



**ECONOMIC DEVELOPMENT TAX INCREMENT FINANCING
AGREEMENT BETWEEN THE STATE OF UTAH
AND
NORTHROP GRUMMAN SYSTEMS CORPORATION**

CONTRACTING PARTIES: This Economic Development Tax Increment Financing (“EDTIF”) agreement (this “Agreement”) is entered into by and between Northrop Grumman Systems Corporation, a Delaware corporation, together with its subsidiaries, duly authorized to conduct business in the state of Utah (“the Company”), and the state of Utah, acting through the Governor’s Office of Economic Opportunity (“Go Utah”), hereinafter sometimes referred to collectively as the “Parties” or individually as a “Party.”

GENERAL PURPOSE OF AGREEMENT: The general purpose is to provide terms and conditions under which the Company may qualify for and receive EDTIF Disbursements (as defined herein).

AUTHORITY: This Agreement is entered pursuant to Go Utah’s authority to administer the EDTIF tax credit program under Utah Code § 63N-2-101 et seq. and Utah Administrative Code R357-3.

DOCUMENTS INCORPORATED BY REFERENCE BUT NOT ATTACHED: All laws and regulations applicable to EDTIF tax credits, including but not limited to Utah Code § 59-7-614.2, Utah Code § 59-10-1107, Utah Code § 63N-1-101 et seq., Utah Code § 63N-2-101 et seq., Utah Administrative Code R357-3, Company’s Baseline and Economic Development Zone(s), are incorporated by reference.

“Board Approval Date”:	January 10, 2020
“Incentive Type”:	Company Based
“Commencement Date”:	January 10, 2020
“Agreement End Date”;	December 31, 2039
“Agreement Term”:	20 EDTIF Periods
“EDTIF Incentive Rate”:	30%
“Total EDTIF Award”:	\$59,919,439
“County”:	Davis, ¹ Salt Lake, Box Elder, and Weber Counties
“Minimum Required Wage Percent”:	110%
“Company Vendor Number”:	VC255927
“Appropriation, Fund, and Unit”:	Tax Credit

¹ The Parties agree that Davis County shall be utilized to determine the Aggregate Average Wage.

Now therefore, Go Utah and the Company hereby agree as follows:

ARTICLE I
DEFINITIONS AND ACCOUNTING TERMS

1.1 DEFINED TERMS.

In addition to any terms defined in the body of this Agreement, the following terms will have the definitions ascribed to them as follows:

“Aggregate Average Wage” means the average of the total sum of wages for the new, minimum number of required FTEs of the Project as defined in the Board motion, excluding healthcare and other paid or unpaid benefits.

“Annual Employee List” means a list of all employment activity for the Company, including employees contracted via third party vendor, provided in a manipulable format and with the details required by Go Utah and submitted with the annual EDTIF report further described in section 3.2(a).

“Authorization to Disclose” means a document to authorize Go Utah to receive copies of the Company’s filed returns, documents and reports, and all other records held by the Utah State Tax Commission.

“Baseline” means the number of Baseline jobs and/or the Baseline New State Revenue of the Company, established by Go Utah and agreed to by the Company in accordance with the terms of this Agreement.

“Baseline New State Revenue” means the 12 months of state of Utah taxes collected from the Company prior to the Board Approval Date from:

- (i) Employee income tax wage withholding, less a 25% deduction to represent the average income tax refund;
- (ii) The Company’s income taxes;
- (iii) The amount of sales and use taxes for goods purchased tax free and used by the Company; and
- (iv) The amount of actual sales and use taxes to vendors for goods and services contracted for the Project and submitted to the Utah Tax Commission. This does not include any portion of sales or use taxes earmarked for local governments or other taxing jurisdictions eligible for sales tax revenues.

(see Utah Code § 63N-1-102(9) definition for “New State Revenue”)

“Board” means the Board of Business and Economic Development Subcommittee of the Governor’s Office of Economic Opportunity.

“Board Approval Date” means the date the incentive to the Company was approved by the Board.

“Commencement Date” means the date when activities pertaining to this Agreement begin; it is the date upon which the first EDTIF Period begins.

“Default” means any of the events laid out in Article VII, section 7.1 of this Agreement.

“EDTIF Disbursement” means the grant of any portion of the Total EDTIF Award made by Go Utah to the Company pursuant to this Agreement in the form of a post-performance refundable tax credit certificate.

“EDTIF Period” means each year in which the Company generates New State Revenues and is eligible to receive an EDTIF Disbursement under the terms of this Agreement. The first EDTIF Period will begin on the Commencement Date and end on December 31st of the same calendar year. The final EDTIF Period will end on the Agreement End Date. In no case will EDTIF Disbursements be provided for New State Revenues generated prior to the Commencement Date or after the Agreement End Date.

“Economic Development Zone” means an Economic Development Zone created under Utah Code § 63N-2-104(1). The list of Economic Development Zones is shown in Attachment C.

“Full Time Employee” or “FTE” means a single, full-time employee hired by the Company or contracted through a Professional Employment Organization (PEO) by the Company who:

- (i) Was hired to fill a newly created position at the Company and whose position is directly attributable to the Project;
- (ii) Is employed at least 30 hours per week (excluding lunch) during a given EDTIF Period on an annualized basis as calculated by Go Utah, whether by the Company or as a full-time contracted employee through a PEO who meets all other requirements outlined in this Agreement in order to qualify as an FTE;
- (iii) Is employed as of the last day of a given EDTIF Period to qualify as an FTE in that EDTIF Period; and
- (iv) Is entitled to the same basic health insurance, retirement and other benefits, if any, given by the Company to its other FTEs excluding those benefits given to any of the Company's executive and other highly compensated employees.

“GAAP” means United States generally accepted accounting principles, consistently applied.

“Minimum Required Wage Percent” means the percent of the county average wage that the Aggregate Average Wage must meet or exceed in a given EDTIF Period in order for the Company to qualify for an EDTIF Disbursement for that EDTIF Period, as further outlined in section 3.1(c)(ii) of this Agreement. Go Utah will determine the county average wage on an annual basis, and that wage will either be the annual county average non-agricultural payroll wage as calculated by the Utah Department of Workforce Services or, if that measure becomes unavailable at any point during the Term of this Agreement, another objective measurement, as reasonably determined by Go Utah.

“New Commercial Project” or “Project” means the Project described in Article II.

“New State Revenues” means incremental new state tax revenues derived from the Project above the Baseline New State Revenue that have been generated, paid, and receipted during an EDTIF Period. Such tax revenues include:

- (i) The employee income taxes (wage withholding) generated, paid, and receipted at the Project, less a twenty-five percent (25%) deduction on such employee state income taxes withheld by the Company. If the employee is a full-time contracted employee from a PEO, the actual wages do not include any additional fees paid to the PEO. For such full-time contracted employees, the Company must also show the actual wage and medical benefit withholding for each full-time contracted employee through documentation from the PEO;
- (ii) Income taxes generated, paid, and receipted from the Project; and
- (iii) The amount of sales and use taxes for goods purchased tax free and used by the Company and actual sales and use taxes paid and receipted to vendors, contractors, and subcontractors for goods and services by the Project which are indirectly paid and receipted to the Utah State

Tax Commission (but not to include any portion of sales or use taxes earmarked for local governments or other taxing jurisdictions eligible for sales tax revenues).

Further, with respect to the Company's state income tax liability less any income tax credits during any EDTIF Period, to the extent that any refundable tax credit issued hereunder for any prior EDTIF Period is applied or utilized in the determination of the amount of any such income tax payment by the Company, the amount of such refundable tax credit so applied or utilized will be deemed to constitute income taxes generated, paid and receipted for purposes of this Agreement. However, for the first EDTIF Period, estimated income tax payments will constitute income taxes generated, paid and receipted. New State Revenues claims and documentation can only be submitted to Go Utah by an authorized representative of the Company. It is the Company's responsibility to provide, or cause to be provided, to Go Utah any and all rebate report materials.

"Person" means any individual or entity, whether trustee, corporation, general partnership, limited partnership, limited liability company, sole proprietorship, joint stock company, trust, unincorporated organization, bank, business association, firm, joint venture, government, governmental agency, or otherwise.

"Professional Employment Organization (PEO)" means a firm that provides employee recruitment or HR services to the Company. The PEO may interview, recruit and hire employees who will provide services to the Company, but who may be temporarily employed by the PEO, and remain on the payroll of the PEO for a contracted period of time until later being hired as a regular employee of the Company.

"Term" means that period of time beginning on the Commencement Date and ending upon the earlier of the (i) issuance of the final EDTIF Disbursement to which the Company is entitled under Article III herein or (ii) termination under Article IV or Article VIII herein, or (iii) the final EDTIF Period ending on the Agreement End Date.

1.2 ACCOUNTING TERMS. All accounting terms not specifically defined in this Agreement must be construed in conformity with, and all financial data required to be submitted by this Agreement must be prepared in conformity with GAAP, except as otherwise specifically prescribed herein.

ARTICLE II **PROJECT DESCRIPTION**

The Company intends to locate a significant Project known as Project Unity of substantial value in the state of Utah. Project Unity anticipates bringing approximately 2,250 FTEs with an annual average salary of \$104,000, plus generous Company benefits, and a significant capital investment. This project will be located in the state of Utah (the "Project"), and the Company must have an Economic Development Zone approved by the Board, in accordance with Utah Code § 63N-2-104, prior to the issuance of any EDTIF Disbursement under this Agreement as stated in Article III Section 3.1(a)(vi) of this Agreement.

ARTICLE III **EDTIF GENERAL REQUIREMENTS**

3.1 EDTIF GENERAL REQUIREMENTS. In reliance upon the representations, warranties and covenants of the Company hereinafter set forth, Go Utah hereby agrees to grant EDTIF Disbursements to the Company, subject to this Agreement and in accordance with this Article's terms and conditions.

Subject to the terms and conditions in this Article, the Company and Go Utah agree that no EDTIF Disbursement may be issued prior to verification by Go Utah that the net new incremental FTEs and high paying jobs required by this Agreement have been created and the amount of New State Revenues upon which each EDTIF Disbursement is based have been generated, paid, and received by the Company to Go Utah. The obligation of Go Utah to issue any funds under this Agreement is subject to the Company's satisfaction and completion of all the following conditions precedent to disbursement, as determined by Go Utah in the exercise of its reasonable discretion.

- (a) Initial Requirements. The Company agrees that in order to be deemed eligible for any part of the Total EDTIF Award, the Company must do the following, and that under no circumstances will an EDTIF Disbursement be issued prior to each of these terms being met:
 - (i) The Company will provide all information and documentation required by Go Utah in order to determine the Baseline.
 - (ii) The Company will agree to the Baseline established by Go Utah, including the number of Baseline jobs and Baseline New State Revenues.
 - (iii) The Company will provide a(n) Authorization to Disclose document(s) in the format required by Go Utah and consistent with Utah Code § 63N-2-105(2)(e)(i) with the start date designated as one calendar year prior to the Board Approval Date and the end date designated as the end of the third calendar year following the Term of this Agreement.
 - (iv) The Company will have one or more Economic Development Zones approved by the Board, within each of which the Company will, throughout the Term of this Agreement, maintain a physical presence and be engaged in carrying out the Project.
 - (v) The Company will demonstrate compliance with section 5.2 of this Agreement, which Go Utah and the Company agree has been satisfied as of the date hereof.
 - (vi) The Company will demonstrate compliance with this Section 3.1(a), those provisions of Article V applicable to it, Article VI, and Article VIII of this Agreement. The Company's Project must commit to bring new incremental jobs to the state of Utah, in accordance with the definition of an "Incremental Job" in Utah Code § 63N-1-102(8).
 - (vii) The required projections and years to which they are assigned, as shown in Attachment B, cannot change for the life of the Project.
 - (viii) In order to ensure the New State Revenues are attributable to the Project, the Company must also provide verification of the corporate structure in relation to the Company's ownership, subsidiaries, parent companies, etc. regarding all parties involved in the Project and paying New State Revenues as a result of the Project. See Attachment A.
- (b) Baseline Requirements.
 - (i) Go Utah will submit to the Company a list of all required documentation and relevant forms and formats required to establish the Baseline and the Company herein agrees to provide said documentation and forms in a manipulable format containing the detail prescribed by Go Utah.

- (ii) The documentation and relevant forms will be used by Go Utah to establish the Baseline.
 - (iii) The Company will be measured against the Baseline for all EDTIF Periods to ensure that the incremental performance requirements are met as established in section 3.1(c) of this Agreement.
 - (iv) The number of Baseline jobs will be established in a method prescribed by Go Utah in accordance with Utah Code § 63N-2-101 et seq. and any other applicable Utah law.
 - (v) The Baseline New State Revenue will be established in a method prescribed by Go Utah in accordance with Utah Code § 63N-2-101 et seq. and any other applicable Utah law.
 - (vi) Go Utah will provide the Company with the methodology of calculating the Baseline and the Company agrees that said methodology will be the same used throughout the life of this Agreement in calculating all EDTIF Disbursement amounts.
 - (vii) The Company may request an amendment to the established Baseline throughout the Term of this Agreement. Approval of any amendment will be at the sole, but reasonable, discretion of Go Utah. Go Utah additionally reserves the right to review and amend the Baseline as a result of a review in accordance with section 4.3 of this Agreement, assignment of this Agreement, or merger or acquisition of the Company.
- (c) Incremental Performance Requirements. To qualify for the minimum available EDTIF Disbursement in each of the EDTIF Periods, the Company must demonstrate to the satisfaction of Go Utah that the following conditions have been met for such EDTIF Period:
- (i) The Company must meet at least fifty percent (50%) of the approved FTE projections at the Minimum Required Wage Percent, as shown in Attachment B, in addition to maintaining the number of Baseline jobs.
 - (ii) The Aggregate Average Wage for the minimum number of required FTEs of the Project must be equal to or greater than the Minimum Required Wage Percent of the County's average wage, excluding healthcare or other paid or unpaid benefits. The average wage of the County is subject to change on an annual basis.
 - (iii) The Company's Project must bring new incremental jobs to the state of Utah, in accordance with the definition of an "Incremental Job" in Utah Code § 63N-1-102(8) ahead of or otherwise consistent with the commitment of the Company as set forth in Attachment B hereto.
 - (iv) For each EDTIF Period, Go Utah will, in its reasonable discretion, determine the number of FTEs at the Company as of the last day of the applicable EDTIF Period.
 - (v) If it is determined by Go Utah that one or more of the requirements in section 3.1(c)(i) through (iii) were not met in a given EDTIF Period, the Company will not be eligible to receive an EDTIF Disbursement for that EDTIF Period.
 - (vi) Disqualification in a given EDTIF Period does not preclude the Company from submitting an annual EDTIF report and seeking EDTIF Disbursements, in accordance with section 3.2(a) of this Agreement, for subsequent EDTIF Periods. Upon receiving

notice of any determination by Go Utah to disqualify the Company from receiving an EDTIF Disbursement in a given EDTIF Period that the Company has reason to believe is inaccurate, the Company will have up to thirty (30) calendar days to provide additional information or documentation to Go Utah in order to demonstrate why Go Utah's determination may be incorrect. After the thirty (30) days have passed, and it has reviewed any additional information or documentation provided, Go Utah shall make a final determination as to whether the Company is eligible to receive an EDTIF Disbursement in that EDTIF Period and such determination shall be provided to the Company.

- (vii) The Company will meet the procedural requirements set forth in section 3.2, including the submission of the annual EDTIF report and supporting documentation within ninety (90) days of the end of each EDTIF Period or as otherwise authorized in writing by Go Utah.
 - (viii) An authorized representative of the Company will execute and deliver to Go Utah, on an annual basis with the annual EDTIF report, a certificate of compliance, certifying that the company is not in Default in the performance of any of its material covenants or provisions under this Agreement, and that the Company's representations and warranties in Article V contained in this Agreement are true and correct in all material respects as of the date of the certificate of compliance.
 - (ix) The Company will demonstrate compliance with all other terms and conditions outlined in this Agreement, which Go Utah deems in its reasonable discretion to be necessary precedent to any EDTIF Disbursement, to the reasonable satisfaction of Go Utah.
- (d) Calculation of EDTIF Disbursement. If all conditions of section 3.1 (a) through (c) above are satisfied, as reasonably determined by Go Utah, the Company may request an EDTIF Disbursement for the qualifying EDTIF Period in an amount calculated in accordance with the following:
- (i) Unless otherwise specified in this Agreement, the EDTIF Incentive Rate is the same rate applied to each EDTIF Period. No more than 50% of the Project's New State Revenues in any given year may be awarded in any given EDTIF Period.
 - (ii) Each EDTIF Disbursement will be calculated on the difference between the New State Revenues during the qualifying EDTIF Period and the Baseline New State Revenue and will be multiplied by the EDTIF Incentive Rate and cannot exceed the maximum Total EDTIF Award. The specific methodology will be agreed upon when establishing the Baseline as stated in section 3.1(b)(vi) of this Agreement.
 - (iii) Total cumulative EDTIF Disbursements granted to the Company for the Term may not exceed the maximum Total EDTIF Award.
 - (iv) Only the Company, or its parent company or subsidiaries that are involved in operating the Project, may be considered for purposes of calculating an EDTIF Disbursement. EDTIF Disbursements will only be issued to the Company.

3.2 ISSUANCE PROCEDURE FOR EDTIF DISBURSEMENTS. Issuances of EDTIF Disbursements for New State Revenues will be made in accordance with the following procedures:

- (a) Annual EDTIF Report. Go Utah will provide annual guidance, definitions and templates for reporting the Annual Employee List and New State Revenues by the Company, which shall not include any personal identifiable information, including without limitation, social security numbers of employees, so long as employee ID numbers or other information provided by the Company to Go Utah are sufficient to allow Go Utah to clearly differentiate any one employee from any other in the Annual Employee List. The Company will provide the report using the method reasonably prescribed by Go Utah and otherwise in compliance with the provisions of Section 3.1 hereof. Go Utah may request resubmission of all or part of an annual EDTIF report that is not in compliance with the annual guidance, definitions or templates.
- (b) Audit Procedures. Go Utah will review the annual EDTIF report with documentation from the Utah State Tax Commission and may request the Company to provide reasonable additional backup documentation to support amounts claimed of New State Revenues during the EDTIF Period. Go Utah will review the Annual Employee List and, at its sole discretion, determine if the Annual Employee List materially compares with the filed documentation by the Company with the Department of Workforce Services Unemployment Insurance Report summaries for end of year count of positions and total annual employee wages. Go Utah may perform additional or substitute audit procedures as it reasonably deems necessary.
- (c) Concurrence. The Company will be provided the proposed tax credit award and a summary of adjustments based on the conclusion of audit procedures for the annual EDTIF report which shall occur within the same fiscal year following submission. The proposed tax credit award may include other adjustments as needed under section 4.3 of this Agreement. Go Utah will request concurrence from the Company before a tax credit is issued.
- (d) Credit Issuance. The EDTIF tax credit will be provided in an electronic format via email unless another format is requested by the Company and approved by Go Utah, such approval not to be unreasonably withheld, conditioned or delayed.
- (e) Claiming of Tax Credits. The EDTIF refundable tax credit certificate must be used in full in any one of three (3) consecutive tax periods including the subject tax year against which the certificate was issued. For example, a 2021 rebate for 2020 New State Revenues, certificate must be used in full for either the 2020 tax filing, the 2021 tax filing, or the 2022 tax filing.

3.3 REPORTING OF ESTIMATES OF NEW STATE REVENUES: Estimates of New State Revenues for the EDTIF Periods may be required at the reasonable request of Go Utah, but no more often than once per EDTIF Period in accordance with the following procedures:

- (a) Reporting Date. Go Utah may request estimates of New State Revenues for reporting purposes. Within 30 days of a request from Go Utah, the Company will provide Go Utah with its New State Revenues estimate report to document the amount of New State Revenues it anticipates creating by the end of current EDTIF Period and the two (2) subsequent EDTIF Periods. Go Utah acknowledges that such estimated New State Revenues are projections and Go Utah will not rely on such projections. The Company will have no liability in the event that the actual New State Revenues differ from the estimates requested by Go Utah.
- (b) Level of Detail in Reporting. The documentation of the New State Revenues estimate must

include the types of taxes and corresponding amounts of taxes anticipated to be paid and received directly to the Utah State Tax Commission and sales and use taxes anticipated to be paid and received to Utah vendors/(sub)contractors that are indirectly paid and received to the Utah State Tax Commission.

- (c) Budgeting for EDTIF. Once Go Utah has received the Company's New State Revenues estimate report, Go Utah may submit to the Utah Division of Finance, the Governor's Office of Planning and Budget, and the Office of Legislative Fiscal Analyst revenue estimates to be included in the state of Utah's budget revenue forecasts. The Company's New State Revenues estimate reports are estimates only and do not bind the Company to an amount of New State Revenues generated in any EDTIF Period.

ARTICLE IV
TERM; TERMINATION; RECAPTURE OF EDTIF

4.1 TERM. The Company and Go Utah agree to the following timelines:

- (a) EDTIF Periods; Maximum Total EDTIF Award. The first EDTIF Period begins on the Commencement Date and continues through December 31st of the same calendar year. Subsequent EDTIF Periods will span each consecutive calendar year from January 1st until December 31st. The final EDTIF Period will start on January 1, 2039 and will end on the Agreement End Date or the time at which the aggregate EDTIF tax credits issued to the Company reaches the Total EDTIF Award if the Total EDTIF Award issuance occurs at a date earlier than the Agreement End Date.
- (b) 20 Year Commitment. Based on the Company's commitment to keep its Project in Utah for a minimum of 20 years, Go Utah will award to the Company, on an annual, post-performance basis EDTIF refundable tax credits for a period of twenty (20) EDTIF Periods.
 - (i) In the event the Company permanently ceases operating the Project in the state of Utah within twenty (20) years from the Commencement Date, the obligation of Go Utah to provide EDTIF refundable tax credits will cease for EDTIF Periods that include or occur after the EDTIF Period in which the Company permanently ceases operations.
 - (ii) If the Company either terminates the Project or moves out of the state of Utah a substantial portion of the Project (and/or the business functions conducted at the Project) within twenty (20) years from the Commencement Date, Go Utah has the right to refigure or reduce the future EDTIF tax credits under this Agreement to reflect the then-current status of the Project. The Company must give notice to Go Utah if such events occur. This in no other way limits the Company's right to terminate the Project or move out of the state of Utah certain specific lines, products, and operations.

4.2 TERMINATION. This Agreement will terminate upon expiration of the Term. Notwithstanding the preceding, Go Utah may terminate this Agreement prior to the expiration of the Term in the event the Company (i) Defaults and fails to cure such Default within the thirty (30) day cure provision contained in section 7.3 below, unless extended by mutual written agreement of the Parties provided that the Company is making reasonable efforts to cure; (ii) permanently ceases operation of its Project; or (iii) moves its Project outside the state of Utah.

4.3 TAX CREDIT REVIEWS AND EDTIF RECAPTURE. Go Utah is authorized to review the Company's tax credits at intervals throughout this Agreement's Term. Reviews may be completed by Go Utah: (i) if the Utah State Tax Commission notifies Go Utah that the Company has amended a past tax return or completed an audit or made other adjustment to a return that may affect New State Revenues; (ii) at the conclusion of the Term; or (iii) at other times as determined within Go Utah's sole, but reasonable discretion. The Company will be notified of all reviews by Go Utah. At the conclusion of a review, Go Utah will provide the Company with its findings and request the Company's concurrence. The Company agrees that the Company will file or amend their tax filings with the Utah State Tax Commission, or otherwise reconcile a discrepancy in a reasonable manner acceptable to the parties, in accordance with the findings, including findings and issuance of a negative tax credit. If the Company fails to do so, Go Utah may terminate subsequent EDTIF Disbursements and recapture amounts issued in EDTIF Disbursements that are in excess of the amount the Company is due under this Agreement. Provisions of this Agreement apply to a surviving entity in the event of a merger or acquisition of the Company.

ARTICLE V **REPRESENTATIONS AND WARRANTIES**

To induce Go Utah to issue each and any of the EDTIF refundable tax credits, the Company hereby represents and warrants to Go Utah that as of the date hereof:

5.1 COMPANY - EXISTENCE AND QUALIFICATION. The Company is a duly formed and validly existing corporation under the laws of the state of Delaware and is in good standing and is duly registered and qualified to do business in the state of Utah. The Company has all requisite power and authority to conduct its business, to operate the Project, and to execute, deliver, and perform all of its obligations under this Agreement.

5.2 COMPANY - INTENT AND INCENTIVE INFLUENCE. On or prior to the Board Approval Date, the Company informed the Board that the Company considered or received offers or engaged in other Project siting opportunities. As of the Board Approval Date, the Company certified that it was actively engaged in a site selection competition process with at least one other state. Out of all the opportunities considered by or available to the Company for the Project, the EDTIF incentive offered by Go Utah, and laid out in this Agreement was one of the determining factors inducing the Company to select the State of Utah.

5.3 COMPANY - AUTHORITY. The individual executing this Agreement on behalf of the Company represents that he or she is duly authorized and has legal capacity to execute and deliver this Agreement. The execution, delivery and performance by the Company of this Agreement and the consummation of the transactions contemplated herein have been duly authorized by all necessary action, and do not and will not:

- (a) require any consent or approval not heretofore obtained of any director, stockholder, creditor, or any other Person;
- (b) violate or conflict with any provision of the Company's charter, organizational documents, or amendments thereto, as applicable;
- (c) violate or conflict in any material respect with any provision of any agreement, note, lease, or instrument to which it is a party; or

(d) violate any provision of any federal, state, or local law, rule or regulation.

5.4 COMPANY - COMPLIANCE WITH LAW. To the best of its knowledge, the Company is in compliance with all State and federal laws and other legal requirements applicable to its business in the state of Utah, has obtained authorizations, consents, approvals, orders, licenses, and permits from and has completed all filings, registrations, and qualifications with, or obtained exemptions from, any governmental agency in the state of Utah that are necessary for the transaction of its business in the state of Utah, except where the failure to so comply, file, register, qualify, or obtain exemptions would not have a material adverse effect on the business, operations, or condition (financial or otherwise) of the Company in the state of Utah when taken as a whole.

5.5 COMPANY - DISCLOSURE AND REPRESENTATIONS. To the best of the Company's knowledge, no written statement made by the Company to Go Utah in connection with this Agreement or the Company's application for EDTIF contains any untrue statement of a material fact or omits to state a material fact required to be stated or necessary to make the statements contained therein not misleading. To the best knowledge of the Company there is no fact which the Company has not disclosed to Go Utah in writing which materially and adversely affects the business, operations, properties, prospects, profits, or condition (financial or otherwise) of the Company in the state of Utah when taken as a whole, or the ability of the Company to perform its obligations under this Agreement.

5.6 COMPANY - NO MATERIAL ADVERSE CHANGES. Since the Board Approval Date, the Company has not suffered any one or more changes in its condition (financial or otherwise) or its assets, properties, liabilities, or prospects which alone or in the aggregate would be materially adverse to the Company's Project in the state of Utah, and the Company has operated its business only in the usual and ordinary course.

5.7 COMPANY - INSOLVENCY AND RELATED MATTERS. The Company is able to pay its debts as they mature, and has not: (a) made any assignment for the benefit of creditors; (b) admitted in writing its inability to pay its debts as they mature; (c) applied for or consented to the appointment of a receiver, trustee, or similar official for its affairs; or (d) been the subject of any bankruptcy, insolvency, reorganization, or liquidation proceeding, or any other proceeding for relief under any bankruptcy law or any law for the relief of debtors or benefit of creditors.

5.8 COMPANY - OPERATION OF THE PROJECT. Upon completion thereof, the Company will operate the Project in a manner consistent with the Project Description in Article II, provided that the Company has the right to modify operations at the Project in its good faith judgment, and in the ordinary course of business, as long as such modifications are consistent with the overall business of the Company.

5.9 GO UTAH - AUTHORIZATION. The individual executing this Agreement on behalf of Go Utah represents that he or she is duly authorized and has legal capacity to execute and deliver this Agreement. The execution, delivery and performance by Go Utah of this Agreement and of the transactions contemplated herein have been duly authorized by all necessary action, and do not and will not:

- (a) require any consent or approval not heretofore obtained of any governmental authority, or any other Person;
- (b) violate any judgment, order, injunction, decree, regulation or ruling of any court or governmental authority with proper jurisdiction that is binding on Go Utah or result in a breach or default under

any provision of Utah Code § 63N-1-101 et seq. and Utah Code § 63N-2-101 et seq.

- (c) violate or conflict in any material respect with any provision of any agreement, note, lease, or instrument to which Go Utah is a party; or
- (d) violate any provision of any federal, state, or local law, rule or regulation.

5.10 GO UTAH - ENFORCEABILITY. This Agreement has been duly executed and delivered by Go Utah and, assuming the due authorization, execution and delivery of this Agreement by the Company, constitutes the legal, valid and binding obligation of Go Utah, enforceable against it in accordance with its terms, except as may be limited by bankruptcy, insolvency, moratorium or similar laws generally affecting the enforcement of creditors' rights, general principles of equity, regardless of whether such enforceability is considered in a proceeding in equity or at law, and an implied covenant of good faith and fair dealing. Notwithstanding the above, the State of Utah does not waive any of its protections, rights, defenses, or immunities.

5.11 PARTIES - LITIGATION. No litigation, investigation or proceeding of or before any arbitrator or governmental authority is pending or, to the best knowledge of Go Utah and the Company threatened by or against them, if adversely determined, individually or in the aggregate, could reasonably be expected to have a material adverse effect on either Party's ability to perform its obligations under this Agreement.

ARTICLE VI **AFFIRMATIVE COVENANTS**

During the Term, unless Go Utah otherwise consents in writing, which consent shall not be unreasonably withheld, conditioned or delayed, the Company must fully perform and satisfy the following obligations:

6.1 PRESERVATION OF EXISTENCE. The Company will preserve and maintain its existence, licenses, rights, franchises, and privileges in the jurisdiction of its formation and all authorizations, consents, approvals, orders, licenses, permits, or exemptions from, or registrations with, any governmental agency that are necessary for the transaction of its business in the state of Utah, and will qualify and remain qualified to transact business in the state of Utah.

6.2 COMPLIANCE WITH LAWS. The Company will remain in compliance with the requirements of all applicable laws and orders of any governmental agency in the state of Utah in all material respects, noncompliance with which could materially adversely affect the business, operations, or conditions (financial or otherwise) of the Company, and the Company shall have thirty (30) days from discovery of any failure to cure or correct such non-compliance or such reasonable additional time as may be necessary to cure such non-compliance provided that the Company is diligently pursuing corrective action.

6.3 KEEPING OF RECORDS AND BOOKS OF ACCOUNT. The Company must keep supporting records for at least four (4) years after the final issuance of EDTIF Disbursement. Records and books of account reflecting all financial transactions relating to the Project must be in conformity with GAAP.

6.4 UTILIZATION OF UTAH FIRMS, VENDORS, & STATE LABOR EXCHANGE. The Company, whenever possible, is encouraged to use Utah vendors and firms for performing any and all

functions integral to its presence and operations within the state of Utah. This includes the use of Utah service providers, construction companies, supply chain facilitators, etc. For the duration of this Agreement, the Company shall make available information regarding job vacancies to the State of Utah Department of Workforce Services, including name and contact information for job inquiries, which may be posted on the Department of Workforce Services website. By doing so, the Company will help to provide more employment opportunities to veterans, those who are disabled, and other Utah residents seeking employment opportunities.

ARTICLE VII
DEFAULTS AND REMEDIES

7.1 EVENTS OF DEFAULT. Subject to the notice and cure period as set forth in Section 7.3 hereof, the existence or occurrence of any one or more of the following events, whatever the reason thereof, constitutes a Default of this Agreement:

- (a) Performance. Either Party's material failure to perform or observe any material term, covenant, or provision under this Agreement required to be performed or observed by such Party except that the Company's nonperformance under Section 3.1(c) shall not be considered an event of default;
- (b) Representations and Warranties. If any material representation, warranty, or covenant made by a Party under this Agreement proves to have been incorrect in any material respect when made; or
- (c) Bankruptcy. If any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, dissolution, custodianship, or conservatorship is instituted for the Company with or without the consent of the Company and continues un-dismissed or un-stayed for thirty (30) days if filed by the Company or ninety (90) days if without the Company's consent.

7.2 NOTICE OF DEFAULT. The Company will notify Go Utah in a reasonable time, no later than thirty (30) days upon becoming aware of the existence of any condition or event which the Company believes could reasonably constitute a Default. The Company will provide written notice to Go Utah specifying the nature and period of existence thereof and what action it is taking or proposes to take with respect thereto.

7.3 REMEDIES UPON DEFAULT. In the event of a Default, the non-defaulting Party will provide the defaulting Party with written notice of Default. In the event such Default is not cured within thirty (30) days which period may be extended for an additional reasonable period of time if the defaulting Party has commenced and is continuing diligently to so cure, as reasonably determined by the Parties, the non-defaulting Party will have all remedies available to it in law or in equity. Without limiting the cure available under this Section 7.3, in the event of a Company Default, Go Utah may require repayment of one or more past EDTIF Disbursements or may withhold any EDTIF Disbursement earned by the Company during such EDTIF Period or past EDTIF Periods in which such Default occurred and which EDTIF Disbursement is at that time unclaimed and for future EDTIF Periods until such Default is cured; or in the event Go Utah receives reliable information that the Company may be in Default under section 7.1(c), Go Utah may withhold any EDTIF refundable tax credits until instructed otherwise by a court or until the matter is otherwise resolved.

7.4 AUDIT UPON DEFAULT. Upon the occurrence of any event of Default, Go Utah or any employee, agent, or representative thereof may have access via electronic (but not physical) means by requesting copies and abstracts from the records and books of account of the Company regarding the

EDTIF refundable tax credits claimed for the Project. In response, the Company will provide sufficient reliable documentation in lieu of permitting Go Utah or any employee, agent, or representative thereof access to visit and inspect the Project.

ARTICLE VIII
MISCELLANEOUS

8.1 INDEMNITY. The Company will be liable for the actions of its agents, employees, officers, and partners acting within the scope of their authority that have caused loss to Go Utah in connection with this Agreement, and shall fully indemnify, defend, and save harmless Go Utah from all claims, losses, suits, actions, damages, and costs of every name and description arising out of the Company’s performance of this Agreement caused by any intentional act or negligence of the Company, its agents, employees, officers, or partners; provided, however, that the Company will not indemnify for that portion of any claim, loss, or damage arising hereunder due to the fault of Go Utah. Notwithstanding the foregoing, the maximum liability for the Company will be limited to the amount of the Total EDTIF Award.

8.2 CUMULATIVE REMEDIES; NO WAIVER. The rights, powers, privileges, and remedies of the Parties provided herein are cumulative and not exclusive of any right, power, privilege, or remedy provided by law or in equity. No failure or delay on the part of a Party in exercising any right, power, privilege, or remedy may be, or may be deemed to be, a waiver thereof; nor may any single or partial exercise of any right, power, privilege, or remedy preclude any other or further exercise of the same or any other right, power, privilege or remedy.

8.3 AMENDMENTS. No amendment, modification, supplement, extension, termination, or waiver of any provision or attachment of this Agreement will be effective unless approved in writing signed by the Parties.

8.4 NOTICES. Any notice herein required must be in writing and is deemed to have been properly given if such notice is (a) delivered personally (b) by commercial delivery service, or (c) mailed by registered or certified mail (postage pre-issued and return receipt requested) to the Parties at the addresses set forth:

If to Go Utah:

Executive Director
Governor’s Office of Economic Development
60 E. South Temple, STE 300
Salt Lake City, Utah 84111
Facsimile: (801) 538-8888

With a copy (which does not constitute notice) to:
Office of Utah Attorney General
Division of State Agency Counsel
Assistant Attorney General (Go Utah)

60 E. South Temple, STE 300
Salt Lake City, Utah 84111
Facsimile: (801) 366-0352

If to the Company:

Northrop Grumman Systems Corporation
Law Department - Incentives
2980 Fairview Park Dr.
Falls Church, VA 22042

With a copy to:
Northrop Grumman Systems Corporation Incentives
2980 Fairview Park Drive
Falls Church, VA 22042

Either Party hereto may change its address or facsimile number specified for notices herein by designating a new address by notice in accordance with this Section 8.4.

8.5 BINDING EFFECT AND ASSIGNMENT. This Agreement is binding upon the Parties and their respective successors and assigns. The Company does not have the right to transfer or assign its rights and obligations under this Agreement to another entity without (i) obtaining Go Utah's approval, which approval shall not be unreasonably withheld, conditioned or delayed, and (ii) having the transferee or assignee assume all the Company's duties under this Agreement. The Company will not sell, or assign all of its rights, interests, and title in the Project, or in a significant portion of the business functions conducted at the Project and/or the Project's assets (excluding sales or transfers of the Project's assets in the ordinary course of business and/or in a sale lease back transaction Go Utah) to another entity during the Term without notifying Go Utah in writing within a reasonable amount of time thereafter. This includes any merger or acquisition that will change the legal entity to whom the Project belongs and therefore qualifies for any remaining portion of the EDTIF Award. If the Company fails to notify Go Utah of either a change in ownership of the Project or a change in the corporate structure of the Company or its affiliates that are involved in operating the Project within a reasonable amount of time, Go Utah may terminate this Agreement and all associated rights.

8.6 RELATIONSHIP BETWEEN THE PARTIES. The relationship between the Parties is and will always be that of independent contractors and in no way will the Parties hereto become a partner of the other Party in the conduct of its business, or otherwise, or a member of a joint venture or other enterprise with the other Party. The Parties will under no circumstances be deemed to be in a relationship of confidence or trust or a fiduciary relationship with the other Party or to owe any fiduciary duty to the other Party.

8.7 NO THIRD PARTIES BENEFITTED. This Agreement is made for the purpose of defining and setting forth certain obligations, rights, and duties of the Company and Go Utah in connection with the EDTIF program and is made for the sole protection of the Company and Go Utah, Go Utah's successors and assigns, and the Company's successors and permitted assigns.

8.8 CONFIDENTIALITY. The Parties understand and agree that access to records prepared, owned, received, or retained by Go Utah is governed by the Utah Governmental Records Access and Management Act ("GRAMA"), Utah Code § 63G-2-101, et seq. The Company may protect the confidentiality of any document, including, but not limited to, the annual EDTIF report and financial documents it supplies to Go Utah to the extent allowed by GRAMA if: (1) the Company makes a written claim of business confidentiality under Utah Code § 63G-2-309, and (2) one or more of the exceptions noted in Utah Code § 63G-2-305 apply. If Go Utah determines that a record claimed to be confidential and protected under Utah Code § 63G-2-309 and Utah Code § 63G-2-305 should be released, Go Utah shall notify the Company and the Company has the right to appeal the decision to release the record pursuant to Utah Code § 63G-2-401 to 405. Any decision to release confidential records may be reviewed by the State Records Committee and/or the District Court of the state of Utah.

8.9 ENTIRE AGREEMENT. This Agreement including attachments constitute the complete, entire, and final agreement of the Parties regarding the subject matter hereof and expressly supersede all prior agreements, written or oral, regarding the subject matter.

8.10 GOVERNING LAW. This Agreement will be governed by, construed, and enforced in accordance with the laws, rules, and regulations of the state of Utah. Any action or proceeding arising from this Agreement shall be brought in a court of competent jurisdiction in the state of Utah. Venue shall be in Salt Lake City, in the Third Judicial District Court for Salt Lake County.

8.11 SEVERABILITY. The Parties agree that if a court deems any of the provisions in this Agreement unenforceable, the unenforceable provision will be deemed severed from this Agreement and every other provision of this Agreement, including the remainder of the paragraph from which a provision is severed, will remain in full force and effect.

8.12 HEADINGS. Article and section headings in this Agreement are included for convenience of reference only and are not part of this Agreement for any other purpose.

8.13 CHOICE OF FORUM. Except as otherwise expressly provided, the Parties agree, consent to, and intend that the proper and exclusive forum for any litigation of any disputes or controversies arising out of or related to this Agreement, together with personal jurisdiction over each of the Parties, will be a court of competent jurisdiction located in the state of Utah, County of Salt Lake.

8.14 ATTORNEYS' FEES AND OTHER EXPENSES. Notwithstanding any other provision of this Agreement, if any legal action or other proceeding is brought for the enforcement, clarification, or interpretation of this Agreement, or because of an alleged dispute, breach, Default, or misrepresentation in connection with any of the provisions of this Agreement, the successful or prevailing Party is entitled to recover reasonable attorneys' fees, and any other fees and costs incurred in the action or proceeding, in addition to any other relief to which such Party may be entitled.

8.15 CONFLICT OF INTEREST. The Company represents that none of its officers or employees are officers or employees of the state of Utah, unless disclosure has been made in accordance with Utah Code § 67-16-8.

8.16 EMPLOYMENT PRACTICES CLAUSE. The Company agrees to abide by the provisions of Title VI and VII of the Civil Rights Act of 1964 (42 U.S.C. §2000e) which prohibits discrimination against any employee or applicant for employment or any applicant or recipient of services, on the basis of race, religion, color, or national origin; and further agrees to abide by Executive Order No. 11246, as amended, which prohibits discrimination on the basis of sex; 45 CFR 90 which prohibits discrimination on the basis of age; and Section 504 of the Rehabilitation Act of 1973, or the Americans with Disabilities Act of 1990 which prohibits discrimination on the basis of disabilities. Also, the Company agrees to abide by Utah's Executive Order, dated March 17, 1993, which prohibits sexual harassment in the work place.

8.17 SURVIVAL OF TERMS. Termination or expiration of this Agreement shall not extinguish or prejudice a Party's right to enforce this Agreement with respect to any Default that has not been cured.

8.18 ELECTRONIC SIGNATURES. The Parties may sign this Agreement with electronic signatures, which shall be considered effective as an ink signed original.

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NOW INTENDING TO BE LEGALLY BOUND, the Parties hereto have caused this Agreement to be duly executed as of the Board Approval Date.

THE STATE OF UTAH

NORTHROP GRUMMAN SYSTEMS CORPORATION



Name: Kori Ann Edwards
Title: Managing Director, Operations
Date: 5/2/2022
Governor's Office of Economic Development

Name:
Title:
Date:



Name: Kamron Dalton
Title: FINANCE DIRECTOR
Date: 5/2/2022
Governor's Office of Economic Development



Name: Utah Division of Finance
Title:
Date: 5/2/2022
Contract Number: 200631558
State of Utah
Division of Finance

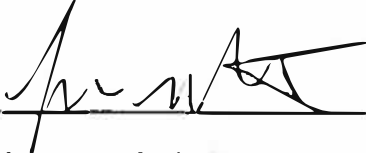
DOCUMENTS INCORPORATED AND ATTACHED HERETO

- ATTACHMENT A: Corporate Structure
- ATTACHMENT B: Projected Employment and Salary Growth
- ATTACHMENT C: Economic Development Zones

NOW INTENDING TO BE LEGALLY BOUND, the Parties hereto have caused this Agreement to be duly executed as of the Board Approval Date.

THE STATE OF UTAH

NORTHROP GRUMMAN SYSTEMS CORPORATION



Name:
Title:
Date:
Governor's Office of Economic Development

Name: Lori Nieto
Title: Assistant Treasurer
Date: April 21, 2022

Name:
Title:
Date:
Governor's Office of Economic Development

Name:
Title:
Date:
Contract Number: 200631558
State of Utah
Division of Finance

DOCUMENTS INCORPORATED AND ATTACHED HERETO

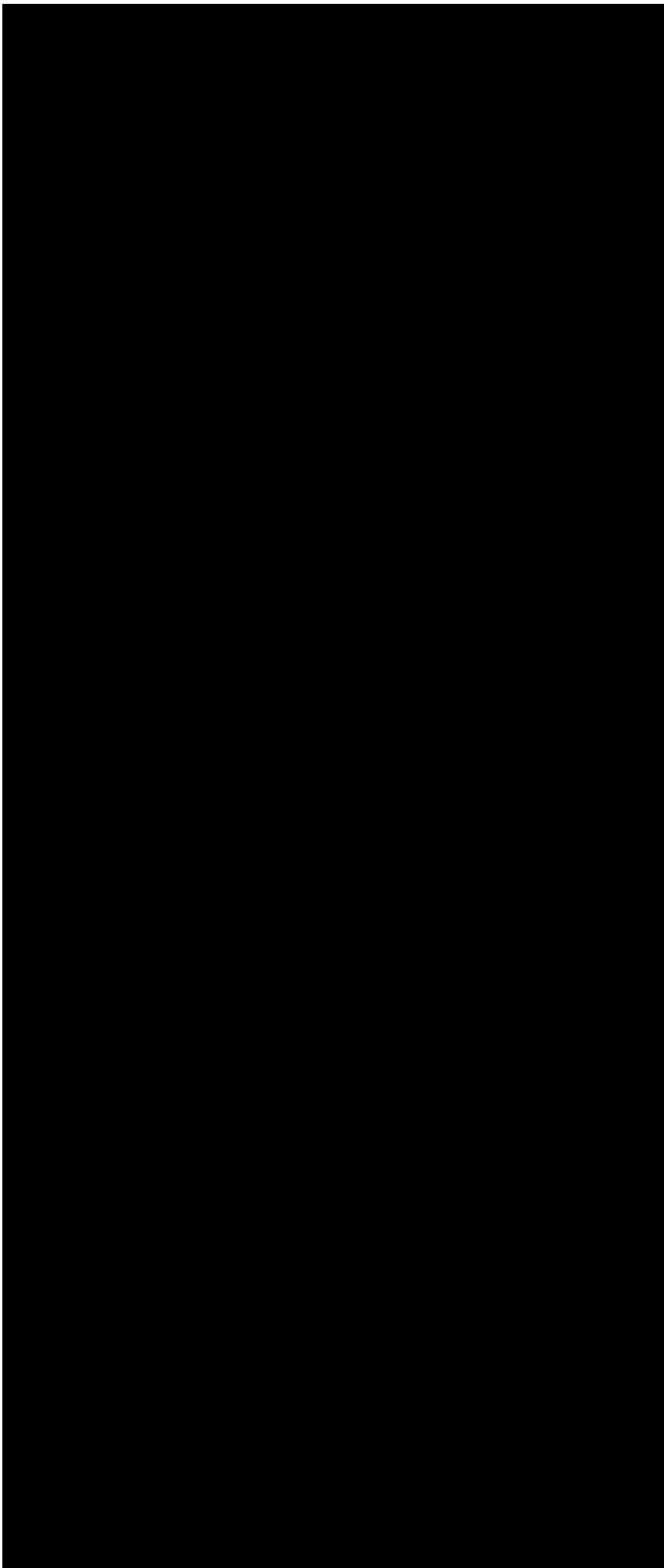
- ATTACHMENT A: Corporate Structure
- ATTACHMENT B: Projected Employment and Salary Growth
- ATTACHMENT C: Economic Development Zones

**ATTACHMENT A
CORPORATE STRUCTURE**

Entity Name	EIN	UT UI Number	UT W/H Number	UT SOS Entity Number	Relationship to NGSC
Alliant Techsystems Operations LLC (915)					Subsidiary of Northrop Grumman Innovation Systems, Inc.
Amherst Systems, LLC (51)					Subsidiary of NGSC
ATK Launch Systems LLC (918)					Subsidiary of Northrop Grumman Innovation Systems, Inc.
ATK Space Systems LLC (917)					Subsidiary of Northrop Grumman Innovation Systems, Inc.
Northrop Grumman Guidance and Electronics Company, Inc. (125)					Subsidiary of NGSC
Northrop Grumman Innovation Systems, LLC (882)					Brother/sister to NGSC
Northrop Grumman International Trading, Inc. (531)					Subsidiary of Northrop Grumman Overseas Holdings, Inc. (brother/sister to NGSC)
Northrop Grumman Systems Corporation (090)					N/A
Northrop Grumman Technical Services, Inc. (74)					Subsidiary of Northrop Grumman Overseas Holdings, Inc. (brother/sister to NGSC)

ATTACHMENT B
PROJECTED EMPLOYMENT AND SALARY GROWTH

(Refer to the table on the following page)



ATTACHMENT C
ECONOMIC DEVELOPMENT ZONES

<u>Street</u>	<u>City</u>
9160 N Highway 83	Corinne
Bldg (B14, C14, D14, H7) Freeport Center	Clearfield
5000 S 8400 W	Magna
5770 S. Missile Way	Roy
2211 West North Temple	Salt Lake City
4336 South 1650 West	Ogden
6004, 6006, 6008 Wardleigh Road	Hill AFB
7812 West 4100 South	Magna
1412, 1436 Legend Hills Drive	Clearfield
1530 N Layton Hills Parkway	Layton
1700 N. Research Park Way	Logan