

ECONOMIC DEVELOPMENT GRANT INCENTIVE AGREEMENT

THIS AGREEMENT is made and entered into this 6th day of July, 2016, by and between the Board of County Commissioners of Nassau County, Florida, a political subdivision of the State of Florida, hereinafter referred to as "COUNTY" and LignoTech Florida, LLC, hereinafter referred to as "APPLICANT" pursuant to Section 125.045 Florida Statutes and Article X Sec. 1-181 ff of Nassau County, Florida, Code of Ordinances.

WHEREAS, COUNTY has been advised that APPLICANT has met all of the requirements for participation in COUNTY's Economic Development Grant Incentive Program as provided in Section 1-181 of the Code of Ordinances;

NOW THEREFORE, in consideration for the mutual promises and AGREEMENTs contained herein, and other valuable and good consideration, COUNTY and APPLICANT agree as follows:

1.0 **PARTIES:** The parties and their respective addresses for purposes of this AGREEMENT are as follows:

**BOARD OF COUNTY COMMISSIONERS
NASSAU COUNTY, FLORIDA
96135 NASSAU PLACE, SUITE 1
YULEE, FLORIDA 32097
FAX NUMBER: (904) 321-5784**

**LIGNOTECH FLORIDA, LLC
6 GUM STREET
FERNANDINA BEACH, FL 32035
FAX NUMBER: (904) 598-2276**

2.0 **ADMINISTRATORS:**

The County's AGREEMENT Administrator is:

Ted Selby, County Manager

The APPLICANT's AGREEMENT Administrator is:

Mark Homans

All approvals and notifications referenced in this AGREEMENT must be obtained in writing from the parties' AGREEMENT Administrators or their duly authorized designees.

3.0 **TERM:** The term of this AGREEMENT shall commence upon the date of execution of this AGREEMENT, and continue through the entire period of APPLICANT's eligibility as provided in Section 1-183 of the Code of Ordinances, unless terminated prior to that time as provided for in this AGREEMENT.

4.0 **ECONOMIC DEVELOPMENT GRANT APPLICANT DESCRIPTION:**

(a) The Economic Development Grant APPLICANT is, or will be, an operating unit of LignoTech Florida, LLC, operating in Fernandina Beach, Florida. The operating unit is identified for Florida unemployment compensation purposes under the unit name of LignoTech Florida, LLC.

(b) The Economic Development Grant APPLICANT understands and agrees that the requirements in Paragraphs 7.0 and 8.0 of this AGREEMENT pertain only to the project described in Paragraph 5.0(a) of this AGREEMENT for the business unit described in 4.0(a) of this AGREEMENT.

5.0 **PROJECT DESCRIPTION AND AWARD CONDITIONS**

(a) This project includes the construction, furnishing and operation of a stand-alone industrial facility to be located on property leased by the APPLICANT at 6 Gum Street, Fernandina Beach, Florida, 32035 (Parcel: 00-00-31-1840-0000-0000). The project is more fully described in the General Project Overview which is attached as "Exhibit A" to this AGREEMENT.

(b) In order to remain qualified for the Economic Development Grant Incentive authorized in this AGREEMENT and to avoid sanctions, the APPLICANT must meet the following performance measures:

(1) The total number of new full time equivalent jobs¹ in Nassau County, Florida that the APPLICANT is, or will be, dedicating to this project is at least fifty one (51), and these jobs will be fully implemented by January, 2018. The APPLICANT must maintain these jobs for the duration of the period of eligibility as described in Section (c) (4).

(2) The new capital investment (the "eligible investment") that the APPLICANT will be dedicating to this project is at least \$110 million for the construction, equipping, and furnishing of the industrial facility. The APPLICANT will complete this new capital investment by January, 2018.

(c) This project qualifies as a "Tier Two" project under the Economic Development Grant Incentive program.

(1) The APPLICANT may, over a ten year period, receive a refund of a portion of the property taxes paid on the incremental increase in value resulting from the eligible investment.

(2) The assessed value of the property for the tax year immediately preceding the year in which the eligible investment is made will be the "base year assessed value" for the project.

¹ A "full time equivalent job" means at least 35 hours of paid work per week.

(3) The Nassau County Property Appraiser will assess the value of the property for the year in which the eligible investment is made. The difference between that value and the base year assessed value (the "increment") will be the amount subject to the economic development grant. The dollar amount of taxes subject to the economic development grant shall be determined by multiplying the increment times the county-wide millage set annually by the Board of County Commissioners.

(4) The ten-year period of eligibility will begin with the tax year in which the assessed value reflects the total value of the eligible investment.

(i) In the first through fifth year of eligibility, the APPLICANT may apply for and receive a return of seventy-five percent (75%) of the dollar amount of taxes subject to the economic development grant.

(ii) In the sixth through tenth year of eligibility, the APPLICANT may apply for and receive a return of fifty percent (50%) of the dollar amount of taxes subject to the economic development grant.

(vi) After the tenth year of eligibility, the program will expire.

(d) The APPLICANT must file an economic development grant application form, available from the Nassau County Economic Development Board (NCEDB), annually during the period of eligibility. All Nassau County *ad valorem* taxes for the grant year must be paid before applying for the economic development grant. The application form must be filed with NCEDB by mail or electronically within sixty (60) days of the APPLICANT's payment of ad valorem taxes for the grant year. The application form shall be sent to:

Nassau County Economic Development Board
76346 William Burgess Boulevard
Yulee, FL 32097
Laura@NassauFlorida.com

(e) Performance measures identified in Section (b), above, must be maintained by the APPLICANT for the entire period of grant eligibility in order to receive the full amount of the annual grant. The COUNTY may adjust actual awards accordingly if performance measures are not achieved or maintained.

(f) The economic development grant shall not be deemed to constitute a debt, liability, or obligation of the county or of the State of Florida or any political subdivision thereof within the meaning of any constitutional or statutory limitation, or a pledge of the faith and credit or taxing power of the county or of the State of Florida or any political subdivision thereof, but shall be payable solely from the funds provided for that purpose. The COUNTY shall not be obligated to pay the economic development grant or any installment thereof except from the non-*ad valorem* revenues or other legally available funds provided for that purpose, that neither the faith and credit nor the taxing power of the county or of the State of Florida or any political subdivision thereof is pledged to the payment of the economic development grant or any installment thereof, and that the APPLICANT, or any other person whomsoever, shall never have any right, directly or indirectly, to compel the exercise of the *ad valorem* taxing power of

the county or the State of Florida or any political subdivision thereof for the payment of the economic development grant or any installment thereof.

6.0 **NOTICES:** All notices pertaining to this AGREEMENT are in effect upon receipt by either party, shall be in writing and shall be transmitted either by personal hand delivery; United States Post Office, return receipt requested; or, overnight express mail delivery. E-mail and facsimile transmission may be used if the notice is also transmitted by one of the preceding forms of delivery. The addresses set forth for the respective parties shall be the place where notices shall be sent, unless prior written notice of change of address is given.

7.0 **DUTIES OF THE APPLICANT:** APPLICANT agrees that to qualify and remain qualified for the economic development grant incentive authorized under this AGREEMENT, APPLICANT must:

(a) Undertake the project and meet the performance measures as specified in this AGREEMENT.

(b) Notify COUNTY in writing of any material developments that impact the implementation or operation of this AGREEMENT or the project that this AGREEMENT covers. Such material developments will include, but not be limited to: announcements with regard to the project, cancellation of the project, or change in ownership of the APPLICANT.

(c) Maintain personnel and financial records and reports related to the jobs, wages, and cumulative investment that are the subject of this AGREEMENT and submit reports to COUNTY as requested.

8.0 **TERMINATION:**

(a) This AGREEMENT may be terminated by COUNTY upon failure of the APPLICANT to comply with any material term or condition of this AGREEMENT or a decision by the APPLICANT either not to proceed with the project defined in Paragraph 5.0(a) of this AGREEMENT or to proceed with that project in a location outside of Nassau County, Florida.

(b) A termination will result in the loss of eligibility for receipt of the economic development grant incentive for the remainder of the period of eligibility.

(c) Notwithstanding Paragraphs (a) and (b) above, in the event that COUNTY fails to pay the APPLICANT any portion of an economic development grant payment, to which the APPLICANT is entitled under this AGREEMENT, as a result of insufficient funds or for any reason whatsoever, the APPLICANT shall have the right to terminate this AGREEMENT and may retain any economic development grant payment previously received.

(d) COUNTY, or its designated agent, may conduct on site visits of the Nassau County, Florida facility to verify the APPLICANT's investment and employment records.

9.0 **LEGAL REQUIREMENTS:**

If any term or provision of this AGREEMENT is found to be illegal and unenforceable, the remainder of this AGREEMENT will remain in full force and effect and such term or provision will be deemed stricken. Any and all litigation arising under this AGREEMENT shall be brought in the appropriate court in Nassau County, Florida, applying Florida law.

10.0 DISPUTES:

Any dispute arising under this AGREEMENT shall be addressed by the representatives of the COUNTY and the APPLICANT as set forth herein. Disputes shall be set forth in writing to the County Manager with a copy to the APPLICANT, depending on which party initiates the dispute, and provided by overnight mail, UPS, FedEx, or certified mail. A response shall be provided in the same manner prior to the initial meeting with the County Manager and a representative of the APPLICANT. This initial meeting shall take place no more than thirty (30) days from the written notification of the dispute addressed to the County Manager.

If the dispute is not settled at the initial meeting, the County Manager shall immediately notify the County Attorney. The County Attorney and the County Manager shall meet with the APPLICANT's representative(s) within thirty (30) days of the County Manager's notification to the County Attorney of the continued dispute.

If there is no satisfactory resolution, the claims, disputes, or other matters in question between the parties to this AGREEMENT arising out of or relating to this AGREEMENT or breach thereof, shall be submitted to mediation in accordance with mediation rules as established by the Florida Supreme Court. Mediators shall be chosen by the COUNTY and the cost of mediation shall be borne by the APPLICANT. If either party initiates a Court proceeding, and the Court orders, or the parties agree to, mediation, the cost of mediation shall be borne by the APPLICANT. No litigation shall be initiated unless and until the procedures set forth herein are followed.

11.0 ATTORNEY FEES: Unless authorized by laws and agreed to in writing by COUNTY, COUNTY will not be liable to pay attorney fees, interest, or cost of collection.

12.0 PRESERVATION OF REMEDIES: No delay or omission to exercise any right, power, or remedy accruing to either party upon breach or default by either party under this AGREEMENT, will impair any such right, power or remedy of either party; nor will such delay or omission be construed as a waiver of any breach or default or any similar breach or default.

13.0 PUBLIC RECORDS: The APPLICANT must make publicly available, upon request, the following information: the name of the business, the amount of the economic development grant, the number of actual new full-time equivalent jobs created, and the amount of capital investment completed.

14.0 NON-ASSIGNMENT: Neither party may assign, sublicense, nor otherwise transfer its rights, duties, or obligations under this AGREEMENT without the prior written consent of the other party, which consent will not be unreasonably withheld.

15.0 ENTIRE AGREEMENT: This instrument embodies the entire AGREEMENT of the parties. There are no provisions, terms, condition, or obligations other than those contained in this

AGREEMENT; and this AGREEMENT supersedes all previous communication, representation, or AGREEMENT, either verbal or written, between the parties. No amendment will be effective unless reduced to writing and signed by an authorized officer of the APPLICANT and the authorized agent of COUNTY.

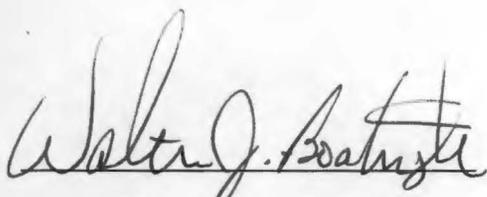
DUPLICATE ORIGINALS. This AGREEMENT is executed in duplicate originals.

(SIGNATURES CONTINUE ON THE NEXT PAGE)

IN WITNESS WHEREOF, COUNTY and APPLICANT have caused this AGREEMENT to be executed and delivered by their duly authorized representatives.

NASSAU COUNTY, FLORIDA

LIGNOTECH FLORIDA, LLC



Walter J. Boatright

Its: Chairman

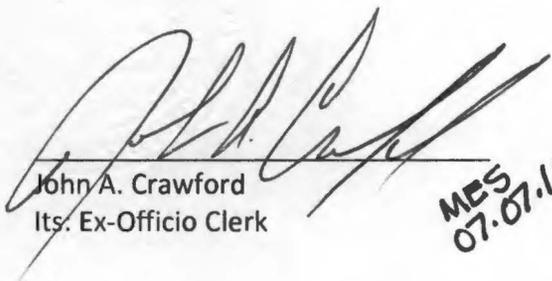


Mark Homans

Title: Manager, Special Projects

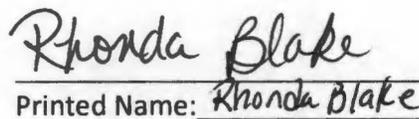
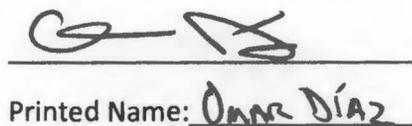
Attest as to Chair's Signature:

Witnesses:



John A. Crawford
Its: Ex-Officio Clerk

MES
07-07-16


Printed Name: Rhonda Blake
Printed Name: OMAR DIAZ

Approved as to form by the
Nassau County Attorney:


Michael S. Mullin