

LOAN AGREEMENT

THIS LOAN AGREEMENT (as it may be amended, this "Agreement") is made as of this ___ day of ___, 2018, between **NORTHROP GRUMMAN INNOVATION SYSTEMS, INC.**, a Delaware corporation duly registered to conduct business in the State of Maryland (the "Borrower"), and **CECIL COUNTY, MARYLAND**, a body corporate and politic of the State of Maryland (the "Lender").

RECITALS

1. The Borrower is indebted to the Lender in the principal amount not to exceed \$80,000, plus interest thereon (the "Loan"), which will be advanced to the Borrower pursuant to this Agreement. The Loan is evidenced by a Promissory Note dated the date hereof in the original principal amount of \$80,000 made by the Borrower and payable to the Lender (as it may be amended or replaced, the "Note").

2. The Loan was made pursuant to the provisions of the Maryland Economic Development Assistance Authority and Fund ("MEDAAF"), codified as Sections 5-301 through 5-349 of the Economic Development Article, Annotated Code of Maryland (as amended, the "Act"), and Cecil County Council Resolution ___-___-2019 (as amended).

3. The Loan proceeds will be used specifically as set forth in this Agreement and generally to finance a portion of the costs in connection with the following completed activities that were carried out by the Borrower and collectively constitute the "Project": (a) to retain existing operations and expand its manufacturing capabilities (the "Project") at 55 Thiokol Road, Elkton, Maryland (the "Project Site"); (b) The Project plans call for anticipated project costs at project site of approximately \$15 million dollars for construction costs, furniture, fixtures and equipment at the project site; and, (c) The hiring of an additional 175 full-time employees by December 31, 2023 for a total employment of 575 permanent full-time employees at the Project Site.

4. In addition to the Project, the Borrower will employ Employees as provided in this Agreement.

NOW, THEREFORE, for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

ARTICLE I
DEFINITIONS

All accounting terms not specifically defined herein shall have the meanings determined by generally accepted accounting principles, consistently applied. All terms previously defined are incorporated in this Agreement by reference. Capitalized terms used in this Agreement have the meanings defined below:

“Application” means the Application from the Borrower to the Lender dated December 31, 2019, as amended by an addendum.

“Borrower’s Contribution” means the Borrower's provision of at least \$15,000,000 towards the costs of the Project.

“Calculation Date” means each December 31st beginning December 31, 2023 and ending December 31, 2033.

“Claim” means any action or other claim for liability, loss, expense, or other cost, including fees, costs and expenses of attorneys, consultants, contractors, and experts.

“Completion Date” means December 31, 2023.

“Default” means any default under Article IV of this Agreement.

“Eligible Project Costs” means capital costs incurred directly by the Borrower for the construction, equipping, and furnishing of the Facility, and not incurred or reimbursed by any other party or entity, including the Local Government. Eligible Project Costs must be approved by the Lender.

“Employees” means employees who (a) are employed by the Borrower at the Facility for at least 1800 hours per year without a fixed term of employment, (b) are eligible for an employer subsidized health care benefits package, (c) are eligible for similar other benefits as other employees of the Borrower and any subsidiary or affiliate of the Borrower, and (d) make an hourly wage of at least 150% of the prevailing federal minimum wage, as adjusted from time to time. An Employee shall not include (i) an employee of a company acquired by the Borrower after the date hereof, if the employee’s place of employment immediately prior to the acquisition was in the State or (ii) an employee of the Borrower who is transferred to the Facility, if the employee’s place of employment immediately prior to the transfer was in the State.

“Employee Report” means a report prepared by the Borrower that consists of (a) a list of the employee identification numbers or other unique code or unique identifiers of the Employees at the Facility as of the date(s) required in Section 6.04, (b) the hourly or annual pay rate for each Employee, (c) a general description of available benefits offered to all Employees; and (d) the name of the employer employing for each Employee. An officer of the Borrower shall certify that (i) the list is true and accurate, (ii) the employees listed meet the definition of

Employees, and (iii) each of the employees listed is employed at the Facility. The Employee Report shall be in the form attached here as Exhibit C.

“Expenses” means all costs and expenses reasonably incurred by the Lender (whether before or after a Default) in exercising or enforcing any rights, powers and remedies provided in any of the Financing Documents.

“Financing Documents” means all documents executed and delivered in connection with the Loan and the Obligations, including this Agreement, the Note, and any other document evidencing the Loan, as any of them may be amended.

“Final Report” means a completed and executed final report in substantially the form of Exhibit E attached to this Agreement.

“Governmental Authority” means the United States, the State, or any of their political subdivisions, agencies, or instrumentalities, including any local authority having jurisdiction over any aspect of the Project.

“Laws” means any current or future federal, state and local laws, statutes, rules, ordinances, regulations, codes, decisions, interpretations, orders, or decrees of any court or other Governmental Authority having jurisdiction.

“Local Contribution” means the provision of at least \$80,000 towards the costs of the Project by Cecil County, Maryland, the terms of which are set forth in this Agreement.

“Local Government” means Cecil County, Maryland, a body corporate and politic and a political subdivision of the State of Maryland.

“Obligations” means all duties of payment, performance, and completion owed by the Borrower to the Lender under the Financing Documents and by law, including the obligations to:

(a) Pay all sums of money owed in connection with the Loan and any of the Financing Documents, including (i) all sums of principal, interest, and premium, if any, due or to become due, (ii) all past, present, and future advances under any of the Financing Documents, (iii) any late fees or other charges payable by the Borrower, (iv) all money advanced or expended by the Lender as provided for in any of the Financing Documents, and (v) all Expenses; and

(b) Strictly observe and perform all of the provisions of the Financing Documents, time being of the essence.

“State” means the State of Maryland.

“Taxes” means all taxes, water rents, sewer rents, assessments, utility charges (whether public or private), and other governmental or municipal or public dues, charges, and levies all in connection with the Facility and the Employees.

ARTICLE II TERMS OF THE LOAN AND DISBURSEMENT

Section 2.01. The Loan.

Subject to the terms and conditions of all of the Financing Documents, the Lender agrees to extend the Loan to the Borrower.

Section 2.02. Repayment and Interest.

All sums advanced under the Loan shall be evidenced by the Note and shall be repaid with interest in accordance with, and subject to, provisions of the Note and the other Financing Documents.

Section 2.03. Disbursement.

(a) In General. Subject to the continued compliance by the Borrower with all of the terms of all of the Financing Documents, the continued satisfaction of all conditions precedent to disbursing Loan proceeds under this Agreement, and the continued non-existence of a Default, the Lender shall advance to the Borrower the full amount of the Loan pursuant to a completed Request for Disbursement, the form of which is attached hereto as Exhibit A.

(b) Disbursement. The Request for Disbursement shall be made to the Lender at the address specified in Section 5.01, or at any other place that the Lender designates.

(c) Disbursement to the Borrower. The disbursement shall be made directly to the Borrower by check or wire provided the Borrower has satisfied County requirements for the wiring of County funds. The Lender shall only disburse Loan proceeds upon presentation by the Borrower of invoices, bills, or other satisfactory proof of payments to reimburse the Borrower for payments made in accordance with subsection (d)(i) of this section.

(d) Conditions for Disbursement. The obligation of the Lender to disburse the proceeds of the Loan is subject to the satisfaction of the following conditions as of the date the disbursement is made:

(i) Receipt of Request for Disbursement. The Lender shall have received a completed Request for Disbursement with evidence of the Borrower’s expenditure of at least \$1,143,000 of Eligible Project Costs together with satisfactory evidence that the Borrower employs a minimum of 400 Full-Time permanent employees at the Project Site.

(ii) Representations True. No representation or warranty of the Borrower contained in this Agreement shall be or have become materially incorrect or inaccurate.

(iii) No Defaults. There shall be no Default.

(iv) Solvency Certifications. If requested by the Lender, the Borrower shall deliver to the Lender reasonably satisfactory evidence that no (1) petition in bankruptcy, voluntary or otherwise, (2) assignment for the benefit of creditors, (3) petition seeking reorganization or arrangement under bankruptcy laws of the United States or of any state, or (4) other action brought under any bankruptcy laws, is pending against the Borrower. The Lender may request such a certification no more than once a year.

(e) The Borrower's right to borrow under this Agreement shall terminate 6 months after the date of this Agreement.

(f) Availability of Funds and Reduction of Loan. Disbursements of Loan proceeds are subject to the continuing availability of funds for such purpose, the County's fiscal position, the Lender's financial resources, and compliance with all applicable Laws. The Lender may, at any time, assess the County's fiscal position and the Lender's financial resources and reduce the amount of undisbursed Loan funds.

Section 2.04. Conditions Precedent to Disbursement.

Before disbursing any Loan proceeds, the Lender shall receive all of the items set forth on the Pre-Closing and Closing Checklist attached hereto as Exhibit B, in form and substance acceptable to the Lender.

Section 2.05. Completion.

No later than 90 days after the Completion Date, the Borrower shall submit to the Lender the following: A Final Report with a list of the fixtures, furniture and equipment purchased for and installed at the Facility that constitutes the Borrower's Contribution, a copy of the final certificates of occupancy for the Facility and any additional information required by the Lender. The Borrower covenants to expend the Borrower's Contribution by the Completion Date.

ARTICLE III
REPRESENTATIONS, WARRANTIES
AND COVENANTS OF THE BORROWER

Section 3.01. Representations and Warranties.

The Borrower represents and warrants as follows:

(a) Organization. The Borrower:

(i) Is a corporation duly organized, validly existing, and in good standing under the laws of the State of Delaware;

(ii) Has the power to own its property and to carry on its business as now being conducted at the Facility;

(iii) Is duly qualified to do business and is in good standing in the State of Maryland; and

(iv) Has delivered a complete copy of its articles of incorporation and by-laws, together with all amendments, to the Lender.

(b) Due Authorization. The Borrower has the full power and authority to enter into this Agreement, to borrow the Loan as contemplated by the Financing Documents, to execute and deliver all of the Financing Documents to which it is a party, and to comply with the terms set forth in all of the Financing Documents, all of which have been duly authorized by all necessary membership action of the Borrower. No approval of any other person or public authority or regulatory body is required as a condition to the validity of any of the Financing Documents, or, if required, the approval has been obtained.

(c) Validity of Financing Documents. All of the Financing Documents have been properly executed by the Borrower and will:

(i) Not violate any provision of the Borrower's articles of organization or operating agreement; or

(ii) Constitute the valid and legally binding obligations of the Borrower, fully enforceable against the Borrower, in accordance with their terms.

(d) Legal Actions. There is no (1) Claim pending or, to the best of the Borrower's knowledge, threatened in any court or before any governmental agency, and (2) investigation by or before any Governmental Authority, that affects the Facility or the Project.

(e) Borrower's Financial Statements. A letter of the Borrower's financial condition (a "Comfort Letter") prepared by the Borrower's independent certified public accounting firm that fairly and accurately presents the financial condition of the Borrower as of the date of the letter. There has been no material adverse change in the financial condition of the Borrower or the results of its operations since the date of such report.

(f) Taxes. All Taxes imposed upon the Borrower for the Project and Facility have been paid prior to the date when any interest or penalty would accrue for nonpayment, except for those Taxes for the Project and Facility being contested in good faith and by appropriate proceedings by the Borrower.

(g) Accuracy of Statements. All information contained in any financial statement, report, or other document given by the Borrower in connection with the Loan is true and accurate in all respects.

(h) Application. All information in the Application was true and complete in all material respects as of the date of the Application. The Borrower is aware of no event that would require any amendment to the Application in order to make any information in the Application true and complete in all material respects and not misleading in any material respect as of the date of this Agreement.

(i) Financing Document Defaults. There is no Default.

(j) Compliance With Laws. The Borrower has materially complied with all Laws. In the event the Borrower was not in compliance with Laws, it will be in the sole discretion of the Lender to determine whether the noncompliance was material.

(k) State Drug Policy. The Borrower has made a good faith effort to confirm that it is in compliance with the State's policy concerning drug and alcohol free workplaces, as set forth in COMAR 01.01.1989.18 and 21.11.08.

(l) Priority Funding Area. The Property is located in "Priority Funding Area" as that term is defined in Title 5-7B of the State Finance and Procurement Article of the Annotated Code of Maryland.

(m) Approvals. The Borrower has obtained, or expects to obtain prior to the commencement of construction of the Project:

(i) All approvals from and reviews by all Governmental Authorities of the Laws applicable to the Project and the Facility; and

(ii) All necessary building permits for the Project.

(n) Utilities and Roads. The Facility is serviced by all utility services and roads necessary for the intended operation of the Facility.

(o) Zoning. The intended use of the Facility will not violate any zoning or other Law, or any restrictive covenant or agreement of the Borrower (now in existence or known by the Borrower to be proposed) applicable to the Facility or its use, and all requirements for such use have been satisfied.

(p) The Borrower received and expended the State Contribution for the Project.

Section 3.02. Borrower's Covenants.

The Borrower covenants as follows:

(a) Repayment and Performance.

(i) The Borrower shall promptly pay and perform all of the Obligations in the manner provided in the Financing Documents.

(ii) The Borrower will have spent a minimum of \$15,000,000 for Project Costs at the Project Site from January 1, 2018 to December 31, 2023.

(iii) The Borrower will retain its operations at the Project Site for the term of the Loan.

(iv) The Borrower will employ at least 400 Full-Time permanent employees at the Project Site for the term of the Loan.

(v) The Borrower will employ at least 575 Full-Time permanent employees at the Project Site by December 31, 2023; thereafter, the Borrower will employ at least 575 Full-Time permanent employees at the Project Site for the remaining term of the Loan.

(b) Use of Loan Proceeds. The Borrower shall use the Loan proceeds for 70% of Eligible Project Costs.

(c) Financial Information. Upon request of the Lender, the Borrower shall make available to the Lender:

(i) A Comfort Letter of the Borrower's financial condition prepared by the Borrower's independent certified public accounting firm that fairly and accurately presents the financial condition of the Borrower as of the date of the report; and

(ii) Any additional information reasonably requested by the Lender in connection with the Project and the Loan.

(d) Good Standing. The Borrower shall maintain its existence as an entity qualified to do business in the State.

(e) State Drug Policy. The Borrower will use good faith efforts to comply with the State's policy concerning drug and alcohol free workplaces, as set forth in COMAR 01.01.1989.18 and 21.11.08, for the term of this Agreement.

(f) Books and Records. The Borrower shall keep any books, records, and other documents reasonably necessary to disclose fully the amount and disposition of the Loan and the Borrower's Contribution. All books, records and other documents shall be available at the offices of the Borrower for inspection, copying, audit and examination at all reasonable times with reasonable notice by any duly authorized representative of the Lender. All books, records and other documents shall be maintained until the first to occur of (i) three years after completion of

the Project, or (ii) the completion of an audit of the Project by the State. Inspections and audits will be limited to once a year unless otherwise provided by law.

(g) Taxes. The Borrower shall promptly pay all Taxes for the Facility and Project imposed on the Borrower, except for those Taxes for the Facility and Project being contested in good faith by appropriate proceedings by the Borrower.

(h) Press Releases. Without the prior consent of the Lender, the Borrower may not issue any press releases in connection with the Loan, the County, or the Lender. Without the prior consent of the Borrower, the Lender may not issue any press releases in connection with the Loan or the Borrower.

(i) Further Assurances. At any time, upon request by the Lender, the Borrower, at its sole expense, will make, execute, and deliver, or cause to be made, executed, and delivered, any additional documents that may, in the opinion of the Lender, be necessary or desirable to effectuate, complete, continue, or preserve the Obligations.

(j) Contractor's Non-Discrimination/Minority Enterprises.

(i) The Borrower shall not discriminate on the basis of race, color, sex, religion, or national or ethnic origin in its hiring of contractors to carry out any portion of the Project.

(ii) Attached as Exhibit D is the Borrower's "Doing Business with Northrop Grumman Innovation Systems, Inc." and "Northrop Grumman Innovation Systems, Inc.'s Supplier Inquiry Form" for purposes of use by the County to direct any contractors and vendors who are minority business enterprises (MBEs) and are interested in applying for contracting opportunities in connection with the Project. The Borrower encourages all such MBEs to apply for consideration. The Borrower reserves the right to select any and all contractors, vendors and suppliers in connection with the Project, based on Borrower's business needs and applicable qualifications and requirements determined by the Borrower.

(k) Expenses. All Expenses incurred by the Lender shall become part of the Obligations and shall be repaid by the Borrower on demand, together with interest at a rate equal to 12% per annum from the date of incurrence.

(l) Compliance With Laws. The Borrower will comply in all material respects with all Laws.

(m) Completion. The Borrower shall:

(i) Cause the Project to be completed by the Completion Date; and

(ii) Satisfy all applicable Laws for the operation of the Facility by the Completion Date.

(n) Commencement Date and Completion. Borrower agrees that construction of the Facility will be prosecuted with due diligence and will be fully completed no later than the Completion Date. Upon request of the Lender, the Borrower will certify to the Lender that the Borrower is continuing to pursue completion of the Facility.

ARTICLE IV **DEFAULT AND REMEDIES**

Section 4.01. Defaults.

The following events shall constitute a Default under this Agreement:

(a) The Borrower fails to pay the principal amount of the Loan and interest thereon according to the terms of the Note or any other payment required by any of the Financing Documents, including the Obligations after a five day cure period;

(b) The Borrower ceases to use the Facility for its medical supply distribution operations, as contemplated in this Agreement;

(c) Any Loan proceeds are used for any purpose other than reimbursing the Borrower for Eligible Project Costs;

(d) The Borrower breaches any covenant, representation, warranty, or other provision of this Agreement or any other Financing Document, which breach is not cured within 30 calendar days from the date of the breach; provided, however that the Borrower shall not receive a 30 calendar day cure period under this subsection for any breach for which there is a specific Default set forth in this Section 4.01;

(e) Any statement made in any certificate, report or opinion (including legal opinions), financial statement, or other document furnished in connection with the Loan was incorrect in any material respect when made;

(f) The Borrower fails to comply with any requirement of any Governmental Authority within 30 days after written notice of the requirement is made or within any other time period set by the Governmental Authority unless contested in good faith; or if any proceeding is commenced or action taken to enforce any remedy for a violation of any requirement of a Governmental Authority or any restrictive covenant affecting any part of the Facility;

(g) Any court of competent jurisdiction makes a final order (i) adjudicating the Borrower a bankrupt, (ii) appointing a trustee or receiver of a substantial part of the property of the Borrower , (iii) approving a petition for, or affecting an arrangement in, bankruptcy, a reorganization pursuant to federal bankruptcy law, or any other judicial modification or alterations of the rights of the Lender or of other creditors of the Borrower , (iv) assuming custody or sequestering any substantial part of the property of the Borrower , or (v) attaching or garnishing any substantial part of the property of the Borrower ; or if the Borrower (A) files such petition, or

(B) takes or consents to any other actions seeking any such judicial order, or (C) makes an assignment for the benefit of creditors, or (D) fails to pay debts generally as they become due, or (E) makes an admission in writing of inability to pay debts generally as they become due;

(h) Without the prior written consent of the Lender, the Borrower (i) sells or transfers all or substantially all of its business assets, (ii) begins any proceeding to dissolve or liquidate, (iii) changes the form of business entity through which it presently conducts its business, or (iv) merges or consolidates;

(i) Without the prior written consent of the Lender, the Borrower is dissolved by operation of law or in any other matter;

(j) The Borrower relocates to an area which is not a Priority Funding Area, as that term is defined in Title 5-7B of the State Finance and Procurement Article of the Annotated Code of Maryland or it is determined the Facility is not located in a Priority Funding Area.

(k) A default or event of default occurs under the terms of (i) any of the other Financing Documents, (ii) any other agreement with the Lender beyond any applicable notice and cure period in addition to 30 days after the notice and cure period, or (iii) the documents executed in connection with the State MEDAF Loan;

(l) Without the written consent of the Lender, the Borrower and Approved Entity is no longer directly or indirectly controlled by the Parent Company;

(m) The Borrower fails to promptly pay and perform all of the Obligations in the manner provided in the Financing Documents;

(n) The Borrower fails to spend a minimum of \$15,000,000 for Project Costs at the Project Site from January 1, 2018 to December 31, 2023;

(o) The Borrower will retain its operations at the Project Site for the term of the Loan;

(p) The Borrower fails to employ at least 400 Full-Time permanent employees at the Project Site for the term of the Loan; or,

(q) The Borrower will employ at least 575 Full-Time permanent employees at the Project Site by December 31, 2023; thereafter, the Borrower will employ at least 575 Full-Time permanent employees at the Project Site for the remaining term of the Loan

Section 4.02. Remedies.

(a) Upon the occurrence of any Default, the Lender may:

(i) Require the immediate repayment of the entire outstanding principal indebtedness, together with all accrued interest, under the Note and any Obligations;

(ii) At any time proceed to protect and enforce all rights and remedies available to the Lender under this Agreement or by Law, by any other proceedings, whether for damages, or other relief and specifically not for specific performance and speculative and punitive damages;

(iii) Suspend or terminate the Borrower's authority to receive any undisbursed Loan proceeds at any time by notice to the Borrower.

(b) All remedies provided for in this Agreement or by Law are cumulative and are in addition to any other rights and remedies available to the Lender under any Law. The exercise of any right or remedy by the Lender shall not constitute a cure or waiver of any Default by the Borrower, nor invalidate any act done pursuant to any notice of Default, nor prejudice the Lender in the exercise of those rights.

(c) The failure of the Lender to insist upon performance of any term of this Agreement shall not constitute a waiver of any term of this Agreement. No act of the Lender shall be construed as an election to proceed under any one provision in this Agreement to the exclusion of any other provision.

(d) If the Lender suspends or terminates this Agreement, the rights and remedies available to the Lender shall survive the suspension or termination.

ARTICLE V **MISCELLANEOUS**

Section 5.01. Notices.

(a) All communications between the parties made pursuant to this Agreement shall be in writing.

(b) Any communication shall (a) when mailed, be effective three business days after it is deposited in the mail, (b) when mailed for next day delivery by a reputable overnight courier service, be effective one business day after mailing and (c) when sent by email, be effective when it is emailed and receipt of the communication is confirmed. Communications shall be delivered to the office of the addressee, as follows. Communications of Employee Reports may be delivered electronically and with encryption. Communications shall be delivered to the office of the addressee, as follows:

(i) Communications to the Lender shall be mailed to:

Cecil County, Maryland, a body corporate and politic
Attention: Alfred C. Wein, Jr., Director of Administration
200 Chesapeake Blvd., Suite 2100

Elkton, Maryland 21921
Email: awein@ccgov.org

With a copy to the Counsel to the State of Maryland at the following address.

State of Maryland
Department of Commerce
401 East Pratt Street, 17th Floor
Baltimore, Maryland 21202
Attention: Financing Programs Accounting and Administration
Email: FPAAworkflowcoordinator.dbed@maryland.gov

- (ii) Communications to the Borrower shall be mailed or emailed to:

Northrop Grumman Innovation Systems, Inc.
Defense Systems, Finance
1501 S. Clinton Street, 11th Floor
Baltimore, Maryland 21224

Attention: Bryan Buckland
Email:

- (c) The Borrower and the Lender may change their notice addresses by sending written notice to the other party.

Section 5.02. Assignment.

No benefit or burden imposed on the Borrower under this Agreement may be assigned without the prior written consent of the Lender provided the assignment does not constitute a Default and in the event of any assignment the Borrower gives the Lender notice within 5 days of the of the assignment and any confirmatory instruments are executed in favor of the Lender by the party to which there is an assignment.

Section 5.03. Successors Bound.

This Agreement shall inure to the benefit of, and shall be binding upon, each of the parties and their successors and permitted assigns.

Section 5.04. Severability.

The invalidity of any part of this Agreement shall not affect the validity of the remaining provisions of this Agreement.

Section 5.05. Entire Agreement.

This Agreement constitutes the entire agreement between the Borrower and the Lender and supersedes all prior oral and written agreements, representations, and negotiations between the parties concerning the Loan and the Obligations.

Section 5.06. Amendment of Agreement.

This Agreement may be amended only in writing executed by the Lender and the Borrower.

Section 5.07. Headings.

The headings used in this Agreement are for convenience only and do not constitute a part of this Agreement.

Section 5.08. Disclaimer of Relationships.

The Borrower acknowledges that the obligation of the Lender is limited to making the Loan on the terms set forth in this Agreement. Nothing in this Agreement, and no act of the Lender or the Borrower, shall be deemed to create any relationship of third-party beneficiary, principal and agent, limited or general partnership, joint venture, or any other relationship between the Borrower and the Lender. In addition, by inspecting any part of the Facility or by accepting or approving any action of the Borrower under any of the Financing Documents, the Lender shall not be considered to warrant the condition, legality, or sufficiency of any part of the Facility or any action taken or not taken by the Borrower.

Section 5.09. Governing Law.

This Agreement and all of the other Financing Documents shall be governed by the laws of the State of Maryland.

Section 5.10. Term of Agreement.

Except as otherwise provided in this Agreement, unless sooner terminated by the mutual consent of the Borrower and the Lender, this Agreement shall remain in full force and effect until the earlier to occur of the date the Loan and the Obligations, together with interest and all other sums due and owing in connection with this Agreement, the Obligations or the Loan, have been paid in full to the satisfaction of the Lender or the Loan and the Obligations are forgiven by the Lender under the provisions of Section 6.02 of this Agreement.

Section 5.11. Illegality.

If performance of any obligation under any of the Financing Documents would require the performing party to violate the Law, then the performance shall be reduced to the level permitted by Law; and if any provision of this Agreement, operates, or would operate, to invalidate any part

of this Agreement, then such provision only shall be void as though not set forth in this Agreement, and the remainder of this Agreement shall remain in full force and effect; provided, however, that if any such invalidated provision pertains to the payment or repayment of interest, all or a portion of the Loan, or any other of the Obligations, then the entire unpaid sum (excluding amounts previously forgiven in accordance with the terms of this Agreement) under this Agreement, with all unpaid interest accrued thereon, and all other unpaid Obligations shall become due and payable on demand.

Section 5.12. WAIVER OF JURY TRIAL.

THE BORROWER HEREBY VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER AND IN CONNECTION WITH THE LOAN OR ANY OF THE FINANCING DOCUMENTS.

Section 5.13. Counterparts.

This Agreement may be executed in one or more counterparts, each of which shall be an original, but all of which, when taken together, shall constitute one document.

Section 5.14. Confidentiality Statement. Information submitted by the Borrower to the Lender is subject to the Confidentiality Statement. To the extent the Borrower is required to deliver confidential commercial information to the Lender, the Borrower may deliver it electronically in password protected and encrypted files.

ARTICLE VI
FORGIVENESS, EMPLOYEE REPORTS AND
APPROVED ENTITIES

Section 6.01. Intentionally Left Blank.

Section 6.02. Forgiveness.

As of December 31, 2033, the Lender will forgive the amount of the Loan which is not subject to repayment under this Article VI, if no Default exists.

Section 6.03. General Conditions.

(a) All information submitted by the Borrower to the Lender as evidence of compliance with any requirement of this Article must be in form and substance acceptable to the Lender in its sole discretion.

(b) The Lender shall not be obligated to forgive all or any portion of the Loan or permit repayment as provided in this Section if a Default exists.

(c) All calculations of the employment shall be based upon the Employee Reports received by the Lender under Section 6.04 below.

Section 6.04. Employee Reporting Requirement.

(a) On the dates specified below, the Borrower shall submit an Employee Report to the Lender with information effective as of the dates specified below:

<u>Report Date</u>	<u>Effective Date of Information</u>
January 31, 2020	December 31, 2019
January 31, 2021	December 31, 2020
January 31, 2022	December 31, 2021
January 31, 2023	December 31, 2022
January 31, 2024	December 31, 2023
January 31, 2025	December 31, 2024
January 31, 2026	December 31, 2025
January 31, 2027	December 31, 2026
January 31, 2028	December 31, 2027
January 31, 2029	December 31, 2028
January 31, 2030	December 31, 2029
January 31, 2031	December 31, 2030
January 31, 2032	December 31, 2031
January 31, 2033	December 31, 2032
January 31, 2034	December 31, 2033

(b) Upon the written request of the Lender, the Borrower shall provide the Lender with any information and reports that the Lender determines, in its reasonable discretion, are needed to verify information contained in an Employee Report. The Borrower shall permit the Lender to inspect the employee records of the Borrower to confirm the information contained in an Employee Report. The Borrower will use the form of Employee Report and Certification.

[SIGNATURES APPEAR ON THE NEXT PAGE.]

IN WITNESS WHEREOF, the Borrower and the Lender have caused this Agreement to be executed and delivered as of the date first above written.

WITNESS:

CECIL COUNTY, MARYLAND

Name: _____

By: _____
Alan J. McCarthy
County Executive

WITNESS:

**NORTHROP GRUMMAN
INNOVATION SYSTEMS, INC.**

Name: _____

By: _____ (SEAL)
Name:
Title:

STATE OF MARYLAND, CITY/COUNTY OF CECIL, TO WIT:

I HEREBY CERTIFY that on this ___ day of _____, 2019, before me, a Notary Public in the State of Maryland, personally appeared Alan J. McCarthy, who acknowledged himself to be the County Executive of the Cecil County, Maryland, a body corporate and politic, known or satisfactorily proven to me to be the person whose name is subscribed to this document, and acknowledged that he executed it on behalf of the **CECIL COUNTY, MARYLAND** as its duly authorized County Executive.

AS WITNESS my hand and Notarial Seal.

Notary Public

My Commission expires: _____

STATE OF _____, CITY/COUNTY OF _____, TO WIT:

I HEREBY CERTIFY that on this ___ day of _____, 2019, before me, a Notary Public in the State of _____, personally appeared _____, who acknowledged himself/herself to be the _____ of Northrop Grumman Innovation Systems, Inc., known or satisfactorily proven to me to be the person whose name is subscribed to this document, and acknowledged that he executed it on behalf of **NORTHROP GRUMMAN INNOVATION SYSTEMS, INC.**, as its duly authorized agent.

AS WITNESS my hand and Notarial Seal.

Notary Public

My Commission expires: _____

EXHIBIT A

REQUEST FOR DISBURSEMENT

1. Project Name: **CONSTRUCTION OF NORTHROP GRUMMAN INNOVATION SYSTEMS, INC. LOCATED IN CECIL COUNTY**
2. Applicant: **NORTHROP GRUMMAN INNOVATION SYSTEMS, INC.**
3. Request No. (number consecutively): 1
- 4.

Activity	Actual Cost (& Contract # if applicable)	Amount Requested from Department in this Request	Cumulative Amount Requested from Department to date
TOTAL:			80,000

INSTRUCTIONS:

- (1) Cost figures must be supported by adequate documentation (invoices, bills, vouchers, etc.).

[CERTIFICATION APPEARS ON THE NEXT PAGE.]

CERTIFICATION:

I, _____, _____ of **NORTHROP GRUMMAN INNOVATION SYSTEMS, INC** (the "Borrower") hereby certifies to the Cecil County, Maryland, a body corporate and politic (the "County") that:

1. The capitalized terms in this Certification shall have the meanings given to them in the Loan Agreement between the County and the Borrower for the \$80,000 loan (the "Agreement").
2. The attached request is for Loan proceeds to reimburse the Borrower for 70% of Eligible Project Costs.
3. This request is not for previously requested funds.
4. The conditions to be satisfied prior to the disbursement of Loan proceeds as set forth in the Agreement have been met.
5. No default exists under the Financing Documents.
6. The representations and warranties made by the Borrower in the Agreement are true and correct.
7. Attached to this request are invoices representing at least \$80,000.00 of Eligible Project Costs.

WITNESS:

**NORTHROP GRUMMAN
INNOVATION SYSTEMS, INC.**

Name: Eric Gerstein

By: _____ (SEAL)
Name: _____
Title: _____
Date: _____

Northrop Grumman Innovation Systems, Inc.
March 13, 2019

LOAN AGREEMENT

EXHIBIT B

PRE-CLOSING AND CLOSING CHECKLIST

LOAN AGREEMENT

EXHIBIT C

EMPLOYEE REPORT AND CERTIFICATION

EMPLOYMENT CERTIFICATION

I, Eric Gerstein, Vice President, Tax, of **NORTHROP GRUMMAN INNOVATION SYSTEMS, INC.** (the "Borrower") hereby certify to the Department of Commerce (the "Department") that:

1. Capitalized terms used in this Certification shall have the meanings given to them in the Loan Agreement between the Department and the Borrower unless otherwise described in this Certification.
2. Attached hereto is a true and correct Employment Report as of June 1, 2019. As of this date, there are _____ Employees at the Facility.
3. Each of the Employees is employed at the Facility for at least 1,800 hours per year, without a fixed term of employment, is eligible to participate in an employer-subsidized health care benefits package, is eligible for similar other benefits as other employees of the Borrower, and makes an hourly wage of at least 150% of the prevailing Federal minimum wage as adjusted from time to time.

IN WITNESS WHEREOF, the undersigned officers of the Borrower have executed this Certificate this _____ day of _____, 2019.

NORTHROP GRUMMAN INNOVATION SYSTEMS, INC

By: _____

Name:

Title:

Date: _____

Northrop Grumman Innovation Systems, Inc.
 March 13, 2019

Opt Out Benefit	If you have insurance elsewhere that you are currently enrolled in, you may be eligible for Medline's Opt Out benefit. The Opt Out Benefit is \$4,250 for the first year. It is paid over 12 consecutive months following your benefits eligibility date. You must provide proof of other insurance to be eligible.	Medline
Medical Benefits PPO Plans	There are three Preferred Provider (PPO) medical plans provided through UnitedHealthcare (UHC): Gold, Blue and White Plan. The Gold Plan is the richest of the plans, providing extensive protection, but at a higher price. The Blue Plan provides solid protection at a more affordable level. The White Plan is a high deductible, in-network only plan with a HRA account. Same-sex domestic partners are also eligible to enroll.	You and Medline
Health Reimbursement Account (HRA) White PPO Plan Only	A HRA combines the flexibility of a high deductible medical benefit plan with an employer-funded account. You continue to have the security, choice and personal control over your health care finances. With the White Plan, Medline contributes to this account on an annual basis to pay for covered medical expenses before you have to pay anything out of pocket. Medline funds \$300 for employee only coverage, \$600 for employee plus one coverage, and \$900 for family coverage.	Medline
Prescription Benefits PPO Plans Only	If enrolled in one of the UHC medical plans, the prescription coverage is provided through Catamaran. There is a \$10 co-payment for generic drugs (discounted at Walmart stores), a \$30 co-payment for preferred drugs, and a \$60 co-payment for non-preferred drugs. Members pay a 25% co-payment for non-specialty drugs that are over \$200 at retail price. Specialty drugs have a \$100 monthly minimum and \$500 monthly maximum co-payment. Drugs used to treat asthma, high blood pressure, high cholesterol and diabetes are reduced by 60 percent of their formulary cost.	You and Medline
HMO Plans (California only)	Available to employees in California only, this managed care program through Kaiser Permanente utilizes an existing network of providers and requires the approval of a primary care physician for services.	You and Medline
Spousal Surcharge	If you have a spouse that has coverage available through his/her employer, but enrolls in the Medline medical plan exclusively, you will be charged an additional \$75 monthly premium. If your spouse does not have insurance available to them through his/her employer, or is not employed, you do not pay the additional \$75 monthly premium.	You
Wellness Program	Employees and spouses enrolled in a medical plan may receive annual premium credits of up to \$480 if both participate in the Wellness Program. Medline will also reimburse annually for membership in a health club, up to \$250 for one member or \$500 for two or more.	Medline
Critical Illness	Critical Illness is a safeguard for you and your family when you need it most. It provides a lump sum payment for you to use as you see fit when you or a covered family member are stricken with the following types of illnesses: heart attacks, strokes, cancer and over 20 other conditions.	You
Dental Benefits	Dental benefits are provided through MetLife. It is a PPO Plan which provides a higher benefit when a PDP Plus Network provider is used. Same-sex domestic partners are also eligible to enroll.	You
Vision Benefits	Vision benefits are provided through Vision Service Plan (VSP). The plan helps with routine exams and eyewear and pays a higher benefit when a VSP network provider is used. Same-sex domestic partners are also eligible to enroll.	You
Reimbursement Accounts Flexible Spending Accounts	A Flexible Spending Account allows you to direct a part of your pay, on a pre-tax basis, into a special account that can be used throughout the year to reimburse yourself for certain out-of-pocket health and/or dependent care expenses. You can contribute up to \$2,500 for Health Care and/or up to \$5,000 for Dependent Care expenses.	You
Financial Security Benefits Short Term Disability*	After one week of absence due to a non-work-related illness or injury, STD provides 60% (80% for pregnancy-related) of eligible pay for a maximum of 25 weeks. Coverage begins after one year of employment.	Medline
Long Term Disability*	For disabilities lasting more than 26 consecutive weeks, benefits are paid at 60% of eligible pay, to a maximum of \$10,000 per month. Coverage begins after one year of employment.	Medline

[EXAMPLE ONLY]

LOAN AGREEMENT

EXHIBIT D

List of Minority Contractors, Subcontractors, and Vendors Used in Project.

<u>Name and Address of Minority Business Providing Goods or Services</u>	<u>MDOT MBE Certification # or Federal SBA Certification #</u>	<u>Nature of Goods or Services</u>	<u>Dollar Amount</u>
1.			
2.			
3.			
<u>Total Dollar Amount</u>			

EXHIBIT E

Maryland Economic Development Assistance Authority and Fund (“MEDAAF”)
 Final Report and Certification to **Cecil County, Maryland** of Completion Costs

1. Project Name: **NORTHRUOP GRUMMAN INNOVATION SYSTEMS, INC. INITIATIVE TO MAINTAIN AND EXPAND ITS EXISTING ELKTON, MARYLAND OPERATIONS IN CECIL COUNTY**
2. Borrower: **NORTHROP GRUMMAN INNOVATION SYSTEMS, INC.**
3. Period Covered: _____ to _____
4. Activity:

Costs of Project	Costs Paid by Loan	Borrower’s Contribution	Local Contribution
TOTAL:			

*(Please specify in parenthesis the entity which paid each particular cost.)

[CERTIFICATION APPEARS ON THE NEXT PAGE.]

CERTIFICATION:

I, _____ of **NORTHROP GRUMMAN INNOVATION SYSTEMS, INC.** hereby certify to the Cecil County, Maryland, a body corporate and politic (the "Lender") that: (1) all capitalized terms used in this Certification shall have the meaning given them in the Loan Agreement between the Lender and the Borrower executed in connection with the \$80,000 loan (the "Agreement"), unless otherwise defined herein; (2) the above costs have been incurred for work actually performed or equipment actually acquired and installed in connection with the Project; (3) the information provided above is true and correct; (4) attached is a list of the fixtures, furniture and equipment purchased for and installed at the Facility that constitute the Borrower's Contribution; (5) the Borrower expended the Borrower's Contribution, and (6) attached is a copy of the final certificates of occupancy for the Facility.

WITNESS:

**NORTHROP GRUMMAN
INNOVATION SYSTEMS, INC.**

Name:

By: _____ (SEAL)

Name: _____

Title: _____

Date: _____