RESOLUTION
of the
ORANGE COUNTY BOARD OF COUNTY COMMISSIONERS
regarding
CYTERRA CORPORATION
QUALIFIED TARGET INDUSTRY TAX REFUND

Resolution No. 2003-M-46

PREMISES

WHEREAS, in 1994, the Florida legislature passed legislation establishing a “Qualified Target Industry Tax Refund Program” (“QTI Program”) to encourage the creation of new high-wage job opportunities in Florida by providing “tax refunds” to qualified target industries; and

WHEREAS, CyTerra Corporation (“CyTerra”) is a high-technology company specializing in the development of innovative products related to homeland security, defense, health and human safety, and law enforcement; and

WHEREAS, CyTerra is headquartered in Waltham, Massachusetts, and currently has a production and assembly operation in unincorporated Orange County at 7558 Southland Boulevard employing twenty-one persons, this operation fulfilling a U.S. Army contract to produce the Handheld Standoff Mine Detection System (“HSTAMIDS”); and

WHEREAS, CyTerra seeks to move its headquarters from Massachusetts to unincorporated Orange County (“County”), increase its research and development work in the County, and also increase its HSTAMIDS production capacity in the County; and

WHEREAS, CyTerra anticipates creating 75 new jobs in Orange County at an average salary of at least $48,095, which is 150% of the prevailing average wage of $32,063; and

WHEREAS, CyTerra anticipates that these jobs will be created according to the following schedule: twenty-five (25) jobs by December 31, 2004, twenty-five (25) jobs by December 31, 2005, and twenty-five (25) jobs by December 31, 2006; and

WHEREAS, CyTerra anticipates that the new jobs to be created will include five administrative positions, thirty-five research and development positions, and thirty-five production positions, and also anticipates that the average salary within each of these categories of jobs will be above the prevailing Orange County wage; and

WHEREAS, it is anticipated that CyTerra will provide job opportunities for graduates of the University of Central Florida and Valencia Community College; and
WHEREAS, CyTerra estimates that it will make an additional capital investment of $1,415,000 in the County; and

WHEREAS, CyTerra has applied to the Executive Office of the Governor, Office of Tourism, Trade, and Economic Development for approval as a qualified QTI Program applicant, and has applied for $300,000 in tax refunds from the State of Florida under the QTI Program, representing $4,000 per job; and

WHEREAS, in order for CyTerra to be approved as a “qualified applicant” under the QTI Program, the Orange County Board of County Commissioners must adopt a resolution recommending the approval of CyTerra as a “target industry business,” and committing “local financial support” in an amount equal to 20% of the annual tax refund ($60,000); and

WHEREAS, competition for CyTerra exists outside of Florida, and financial incentives are necessary to offset costs associated with moving CyTerra’s headquarters operations and with expanding its research and production operations in the County.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF ORANGE COUNTY:

Section 1. The Board of County Commissioners of Orange County, Florida, hereby recommends that the State of Florida Office of Tourism, Trade, and Economic Development approve CyTerra as a “qualified applicant” under the QTI Program.

Section 2. Subject to the terms of this Resolution, the Board hereby agrees to pay up to, but not to exceed, $60,000 as the “local financial support” required under the QTI Program. Such amount shall be payable to the Economic Development Incentives Account within the Economic Development Trust Fund as specified herein.

Section 3. The County’s promise to pay the amounts specified in this Resolution is contingent upon (i) appropriation by the Board in each applicable year authorizing payment of the revenues hereunder, (ii) CyTerra receiving the designation as a “qualified applicant” in connection with the QTI program, and (iii) on an annual basis, award by the State of Florida of tax refunds under the QTI program.

Section 4. Unless provided otherwise in this Resolution, the County shall pay the “local financial support” in the following amounts:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Amount</th>
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<tbody>
<tr>
<td>FY 2004-2005</td>
<td>$5,000</td>
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<tr>
<td>FY 2005-2006</td>
<td>$10,000</td>
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<tr>
<td>FY 2006-2007</td>
<td>$15,000</td>
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<tr>
<td>FY 2007-2008</td>
<td>$15,000</td>
</tr>
<tr>
<td>FY 2008-2009</td>
<td>$10,000</td>
</tr>
<tr>
<td>FY 2009-2010</td>
<td>$5,000</td>
</tr>
</tbody>
</table>

Total $60,000
Such sums shall be paid from any legally available source or sources of revenue other than those specified in the QTI Program (or rules promulgated thereunder) as being ineligible for such purpose.

Section 5. In the event CyTerra is approved by the State of Florida for tax refunds in an amount less than the $300,000 requested, the local financial support to be paid by the County shall be proportionately reduced so that at no time will the County contribution exceed twenty percent (20%) of the annual tax refund awarded to CyTerra under the QTI Program.

Section 6. This Resolution shall take effect upon receipt by the County of evidence that CyTerra has been approved as a “qualified applicant” and has become eligible for tax refunds under the QTI program, as described herein.

ADOPTED THIS 23rd DAY OF SEPTEMBER 2003.

ORANGE COUNTY, FLORIDA

BY: [Signature]
Richard T. Crotty
County Chairman

ATTEST: Martha O. Haynie, County Comptroller
As Clerk to the Board of County Commissioners

BY: [Signature]
Deputy Clerk