equal to 100% of fees paid (Impact, Water and Sewer) and four (4) year's Ad Valorem tax (general county portion) on capital improvements and tangible personal property.

Total Value of Capital Improvements	80,000,000
Multiplied by County Millage rate	0.53900%
Annual Ad Valorem Tax (general county portion)	431,200
Multiplied by # Eligible Years	4
Ad Valorem Tax (general county portion) Estimate =	1,724,800

Total Estimated Value of New Tangible Assets	-
Multiplied by County Millage rate	0.53900%
Annual new tangible business personal property tax (general county portion)	-
Multiplied by # Eligible Years	4
Total tangible business personal property tax (general county portion)	-

Total Square Footage	330,000	
Impact Fee Category: Office	30,000 (\$3017 per 1000 sq ft)	90,510
Impact Fee Category: Manufacturing	300,000 (\$1774 per 1000 sq ft)	532,200
Impact Fee Estimate =		622,710

Water/Sewer Total Unit Connection Fees Estimate = 166,500

Local Job Creation Grant (equivalent to QTI support) 480,000

TOTAL ESTIMATED INCENTIVE **2,994,010**

Payout will begin when capital improvements are recognized on the tax roll. Annual installments will not exceed the annual general county portion of the ad valorem tax paid each year and are limited to a maximum of 10 years.

PAYOUT SCHEDULE:

Total Maximum Possible Incentive: 2,994,010
Payout will consist of estimated annual installments of: 431,200

* The annual payment is based on the general county portion of the ad valorem taxes and tangible personal property taxes paid each year which could fluctuate with increasing property values. The total payout will not exceed the total incentive granted.