

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date:	May 2, 2017	<input type="checkbox"/> Consent	<input checked="" type="checkbox"/> Regular
		<input type="checkbox"/> Ordinance	<input type="checkbox"/> Public Hearing
Submitted By:	Department of Economic Sustainability		
Submitted For:	County Administration		

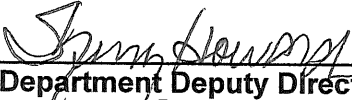

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to approve on preliminary reading and advertise for a public hearing on May 16, 2017 at 9:30 a.m.: an Ordinance of the Board of County Commissioners of Palm Beach County, Florida, establishing an exemption from certain ad valorem taxation to encourage economic development in the County for Pratt & Whitney, a division of United Technologies Corporation, an existing business; providing for the title; providing for authority; providing for a finding that requirements have been met; providing for the amount of revenue available from ad valorem tax sources for the current fiscal year; providing for the amount of revenue lost by virtue of the economic development ad valorem tax exemptions currently in effect; providing for the estimated revenue lost attributable to the exemption granted to Pratt & Whitney, a division of United Technologies Corporation; providing for the period of time for which the exemption will remain in effect and the expiration date of the exemption; providing for annual reporting requirement; providing for applicability; providing for repeal of laws in conflict; providing for severability; providing for inclusion in the Code of Laws and Ordinances; providing for enforcement; providing for penalties; providing for captions and providing for an effective date.

Summary: On April 4, 2017 the Board of County Commissioners (BCC) approved Economic Development Incentive Agreement (R2017-0485) with Pratt & Whitney, a division of United Technologies Corporation providing an Ad Valorem Tax Exemption of up to \$650,000 over a six (6) year period. The Ad Valorem Tax Exemption is for real property and tangible personal property improvements undertaken in the company's construction and renovation of 35,000 square foot facility which will facilitate Pratt & Whitney's radial Auxiliary Power Unit (APU), relocated from San Diego, California. APU is a gas turbine engine used to produce energy for applications such as providing electricity, compressed air, and/or shaft power to main engine start, air conditioning, electric power and other aircraft systems. APUs are manufactured for both commercial and military customers. The exemption, together with the incentive payment, serves as the local financial support for the State of Florida's commitment to the company of \$2,300,000, of which \$1,650,000 are from State funding and \$650,000 from Palm Beach County. The Agreement requires Pratt & Whitney to make a minimum \$25 Million capital investment, create 110 new jobs over a three (3) year period at an annualized average wage of \$84,892, and maintain those jobs for five (5) years. This project is estimated to have a \$183 Million economic impact over a five (5) year period. As required under Palm Beach County's Economic Development Ad Valorem Tax Exemption Program implemented by the BCC through adoption of Ordinance 2013-022, Pratt & Whitney, a division of United Technologies Corporation has filed an application with the Property Appraiser's (PA) office, and the PA has issued a determination that the project meets the requirements under Florida Statute 196.012 for an Ad Valorem Tax Exemption (attached as Exhibit B to the proposed Ordinance). This Ordinance is being presented to the BCC as required by State statute. District 1 (JB)

Background and Policy Issues: The County's Economic Development Ad Valorem Tax Exemption Program may be used as local participation for the State QTI program and is designed to motivate businesses by providing funding assistance to either relocate to or establish a facility in Palm Beach County, or to help an existing local business with an expansion project which creates full time jobs, increases the County's tax base, and strengthens and diversifies the local economy.

- Attachment(s):**
- 1. Proposed Ordinance for Economic Development Ad Valorem Tax Exemption for Pratt & Whitney, a division of United Technologies Corporation
 - 2. Economic Development Incentive Grant Agreement with Pratt & Whitney, a division of United Technologies Corporation (R2017-0485)

Recommended By:		4-12-17
	Department Deputy Director	Date
Approved By:		4/26/17
	Assistant County Administrator	Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2017	2018	2019	2020	2021
Grant Expenditures					
Operating Costs					
External Revenues	\$50,892	\$50,892	\$50,892	\$50,892	\$50,892
Program Income					
In-Kind Match (County)					
NET FISCAL IMPACT	\$50,892	\$50,892	\$50,892	\$50,892	\$50,892

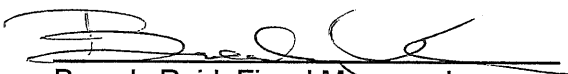
# ADDITIONAL FTE POSITIONS (Cumulative)					
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Is Item Included In Current Budget? Yes ____ No ____
Budget Account No.:

Fund ____ Dept ____ Unit ____ Object ____ Program Code/Period ____

B. Recommended Sources of Funds/Summary of Fiscal Impact:

The source of the County’s financial support is an ad valorem tax exemption of \$650,000 for a six (6) year period. The tax exemption calculation is based on a valuation assessment of \$10,643,506. When the current millage rate is applied, the PBC tax revenue which would be lost for 2017 is estimated to be \$50,892, if so approved by the Board of County Commissioners.

C. Departmental Fiscal Review: 
Beverly Reid, Fiscal Manager I

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Development and Control Comments:

 4/17/17
OFMB 2 4/13 MS 4/14 4/14
 4/20/17
Contract Development and Control

B. Legal Sufficiency:

 4/25/17
Assistant County Attorney

C. Other Department Review:

Department Director

ORDINANCE NO. 2017 - _____

AN ORDINANCE OF THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, ESTABLISHING AN EXEMPTION FROM CERTAIN AD VALOREM TAXATION TO ENCOURAGE ECONOMIC DEVELOPMENT IN THE COUNTY FOR PRATT & WHITNEY, A DIVISION OF UNITED TECHNOLOGIES CORPORATION, AN EXISTING BUSINESS; PROVIDING FOR A TITLE; PROVIDING FOR AUTHORITY; PROVIDING FOR A FINDING THAT REQUIREMENTS HAVE BEEN MET; PROVIDING FOR THE AMOUNT OF REVENUE AVAILABLE FROM AD VALOREM TAX SOURCES FOR THE CURRENT FISCAL YEAR; PROVIDING FOR THE AMOUNT OF REVENUE LOST BY VIRTUE OF THE ECONOMIC DEVELOPMENT AD VALOREM TAX EXEMPTIONS CURRENTLY IN EFFECT; PROVIDING FOR THE ESTIMATED REVENUE LOST ATTRIBUTABLE TO THE EXEMPTION GRANTED TO PRATT & WHITNEY, A DIVISION OF UNITED TECHNOLOGIES CORPORATION; PROVIDING FOR THE PERIOD OF TIME FOR WHICH THE EXEMPTION WILL REMAIN IN EFFECT AND THE EXPIRATION DATE OF THE EXEMPTION; PROVIDING FOR ANNUAL REPORTING REQUIREMENT; PROVIDING FOR APPLICABILITY; PROVIDING FOR REPEAL OF LAWS IN CONFLICT; PROVIDING FOR SEVERABILITY; PROVIDING FOR INCLUSION IN THE CODE OF LAWS AND ORDINANCES; PROVIDING FOR ENFORCEMENT; PROVIDING FOR PENALTIES; PROVIDING FOR CAPTIONS AND PROVIDING FOR AN EFFECTIVE DATE.

1 WHEREAS, Article VII, Section 3, of the Constitution of the State of Florida, and
 2 Section 196.1995, Florida Statutes, authorizes the granting of economic development ad valorem
 3 tax exemptions to new businesses and expansions of existing businesses upon the successful
 4 passage of a referendum; and

5 WHEREAS, a successful referendum was held on November 6, 2012, resulting in the
 6 enactment of Ordinance No. 2013-022, known as the "Economic Development Ad Valorem Tax
 7 Exemption Ordinance of Palm Beach County, Florida"; and

8 WHEREAS, such Ordinance establishes the requirements for exemption consideration,
 9 including the submission of an application; and

10 WHEREAS, Pratt & Whitney, a division of United Technologies Corporation has
 11 submitted an application for an exemption; and

12 WHEREAS, all affected and interested agencies representative of the business and
 13 general community have reviewed said application, and provided comments on the granting of
 14 same; and

ATTACHMENT 1

1 WHEREAS, all statutory and Ordinance requirements have been satisfied.

2 **NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF COUNTY**
3 **COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, that:**

4 **Section 1. Title:**

5 This Ordinance shall be known as the "Economic Development Ad Valorem Tax
6 Exemption Ordinance – **Pratt & Whitney, a division of United Technologies Corporation.**"

7 **Section 2. Authority:**

8 This article is adopted pursuant to the authority granted to charter counties under Article
9 VII, Section 3 & Article VIII, Section 1(g), of the Constitution of the State of Florida, Chapter
10 125, & Section 196.1995, Florida Statutes and Article 1 of the Palm Beach County Home Rule
11 Charter.

12 **Section 3. Finding That Requirements Have Been Met:**

13 The Board of County Commissioners of Palm Beach County, Florida, based on the
14 application submitted by **Pratt & Whitney, a division of United Technologies Corporation,**
15 and the report of the Property Appraiser, finds that **Pratt & Whitney, a division of United**
16 **Technologies Corporation** has met all the requirements of Ordinance No. 2013-022, and meets
17 the requirements of Section 196.012(15), Florida Statutes and that granting the exemption will
18 result in an economic benefit to Palm Beach County.

19 **Section 4. Ad Valorem Tax Revenues Available:**

20 The revenues available to Palm Beach County for the current fiscal year from ad valorem
21 tax sources are **\$788,985,435 (operating).**

22 **Section 5. Ad Valorem Tax Revenue Currently Lost:**

23 The revenues lost to Palm Beach County for the current fiscal year by virtue of the ad
24 valorem tax exemptions currently in effect are **\$208,544.**

25 **Section 6. Ad Valorem Tax Revenues Estimated Lost:**

26 The estimated revenues to be lost for the current year by granting this exemption to Pratt
27 & Whitney, a Division of United Technologies Corporation are **\$50,892.**

28 **Section 7. Term of Exemption; Expiration Date:**

29 The Economic Development Ad Valorem Tax Exemption granted to **Pratt & Whitney,**
30 **a division of United Technologies Corporation** for an existing business expansion shall be for
31 a period of six (6) tax years commencing on January 1, 2017 and expiring on December 31, 2022.
32 The ability to receive an exemption for the period granted is conditioned upon **Pratt & Whitney,**
33 **a division of United Technologies Corporation's** ability to maintain the expanded existing
34 business as defined in Ordinance No. 2013-022, throughout the six (6) year exemption period
35 and in accordance with the terms of the Economic Development Incentive Agreement entered
36 with Palm Beach County. **Pratt & Whitney, a division of United Technologies Corporation**
37 shall submit an annual report to the Board of County Commissioners evidencing satisfaction of
38 this condition along with a completed Annual Exemption Renewal Application (DR-418) in such
39 forms as are attached hereto and made a part hereof as Exhibit "A." **Pratt & Whitney, a division**
40 **of United Technologies Corporation** shall furnish any and all information as the Board of
41 County Commissioners or its designee deems necessary for the purpose of determining continued
42 performance of the imposed conditions. Should **Pratt & Whitney, a division of United**

1 **Technologies Corporation** fail to satisfy the conditions set forth herein, the Board of County
2 Commissioners may revoke the exemption and recover any taxes waived pursuant to Section 9
3 of Ordinance No. 2013-022.

4 **Section 8. Grant of Exemption:**

5 After consideration of the application submitted by **Pratt & Whitney, a division of**
6 **United Technologies Corporation**, a copy of which is attached hereto and made a part hereof
7 as Exhibit "B" which includes the report of the Property Appraiser, in accordance with the
8 procedure set forth in Ordinance No. 2013-022, the Board of County Commissioners hereby
9 grants and establishes an exemption from ad valorem taxation of one hundred percent (100%) of
10 the assessed value of the net increase in qualifying tangible personal property acquired and added
11 improvements to real property by **Pratt & Whitney, a division of United Technologies**
12 **Corporation**, provided such net increase in qualifying tangible personal property and real
13 property improvements facilitate **Pratt & Whitney, a division of United Technologies**
14 **Corporation's** expansion of its existing business located at 17900 Beeline Highway, Jupiter, FL
15 33478. **Pratt & Whitney, a division of United Technologies Corporation** agrees to abide by
16 the terms and conditions set forth in Ordinance No. 2013-022, and any and all amendments
17 thereto, as well as any policies and procedures related to the Economic Development Ad Valorem
18 Tax Exemption Program as may be adopted from time to time, and, in accordance with the terms
19 of the Economic Development Incentive Agreement between Palm Beach County and **Pratt &**
20 **Whitney, a division of United Technologies Corporation**. Failure to abide by same may result
21 in a revocation of the exemption and the recovery of any taxes waived pursuant to Section 9 of
22 Ordinance No. 2013-022, and pursuant to the terms and conditions of the Economic Development
23 Incentive Agreement between Palm Beach County and **Pratt & Whitney, a division of United**
24 **Technologies Corporation**. No exemption shall be granted on the land on which improvements
25 for the expansion of the existing business are made by **Pratt & Whitney, a division of United**
26 **Technologies Corporation**.

27 **Section 9. Applicability:**

28 The exemption applies only to taxes levied by Palm Beach County. The exemption does
29 not apply to taxes levied by a municipality, school district, or special taxing district, or to taxes
30 levied for the payment of bonds or taxes authorized by a vote of the electors pursuant to Section
31 9 and Section 12, Article VII of the State Constitution.

32 **Section 10. Repeal of Laws in Conflict:**

33 All local laws and ordinances in conflict with any provisions of this Ordinance are hereby
34 repealed to the extent of such conflict.

35 **Section 11. Severability:**

36 If any section, paragraph, sentence, clause, phrase, or word of this Ordinance is for any
37 reason held by a Court to be unconstitutional, inoperative or void, such holding shall not affect
38 the remainder of this Ordinance.

39 **Section 12. Inclusion in the Code of Laws and Ordinances:**

40 The provisions of this Ordinance shall become and be made a part of the Code of Laws
41 and Ordinances of Palm Beach County, Florida. The sections of this Ordinance may be
42 renumbered or relettered to accomplish such, and the word "ordinance" may be changed to

"section", "article", or any other appropriate word.

Section 13. Enforcement:

This Ordinance is enforceable by all means provided by law. Additionally, the County may choose to enforce this Ordinance by seeking injunctive relief in the Circuit Court of Palm Beach County.

Section 14. Penalties:

Any violation of any portion of this Ordinance shall be punishable as provided by law.

Section 15. Captions:

The captions, section headings, and section designations used in this Ordinance are for convenience only and shall have no effect on the interpretation of the provisions of this Ordinance.

Section 16. Effective Date:

The provisions of this Ordinance shall become effective upon filing with the Secretary of State.

APPROVED AND ADOPTED by the Board of County Commissioners of Palm Beach County, Florida on the _____ day of _____, 2017.

ATTEST:

**CLERK & COMPTROLLER
SHARON R. BOCK**

**PALM BEACH COUNTY, FLORIDA
BY ITS BOARD OF COUNTY COMMISSIONERS**

By: _____
Deputy Clerk

By: _____
Paulette Burdick, Mayor

**APPROVED AS TO TERMS
AND CONDITIONS:**

**APPROVED AS TO FORM
AND LEGAL SUFFICIENCY:**

By: _____
Sherry Howard, Deputy Director
Dept. of Economic Sustainability

By: _____
James Brako
Assistant County Attorney

EFFECTIVE DATE: Filed with the Department of State on the ____ day of _____, 2017.

PROJECT BLINK

EXHIBIT "A"
APPLICATIONECONOMIC DEVELOPMENT AD VALOREM PROPERTY TAX EXEMPTION
Chapter 196.1995, Florida Statutes

COPY

NOTICE

Application is to be filed with the Board of County Commissioners no later than March 1 of the year the exemption is desired to take effect.

An applicant applying for an exemption on Tangible Personal Property must fill out and submit the Florida Department of Revenue form DR-406 (Tangible Personal Property Tax Return). Refer to Item 12 below.

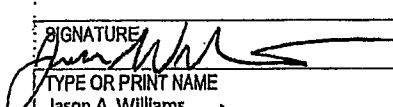
If insufficient space is provided for a response, attachments may be enclosed.

Exhibit
"A"

1. BUSINESS NAME AND MAILING ADDRESS Business applicant legal name: Pratt & Whitney	
Business street address in Palm Beach County: 17900 Beeline Highway, Jupiter, FL	
Business mailing address: c/o Tax Dept. - 8FS2, 8 Farm Springs Road, Farmington, CT 06032	
Telephone: 860-728-6431	Fax: 860-998-3548
PROPERTY OWNER	
2. Full legal name of owner of this business: Pratt & Whitney	Title: Tax Manager
Telephone: 860-728-6431	Fax: 860-998-3548
E-mail address: jason.williams@utc.com	
PERSON IN CHARGE OF THIS BUSINESS / CONTACT	
3. Name of employee to contact regarding this application: Jason A. Williams	Title: Tax Manager
Telephone: 860-728-6431	Fax: 860-998-3548
E-mail address: jason.williams@utc.com	
EXACT LOCATION	
4. Legal description of property for which this application is filed: 17900 Beeline Highway, Jupiter, FL 33410 Property control numbers: 00-40-41-13-00-000-3010 (Personal Property & Real Estate); 00-40-41-03-00-000-9020 (Real Estate); 00-40-41-07-00-000-1010 (Real Estate); 00-40-41-18-00-000-1010 (Real Estate); 00-39-41-13-00-000-1000 (Real Estate); 00-40-41-15-00-000-3001 (Real Estate) Street address of this property: 17900 Beeline Highway, Jupiter, FL	
COMMENCE OPERATIONS	
5. Date you began, or will begin, business activities at this facility: 25+ years	
NEW OR EXPANSION BUSINESS	
6. Do you desire exemption as: <input type="checkbox"/> New Business <input checked="" type="checkbox"/> Expansion of an Existing Business	
REAL AND/OR TANGIBLE PERSONAL PROPERTY	
7. Do you desire exemption for: <input checked="" type="checkbox"/> Real Property <input checked="" type="checkbox"/> Tangible Personal Property	
TYPE OF BUSINESS	
8. Describe the type or nature of your business: Aerospace / Aircraft Manufacturing	
TRADE LEVEL	
9. Check as many as apply below. Identify Industry cluster (if applicable): <input type="checkbox"/> Wholesale <input checked="" type="checkbox"/> Manufacturing <input type="checkbox"/> Professional <input type="checkbox"/> Service <input type="checkbox"/> Office <input type="checkbox"/> Other	

INCENTIVE	
18. Relocation or expansion would occur without the exemption: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
ENVIRONMENT	
19. Environmental impact of new or expanding business project: Identify the number and type of environmental permits required as a result of this project; e.g., air, soil and water pollution, water and sewer provision, dredge and fill, RCRA industrial wastewater treatment. N/A	
IMPACT FEES	
20. Total amount of impact fees for the new or expanding business project: \$ N/A (attach copies of impact fee schedule and payments)	
VIOLATIONS	
21. Local expanding business is in violation of a federal, state, or local law or regulation governing environmental matters: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If answer is Yes, explain:	
COST AND DEMAND FOR SERVICES	
22. Identify sources of existing services and which existing services will need to be increased. Include costs for existing or increased services (provide attachments if necessary): N/A	
SOURCE OF SUPPLIES	
23. Identify in specific terms the source, type and volume of supplies (provide attachments if necessary): N/A	
ENTERPRISE ZONE	
24. Business is / will be located in an enterprise zone: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If yes, attach the following: (1) map identifying property inside zone; and (2) written confirmation from municipality that business project site is inside zone. Map is enclosed: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Written confirmation is enclosed: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Enterprise Zone name is:	
COMMUNITY REDEVELOPMENT AGENCY	
24. Business is / will be located in a CRA area: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If yes, attach a map to confirm property is inside CRA area. Map is enclosed: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> CRA name is:	

I hereby request the adoption of an ordinance granting an exemption from ad valorem taxation on the above property pursuant to Section 196.1995, Florida Statutes. I agree to furnish such other reasonable information as the Board of County Commissioners or the Property Appraiser may request in regard to the exemption requested herein. I hereby certify that the information and valuation stated above by me is true, correct and complete to the best of my knowledge and belief, including any attached statements, schedules, etc. (If prepared by someone other than the taxpayer, his declaration is based on all information of which he has any knowledge.)

TAXPAYER – Owner Name and Title Pratt & Whitney / Tax Manager	PREPARER / AUTHORIZED AGENT – Name and Address
	Telephone
	Fax
	E-mail
SIGNATURE 	SIGNATURE
TYPE OR PRINT NAME Jason A. Williams	TYPE OR PRINT NAME
DATE 2/28/17	DATE

DR-418 (Palm Beach County form, R. 12/04)

P.B.C. Exemption Application No. _____

EXHIBIT "B"

TANGIBLE PERSONAL PROPERTY
ECONOMIC DEVELOPMENT AD VALOREM PROPERTY TAX EXEMPTION
CHAPTER 196.1995, FLORIDA STATUTES

6.a. Description of the tangible personal property for which this exemption is requested and date when property was, or is to be, purchased.

G-1

(b) Any business located in an enterprise zone that increases operations on a site collocated with a commercial or industrial operation owned by the same business.

Section 196.1995 Economic development ad valorem tax exemption.-

(6) With respect to a new business as defined by s. 196.012(15)(c), the municipality annexing the property on which the business is situated may grant an economic development ad valorem tax exemption under this section to that business for a period that will expire upon the expiration of the exemption granted by the county. If the county renews the exemption under subsection (7), the municipality may also extend its exemption. A municipal economic development ad valorem tax exemption granted under this subsection may not extend beyond the duration of the county exemption.

Section 220.15(5), Florida Statutes.

(5) The sales factor is a fraction the numerator of which is the total sales of the taxpayer in this state during the taxable year or period and the denominator of which is the total sales of the taxpayer everywhere during the taxable year or period.

(a) As used in this subsection, the term "sales" means all gross receipts of the taxpayer except interest, dividends, rents, royalties, and gross receipts from the sale, exchange, maturity, redemption, or other disposition of securities. However:

1. Rental income is included in the term if a significant portion of the taxpayer's business consists of leasing or renting real or tangible personal property; and 2. Royalty income is included in the term if a significant portion of the taxpayer's business consists of dealing in or with the production, exploration, or development of minerals.

(b) 1. Sales of tangible personal property occur in this state if the property is delivered or shipped to a purchaser within this state, regardless of the f.o.b. point, other conditions of the sale, or ultimate destination of the property, unless shipment is made via a common or contract carrier.

2. When citrus fruit is delivered by a cooperative for a grower-member, by a grower member to a cooperative, or by a grower-participant to a Florida processor, the sales factor for the growers for such citrus fruit delivered to such processor shall be the same as the sales factor for the most recent taxable year of that processor. That sales factor, expressed only as a percentage and not in terms of the dollar volume of sales, so as to protect the confidentiality of the sales of the processor, shall be furnished on the request of such a grower promptly after it has been determined for that taxable year.

3. Reimbursement of expenses under an agency contract between a cooperative, a grower-member of a cooperative, or a grower and a processor is not a sale within this state.

(c) Sales of a financial organization, including, but not limited to, banking and savings institutions, investment companies, real estate investment trust, and brokerage companies, occur in this state if derived from:

1. Fees, commissions, or other compensation for financial services rendered within this state;
2. Gross profits from trading in stocks, bonds, or other securities managed within this state;
3. Interest received within this state, other than interest from loans secured by mortgages, deeds of trust, or other liens upon real or tangible personal property located in this state, and dividends received within this state;
4. Interest charged to customers at places of business maintained within this state for carrying debit balances of margin accounts, without deduction of any costs incurred in carrying such accounts;
5. Interest, fees, commissions, or other charges or gains from loans secured by mortgages, deeds of trust or other liens upon real or tangible personal property located in this state or from installment sale agreements originally executed by a taxpayer or the taxpayer's agent to sell real or tangible personal property located in this state;
6. Rents from real or tangible personal property located in this state; or
7. Any other gross income, including other interest, resulting from the operation as a financial organization within this state.

In computing the amounts under this paragraph, any amount received by a member of an affiliated group (determined under s. 1504(a) of the Internal Revenue code, but without reference to whether any such corporation is an "includable corporation" under s. 1504(b) of the Internal Revenue code) from another member of such group shall be included only to the extent such amount exceeds expenses of the recipient directly related thereto.

Source: Florida Department of Revenue DR-418, R. 12/99

[<http://www.myflorida.com/dor/forms/2003/dr418r1299.pdf>]

Pratt & Whitney - Project Blink
Economic Development Ad Valorem Property Tax Exemption
DR-418 / DR-405 Support: Description of assets

<u>Asset Number</u>	<u>Cap. Date</u>	<u>Asset Description</u>	<u>Cost/Acquisition Value</u>	<u>Classification</u>
<u>TANGIBLE PERSONAL PROPERTY:</u>				
1124121	11/28/2016	APU Test Cell #1 Data & Control System	1,683,771.82	Personal
1124123	11/28/2016	APU Test Cell #3 Data & Control System	1,591,480.55	Personal
1124138	11/28/2016	APU Test Cell #5 Data & Control System	1,580,844.39	Personal
1124122	11/28/2016	APU Test Cell #2 Data & Control System	1,580,256.98	Personal
1124124	11/28/2016	APU Test Cell #4 Data & Control System	1,578,905.11	Personal
1124130	11/28/2016	APU STE - Model PH47C3	98,007.37	Personal
1124125	11/28/2016	APU Test Cell #1 Mechanical Systems	50,643.93	Personal
1124126	11/28/2016	APU Test Cell #2 Data & Control System	50,643.93	Personal
1124127	11/28/2016	APU Test Cell #3 Data & Control System	50,643.93	Personal
1124128	11/28/2016	APU Test Cell #4 Data & Control System	50,643.93	Personal
1124132	11/28/2016	APU STE - Model T-62T-46-2 (V22)	34,516.96	Personal
1124136	11/28/2016	APU Test Cell Equipment (#5/#6 Mechanical Systems)	18,768.80	Personal
1124129	11/28/2016	APU Fuel Farm	16,148.01	Personal
1124133	11/28/2016	APU STE - Model T-62T-46C12	12,975.20	Personal
1124137	11/28/2016	APU Fuel Farm	8,116.33	Personal
1124131	11/28/2016	APU STE - Model T-63-2B	1,754.91	Personal
1124135	11/28/2016	APU STE - Model TJ-150-1	1,279.91	Personal
1124134	11/28/2016	APU STE - Model T-62T-46LC-1 (JAS39)	486.33	Personal
TOTAL TANGIBLE PERSONAL PROPERTY			\$ 8,409,888.39	
<u>REAL ESTATE:</u>				
1124140	11/28/2016	APU Test Building	9,844,136.52	Real
1124139	11/28/2016	APU Test Building	5,071,245.47	Real
TOTAL REAL ESTATE			\$ 14,915,381.99	
<u>ASSETS UNDER CONSTRUCTION:</u>				
4723048		Test Cells	2,503,120.61	AUC
4723874		K Clean Line	3,837,157.43	AUC
4723875		Development and Assembly	88,668.30	AUC
4723876		Engine Center	1,253,259.69	AUC
4724046		2015APU-01 3rd Floor Office Fit Out	1,572,439.57	AUC
TOTAL ASSETS UNDER CONSTRUCTION			\$ 9,254,645.60	
GRAND TOTAL OF ALL PROPERTY			\$ 32,579,915.98	

Incentive Awardee Summary FY 2017-2018

PROJECT BLINK

Complete the spreadsheet tabs as applicable

Jobs Created:		117
Annual Average Wage:	\$	105,870
Median Wage: (See Note 1)	\$	103,250
Taxes Paid:	\$	139,007
CAPEX Made:† (See Note 2)	\$	29,844,564
Employee Benefits : **		N/A

* Applicable to annual performance reports for QACF and CITC incentives, to scheduled HIPI reports, and to first-year QBRB incentive reports

** Applicable to annual performance reports of QBRB incentive awardees only

Note 1:
1. The median wage is being reported for Palm Beach County Economic Development Agreement purposes only.
2. Capital investment of \$14,565,122 was reported on the 2015 Performance Year Report (FY 2016-2017).

Jobs and Wage Summary

DSBD Summary
Company Name:
Program: FY:
Agreement Num. Project:
Performance Year:

Month	FTEs	All Wages	Qtrly Wages	New Job Wages
Jan				
Feb				
Mar				
Apr				
May				
Jun				
Jul				
Aug				
Sep				
Oct				
Nov				
Dec				

Total

Average
Less Base Jobs
Net-New Jobs
Avg Wage -- All:
Avg Wage -- New:

COPY

PROGRAM CRITERIA *

ECONOMIC DEVELOPMENT AD VALOREM TAX EXEMPTION PROGRAM

Palm Beach County, Florida

1. Eligibility - The ability for an applicant to be eligible for an exemption under this Program is defined in Title XIV - Taxation and Finance, Chapter 196 - Exemption, Florida Statutes and applies to new business relocating to Palm Beach County and to expansions of existing businesses presently located in Palm Beach County.
2. Jobs & Improvements - New or expanded businesses must make a positive contribution to the economy of Palm Beach County in terms of new jobs and improvements to real and/or personal property.
3. Type of Business - It is within the sole discretion of the Board of County Commissioners to grant an exemption to those businesses that qualify under 196.012, Florida Statutes.

Retail operations are ineligible for ad valorem tax exemptions, including a retail business presently in or locating to an enterprise zone.
4. Consideration - The Board of County Commissioners has complete discretion on whether to support or not to support granting an exemption. The Board of County Commissioners must take into account, as defined in 196.012 Florida Statutes, the following with respect to granting the exemption:
 - (A) The total number of net new jobs to be created by the applicant;
 - (B) The average wage of the new job;
 - (C) The capital investment to be made by the applicant;
 - (D) The type of business or operation and whether it qualifies as a Target Industry as defined by the Board of County Commissioners;
 - (E) The environmental impact of the proposed business or operation;
 - (F) The extent to which the applicant intends to source its supplies and materials within Palm Beach County;
 - (G) Any other economic related characteristics or criteria deemed necessary by the Board of County Commissioners.
5. Expansion of an Existing Business - As primarily defined in Section 196.012(16), Florida Statutes.
6. New Business - As primarily defined in Section 196.012(15), Florida Statutes, a new business means.
7. Tax Roll - The exemptions shall not accrue to improvements to real property made by or for the use of new or expanding businesses when such improvements have been included on the tax rolls prior to the effective date of the ordinance specifically granting a business an exemption.
8. Assessed Value - Any exemption granted may apply up to one hundred (100%) percent of the assessed value of all improvements to real property made by or for the use of a new business and of all tangible personal property of such new business, or up to one hundred (100%) percent of the assessed value of all added improvements to real property made to facilitate the expansion of an existing business and of the net increase in all tangible personal property acquired to facilitate such expansion of an existing business, provided that the improvements to real property are made or the tangible personal property is added or increased on or after the effective date of the ordinance specifically granting a business an exemption.
9. Land - No exemption shall be granted for the land upon which new or expanded businesses are to be located.
10. Palm Beach County Taxes - The exemption applies only to taxes levied by Palm Beach County, where Palm Beach County is the taxing authority. The exemption does not apply to taxes levied by a municipality, school district, or water management district, or to taxes levied for the payment of bonds or taxes authorized by a vote of the electors pursuant to Section 9 and Section 12, Article VII of the State Constitution.
11. Substantially Completed - The Property Appraiser does not use the Certificate of Occupancy (CO) date in deciding whether a new building, expansions or renovations are assessed for any given year. The Property Appraiser goes by whether it is "substantially completed," which is defined as: Improvements to real property shall be substantially completed when the improvement or some self-sufficient unit within it can be used for the purpose for which it was constructed.

COPY

Attachment # 1

12. Glades Area – Special consideration shall be given to new business/expansion of existing business in the Glades Area. This area is geographically defined as the Urban Service Area as delineated in the Palm Beach County Comprehensive Plan and includes the communities of Belle Glade, South Bay and Pahokee.
13. Formal Application Submittal – The formal exemption application, including the application fee, must be fully filled out, signed and submitted to the Palm Beach County Department of Economic Sustainability on or before March 1 of the year the exemption is desired. The submitted application must include the Exemption Application Form PB-418, the Application Addendum, the State of Florida Tangible Personal Property Tax Return Form DR-405, and other supplemental information. During the application review process, in the event that the applicant is requested by County staff to clarify and to provide additional data, the applicant will be required to provide such clarification and/or additional information in a timely manner.

NOTICE: The exemption program packet that includes an application can be obtained from:

PALM BEACH COUNTY DEPARTMENT OF ECONOMIC SUSTAINABILITY
100 Australian Avenue, Suite 500, West Palm Beach, FL 33408
(561) 233-3600 Fax: (561) 233-3651
www.pbccgov.com/DES/

* Program Criteria was approved by Board of County Commissioners on June 22, 2004, and Amended on December 18, 2012.

Palm Beach County Appraiser
Attn. Appraiser's Office
301 N Olive Ave 5th Fl
West Palm Beach, FL 33401

TANGIBLE PERSONAL PROPERTY TAX RETURN

CONFIDENTIAL

DR-405, R. 12/11
Rule 12D-16.002, F.A.C.
Effective 11/12

Return to property appraiser by April 1 to avoid penalty.

Palm Beach County Tax Year 2017

Business name (DBA - Doing Business As) and mailing address:

DBA: Pratt & Whitney
c/o Tax Dept. - 8FS-2, 8 Farm Springs Road
Farmington, CT 06032

Federal Employer Identification Number 06-0570975

NAICS 336412

Enter your account number, name, and address below. Mail this form to your County Property Appraiser.

Account number NEW PROJECT BLINK ABATEMENT

Name and address

Pratt & Whitney

c/o Tax Dept. - 8FS-2, 8 Farm Springs Road

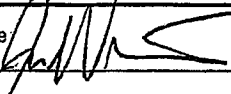
Farmington, CT 06032

COPY

If name and address is incorrect, please make needed corrections

1. Owner or Person in charge <u>Jason A. Williams</u> Phone <u>(860) 728-6431</u> Business/corporate name <u>Pratt & Whitney US</u>	6. Type or nature of your business: <u>Aerospace Aircraft Manufacturing</u> Trade levels (check all that apply) <input type="checkbox"/> Retail <input type="checkbox"/> Wholesale <input checked="" type="checkbox"/> Manufacturing <input type="checkbox"/> Professional <input type="checkbox"/> Service <input type="checkbox"/> Agricultural <input type="checkbox"/> Leasing/rental <input type="checkbox"/> Other, specify:		
2. Physical Location (no PO Boxes) <u>West Palm Beach 17900 Beeline Hwy, Jupiter, FL 33410</u>	7. Did you file a TPP return in this county last year? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Name and location <u>Pratt & Whitney, 17900 Beeline Highway</u>		
3. Do You File a TPP tax return under any other name? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Name on most recent return or tax bill	8. Former owner of business		
4. Date you began business in this county <u>25+ Years</u>	9. If sold, to whom? Date Sold		
5. Fiscal year <u>December 31</u> If before 12/31 last year, does this return reflect additions/deletions through Dec 31? <input type="checkbox"/> Yes <input type="checkbox"/> No			
Personal Property Summary Schedule - Enter totals from page 2 or from an attached itemized list or depreciation schedule with original cost and date of acquisition.			
10. Office furniture, office machines, and library	Taxpayer's Estimate of Fair Market Value	Original Installed Cost	For Property Appraiser Use Only
11. EDP equipment, computers, and word processors			
12. Store, bar and lounge, and restaurant furniture, equipment, etc.			
13. Machinery and manufacturing equipment	7,737,097	8,409,888	
14. Farm, grove, and dairy equipment			
15. Professional, medical, dental, and laboratory equipment			
16. Hotel, motel, and apartment complex			
16a. Rental units (stove, refrigerator, furniture, drapes, and appliances)			
17. Mobile home attachments (carport, utility building, cabana, porch, etc.)			
18. Service station and bulk plant equipment (underground tanks, lifts, tools)			
19. Signs (billboard, pole, wall, portable, directional, etc.)			
20. Leasehold improvements - grouped by type, year of installation, and description			
21. Pollution control equipment			
22. Equipment owned by you but rented, leased or held by others			
23. Supplies not held for resale			
24. Other, specify:			
TOTAL PERSONAL PROPERTY		7,737,097	8,409,888

I declare that I have read this tax return and the accompanying schedules and statements. The facts in them are true. If prepared by someone other than the taxpayer, the preparer signing this return certifies that this declaration is based on all information he or she has knowledge of.

Signature taxpayer 	Jason A. Williams Print name	Manager, Tax Title	2/28/17 Date	<input type="checkbox"/> \$25,000 <input type="checkbox"/> Widowed <input type="checkbox"/> Blind <input type="checkbox"/> Total disability <input type="checkbox"/> Other, specify	Less Exemptions Taxable Value Penalties
Signature preparer	Print name	Preparer ID	Date		
Address c/o Tax Dept - 8FS2, 8 Farm Springs Road Farmington, CT 06032		Phone 860-728-6431		Signature, deputy Date	

Sign and date your return, send the original to the county property appraiser's office by April 1. Unsigned returns cannot be accepted by the appraiser's office. If you are entitled to a widow's, widower's, or disability exemption on personal property (not already claimed on real estate), consult your appraiser.

Continued on page 2

Non-exempt Owned Personal Property Detail


LINE 13

DESCRIPTION OF ITEM ASSET #	AGE	YEAR ACQUIRED	TAXPAYER'S ESTIMATE OF FAIR MARKET VALUE	CONDITION	ORIGINAL INSTALLED COST	APPRAISER'S USE ONLY CONDITION	
APU Test Cell #1 Data & Control System, Test Structures WPB, 1124121	1	2016	1,549,070.07		1,683,771.82		
APU Test Cell #2 Data & Control System, Test Structures WPB, 1124122	1	2016	1,453,836.42		1,580,256.98		
APU Test Cell #3 Data & Control System, Test Structures WPB, 1124123	1	2016	1,464,162.11		1,591,480.55		
APU Test Cell #4 Data & Control System, Test Structures WPB, 1124124	1	2016	1,452,592.70		1,578,905.11		
APU Test Cell #1 Mechanical Systems, Test Structures WPB, 1124125	1	2016	46,592.42		50,643.93		
APU Test Cell #2 Data & Control System, Test Structures WPB, 1124126	1	2016	46,592.42		50,643.93		
APU Test Cell #3 Data & Control System, Test Structures WPB, 1124127	1	2016	46,592.42		50,643.93		
APU Test Cell #4 Data & Control System, Test Structures WPB, 1124128	1	2016	46,592.42		50,643.93		
APU Fuel Farm, Test Structures WPB, 1124129	1	2016	14,856.17		16,148.01		
APU STE - Model PH47C3, Test Structures WPB, 1124130	1	2016	90,166.78		98,007.37		
APU STE - Model T-63-2B, Test Structures WPB, 1124131	1	2016	1,614.52		1,754.91		
APU STE - Model T-62T-46-2 (V22), Test Structures WPB, 1124132	1	2016	31,755.60		34,516.96		
APU STE - Model T-62T-46C12, Test Structures WPB, 1124133	1	2016	11,937.18		12,975.20		
APU STE - Model T-62T-46LC-1 (JAS39), Test Structures WPB, 1124134	1	2016	447.42		486.33		
APU STE - Model TJ-150-1, Test Structures WPB, 1124135	1	2016	1,177.52		1,279.91		
APU Test Cell Equipment (#5/#6 Mechanical Systems), Test Structures WPB, 1124136	1	2016	17,267.30		18,768.80		
APU Fuel Farm, Test Structures WPB, 1124137	1	2016	7,467.02		8,116.33		
APU Test Cell #5 Data & Control System, Test Structures WPB, 1124138	1	2016	1,454,376.84		1,580,844.39		
Total LINE 13			7,737,097.33		8,409,888.39		

Pratt & Whitney - Project Blink
Economic Development Ad Valorem Property Tax Exemption
DR-418 / DR-405 Support: Description of assets

<u>Asset Number</u>	<u>Cap. Date</u>	<u>Asset Description</u>	<u>Cost/Acquisition Value</u>	<u>Classification</u>
<u>TANGIBLE PERSONAL PROPERTY:</u>				
1124121	11/28/2016	APU Test Cell #1 Data & Control System	1,683,771.82	Personal
1124123	11/28/2016	APU Test Cell #3 Data & Control System	1,591,480.55	Personal
1124138	11/28/2016	APU Test Cell #5 Data & Control System	1,580,844.39	Personal
1124122	11/28/2016	APU Test Cell #2 Data & Control System	1,580,256.98	Personal
1124124	11/28/2016	APU Test Cell #4 Data & Control System	1,578,905.11	Personal
1124130	11/28/2016	APU STE - Model PH47C3	98,007.37	Personal
1124125	11/28/2016	APU Test Cell #1 Mechanical Systems	50,643.93	Personal
1124126	11/28/2016	APU Test Cell #2 Data & Control System	50,643.93	Personal
1124127	11/28/2016	APU Test Cell #3 Data & Control System	50,643.93	Personal
1124128	11/28/2016	APU Test Cell #4 Data & Control System	50,643.93	Personal
1124132	11/28/2016	APU STE - Model T-62T-46-2 (V22)	34,516.96	Personal
1124136	11/28/2016	APU Test Cell Equipment (#5/#6 Mechanical Systems)	18,768.80	Personal
1124129	11/28/2016	APU Fuel Farm	16,148.01	Personal
1124133	11/28/2016	APU STE - Model T-62T-46C12	12,975.20	Personal
1124137	11/28/2016	APU Fuel Farm	8,116.33	Personal
1124131	11/28/2016	APU STE - Model T-63-2B	1,754.91	Personal
1124135	11/28/2016	APU STE - Model TJ-150-1	1,279.91	Personal
1124134	11/28/2016	APU STE - Model T-62T-46LC-1 (JAS39)	486.33	Personal
TOTAL TANGIBLE PERSONAL PROPERTY			<u>\$ 8,409,888.39</u>	
<u>REAL ESTATE:</u>				
1124140	11/28/2016	APU Test Building	9,844,136.52	Real
1124139	11/28/2016	APU Test Building	5,071,245.47	Real
TOTAL REAL ESTATE			<u>\$ 14,915,381.99</u>	
<u>ASSETS UNDER CONSTRUCTION:</u>				
4723048		Test Cells	2,503,120.61	AUC
4723874		K Clean Line	3,837,157.43	AUC
4723875		Development and Assembly	88,668.30	AUC
4723876		Engine Center	1,253,259.69	AUC
4724046		2015APU-01 3rd Floor Office Fit Out	1,572,439.57	AUC
TOTAL ASSETS UNDER CONSTRUCTION			<u>\$ 9,254,645.60</u>	
GRAND TOTAL OF ALL PROPERTY			<u><u>\$ 32,579,915.98</u></u>	

EXHIBIT "B"
ECONOMIC DEVELOPMENT AD VALOREM TAX EXEMPTION
Chapter 196.1995, Florida Statutes

Business Name:		United Aircraft Corporation (Pratt & Whitney - Project Blink)							
PCN	00-40-41-13-00-000-3010	Tangible Account No.	214949						
Property Appraiser's Use Only									
<p>I. Total revenue available to the county or municipality for the current fiscal year from ad valorem sources:</p> <p><u>\$788,985,435</u> \$165,007,933,871 x 0.0047815 (2016 millage)</p>									
<p>II. Revenue lost to the county or municipality for the current fiscal year by virtue of exemptions previously granted under this section:</p> <p><u>\$208,544</u> \$43,814,842 x 0.0047815 (2016 millage)</p>									
<p>III. Estimate of the revenue which would be lost to the county or municipality during the current fiscal year if the exemption applied for were granted and the property for which the exemption is requested would otherwise have been subject to taxation:</p> <p><u>\$50,892</u> \$10,643,506 x 0.0047815 (2016 millage)</p>									
<p>IV. Estimate of the taxable value lost to the county or municipality if the exemption applied for were granted:</p> <table style="width: 100%; margin-left: 200px;"> <tr> <td style="width: 60%;">Improvements to Real Property:</td> <td style="width: 40%; text-align: right;">\$4,251,990</td> </tr> <tr> <td>Personal Property:</td> <td style="text-align: right;">+ \$6,391,516</td> </tr> <tr> <td style="text-align: center;">TOTAL</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">\$10,643,506</td> </tr> </table>				Improvements to Real Property:	\$4,251,990	Personal Property:	+ \$6,391,516	TOTAL	\$10,643,506
Improvements to Real Property:	\$4,251,990								
Personal Property:	+ \$6,391,516								
TOTAL	\$10,643,506								
<p>V. I have determined that the property listed above meets the definition, as defined by Section 196.012 (15) or (16), Florida Statutes, as a</p> <p> <input type="checkbox"/> New Business <input checked="" type="checkbox"/> Expansion of an Existing Business <input type="checkbox"/> Neither </p>									
<p>VI. Last year for which exemption may be applied: <u>2026</u></p>									
<p>DATE <u>3-22-17</u></p>		<p>SIGNATURE <u></u></p> <p style="text-align: center;">Dorothy Jacks, Palm Beach County Property Appraiser</p>							

APPLICATION TO BE FILED NOT LATER THAN MARCH 1st

11/28/2016

**Pratt & Whitney - Project Blink
Economic Development Ad Valorem Property Tax Exemption
DR-418 / DR-405 Support: Description of assets**

<u>Asset Number</u>	<u>Cap. Date</u>	<u>Asset Description</u>	<u>Cost/Acquisition Value</u>	<u>Classification</u>
<u>TANGIBLE PERSONAL PROPERTY:</u>				
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1124138	11/28/2016	APU Test Cell #5 Data & Control System	1,580,844.39	Personal
1124122	11/28/2016	APU Test Cell #2 Data & Control System	1,580,256.98	Personal
1124124	11/28/2016	APU Test Cell #4 Data & Control System	1,578,905.11	Personal
1124130	11/28/2016	APU STE - Model PH47C3	98,007.37	Personal
1124125	11/28/2016	APU Test Cell #1 Mechanical Systems	50,643.93	Personal
1124126	11/28/2016	APU Test Cell #2 Data & Control System	50,643.93	Personal
1124127	11/28/2016	APU Test Cell #3 Data & Control System	50,643.93	Personal
1124128	11/28/2016	APU Test Cell #4 Data & Control System	50,643.93	Personal
1124132	11/28/2016	APU STE - Model T-62T-46-2 (V22)	34,516.96	Personal
1124136	11/28/2016	APU Test Cell Equipment (#5/#6 Mechanical Systems)	18,768.80	Personal
1124129	11/28/2016	APU Fuel Farm	16,148.01	Personal
1124133	11/28/2016	APU STE - Model T-62T-46C12	12,975.20	Personal
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1124131	11/28/2016	APU STE - Model T-63-2B	1,754.91	Personal
1124135	11/28/2016	APU STE - Model TJ-150-1	1,279.91	Personal
1124134	11/28/2016	APU STE - Model T-62T-46LC-1 (JAS39)	486.33	Personal
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<u>REAL ESTATE:</u>				
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TOTAL REAL ESTATE			\$ 14,915,381.99	
<u>ASSETS UNDER CONSTRUCTION:</u>				
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4723876		Engine Center	1,253,259.69	AUC
4724046		2015APU-01 3rd Floor Office Fit Out	1,572,439.57	AUC
TOTAL ASSETS UNDER CONSTRUCTION			\$ 9,254,645.60	
GRAND TOTAL OF ALL PROPERTY			\$ 32,579,915.98	

Economic Development Incentive Agreement

THIS AGREEMENT, dated as of this day of APR 04 2017, by and between **PALM BEACH COUNTY**, a political subdivision of the State of Florida, (hereinafter the "COUNTY") and **Pratt & Whitney, a division of United Technologies Corporation**, a for-Profit Delaware corporation, whose Federal I.D. Number is 06-0570975 (hereinafter the "COMPANY").

**PART I
RECITALS**

WHEREAS, it is the policy of the COUNTY to encourage and stimulate economic growth in Palm Beach County by either attracting new businesses to Palm Beach County or by assisting local expanding businesses within Palm Beach County that would otherwise expand elsewhere; and

WHEREAS, the creation of new full time employment opportunities for residents of Palm Beach County and the tax revenues resulting from business relocation or expansion within Palm Beach County is beneficial to the local economy; and

WHEREAS, the State of Florida has determined that counties may expend funds to attract and retain business enterprises, and that the use of public funds toward the achievement of such economic development goals constitutes a public purpose; and

WHEREAS, the COUNTY has determined that offering an Economic Development Incentive encourages either existing businesses to remain and/or expand, or new businesses to establish a facility in Palm Beach County and thereby create employment opportunities for the residents of Palm Beach County; and

WHEREAS, pursuant to COUNTY's conceptual approval of this Agreement as of August 19, 2014, the COMPANY has built a plant in Jupiter which serves as an expansion of its existing Palm Beach County Operations. The COMPANY made a \$25 million capital investment for the construction of this 35,000 sq. ft. plant, and created 110 new permanent full-time jobs over three (3) years at an annualized average wage of \$84,892 and an annual median wage of \$75,000, and will retain the new jobs for five (5) years from the date each job was created; and

WHEREAS, the State of Florida has agreed to provide \$880,000 from the Quick Action Closing Fund (QACF) and \$770,000 in a form of Qualified Target Industry (QTI) Tax Refund for the COMPANY, and has entered into agreements for both (the "State Agreements"), both of which require local financial support; and

WHEREAS, the Board of County Commissioners on August 19, 2014, conceptually approved (R-2014-1223) an incentive in the form of an Ad Valorem Tax Exemption Grant to COMPANY in an amount not to exceed \$650,000 over a six (6) year period.

WHEREAS, the COUNTY finds and declares that it is in the public interest to award an Economic Development Incentive to the COMPANY pursuant to the terms of this Agreement.

NOW, THEREFORE, in consideration of the promises and mutual covenants hereinafter contained, the parties agree as follows:

**PART II
DEFINITIONS**

1. **Definitions:** The below terms as used in this Agreement shall mean:
 - A. **New Job:** Shall include an employee in a full time job working a minimum of 1,820 hours annualized (inclusive of vacation, holidays, sick leave, and other paid

activities), a Full Time Equivalent Job, or a Relocated Employee. Each New Job shall also:

- (1) Result in a net increase in the number of the COMPANY'S Palm Beach County employees; and
 - (2) Involve only an employee working on-site at the COMPANY'S Palm Beach County facilities at the addresses shown in Exhibit "A" attached hereto and made a part hereof.
- B. Full Time Equivalent Job: Shall mean any two or more part-time employees whose sum total work hours, inclusive of vacation and holidays, equals 1,820 hours annualized. Notwithstanding the foregoing, the 1,820 hours annualized shall be determined pursuant to the job requirement of the employee, and not the actual number of hours clocked at work, allowing for vacation, holiday and sick leave.
- C. Relocated Employee: Shall mean either an employee in a full time job working a minimum of 1,820 hours annualized (inclusive of vacation and holidays), or a Full Time Equivalent Job that is identified on the COMPANY'S payrolls, in each case, who transferred to the COMPANY'S facilities in Palm Beach County from COMPANY'S facilities in a location other than one located in a county adjacent to the borders of Palm Beach County. Notwithstanding any provision in this Agreement to the contrary, for all purposes under this Agreement it shall be deemed that any employee in a full time job working a minimum of 1,820 hours annualized (inclusive of vacation and holidays), or a Full Time Equivalent Job that is identified on the COMPANY'S payrolls, in each case, who transferred to the COMPANY'S facilities in a location other than one located in a county adjacent to the borders of Palm Beach County prior to the Effective Date for the purpose of effectuating COMPANY'S facilities in Palm Beach County is a Relocated Employee deemed to have transferred to Palm Beach County after the Effective Date and shall constitute a New Job.
- D. Annualized Average Wage: The average of the actual annual wage, salaries, and other payments for Full Time Equivalent Jobs to be created under this Agreement as follows:
- wages; salaries; commissions; bonuses; drawing accounts (advances to employees against future earnings); prizes and awards (if given by employer for employment); vacation pay; payment to employees of difference between regular pay and jury pay; payments to employees temporarily absent while in military service; wages earned before death but paid after death; dismissal pay; sick pay (not made under a plan or system); and supplemental payments (difference between workers' compensation and employee's salary).
- F. Median Wage: Shall mean the annual wage that is the exact middle of all annual wages. It shall be determined by taking the middle annual wage on the list if an odd number of annual wages, and if an even number, taking the higher of the middle numbers and considering it the median.

PART III WHOLLY OWNED SUBSIDIARIES

1. Establishment of Wholly Owned Subsidiaries: The COMPANY may create or purchase wholly owned subsidiaries in connection with activities undertaken by the COMPANY pursuant to this Agreement. All wholly owned subsidiaries, thus created or purchased, shall be under the full control of the COMPANY, and the COMPANY shall oblige all such wholly owned subsidiaries to comply with the requirements of this Agreement as provided for herein.
2. Notification of Wholly Owned Subsidiaries: The COMPANY shall, within thirty (30) days of creation or purchase of wholly owned subsidiaries in connection with this Agreement, notify the COUNTY in writing of such wholly owned subsidiaries by divulging

to the COUNTY the name of such entities and the location of the entities' facilities, and the COMPANY shall provide the COUNTY, to the COUNTY'S satisfaction, documentation evidencing the COMPANY'S full control of such wholly owned subsidiaries.

3. **Acceptance of Jobs Created by Subsidiaries:** The parties agree that all jobs created and maintained by the COMPANY'S wholly owned subsidiaries that satisfy the requirements of paragraphs 1 and 2 of this Part III will be treated pursuant to this Agreement as jobs created and maintained by the COMPANY. COMPANY agrees that this Agreement is solely between COMPANY and COUNTY and COUNTY has the right, in its sole and absolute discretion to reject or accept any or all jobs created by COMPANY'S wholly owned subsidiaries.

PART IV COMPANY'S OBLIGATIONS

1. **Job Creation:** The COMPANY shall create 110 New Jobs within three (3) years of the Effective Date.

2. **New Job Maintenance:** The COMPANY shall maintain the required New Jobs for a period of five (5) years from the date each New Job was created.

3. **Salaries:** The COMPANY shall pay an annualized average wage per annum equal to or greater than **\$84,892** excluding benefits, for each New Job created under this Agreement. The COMPANY shall pay a median wage per annum for the New Jobs equal to or greater than **\$75,000**, excluding benefits.

4. **Capital Investment:** The COMPANY shall provide proof that they have made a minimum total Capital Investment of \$25 Million at the address shown on Exhibit "A" attached hereto and made a part hereof.

PART V Performance Period

1. **Effective Date:** This Agreement is expressly contingent upon the approval of the Palm Beach County Board of County Commissioners and the execution by all parties. Upon such approval and execution, the Effective Date of this Agreement shall be as of the date of conceptual approval by the Palm Beach County Board of County Commissioners (August 19, 2014).

2. **Termination Date:** Unless earlier terminated according to the terms of this Agreement, this Agreement shall terminate sixty-six (66) months after the creation of the 110th New Job or upon completion of the Ad Valorem Tax Exemption as set forth in Part VI below, whichever date occurs last.

PART VI INCENTIVE AMOUNTS

1. **Ad Valorem Tax Exemption:** The COMPANY has been conceptually approved to receive an Ad Valorem Tax Exemption not to exceed **\$650,000** over a **six (6)** year period in consideration of the capital investments, existing jobs retained, new jobs created and maintained and average annual wage memorialized under this Agreement. This conceptual approval was contingent upon the determination that the project meets the requirements under Florida Statute 196.012 for an Ad Valorem Tax Exemption.

The COMPANY will be required to submit a Formal Application for Ad Valorem Tax Exemption on the application entitled "Economic Development Ad Valorem Property Tax Exemption, Chapter 196.1933, Florida Statutes Form 418" by March 1st in the year that the exemption is desired to take effect. This application will be reviewed by the Palm Beach County Property Appraiser for eligibility as outlined in the County's Ordinance No. 2012-042.

The COMPANY, if eligible, will be granted an Ad Valorem Tax Exemption for 100% of the assessed value of all qualifying tangible personal property acquired and added improvements to real property for an amount not to exceed **\$650,000** over a six (6) year period excluding land taxes levied by Palm Beach County, where Palm Beach County is the taxing authority. The exemption does not apply to taxes levied by a municipality, school district, or water management district, or to taxes levied for the payment of bonds or taxes authorized by a vote of the electors.

2. Revocation of Ad Valorem Tax Exemption: Should the COMPANY fail to file the annual report with the Board on or before March 1st of each year the exemption has been granted as required by the Ad Valorem Tax Exemption Ordinance, or fail to continue to meet the definition of a new business or an expansion of an existing business, and/or fail to fulfill any other representation made to the Board during the application process, including the creation and maintenance of the total number of new jobs and the retention of existing jobs identified by the COMPANY in the application (Exhibit "A"), the Board may adopt an ordinance revoking the Ad Valorem Tax Exemption.

The revocation of the Ad Valorem Tax Exemption may occur if the COMPANY fails to fulfill its obligations as provided for under the ordinance granting the COMPANY an exemption. The effective date for revocation of the exemption will be identified in the ordinance.

Upon revocation, the Board shall immediately notify the Property Appraiser.

For any year that taxes may have been exempted and the Board finds that the COMPANY was not entitled to the exemption, such taxes may be recovered and the Property Appraiser will assist the Board to recover any taxes exempted. The Board may recover taxes exempted throughout the term of the Agreement.

Should the COMPANY fail to file the annual exemption renewal application with the Property Appraiser on or before March 1st of each year the exemption has been granted as required in the Ad Valorem Tax Exemption Ordinance and in accordance with Chapter 196.011(1) (a), Florida Statutes, or fail to continue to meet the definition of a new business or an expansion of an existing business, the Property Appraiser may deny the exemption in accordance with Chapter 196.193(3), Florida Statutes.

Nothing herein shall prohibit the COMPANY from reapplying for an ad valorem tax exemption pursuant to State law.

PART VII ADVERTISING, RECRUITING AND JOB INFORMATION

1. Job Advertising: In the event the COMPANY shall undertake advertising of job openings in Palm Beach County, COMPANY will provide sufficient notice to Palm Beach County's residents concerning the availability of COMPANY'S new positions. The advertising regarding the new jobs at COMPANY'S facilities in Palm Beach County must be countywide, include Hispanic and Minority news venues, and not limited to a single advertisement. Advertising jobs on the COMPANY'S website or other internet sites shall fulfill this requirement.

2. Job Availability: The COMPANY shall cooperate with the following agencies regarding new job opportunities:

- A. CareerSource Palm Beach County
3400 Belvedere Road
West Palm Beach, FL 33406
Attention: Executive Director
- B. West Career Center
1083 South Main Street
Belle Glade, FL 33430

3. **Low-income Residents:** The COMPANY shall make best efforts to provide qualified low-income residents opportunities for training and employment at the COMPANY.
4. **Resident Preference:** The COMPANY shall, without risk of violating any laws, make best efforts to develop and implement hiring policies that provide qualified Palm Beach County residents preference in the hiring process.
5. **Veterans Preference:** The COMPANY shall, without violating any laws, make best efforts to develop and implement hiring policies that provide qualified Veterans preference in the hiring process.
6. **Local Businesses:** The COMPANY shall, without risk of violating any laws, make reasonable efforts to award contracts in connection with this Agreement to qualified eligible business concerns located in or owned in substantial part of by persons residing in Palm Beach County.
7. **Transportation To And From Job Location:** The COMPANY shall make the following information available to employees it hires by posting such information on its web site or by providing in written form:
 - A. The bus stop location closest to COMPANY'S offices;
 - B. The name and location of Tri-Rail train station closest to COMPANY'S offices;
 - C. Information about COMPANY'S car pool programs (if they exist); and
 - D. Directions to COMPANY'S offices from Interstate 95.

PART VIII AUDITS AND REPORTS

1. **Annual Job Creation and Maintenance Reports:** The COMPANY shall provide the COUNTY'S Department of Economic Sustainability with an Annual Job Creation and Maintenance Report, satisfactory to the COUNTY in its sole discretion, acting reasonably, verifying the COMPANY'S compliance with the requirements of PART IV of this Agreement. Such Annual Job Creation and Maintenance Report shall comply with the following:
 - A. Identify each job created and the date it was created
 - B. Identify each job created and the duration of its maintenance period to date
 - C. Report on the annualized average wage for New Jobs that were created
 - D. Report on the median wage for New Jobs that were created
 - E. Report on the number of Palm Beach County residents hired to date
 - F. Annual Job Creation and Maintenance Report shall be submitted to the COUNTY'S Department of Economic Sustainability by the anniversary of the Effective Date of this Agreement. The Parties recognize that the reports for the years 2015 and 2016 have been submitted to and received by the COUNTY.
2. **Final Job Creation and Maintenance Performance Audit:** The COMPANY shall provide the COUNTY'S Department of Economic Sustainability a written Final Job Creation and Maintenance Performance Audit (hereinafter "Audit") satisfactory to the COUNTY in its sole discretion, acting reasonably, verifying the COMPANY'S compliance with the requirements of PART IV of this Agreement. Such Audit, which shall be prepared at the COMPANY'S sole cost and expense, shall comply with the following:

- A. The Audit shall be conducted and prepared by a Certified Public Accountant (CPA) according to standards established by the American Institute of Certified Public Accountants and shall be submitted on the CPA's letterhead.
- B. The CPA shall "examine" the COMPANY'S records, statements, and schedules and those of all wholly owned subsidiaries created or purchased by the COMPANY in connection with this Agreement, to verify the accuracy of the number of New Jobs created and maintained as required in Part IV of this Agreement, and to verify the annualized average wage for the New Jobs. The CPA shall express a written "opinion" in the Audit regarding the number of New Jobs created in compliance with this Agreement and the annualized average wage for these New Jobs.
- C. The CPA's report shall include examining evidence supporting the COMPANY'S schedules of New Jobs and the annualized average wage of the New Jobs and those of the wholly owned subsidiaries stated immediately above.
- D. The CPA's report must provide the annualized average wage and the median wage for the below categories:
 - (1) All New Jobs: Identify the annualized average wage and the median wage of all New Jobs including all exempt and non-exempt employees and all officers and senior corporate executives that are included in the number of New Jobs to be created as required by this Agreement.
 - (2) New Jobs Only: Identify the annualized average wage and the median wage of all New Jobs as stated above, excluding from these calculations the average annual salary of all officers and senior corporate executives.
- E. The accuracy of the number, hire dates and annualized average wages and the median wage of all New Jobs as represented by the COMPANY shall be verified in the Audit by the CPA to the COUNTY'S satisfaction.
- F. The Audit may be performed in conjunction with other auditing services.
- G. A report by a CPA that is a "review or agreed-upon procedures report" on the COMPANY'S representations shall not be deemed to meet the Audit requirements of this Agreement.
- H. The Audit shall be submitted to the COUNTY'S Department of Economic Sustainability within sixty-three (63) months from the date the last New Job was created.

PART IX GENERAL CONDITIONS

- 1. **Obligation and Annual Appropriation**: The COUNTY'S obligation to pay under this Agreement is contingent upon annual appropriation for its purpose by the COUNTY. To the extent the annual appropriation amount is reduced, the corresponding obligation of the COMPANY shall be similarly and proportionately reduced. The COUNTY'S obligation to pay under this Agreement is also contingent upon the COMPANY having an active agreement, in good standing, with the State, and termination of or default under that agreement may result in termination of this Agreement by the COUNTY.
- 2. **Non-Discrimination**: The COMPANY acknowledge that it is the express policy of the Board of County Commissioners of Palm Beach County, Florida that the County shall not conduct business with nor appropriate any funds to any organization that practices discrimination on the basis of race, color, ancestry, disability, national origin, religion, age, familial status, marital status, sex, gender, sexual orientation, gender identity and expression, or genetic information. In compliance with the COUNTY'S requirements, the COMPANY have either submitted a copy of their written non-discrimination policies which are consistent

with Resolution R-2014-1421 and the policy detailed above, or have submitted executed statements affirming that their non-discrimination policy is in conformance with Resolution R-2014-1421 and the policy detailed above.

In furtherance of such policy, the COMPANY shall not, on the basis of race, color, ancestry, disability, national origin, religion, age, familial status, marital status, sex, gender, sexual orientation, gender identity and expression, or genetic information, exclude any person from the benefits of, or subject any person to discrimination under, any activity carried out by the performance of this Agreement. Upon receipt of evidence of such discrimination, the COUNTY shall have the right to terminate this Agreement.

3. **Workers' Compensation and Employers' Liability:** The COMPANY shall maintain Workers' Compensation Insurance & Employers' Liability in accord with Florida Statutes Chapter 440 for all jobs set forth in this Agreement. Coverage shall be provided on a primary and noncontributory basis.
4. **Convicted Vendor List:** As provided in F.S. 283.132-133, by entering into this Agreement or performing any work in furtherance hereof, the COMPANY certify that they, and their subsidiaries who will perform hereunder, have not been placed on the Convicted Vendor List maintained by the State of Florida Department of Management Services within thirty-six (36) months immediately preceding the date of execution of this Agreement by the COUNTY. This notice is required by F.S. 283.133(3) (a).
5. **Successors and Assigns:** The COUNTY and the COMPANY each binds itself and its partners, wholly owned subsidiaries, successors, executors, administrators and assigns to the other party and to the partners, wholly owned subsidiaries, successors, executors, administrators and assigns of such other party, in respect to all covenants of this Agreement. Except as above, neither the COUNTY nor the COMPANY shall assign, sublet, convey or transfer its interest in this Agreement without the prior written consent of the other. Nothing herein shall be construed as creating any personal liability on the part of any officer or agent of the COUNTY, nor shall it be construed as giving any rights or benefits hereunder to anyone other than the COUNTY and the COMPANY. In the event that the COUNTY determines that the COMPANY are in violation of this paragraph, the COUNTY shall have the right to terminate this Agreement.
6. **Name Change:** Within fifteen (15) calendar days of the COMPANY changing the name of the COMPANY, the COMPANY shall provide the COUNTY written notice regarding this change to COMPANY'S names.
7. **Material Change of Circumstances:** The COMPANY shall immediately notify the COUNTY of any material change of circumstances for the COMPANY'S business operations in Palm Beach County. For the purposes hereof, material change of circumstance shall include, but not be limited to, the failure of the COMPANY to diligently and actively pursue fulfillment of the terms hereof, the sale or transfer of COMPANY'S assets for the benefit of creditors, COMPANY'S relocation outside of Palm Beach County, the suspension, closing or cessation of operation of the COMPANY, voluntary or involuntary bankruptcy or an assignment for the benefit of the COMPANY'S creditors. In the event of a material change of circumstances, the COUNTY shall have the right to terminate this Agreement, whereupon the COUNTY shall have no further obligation to the COMPANY under this Agreement.
8. **Entire Agreement Between Parties:** The COUNTY and the COMPANY agree that this Agreement sets forth the entire agreement between the parties, and that there are no promises or understandings other than those stated herein. None of the provisions, terms and conditions contained in this Agreement may be added to, modified, superseded or otherwise altered, except by written instrument executed by the parties hereto. No provision of this Agreement is intended to, or shall be construed to create any third party beneficiary or to provide any rights to

any person or entity not a party to this Agreement, including but not limited to any citizen or employees of the COUNTY and/or COMPANY.

9. **Waiver:** If the COUNTY shall waive any provisions of the Agreement, or shall fail to enforce any of the conditions or provisions of this Agreement, such waiver shall not be deemed to be a continuing waiver and shall never be construed as such; and the COUNTY shall thereafter have the right to insist upon the enforcement of such conditions or provisions.
10. **Invalid or Unenforceable Terms:** If any term or provision of this Agreement, or the application thereof to any person or circumstances shall, to any extent, be held invalid or unenforceable, the remainder of this Agreement, or the application of such terms or provision, to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected, and every other term and provision of this Agreement shall be deemed valid and enforceable to the extent permitted by law.
11. **Performance Time and Liability:** The parties expressly agree that time is of the essence in this Agreement and the failure by a party to complete performance within the time specified, or within a reasonable time if no time is specified herein, shall, at the option of the other party without liability, in addition to any other rights or remedies, relieve the other party of any obligation to accept such performance.
12. **Defaults:** The occurrence of any one or more of the following events shall constitute a Default hereunder:
 - A. Vacating, abandoning, or closing the COMPANY'S business operations in Palm Beach County.
 - B. Relocating the COMPANY'S business operations in Palm Beach County outside Palm Beach County.
 - C. Failure of the COMPANY to submit an acceptable form of performance security to the COUNTY and to maintain the security in effect for the period set forth in this Agreement.
 - D. Failure of the COMPANY to create the number of New Jobs as required in this Agreement.
 - E. Failure of the COMPANY to maintain the required number of New Jobs for the entire Maintenance Period.
 - F. Failure of the COMPANY to make the capital investments required.
 - G. Failure of the COMPANY to submit to the COUNTY the Annual Job Creation and Maintenance Report and/or the Audit as required in this Agreement.
 - H. Failure of the COMPANY to observe or perform any of the terms, covenants, conditions, obligations, or provisions of this Agreement to be observed or performed by the COMPANY where such failure continues for a period of thirty (30) days after written notice thereof from the COUNTY to the COMPANY; provided, however, that if the nature of COMPANY'S default is such that more than thirty (30) days are reasonably required for its cure, then COMPANY shall not be deemed to be in default if the COMPANY commenced such cure within said thirty (30) day period and thereafter diligently pursue such cure to completion.
 - I. The making by the COMPANY of any general assignment, or general arrangement for the benefit of creditors.
 - J. The filing by or against COMPANY of a petition to have the COMPANY adjudged bankrupt or a petition for reorganization or arrangement under any law relating to

bankruptcy (unless, in the case of a petition filed against COMPANY, the same is dismissed within sixty (60) days).

- K. The appointment of a trustee or receiver to take possession of substantially all of COMPANY'S assets where possession is not restored to COMPANY within forty-five (45) days.
- L. The attachment, execution or other judicial seizure of substantially all of COMPANY'S assets located within Palm Beach County where such seizure is not discharged within forty-five (45) days.
- M. The discovery by the COUNTY that any information relating to this Agreement given to the COUNTY was materially false.

13. Remedies: In the event of a Default by the COMPANY, the COUNTY may at any time thereafter, terminate this Agreement. In such event, the COUNTY shall be entitled to recover immediately upon demand from the COMPANY or any party joining in or consenting to this Agreement, all sums paid by the COUNTY to the COMPANY, as applicable, pursuant to this Agreement. Except as set forth in Part IX Subpart 12, Subsections I, J, and K, COMPANY shall be granted thirty (30) days from notification of default to cure any deficiency that triggered said default.

14. Law and Remedy: This Agreement shall be governed by the laws of the State of Florida. Unless otherwise agreed to in writing by the parties, any and all legal action necessary to enforce the Agreement shall be held in a court of competent jurisdiction located in Palm Beach County, Florida. No remedy herein conferred upon any party is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise. No single or partial exercise by any party of any right, power, or remedy hereunder shall preclude any other or further exercise thereof.

15. Regulations: The COMPANY shall comply with all laws, ordinances and regulations applicable to the services contemplated herein, to include conflict of interest and collusion. The COMPANY are presumed to be familiar with all federal, state and local laws, ordinances, codes and regulations that may affect the services offered.

16. Headings: The headings of the sections, paragraphs, divisions, subdivisions, part and subparts of this Agreement are for the convenience of reference only, and shall not limit or otherwise affect any of the terms hereof.

17. Number and Gender: Whenever the singular or plural number, masculine or feminine or neutral gender is used herein, it shall equally include the others and shall apply jointly and severally.

18. Access To Records: Upon thirty (30) business days' written notice and at any time during normal business hours and as the COUNTY deems reasonably necessary, there shall be made available by the COMPANY to the COUNTY for examination, their records with respect to all requested matters covered by this Agreement. The COUNTY reserves the right to conduct an inspection of the COMPANY'S records regarding performance measures with respect to matters covered by this Agreement at any time for any period covered by this Agreement. In making any request for records, the COUNTY shall construct the request as narrowly as possible so as to avoid any undue burden on the COMPANY and such that the COMPANY need not provide any information other than as required under this Agreement.

19. Office Of The Inspector General: Palm Beach County has established the Office of Inspector General in Palm Beach County Code, Section 2-421 - 2-440, as may be amended. The Inspector General's authority includes but is not limited to the power to review past, present and proposed COUNTY contracts, transactions, accounts and records, to require the production of records, and to audit, investigate, monitor, and inspect the activities of the COMPANY, and their wholly owned subsidiaries, their

officers, agents, employees, and lobbyists in order to ensure compliance with contract requirements and detect corruption and fraud. Failure to cooperate with Inspector General or interfering with or impeding any investigation shall be in violation of Palm Beach County Code, Section 2-421 – 2-440, and punished pursuant to Section 123.69, Florida Statutes, in the same manner as a second degree misdemeanor.

20. Indemnification and Hold Harmless: The COMPANY agree to protect, defend, reimburse, indemnify and hold the COUNTY, its agents, its employees and elected officers and each of them, free and harmless at all times from and against any and all claims, liability, expenses, losses, costs, fines and damages, including attorney's fees, and causes of action of every kind and character against and from the COUNTY which arise out of COMPANY'S or its officers, agents, and employees failure to comply with any provision of this Agreement. The COMPANY recognize the broad nature of this indemnification and hold harmless clause, and voluntarily make this covenant and expressly acknowledge the receipt of good and valuable consideration provided by the COUNTY in support of this clause in accordance with the laws of the State of Florida. This Paragraph shall survive the termination of the Agreement.

21. Notices: All notices from the COMPANY to the COUNTY and the COUNTY to COMPANY required or permitted by any provision of this Agreement shall be in writing and sent by registered or certified mail and addressed as follows:

TO COUNTY: DEPARTMENT OF ECONOMIC SUSTAINABILITY
100 Australian Avenue, 5th Floor
West Palm Beach, FL 33406
Attn: Sherry Howard, Deputy Director

With a copy to: Board of County Commissioners
c/o Palm Beach County Attorney's Office
301 N. Olive Avenue, Suite 601
West Palm Beach, FL 33401
Attn: James Brako, Assistant County Attorney

TO COMPANY: If by US Mail:

Pratt & Whitney (a division of United Technologies Corp)
17900 Beeline Highway
Jupiter, FL 33478

Such addresses may be changed by written notice to the other party.

22. Third Party Beneficiaries: No provision of this Agreement is intended to, or shall be construed to, create any third party beneficiary or to provide any rights to any person or entity not a party to this Agreement, including but not limited to any citizen or employees of the COUNTY and/or COMPANY.

23. Scrutinized Companies (when contract value is greater than \$1 million): As provided in F.S. 287.135, by entering into this Contract or performing any work in furtherance hereof, the COMPANY certifies that it, its affiliates, suppliers, subcontractors and consultants who will perform hereunder, have not been placed on the Scrutinized Companies With Activities in Sudan List or Scrutinized Companies With Activities in The Iran Petroleum Energy Sector List created pursuant to F.S. 215.473, or on the Scrutinized Companies that boycott Israel List, or is engaged in a boycott of Israel, pursuant to F.S. 215.4725, or is engaged in business operations in Cuba or Syria.

If the County determines, using credible information available to the public, that a false certification has been submitted by COMPANY, this Contract may be terminated and a civil penalty equal to the greater of \$2 million or twice the amount of this Contract shall be imposed, pursuant to F.S.287.135.

The parties to this Agreement agree that the value stated herein does not exceed \$1 million, and therefore this provision does not apply.

24. Public Records: Notwithstanding anything contained herein, as provided under Section 119.0701, F.S., if the COMPANY: (i) provides a service; and (ii) acts on behalf of the County as provided under Section 119.011(2) F.S., the COMPANY shall comply with the requirements of Section 119.0701, Florida Statutes, as it may be amended from time to time. If the COMPANY is acting on behalf of and providing service to the COUNTY, the COMPANY's compliance with the Florida Public Records Law shall be limited to only those records generated pursuant to this Agreement. In such instance, the COMPANY is specifically required to:

- A. Keep and maintain public records required by the County to perform services as provided under this Contract.
- B. Upon request from the County's Custodian of Public Records, provide the County with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119 or as otherwise provided by law. The COMPANY further agrees that all fees, charges and expenses shall be determined in accordance with Palm Beach County PPM CW-F-002, Fees Associated with Public Records Requests, as it may be amended or replaced from time to time.
- C. Ensure that public records that are exempt, or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the contract term and following completion of the Contract, if the COMPANY does not transfer the records to the public agency.
- D. Upon completion of the Contract the COMPANY shall transfer, at no cost to the County, all public records in possession of the Consultant unless notified by County's representative/liaison, on behalf of the County's Custodian of Public Records, to keep and maintain public records required by the County to perform the service. If the COMPANY transfers all public records to the County upon completion of the Contract, the COMPANY shall destroy any duplicate public records that are exempt, or confidential and exempt from public records disclosure requirements. If the COMPANY keeps and maintains public records upon completion of the Contract, the COMPANY shall meet all applicable requirements for retaining public records. All records stored electronically by the COMPANY must be provided to County, upon request of the County's Custodian of Public Records, in a format that is compatible with the information technology systems of County, at no cost to County.

Failure of the COMPANY to comply with the requirements of this article shall be a material breach of this Contract. County shall have the right to exercise any and all remedies available to it, including but not limited to, the right to terminate for cause. COMPANY acknowledges that it has familiarized itself with the requirements of Chapter 119, F.S., and other requirements of state law applicable to public records not specifically set forth herein.

The parties hereto agree to ensure that any exempt, confidential or otherwise legally protected information shall not be disclosed except as authorized by law. This provision shall survive the expiration or earlier termination of this Agreement.

IF THE CONSULTANT HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE CONSULTANT'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, PLEASE CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT RECORDS REQUEST, PALM BEACH COUNTY PUBLIC AFFAIRS DEPARTMENT, 301 N. OLIVE AVENUE, WEST PALM BEACH, FL 33401, BY E-MAIL AT RECORDSREQUEST@PBCGOV.ORG OR BY TELEPHONE AT 561-355-6680.

25. **Counterparts:** This Agreement, consisting of fifteen (15) enumerated pages which include the exhibits referenced herein, may be executed in one or more counterparts, all of which shall constitute collectively but one and the same instrument.

PART X
REQUIREMENTS APPLICABLE TO WHOLLY OWNED SUBSIDIARIES

In addition to instances where the requirements of this Agreement are expressly set forth to be applicable to wholly owned subsidiaries of the COMPANY, the requirements of the below listed Parts and Subparts shall also apply to all such wholly owned subsidiaries:

- A. PART IV: Subparts 1, 2, 3 and 4.
- B. PART VI: Subparts 1 and 2.
- C. PART VII: Subparts 1, 2, 3, 4, 5, 6 and 7.
- D. PART X: Subparts 2, 3, 4, 5, 6, 7, 11, 12, 13, 14, 15, 18, 19, 20, 21, 22, 23 and 24.

IN WITNESS WHEREOF, the COMPANY and the COUNTY have caused this Agreement to be executed on the date first above written.

Signed, sealed and delivered
in the presence of:

Witnesses:

Linda M. Torres

Witness Signature

Linda M. Torres

Print Witness Name

Pratt & Whitney (a division of United Technologies Corp)

By: Robert Griffiths
(Officer/Member)

Witnesses:

Dianne Dorgan

Witness Signature

Dianne Dorgan

Print Witness Name

STATE OF CONNECTICUT

COUNTY OF HARTFORD

The foregoing instrument was acknowledged before me this 30th day of MAR, 2017, by ROBERT GRIFFITHS, who is personally known to me, or who produced CTDL 107178089 as identification and who did/did not take an oath.

Signature: Linda Michelle Field

Notary Name: _____

(NOTARY SEAL ABOVE)

Notary Public - State of Connecticut

LINDA MICHELLE FIELD
NOTARY PUBLIC
MY COMMISSION EXPIRES OCT. 31, 2017

(COUNTY SEAL BELOW)

**PALM BEACH COUNTY, FLORIDA, a
Political Subdivision of the State of Florida**

BOARD OF COUNTY COMMISSIONERS

ATTEST: Sharon R. Bock,
Clerk & Comptroller

By: Paulette Burdick
Paulette Burdick, Mayor

By: Emily Powell
Deputy Clerk

Document No.: R 2017-04 85

APR 04 2017

Approved as to Form and
Legal Sufficiency

Approved as to Terms and Conditions
Department of Economic Sustainability

By: James Brako
Assistant County Attorney

By: Sherry Howard
Deputy Director

EXHIBIT "A"

**ECONOMIC DEVELOPMENT INCENTIVE GRANT AGREEMENT
BETWEEN PALM BEACH COUNTY AND PRATT & WHITNEY (A DIVISION OF
UNITED TECHNOLOGIES CORPORATION)**

COMPANY IDENTIFICATION AND INFORMATION

QACF application date: May 16, 2014

Company Names: Pratt & Whitney (a division of United Technologies Corp)

Existing Headquarters: Hartford, CT

Address of the company's facility in Palm Beach County:

17900 Beeline Highway
Jupiter, FL 33478

Products/services to be
provided from the company's
facility in Palm Beach County: Engineering and operations for radial Auxiliary Power Unit
(APU) which are gas turbine engines used to produce
energy for applications other than aircraft propulsion
(i.e. electricity, and other aircraft systems).

Business Type: Manufacturing

State of Florida Status: Active

State of Florida Filing Date: 06/19/1956

Qualifications: 60-8012102399-7
78-8012102400-1

Federal ID Number: 06-0570975