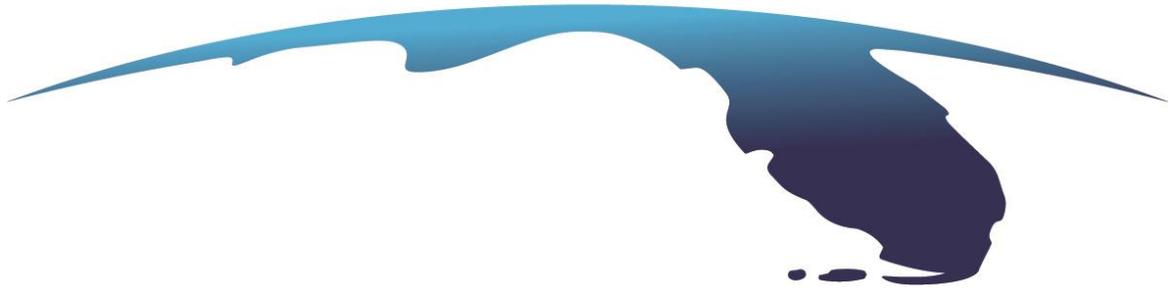


S P A C E F L O R I D A



**Space Florida
Board of Directors Meeting**

October 30, 2017



Lowndes, Drosdick, Doster, Kantor & Reed, P.A.
215 North Eola Drive, Orlando, FL, 32801



Space Florida Board of Directors
Meeting Agenda

October 30, 2017 1:00pm - 3:00pm

| | |
|---|---|
| Call-in Number: 888-204-5987 Guest Code: 4503386 # | Lowndes, Drosdick, Doster, Kantor & Reed, P.A. 215 North Eola Drive, Orlando, FL, 32801. |
| Agenda Items | |
| Call to Order and Pledge of Allegiance | Bill Dymond |
| Roll Call | Emma Newsham |
| Welcome & Introductions | Bill Dymond |
| Public Comments | Bill Dymond |
| Committee Appointments | Bill Dymond |
| Business Before the Board | |
| <ol style="list-style-type: none"> 1. Approval of Minutes <ul style="list-style-type: none"> • August 21, 2017 2. Governance and Compensation Committee Reports <ul style="list-style-type: none"> • Compensation Overview • Compensation Market Analysis 3. Audit & Accountability Committee Reports <ul style="list-style-type: none"> • Fiscal Year 2018 Budget 4. Contracts/Business Development/Projects Activities <ul style="list-style-type: none"> • Matrix Composites, Inc. • Engineering & Planning Services • Landing Facility Ground Lease • Landing Facility Operations and Maintenance • Financing Agreements | <p>Bill Dymond</p> <p>Howard Haug</p> <p>Denise Swanson</p> <p>Frank DiBello/ Howard Haug</p> |
| President's Report | Frank DiBello |
| Near Term – Upcoming Events: <ul style="list-style-type: none"> • October 30, 2017 – SpaceX Launch – Koreasat 5A • November 8-9, 2017 – FAA Commercial Space Industry Day • November 28, 2017 – Space X Launch – CRS 13 *Launch dates and times are subject to change. Visit http://launches.wearegofl.com for updates. | Frank DiBello |
| Closing Remarks / Adjournment | Bill Dymond |



SPACE FLORIDA BOARD OF DIRECTORS

William T. Dymond, Jr., Chairman
President, CEO and Managing Partner
Lowndes, Drosdick, Doster, Kantor & Reed

Jay Beyrouti
President, Monicarla, Ltd.

Jesse Biter
President/CEO, Biter Enterprises, LLC.

Julius D. Davis
President and CEO, Voltair Engineers

Sonya Deen
Vice President of Government Relations, JM Family Enterprises, Inc.

Mori Hosseini
Chairman & CEO, ICI Homes

Kenneth Kahn
President, LRP Publications, Inc.

Belinda Keiser
Vice Chancellor, Keiser University

John Rood
Chairman, The Vestcor Companies, Inc.

Jason Steele
Director of Government Affairs, Smith and Associates

Andrew Weatherford
Partner, Weatherford Partners

SPACE FLORIDA



SPACE FLORIDA BOARD OF DIRECTORS

AUDIT & ACCOUNTABILITY COMMITTEE

John Rood
Chairman
The Vestcor Companies, Inc.

Andrew Weatherford
Partner
Weatherford Partners

GOVERNANCE & COMPENSATION COMMITTEE

Jesse Biter
President/CEO
Biter Enterprises, LLC.

Belinda Keiser
Vice Chancellor
Keiser University

Julius Davis
President/CEO
Voltair Engineers

INVESTMENT COMMITTEE

Jay Beyrouiti
Presiden
Monicarla, Ltd.

Mori Hosseini
Chairman/CEO
ICI Homes

MARKETING COMMITTEE

Jesse Biter
President/CEO
Biter Enterprises, LLC.

Sonya Deen
Vice President of Government Relations
JM Family Enterprises, Inc.

Jason Steele
Director of Government Affairs
Smith and Associates

Minutes of a Regular Meeting of the Space Florida Board of Directors

A Regular meeting of the Space Florida Board of Directors was held August 21, 2017 at the Westin Fort Lauderdale Beach Resort in Fort Lauderdale.

Board Members Present:

William Dymond
Jay Beyrouti
Julius D. Davis
Sonya Deen
Mori Hosseini
Kenneth Kahn
Belinda Keiser
Andrew Weatherford

Space Florida Senior Management Present:

Frank DiBello
Howard Haug
Jim Kuzma
Denise Swanson

Agenda

- I. Call to Order and Pledge of Allegiance
- II. Roll Call
- III. Welcome & Introductions
- IV. Public Comments
- V. Business Before the Board
 1. Approval of Minutes
 - a. June 1, 2017
 2. Audit and Accountability Committee Reports
 - a. Interim Financials 6/30/2017
 - b. Budget 7/1/17-9/30/17
 - c. Audited Financial Statements 9/30/16
 3. Governance and Compensation Committee Reports
 - a. Compensating and Performance Management
 4. Contracts/Business Development/Project Activities
 - a. Department of Economic Opportunity (DEO)
 - b. 2017 Florida-Israeli Aerospace Research & Development Program
 - c. Ivey's Construction at Launch Complex 46
 - d. Space Florida Facility and Property Management
 - e. Service Provider Policy and Utility Access at Exploration Park
 - f. University of Central Florida's Florida Space Grant Consortium
 - g. Florida Venture Forum
 - h. FDOT Economic Development Transportation Project
 - i. FDOT Planning & Engineering
 - j. Matrix – Resolution (pulled from Agenda)
 - k. GKN – Resolution (pulled from Agenda)
 - l. Renewable Performance Board – OPF3
- VI. President's Report
- VII. Upcoming Events
- VIII. Closing Remarks and Adjournment

A quorum being present, the meeting was called to order at 2:00 p.m. (EST.)

Chairman Bill Dymond called the meeting to order at 2:00 p.m. and welcomed Board members and guests. Bill Dymond welcomed and recognized guests, and mentioned the eclipse taking place. Bill Dymond also welcomed new board member Kenneth Kahn to his first meeting.

There were no Public Comment.

Business Before the Board

Approval of Minutes

Mori Hosseini made a motion to approve the minutes of the June 1, 2017 Board of Directors meeting, which was seconded by Andrew Weatherford, and approved unanimously.

Audit and Accountability Committee Reports

Denise Swanson presented the following:

Space Florida Management recommended that the Board approve the issuance of Space Florida's quarterly interim financial statements for the period ended June 30, 2017.

Julius Davis made a motion to approve the issuance of Space Florida's quarterly interim financial statements for the period ended June 30, 2017, which was seconded by Belinda Keiser, and approved unanimously.

Space Florida Management recommended that the Board approve the stub period budget for the three-month period July 1, 2017 to September 30, 2017.

There was discussion from the Board.

Andrew Weatherford made a motion to approve the Space Florida's stub period budget for the three-month period July 1, 2017 to September 30, 2017, which was seconded by Sonya Deen, and approved unanimously.

Space Florida Management recommended that the Board approve the issuance of the annual Financial Statements for the periods ended September 30, 2016, June 30, 2016 and September 30, 2015.

Space Florida's external auditor, Debbie Goode of Carr, Riggs and Ingram, provided an overview of the Financial Statements and presented the required communications.

Andrew Weatherford made a motion to approve Space Florida's issuance of financial statements for the periods ended September 30, 2016, June 30, 2016 and September 30, 2015, which was seconded by Belinda Keiser, and approved unanimously.

Governance & Compensation Committee

Frank DiBello noted that the committee did not meet during the previous quarter.

Contracts/Business Development/Project Activities

Howard Haug presented the following action items for Board approval:

Department of Economic Opportunity (DEO)

Space Florida requested Board approval for management to negotiate and enter performance agreements with DEO respective to the appropriated total funding of \$19,500,000 for the period of July 1, 2017 to June 30, 2018.

There was discussion and clarification from the Board.

Belinda Keiser made a motion to approve Space Florida management to negotiate and enter performance agreements with DEO in the amount of \$19,500,000, which was seconded by Julius Davis, and approved unanimously.

2017 Florida-Israeli Aerospace Research & Development Program

Space Florida requested Board approval for management to enter 2017 award agreements in conjunction with the Florida-Israeli Aerospace Research and Development Program with Micro-gRx in the amount of \$200,000; Harris Corporation in the amount of \$250,000; SynergyWerks Aerospace in the amount of up to \$115,000; HeuRobotics in the amount of \$250,000; and Semiplastics in the amount of \$250,000.

There was discussion from the Board.

Mori Hosseini made a motion to approve Space Florida management to enter 2017 award agreements with the Florida-Israeli Aerospace Research and Development Program awardees as described, which was seconded by Andrew Weatherford, and approved unanimously.

Ivey's Construction at Launch Complex 46

Space Florida requested Board approval for management to amend the contract with Ivey's Construction for the additional general use upgrades at Launch Complex 46 in the amount of up to \$500,000.

There was discussion and clarification from the Board.

Sonya Deen made a motion to approve Space Florida management to amend the agreement with Ivey's Construction in the amount of up to \$500,000 for additional general use infrastructure upgrades at LC-46, which was seconded by Mori Hosseini, and approved unanimously.

Space Florida Facility & Property Management

Space Florida requested Board approval for management to negotiate and enter agreements associated with Exploration Park, the Space Life Sciences Lab (SLSL), Landing, Launch and Storage Facilities/Premises for activities with EnscO, SC Jones, Brevard Achievement Center, CSS-Dynamac, Washington Consulting Group, NASA-KSC, 45th Space Wing, Department of Military Affairs, Florida Municipal Insurance Trust, CMIT and Eastern Aviation Fuels for premise fees, operations and maintenance, utilities, insurance, property management and service commodity needs at market terms up to a total aggregate amount of \$7,000,000. Additionally, Space Florida requested Board approval for management negotiations and contract activities with tenant subleases and related tenant needs associated with the SLSL premises at market terms for FY2018.

There was discussion and clarification from the Board.

Andrew Weatherford made a motion to approve Space Florida management to negotiate and enter agreements associated with Exploration Park, the SLSL, Landing, Launch and Storage Facilities/Premises for activities with service commodity providers as described, as well as negotiations and contract activities with tenant subleases and related tenant needs associated with the SLSL at market terms for FY2018, which was seconded by Julius Davis, and approved unanimously.

Service Provider Policy & Utility Access at Exploration Park

Space Florida requested Board approval for the policy to facilitate access of commercial utilities, commodities and communication services to the tenants, users and lessees located at the Cape Canaveral Spaceport under Space Florida Management; costs incurred by Space Florida to facilitate such services will be recoverable through franchise fees and/or direct assessment for utility, commodity and communication needs at the Cape Canaveral Spaceport, unless otherwise approved.

There was discussion and clarification from the Board.

Belinda Keiser made a motion to approve the policy: To facilitate access of commercial utilities, commodities and communication services to the tenants, users and lessees located at the Cape Canaveral Spaceport under Space Florida Management, costs incurred by Space Florida to facilitate such services will be recoverable through franchise fee and/or direct assessment, unless otherwise approved by the Space Florida Board of Directors, which was seconded by Mori Hosseini.

Additionally, Space Florida requested Board approval for management to enter negotiations and contract activities for utility access agreements and to incur up to \$350,000 of utility access cost with the respective service providers of electrical power (Florida Power and Light) and natural gas (Florida City Gas) to Exploration Park Phase One and Two.

There was discussion and clarification from the Board.

Mori Hosseini made a motion to approve management to enter negotiations and contract activities for utility access agreements and to incur up to \$350,000 of utility access costs with the respective service providers of electrical power (Florida Power and Light) and natural gas (Florida City Gas) to Exploration Park Phase One and Two, which was seconded by Andrew Weatherford, and approved unanimously.

University of Central Florida's Florida Space Grant Consortium

Bill Dymond orally disclosed a potential conflict regarding this agenda item and abstained from voting. A copy of Mr. Dymond's Commission on Ethics Form 8A is included as an attachment to these minutes.

Space Florida requested Board approval for management to negotiate and enter the agreement in the amount of \$100,000 for the 2017-2018 Florida Space Research Program (FSRP) with the University of Central Florida's Space Grant Consortium.

There was discussion from the Board.

Sonya Deen made a motion to approve Space Florida management to negotiate and enter the agreement of \$100,000 for the 2017-2018 Florida Space Research Program with the University of Central Florida, which was seconded by Belinda Keiser, and approved unanimously.

Florida Venture Forum

Space Florida requested Board approval in the amount of \$150,000 for sponsorship of three Capital Acceleration Program awards in conjunction with an MOU with the Florida Venture Forum for two events in November 2017 and one event in January 2018.

Andrew Weatherford made a motion to approve Space Florida management to negotiate and enter the agreement with the Florida Venture Forum for the Capital Accelerator Program issuance of awards in an amount of up to \$150,000, which was seconded by Kenneth Kahn, and approved unanimously.

FDOT Economic Development Transportation Project

Space Florida requested Board approval to proceed with the initial project expenditures of ten percent of the overall project costs associated with transportation improvements with AECOM, NASA and the United States Air Force in conjunction with Cape Canaveral Spaceport transportation improvements for initial design, permitting and work order support in the amount of up to \$275,000 for the FDOT Economic Development Transportation Fund (EDTF).

There was discussion from the Board.

Julius Davis made a motion to approve Space Florida management to complete negotiations and enter agreements with AECOM, NASA and the United States Air Force for design, permitting and work order support for the EDTF project for initial expenditures in the amount of up to \$275,000, which is ten percent of the overall cost, which was seconded by Mori Hosseini, and approved unanimously.

FDOT Planning & Engineering

Space Florida requested Board approval to authorize management to negotiate and enter agreements with AECOM, BRPH and RS&H for needed planning and engineering services in the amount of up to \$356,000, as part of the Program Year 2017 Spaceport Master Planning Efforts.

Mori Hosseini made a motion to approve Space Florida management to negotiate and enter agreements with AECOM, BRPH and RS&H for needed planning and engineering services in the amount of up to \$356,000, as part of the Program Year 2017 Spaceport Master Planning Efforts, which was seconded by Andrew Weatherford, and approved unanimously.

Renewable Performance Bond – OPF3

Space Florida requested Board approval for management to complete negotiations and contract activities associated with a first renewable performance bond agreement with Berkley Surety Group, Inc., arranged by Wells Fargo Insurance Services for approximately \$5,000,000 designating NASA-KSC as the potential benefiting entity at an

annual estimated cost of approximately \$50,000, and second, to enter an agreement with Boeing to reimburse all expenses incurred to secure the bond.

There was discussion from the Board.

Mori Hosseini made a motion to approve Space Florida management to complete negotiations and contract activities associated with a first renewable performance bond agreement with Berkley Surety Group, Inc., arranged by Wells Fargo Insurance Services for approximately \$5,000,000 designating NASA-KSC as the potential benefiting entity at an annual estimated cost of approximately \$50,000, and second, to enter an agreement with Boeing to reimburse all expenses incurred to secure the bond, which was seconded by Andrew Weatherford, and approved unanimously.

President's Report

Frank DiBello shared his President's Report, reminding the Board of the upcoming Orbital ATK Minotaur 4 launch from Space Florida's SLC-46 on August 25, 2017. DiBello also noted the major segments of Florida's aerospace industry; provided updates on the OneWeb Satellites and Blue Origin projects; announced that Space Florida and the Israel Innovation Authority would be announcing the fifth call for projects; and announced that there would be capital acceleration program events coming later this year and early 2018.

Howard Haug provided a recap of the Space Florida performance plan.

Upcoming events include the August 25, 2017 Orbital ATK Minotaur 4 ORS 5 launch from Launch Complex 46; the September 11, 2017 United Launch Alliance Atlas V NROL-52 launch; and the Space Florida Board Meeting November 29-30, 2017 in Jacksonville, Florida.

Closing Remarks & Adjournment

Bill Dymond thanked the Board for their discussion and involvement.

Bill Dymond adjourned the meeting at 4:00 p.m. (EST)

William Dymond, Jr., Chair

BOARD OF DIRECTORS MEETING

August 21, 2017

I, Frank DiBello, the undersigned President of Space Florida, do certify and declare that the attached is an accurate copy of the Minutes as approved by the Board of Directors of Space Florida in accordance with the Space Florida Governance Policies, and recorded in the minutes of the meeting of the Board of Directors held on August 21, 2017, and not subsequently amended or modified.

Frank A. DiBello, President

DRAFT

FORM 8A MEMORANDUM OF VOTING CONFLICT FOR STATE OFFICERS

| | |
|--|---|
| LAST NAME—FIRST NAME—MIDDLE NAME DIAMOND - WILLIAM - TIFFANY | NAME OF BOARD, COUNCIL, COMMISSION, AUTHORITY, OR COMMITTEE SPACE FLORIDA BOARD OF DIR |
| MAILING ADDRESS 315 N. EOLA DR. ORAUGF | NAME OF STATE AGENCY SPACE FLORIDA |
| CITY COUNTY ORLANDO | MY POSITION IS: <input type="checkbox"/> ELECTIVE <input checked="" type="checkbox"/> APPOINTIVE |
| DATE ON WHICH VOTE OCCURRED 8/21/17 | |

WHO MUST FILE FORM 8A

This form is for use by any person serving at the State level of government on an appointed or elected board, council, commission, authority, or committee. It applies equally to members of advisory and non-advisory bodies who are presented with a voting conflict of interest under Section 112.3143, Florida Statutes.

Your responsibilities under the law when faced with voting on a measure in which you have a conflict of interest will vary greatly depending on whether you hold an elective or appointive position. For this reason, please pay close attention to the instructions on this form before completing the reverse side and filing the form.

INSTRUCTIONS FOR COMPLIANCE WITH SECTION 112.3143, FLORIDA STATUTES

ELECTED OFFICERS:

As a person holding elective state office, you may vote on a measure which inures to your special private gain or loss; to the special gain or loss of a principal by whom you are retained (including the parent organization or subsidiary of a corporate principal by which you are retained); to the special private gain or loss of a relative; or to the special private gain or loss of a business associate. However, if you vote on such a measure you must complete this form and file the form within 15 days after the vote occurs with the person responsible for recording the minutes of the meeting, who must incorporate the form in the minutes.

For purposes of this law, a "relative" includes only your father, mother, son, daughter, husband, wife, brother, sister, father-in-law, mother-in-law, son-in-law, and daughter-in-law. A "business associate" means any person or entity engaged in or carrying on a business enterprise with you as a partner, joint venturer, coowner of property, or corporate shareholder (where the shares of the corporation are not listed on any national or regional stock exchange).

* * * * *

APPOINTED OFFICERS:

As a person holding appointive state office, you may vote on a measure which inures to your special private gain or loss; to the special gain or loss of a principal by whom you are retained (including the parent organization or subsidiary of a corporate principal by which you are retained); to the special private gain or loss of a relative; or to the special private gain or loss of a business associate. However, you must disclose the nature of the conflict before voting or before making any attempt to influence the decision by oral or written communication, whether made by you or at your direction.

For purposes of this law, a "relative" includes only your father, mother, son, daughter, husband, wife, brother, sister, father-in-law, mother-in-law, son-in-law, and daughter-in-law. A "business associate" means any person or entity engaged in or carrying on a business enterprise with you as a partner, joint venturer, coowner of property, or corporate shareholder (where the shares of the corporation are not listed on any national or regional stock exchange).

IF YOU INTEND TO MAKE ANY ATTEMPT TO INFLUENCE THE DECISION PRIOR TO THE MEETING AT WHICH THE VOTE WILL BE TAKEN:

- You must complete and file this form (before making any attempt to influence the decision) with the person responsible for recording the minutes of the meeting, who will incorporate the form in the minutes.
- A copy of the form must be provided immediately to the other members of the agency.
- The form must be read publicly at the next meeting after the form is filed.

IF YOU MAKE NO ATTEMPT TO INFLUENCE THE DECISION EXCEPT BY DISCUSSION OR VOTE AT THE MEETING:

- You must disclose orally the nature of your conflict in the measure before participating.
- You must complete the form and file it within 15 days after the vote occurs with the person responsible for recording the minutes of the meeting, who must incorporate the form in the minutes. A copy of the form must be provided immediately to the other members of the agency, and the form must be read publicly at the next meeting after the form is filed.

DISCLOSURE OF STATE OFFICER'S INTEREST

I, William T. Dymond, Jr., hereby disclose that on August 21, 20 17:

(a) A measure came or will come before my agency which (check one)

- inured to my special private gain or loss;
- inured to the special gain or loss of my business associate, _____;
- inured to the special gain or loss of my relative, _____;
- inured to the special gain or loss of University of Central Florida, by whom I am retained; or
- inured to the special gain or loss of _____, which is the parent organization or subsidiary of a principal which has retained me.

(b) The measure before my agency and the nature of my conflicting interest in the measure is as follows:

* my law firm - Lowndes, Drossick, Joster, Kautz & Reed, P.A

8/21/17

Date Filed



Signature

NOTICE: UNDER PROVISIONS OF FLORIDA STATUTES §112.317, A FAILURE TO MAKE ANY REQUIRED DISCLOSURE CONSTITUTES GROUNDS FOR AND MAY BE PUNISHED BY ONE OR MORE OF THE FOLLOWING: IMPEACHMENT, REMOVAL OR SUSPENSION FROM OFFICE OR EMPLOYMENT, DEMOTION, REDUCTION IN SALARY, REPRIMAND, OR A CIVIL PENALTY NOT TO EXCEED \$10,000.



October 27, 2017

Members of the Board of Directors
Space Florida

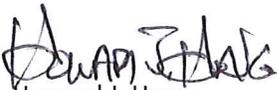
Dear Members,

The enclosed document titled Compensation Overview and Compensation Analysis Results are prepared to provide a comprehensive explanation of Space Florida's current total compensation program. Its purpose is to provide the reader with sufficient and complete information to address the results of our recent Market Analysis for base pay component and pay for performance.

Specifically, beginning with The Governance and Compensation Committee, The Board of Directors of Space Florida, will be presented with the results of the Market Analysis for review and comment (see enclosed Compensation Analysis Results October 30, 2017). The board will also be asked to: (i) direct Space Florida management to continue to endeavor to maintain aggregate base pay for its workforce at Ninety-Five (95%) of market mid-point of its overall grade levels for employee positions; (ii) Suspend Space Florida's previously approved bonus plan in response to stakeholders concerns and resistance; (iii) and to approve the implementation by Space Florida of a Discretionary Merit Pay Component for employees who consistently perform above expectations and are recognized by clients and peers as leaders and positive examples for others. In addition, Management will request that the Board authorize the President and CEO, Frank DiBello, to implement the three actions, listed above as (i), (ii) and (iii) derived from the Market Analysis as he deems appropriate.

Overall, Space Florida's current aggregate base pay compared to the results of the market analysis conducted this May, is approximately 81% of the mid-point of the market. If the board deems the previously approved bonus plan as inappropriate for Space Florida, this will further place the organizations' overall total cash compensation further below its peer groups. We believe the attached Compensation Overview will provide you with a comprehensive understanding of Space Florida's Plan and will assist with the assessment of the proposals noted above. We look forward to meeting with you and discussing the results of the Market Analysis.

Sincerely,



Howard J. Haug

Treasurer, EVP & Chief Investment Officer

SPACE FLORIDA

505 Odyssey Way • Suite 300 • Exploration Park • FL 32953
www.SpaceFlorida.gov • f: 321.730.5307 • p: 321.730.5301

October 27, 2017

COMPENSATION OVERVIEW Prepared for the Space Florida Board of Directors

Compensation Philosophy; The Foundation of our program

Space Florida's Compensation Philosophy is based on the principles of competitive and fair compensation for sustained performance. Our Board of Directors believe that Space Florida's program should:

- be aligned with Stakeholders Interests,
- be aligned with the organization's mission, vision, and strategy,
- be competitive and market-based,
- pay for performance
- balance both short- and long-term focus, and,
- be aligned with generally accepted industries approaches.

To that end, Space Florida incorporates many best practices in its compensation program and avoid elements that are not aligned with Space Florida's Guiding Pay Principles.

Competitive and Fair Compensation

The compensation philosophy of Space Florida is to establish and maintain employee rewards at levels that reflect job responsibilities and individual performance and ensure that the organization is well positioned to hire, keep and fully engage qualified, competent employees. To ensure that cash compensation is competitive, Space Florida's compensation practices are compared with those of other entities in Space Florida's market sectors on a periodic basis (approximately every three years). In May of this year, Harrington & Associates, Inc. was engaged to conduct an internal study to determine how the relationship of job duties across the organization currently relate to each other, based on job content and requirements, and to conduct a market analysis. The market analysis is derived from published surveys that reflect compensation practices of peer entities and includes data related to base cash compensation and incentive compensation targets for position descriptions (i.e., PDs or Jobs) that are equal to or substantially like those at Space Florida. Peer entities that provide the best comparisons include airports, seaports and other highly regulated transportation environments of similar size and multiple use that correspond to Space Florida's Spaceport activities. For Space Florida's Aerospace / Space Business Development activities peer entities that provide the best comparison with corresponding revenue levels and investment portfolios included boutique investment banks and real estate investment entities that handle complex, innovative financing arrangements, and state / regional wide economic and workforce development organizations.

Guiding Pay Principles

Space Florida's Compensation Program is designed to encourage its employees to: (1) Produce outstanding results in fulfilling Space Florida's Spaceport Authority Mission and Space Florida's Funding & Program Agreement with the State of Florida; (2) Create sustainable long-term value for Space Florida's Stakeholders; and (3) Consistently fulfill their roles and responsibilities in an ethical manner. Space Florida's Guiding Pay Principles are:

- **Alignment with Stakeholders Interests:** Provide compensation elements and set expectations targets that closely align with those of stakeholders. For example, to foster the growth and development of a sustainable and world leading industry in the State of Florida, and to generate positive benefits for the state without uniquely benefitting any entity.
- **Competitive and Market Based:** to attract and retain world-class talent with abilities and experience necessary to develop and execute spaceport authority strategies, obtain superior results, and build long-term value for stakeholders within a government environment as large and complex as the State of Florida
- **Pay for Performance:** Though generally accepted as a fundamental component of a competitive compensation package among the vast majority of Space Florida’s peer group, certain stakeholders consider Pay for Performance as inappropriate for Space Florida and are compelled to publicize and promote their opinion. A substitute component should be implemented to comply with Space Florida’s Principles and offer a competitive and market based compensation plan.
- **Balanced Short- and Long- Term Focus:** Ensure that the compensation program provides an appropriate balance between the achievement of short- and long-term objectives, with a clear emphasis on managing the sustainability of the spaceport authority and mitigating risk.
- **Alignment with Generally Accepted approaches;** Provide policies and programs that fit within the framework of generally accepted approaches adopted by leading similar entities

Sustained Performance

Employees are rewarded based upon Space Florida’s performance and individual performance. Appraisal ratings are graded on a 1 to 5 scale where 5 is “Substantially Exceeds Expectations” and 1 is “Not Meeting Expectations.” Overall score is a combination of weighted components consisting of 40% on core behaviors, and 60% on performance. Space Florida’s corporate performance is evaluated by reviewing the extent to which strategic goals are met. These Goals were proposed by management to the Board prior to start of the performance fiscal year ended June 30, 2017. The Board vetted the goals and their respective measurement metrics. These strategic goals include such factors as: (i) Capturing recognized STARS of the future in the Space / Aerospace industry to have a presence in Florida: (ii) Influencing Florida to experience a 7% increase in Space / Aerospace research Grant awards: (iii) Exceed the annual growth numbers required by Space Florida’s Funding and Program Agreement by 15%: (iv) Increase Space Florida’s Spaceport facilities rental revenue by 10% year over year: (v) and brand Florida as The Destination for Space Flight / Aerospace Commerce to enhance Florida’s economic prosperity. The performance results for the Corporate Goals for the year ended June 30, 2017 are presented below. Individual performance is evaluated and documented by the employee, their supervisor and a reviewing official.

VISION:
Recognized as a Global Leader for Space Commerce

| | | <u>PERFORMANCE RESULTS</u> |
|---|---|--|
| CORPORATE GOALS | | <u>July 1, 2016 to June 30, 2017</u> |
| Developed in conjunction with and approved by the Board of Directors on May 10, 2016 | | |
| 1 | Capture One recognized STAR of the future in Space/Aerospace Commerce to have a physical presence in Florida. | |
| | Quality: Must be a Going Concern, Must be Credit Worthy, and be ranked positively by NewSpace Global. | Made in Space |
| | Cost effectiveness: Anticipated standard State ROI must be equal to or greater than 2. | |
| 2 | Capture One recognized Space/Aerospace Manufacturing STAR to have a physical presence in Florida. | |
| | Quality: Must be a Going Concern, Must be Credit Worthy, be a key supply chain component, and be Publicly traded or ranked positively by NewSpace Global. | None |
| | Cost effectiveness: Anticipated standard State ROI must be equal to or greater than 2. | |
| 3 | Through Space Florida's influence Florida experiences a 7% increase in Space/Aerospace Research Grant Awards. | |
| | Quantity Measurement: Awards in Fiscal Year 2016-2017 over Fiscal Year 2015-2016 | Decrease of 22% |
| 4 | Exceed the annual number of Jobs created, recruited and/or retained by Space Florida required by the current year Funding and Program agreement by 15%. | Exceeded by 13% |
| 5 | Exceed the annual number of Companies recruited, retained and/or expanded by Space Florida required by the current year Funding and Program agreement by 15%. | Exceeded by 80% |
| 6 | Increase Space Florida's current (as of July 1, 2016) Cape Facilities rental revenue by 10% year over year. | Increase of 36% |
| 7 | To be graded Pass or Fail: With Florida Department of Transportation (FDOT), brand Florida as The Destination for Space Flight/Aerospace Commerce as a part of FDOT's mission to ensure the mobility of people and goods, and enhance Florida's Economic Prosperity. | |
| | Quality: Branding effort must be measurable by an independent marketing firm. | Pass |
| NOTE: The initial requirement of the Corporate Goals is that Space Florida must be in compliance with its Funding and Program agreement with the Department of Economic Opportunity for the respective year. | | All compliance requirements met |

2017 Performance Highlights of the Space Florida Funding and Program and Funding Agreement with the State of Florida Department of Economic Opportunity

| | Legislative Implementing Bill Performance Measures | FY 16-17 Standard | FY 17 Metrics Achieved |
|----|---|------------------------------|--|
| 1. | Annual number of jobs created, recruited and retained by SF | 1000 | 1128 |
| 2. | Annual number of companies recruited, retained and expanded by SF | 15 | 27 |
| 3. | Annual growth in investment by aerospace-related entities in Florida | 2% | 3.42% |
| 4. | Annual number and amount of funding for research projects, partnerships and grants supported by SF | 30 \$2.0M | 36 Total Awards Expended \$2,121,128 Income Awards \$35,614,939 |
| 5. | Number of strategies in the Florida Strategic Plan for Economic Development being implemented by SF | 22 | 27 |

Compensation Objectives

There are three primary objectives of our current compensation program.

First, we must attract and retain superior talent to lead and execute our statutorily defined roles and responsibilities to foster growth and industry leadership while controlling the costs associated with this mission. The high-profile nature of the Space / Aerospace Industry and Space Florida’s interconnection with the State of Florida adds complexity to this challenge.

Second, the compensation program must effectively tie pay and benefits to broad responsibilities and performance against measurable targets. Specific performance targets are set for Space Florida by the State and our Board of Directors each year. The combination of base and performance pay must motivate employees to take the actions necessary to meet the targets on a quarterly and annual basis, without affecting our longer-term viability.

Finally, the compensation program must properly energize employees to fulfill the mission of Space Florida, deliver returns to its stakeholders and strengthen the position of the State within the Global Space / Aerospace Industry.

Compensation Components

To meet these three objectives annual compensation is currently divided into three elements for employees; *base salary*; *pay for performance*; and *employee benefits*. The Governance and

Compensation Committee determines the optimal mix of compensation components, as well as total targeted compensation, based on market analysis by a Compensation Consultant.

Base Salary. Base pay is distributed on a periodic basis and recognizes the daily performance required of the employee's position. The base salary was set using broad industry information, as well as peer entity analysis. Annual base salaries will continue to reflect appropriate market data, as well as individual performance of assigned responsibilities and changes in the scope of responsibilities. Targeted performance criteria vary for each employee based on his or her respective area of responsibility.

Pay for Performance. Are generally paid annually and are tied to exceeding agreement and budgeted targets. Pay for performance potential is based on market and peer group analysis.

Employee Benefits. All employees are provided with a benefit package that includes health care, and life and disability insurance, with dental, a GAP Insurance Plan, a vision care option, and cafeteria plan options. Space Florida pays 100% for the employee only coverage, and 75% for family coverage of medical, dental, and vision. Employees may participate in either of two high-deductible health plan options that are provided and can enroll in a healthcare flexible spending account. Space Florida has a Simplified Employee Pension Plan (the "Plan"). The Plan eliminates the taxation required for the social security element of the Federal Insurance Contribution Act (FICA) for all participants and for Space Florida. All employees of Space Florida participate in the Plan. Space Florida also offers an employee only contribution deferred compensation plan (457b).

Compensation of President & CEO, and the Executive Vice President Treasurer & Chief Investment Officer

The Governance & Compensation Committee will separately review the annual compensation for these executives and will recommend to the full board a level that is competitive with peer entities, based on industry comparisons and taking into consideration the effectiveness of their leadership and success in fulfilling the mission of Space Florida. The process will be administered by Harrington & Associates, Inc. whereby annual performance evaluation documents will be completed by the executives and presented to the committee for review and assessment. Based on the results of this review and market analysis results the committee will present their recommendations to the full board for approval. The committee expects to present their recommendations at the Boards next regularly scheduled meeting during first quarter calendar year 2018.

Current pay to market analysis and recommendations

Overall, the organization's aggregate current base pay compared to the final results of the market analysis conducted this May, is 81 % of the mid-point of the market. If the Board deems the previously approved bonus plan as inappropriate for Space Florida, this will further place the organizations overall total cash compensation further below its peer groups. It is noteworthy that over the calendar year period of 2013 through 2017 to date, the overall Consumer Price Index (CPI)-Bureau of Labor Statistics has accumulatively increased 7.6%.

For several years, Space Florida has endeavored to maintain its workforce aggregate base pay at Ninety-Five Percent (95%) of the market mid-points of its various grade levels for employee positions. In other words, the market mid-point is an amount where Fifty Percent (50%) of the market is paid less than that amount, and Fifty Percent (50%) is paid more. The reasoning for this

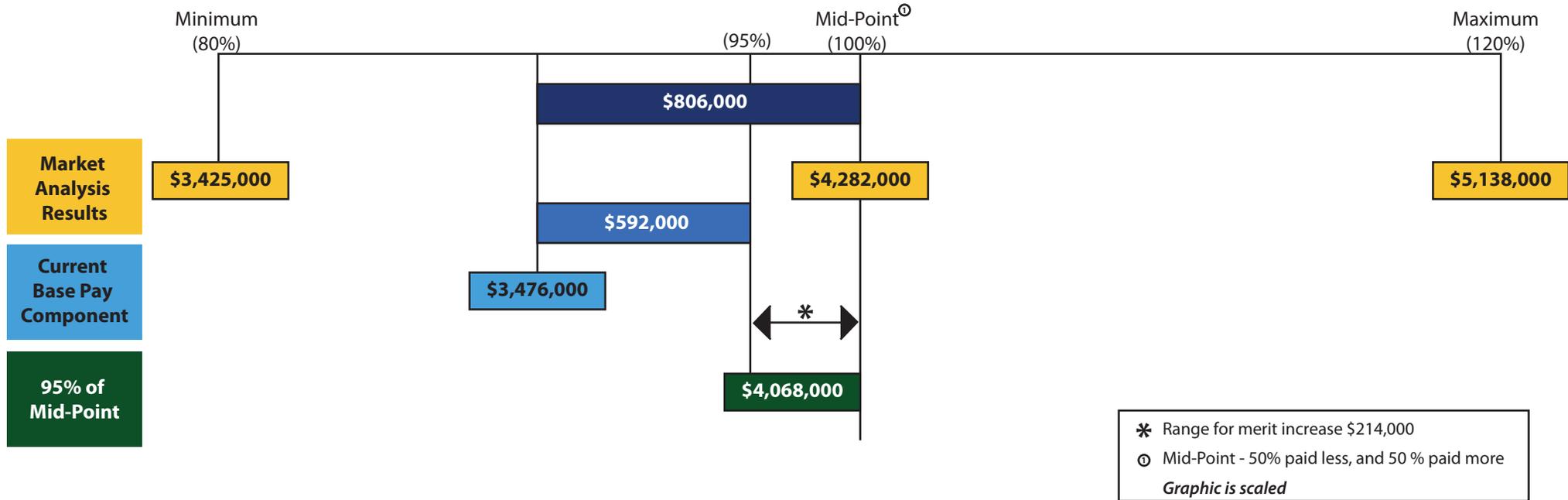
policy is Space Florida is an emerging entity within a new, fast growing and burgeoning industry, our peer groups primarily reflect more mature and stable growth industries where experience in grade is common and often requires a premium. Space Florida by slightly targeting below market mid-point we believe we are competitively compensating for the base pay component in an environment where roles and responsibilities expand and contract frequently, and thus accumulating experience in grade is often not possible. What Space Florida does to address this frequently changing environment of roles and responsibilities, and to be competitive, is to advance staff in grade when they demonstrate the capabilities to perform more demanding roles and responsibilities. We believe maintaining this policy for the near term is appropriate for our circumstances, but should be evaluated as the industry matures.

To address the pay for performance challenge the following is proposed: (i) The Board approve Space Florida management to continue to endeavor to maintain its workforce aggregate base pay at Ninety-Five (95%) of market mid-point of its various grade levels for employee positions; (ii) Suspend Space Florida's previously approved Bonus Plan in response to certain stakeholders beliefs and concerns; (iii) and to approve Space Florida implementing a Discretionary Merit Pay Component for employees who consistently perform above expectations and are recognized by clients and peers as a leader and positive example for others. Specifically, the Discretionary Merit Pay Component would be awarded to employees who are performing their roles and responsibilities effectively and clearly contribute to the success of the entity exceeding its goals based on specific metrics, and supervisor and executive annual performance review results. Included is a copy of the Space Florida Annual Performance Evaluation Form (Appendix 1 of the Space Florida Compensation and Performance Management Guidelines). Employees who obtain overall ratings in the "Substantially Exceeds Expectations" range, defined as consistently performs above expectations and is recognized by clients and/or peers as leaders and positive examples for others (i.e., an overall performance rating scale of 4.30 to 5.00) will receive a directly correlated specific base compensation increase within the range of three (3) to Four (4) percent. For those who obtain "Exceeds Expectations" range defined as performs above expectations in some areas and consistently meets all other expectations (i.e., an overall performance rating scale of 3.51 to 4.29) will receive a directly correlated specific base compensation increase within the range of one (1) to two (2) percent. Though it will be possible for someone to exceed their mid-point base pay over the period of a couple of years, these are the employees Space Florida to retain. Do note however, that Space Florida updates its pay grades and mid-points via a market analysis approximately every three years as required by our compensation guidelines. This resetting of grades and mid-points based on the market allows Space Florida to start anew every three years which we believe is an efficient approach to deal with a growth industry such as commercial space in Florida.

To assist your assessment of the three proposals, we have provided the attached graphic below that maps the aggregate results of base pay component from the recent market analysis with our current aggregate base pay and the proposed ninety five percent (95%) of market mid-point of the various grade levels for employee positions. We have also highlighted a range for discretionary merit increases.



**Market Analysis Results
Aggregate Results - Base Pay Component
May 2017**



Space Florida

Annual Performance Evaluation Form

Self Assessment Yes No

Employee Name: _____ Date Hired: _____

Title: _____ Review Period: _____

Reviewer: _____ Date: _____

INTRODUCTION

This Form is used in providing performance feedback to employees. It consists of two key areas of assessment: Core Behaviors and Individual Job Performance. This Form is the instrument used to facilitate dialogue between the Reviewer and Reviewee with respect to these areas.

INSTRUCTIONS

- Reviewer:** Complete the Performance Evaluation Form based on the Reviewee's performance over the entire review period. Do not focus solely on recent events, but consider all activities of the employee during the period. At the end of the Form, transfer all of your ratings to the appropriate sections on page 3 in order to calculate the Reviewee's overall performance score.
- Reviewee:** Complete a self-assessment using this Form. Complete sections I, and II; do not complete sections III and higher. Submit the self-assessment to your Reviewer at least one week prior to your performance review meeting.

EXPLANATION OF RATINGS

Ratings are used to evaluate the employee under each section of this Form. An explanation of the alpha and numeric ratings is presented below.

| Appraisal Rating |
|---|
| <p>SEE (Substantially Exceeds Expectations) = 5</p> <p>Consistently performs above expectations and is recognized by customers and/or peers as a leader and positive example for others.</p> |
| <p>EE (Exceeds Expectations) = 4</p> <p>Performs above expectations in some areas and consistently meets all other expectations.</p> |
| <p>ME (Meets Expectations) = 3</p> <p>Performs at expected level in all areas and consistently meets performance expectations.</p> |
| <p>MSE (Meets Some Expectations/Developing) = 2</p> <p>Needs to improve in one or more areas to be at the expected level of performance.</p> |
| <p>NME (Not Meeting Expectations) = 1</p> <p>Needs significant improvement in one or more areas. A job performance plan is required.</p> |

I. CORE BEHAVIORS

A. Space Florida has identified certain behaviors that it believes are required of all employees. These “core” behaviors reflect the values and mission of Space Florida and should manifest themselves through our actions on a daily basis. The Reviewer should rate the employee on each behavior area based on the performance exhibited during the review period.

| | Rating (5-1) | | Rating (5-1) |
|--|-----------------|--|-----------------|
| Initiative - Seeks new challenges and responsibility. Self-starter and finisher. Persistent in overcoming obstacles. Does not procrastinate and is highly motivated | | Creativity - Develops and applies practical, innovative ideas and approaches. Thinks “outside the box.” Able to find new solutions to old problems. | |
| Action Oriented - Eagerly seeks new challenges and opportunities for growth. Diligent in performing tasks and produces timely results. | | Judgment - Consults with others in dealing with difficult situations. Considers alternatives and consequences before making a decision. Acts decisively when required. | |
| Customer Focus - Goes above and beyond to ensure that customers are satisfied. Shares information and knowledge through relevant networks to enhance the organization’s service capabilities. | | Responsibility - Takes responsibility for work completed and/or directed. Follows up on problems and decisions. Documents actions as appropriate. Adheres to organization policies. | |
| Teamwork - Willingly helps and provides resources to others’ endeavors. Participates in joint goals and projects. Places team before personal interests. Gives credit to others. Avoids “playing politics.” | | Integrity and Trust - Does the right thing. Demonstrates courage, even in the face of strong opposition. Worthy of trust from colleagues. Maintains independence and objectivity in dealing and communicating with customers. | |

B. Supervisor’s have additional behaviors for which they are accountable. The Reviewer is to rate the employee on each of these core areas in addition to those presented in section A.

| | Rating (5-1) | | Rating (5-1) |
|---|-----------------|--|-----------------|
| Leadership - Provides purpose, values, and vision. Willing and able to make tough decisions and then take responsibility for related actions. Earns trust and loyalty and inspires others to greater performance. | | Strategic Agility - Able to look into the future to anticipate consequences and trends accurately. Can envision and articulate future possibilities. Can create competitive breakthrough strategies and plans. | |
| Directing Others - Able to establish clear direction and to set objectives. Distributes workloads appropriately. Maintains two-way dialogue with others on work and results. Ensures that reports adhere to organization policies. | | Developing Direct Reports - Provides challenging tasks and assignments. Routinely holds development discussions. Works with reports to develop career plans and execute them. Is considered a “people builder.” | |
| Motivating Others - Creates a climate in which people want to do their best. Able to motivate diverse reports and/or teams. Empowers others and values their input. Makes others feel that their work is important. | | Conflict Management – Addresses conflicts head on; views them as opportunities. Can effectively settle disputes. Able to find common ground and get cooperation with minimal disruption. | |

II. INDIVIDUAL JOB PERFORMANCE

Enter up to five key accomplishments for the prior year which you were responsible for. In this section, the Reviewer rates the employee’s level of achievement for each accomplishment.

| | Rating (5-1) |
|-----------------------------------|-----------------|
| Accomplishment #1 | |
| Accomplishment #2 | |
| Accomplishment #3 | |
| Accomplishment #4 | |
| Accomplishment #5 | |

III. PERFORMANCE EVALUATION RESULTS

The Overall Performance Rating for the Reviewee is calculated by aggregating the performance scores from the two previous sections using the tables below.

| Performance Evaluation Conversion Scale | |
|---|-----|
| SEE | = 5 |
| EE | = 4 |
| ME | = 3 |
| MSE | = 2 |
| NME | = 1 |

I. CORE BEHAVIORS: Transfer the numeric ratings from each core behavior. Average all scores for behaviors as appropriate. This is the Overall Score for Section I.

- Initiative _____
- Creativity _____
- Action Oriented _____
- Judgment _____
- Customer Focus _____
- Responsibility _____
- Teamwork _____
- Integrity and Trust _____

For supervisory personnel only.

- Leadership _____
- Strategic Agility _____
- Directing Others _____
- Developing Direct Reports _____
- Motivating Others _____
- Conflict Management _____

Total Score
(sum of above scores)

Number of Behaviors

Divide TOTAL SCORE by NUMBER OF BEHAVIORS to calculate the **Overall Score for Section I.**

II. INDIVIDUAL JOB PERFORMANCE: Transfer the numeric ratings for each accomplishment. Average all scores. This is the Overall Score for Section II.

- Accomplishment #1 _____
- Accomplishment #2 _____
- Accomplishment #3 _____
- Accomplishment #4 _____
- Accomplishment #5 _____

Total Score
(sum of above scores)

Number of Accomplishments

Divide TOTAL SCORE by NUMBER OF ACCOMPLISHMENTS to calculate the **Overall Score for Section II.**

Calculate the **Overall Performance Rating** by

- 1) Transferring the overall numeric score from the two sections to the appropriate box below;
- 2) Applying the appropriate weighting;
- 3) Adding the Weighted Scores; and
- 4) Converting the Overall Performance Score back to an Alpha Rating using the scale below.

| | | | | | |
|---|---|---|---|---|---|
| Overall Score for Section I. | | Weighting | | Weighted Score | Overall Performance Rating Scale 4.30 to 5.00 = SEE 3.51 to 4.29 = EE 2.50 to 3.50 = ME 1.26 to 2.49 = MSE 1.00 to 1.25 = NME |
| <input style="width: 80px; height: 30px;" type="text"/> | X | <input style="width: 80px; height: 30px; text-align: center;" type="text" value="40%"/> | = | <input style="width: 80px; height: 30px;" type="text"/> | |
| Overall Score for Section II. | | Weighting | | Weighted Score | |
| <input style="width: 80px; height: 30px;" type="text"/> | X | <input style="width: 80px; height: 30px; text-align: center;" type="text" value="60%"/> | = | <input style="width: 80px; height: 30px;" type="text"/> | |

| | | | |
|--|---|---|---|
| Total Score (sum of two Weighted Scores) | <input style="width: 80px; height: 30px;" type="text"/> | Overall Alpha Rating (overall performance rating) | <input style="width: 80px; height: 30px;" type="text"/> |
|--|---|---|---|

IV. DEVELOPMENT OF ACTION STEPS

Based on the assessment components above, the Reviewer will indicate below the areas in which the employee excels ("Strengths") and the areas that may require developmental attention ("Areas for Improvement"). Action steps should be prepared for areas that need improvement or development.

| Strengths | Areas for Improvement |
|-----------|-----------------------|
| | |
| | |
| | |
| | |

| Action Steps | Time Frame |
|--------------|------------|
| | |
| | |
| | |
| | |

V. SIGNATURES

Performance Evaluation Review and Discussion: The signatures below indicate that the employee's performance has been reviewed and discussed with the employee.

Reviewer's Signature

_____ **Date** _____

Title

Employee Signature

_____ **Date** _____

Signature indicates that evaluation has been reviewed with the employee but does not necessarily reflect agreement.

**Reviewing Official
Signature**

_____ **Date** _____

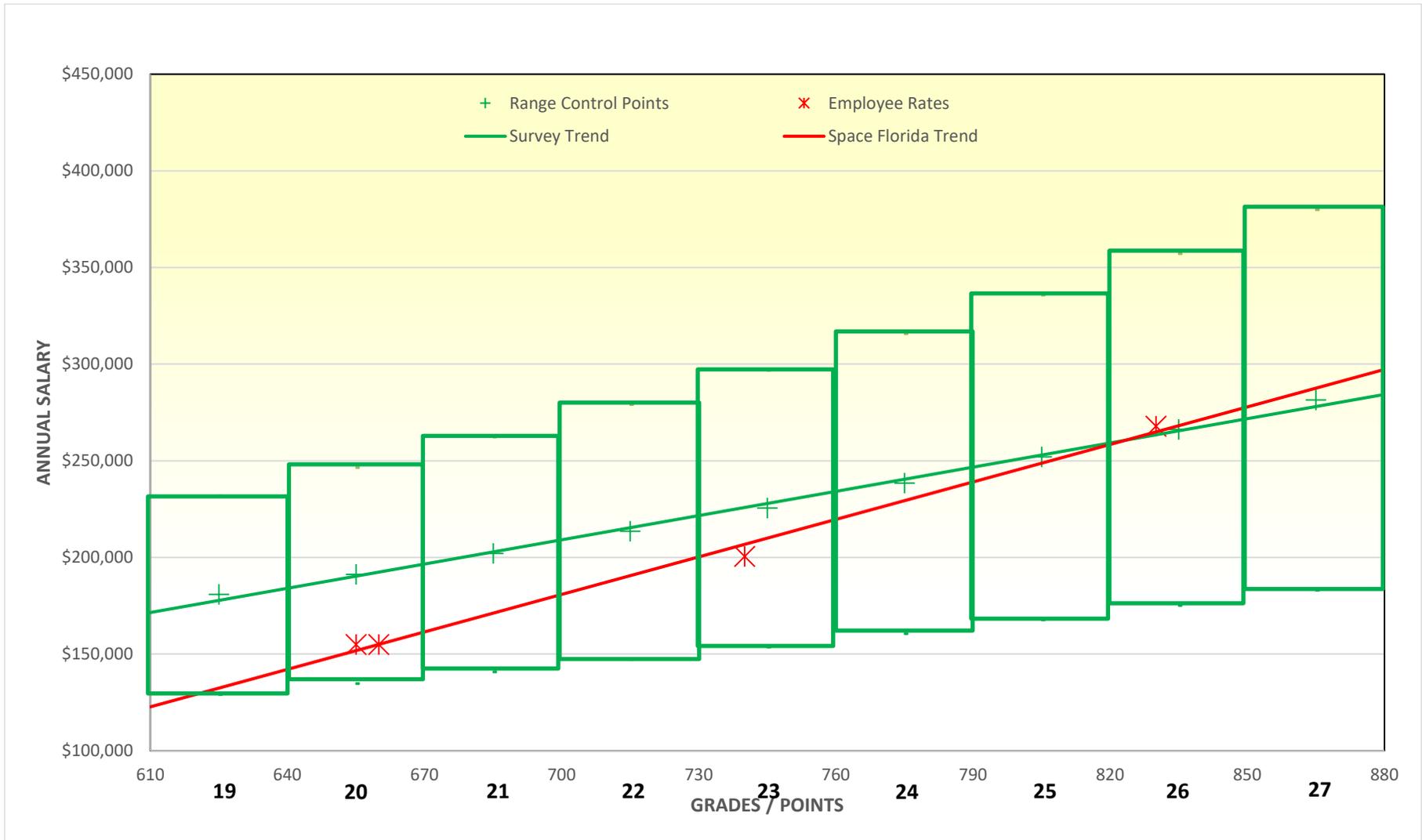
The evaluation is not complete until the Reviewing Official has reviewed and signed the evaluation form.

Space Florida
Compensation Analysis Results
October 30, 2016

| GRADE | TITLE |
|-------|--------------------------------------|
| 26 | President &CEO |
| 23 | Treasurer & Executive Vice President |
| 20 | CFO & Chief Financial Officer |
| 20 | Chief Operations Officer |



EXECUTIVE COMPENSATION COMPARISON CHART at 95% of MARKET

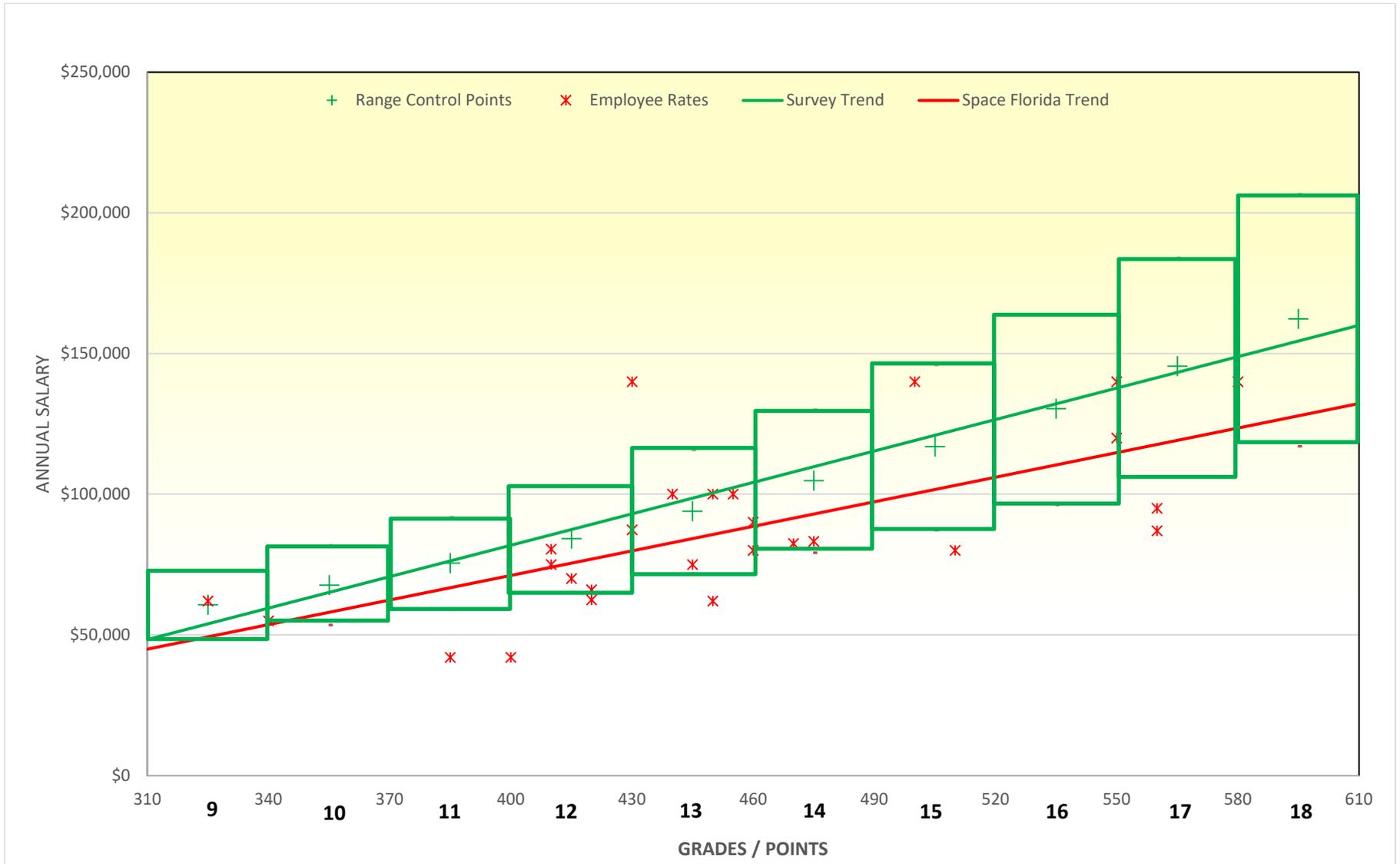


| 95% of Market | | | |
|---------------|-----------|---------------|-----------|
| GRADE | MINIMUM | CONTROL POINT | MAXIMUM |
| 27 | \$182,901 | \$281,386 | \$379,871 |
| 26 | \$175,082 | \$266,267 | \$357,116 |
| 25 | \$167,597 | \$251,961 | \$335,725 |
| 24 | \$160,432 | \$238,423 | \$315,615 |
| 23 | \$153,574 | \$225,613 | \$296,709 |
| 22 | \$147,009 | \$213,491 | \$278,936 |
| 21 | \$140,724 | \$202,021 | \$262,228 |
| 20 | \$134,708 | \$191,166 | \$246,520 |
| 19 | \$128,949 | \$180,895 | \$231,753 |

| GRADE | TITLE |
|-------|---|
| 17 | Controller |
| 17 | SVP, Marketing & Business Development |
| 17 | VP, Communications & Strategic Alliances |
| 16 | VP, Commercial Space |
| 16 | VP, Spaceport Operations |
| 16 | VP, Spaceport Development |
| 15 | Sr. Director, Government Relations |
| 15 | VP Project Finance & Special Projects |
| 14 | Manager, Contract Compliance |
| 14 | Sr. Director, Business Initiatives |
| 13 | Airfield Manager |
| 13 | Director, Commercial Space |
| 13 | Director, Human Resources & Office Administration |
| 13 | Environment Health & Safety Program Manager |
| 13 | Facilities Program Manager |
| 13 | Spaceport Development Program Manager |
| 13 | Sr Director, Marketing & Communications |
| 13 | Sr. Director, Business Development |
| 13 | Sr. Project Manager |
| 12 | Director, Spaceport Operations |
| 12 | VP, Education, R&D, & Workforce Development |
| 12 | Sr. Contracts Administrator |
| 12 | Manager, Financial Planning & Analysis |
| 12 | Federal Government Relations Manager |
| 12 | Director, Marketing & Communications |
| 12 | Manager, Facilities & Technology |
| 11 | Manager, Communications & Public Relations |
| 11 | Property Manager |
| 10 | Financial Analyst, Spaceport Operations |
| 10 | Financial Analyst, Spaceport Development |
| 10 | Research Coordinator |
| 9 | Procurement Manager |
| 9 | Staff Accountant |



EXEMPT COMPENSATION COMPARISON CHART at 95% Market

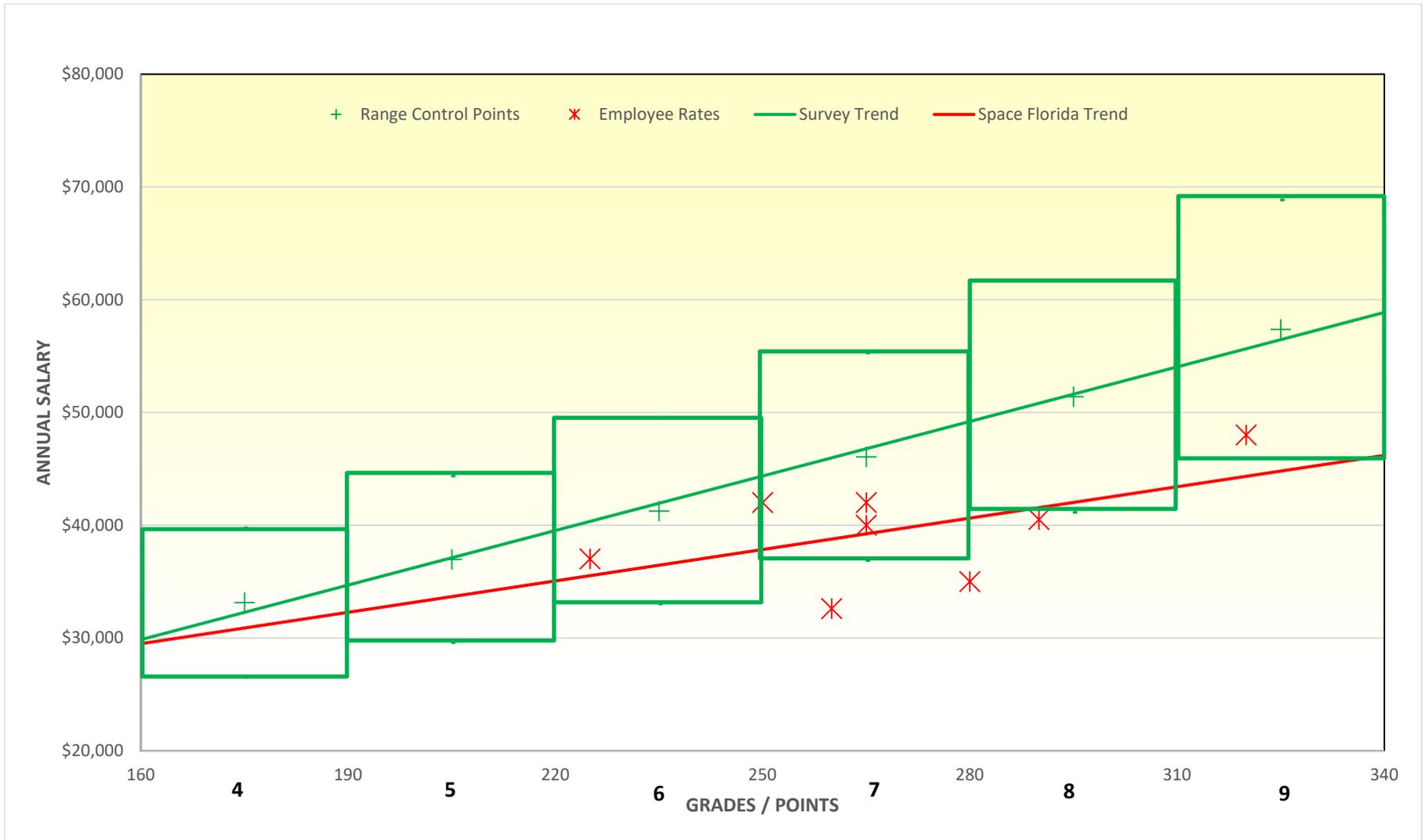


| 95% of Market | | | |
|---------------|-----------|---------------|-----------|
| GRADE | MINIMUM | CONTROL POINT | MAXIMUM |
| 18 | \$117,046 | \$162,313 | \$206,591 |
| 17 | \$106,141 | \$145,503 | \$183,987 |
| 16 | \$96,252 | \$130,433 | \$163,856 |
| 15 | \$87,285 | \$116,925 | \$145,928 |
| 14 | \$79,152 | \$104,815 | \$129,961 |
| 13 | \$71,778 | \$93,960 | \$115,742 |
| 12 | \$65,091 | \$84,228 | \$103,078 |
| 11 | \$59,026 | \$75,505 | \$91,799 |
| 10 | \$53,527 | \$67,685 | \$81,755 |
| 9 | \$48,540 | \$60,675 | \$72,810 |

| GRADE | TITLE |
|-------|--|
| 9 | Facilities Manager - Camp Blanding |
| 8 | Executive Administrative Assistant |
| 8 | Project Coordinator/Project Manager I |
| 7 | Government Affairs Coordinator |
| 7 | Accountant |
| 7 | Badging & Airfield Administrator |
| 6 | Spaceport Operations Project Administrator |
| 6 | Assistant Facilities Maintenance Manager - Camp Blanding |
| 6 | Business Development Coordinator |
| 5 | Accounting Assistant |



NONEXEMPT COMPENSATION COMPARISON CHART at 95% of Market



| 95% of Market | | | |
|---------------|----------|---------------|----------|
| GRADE | MINIMUM | CONTROL POINT | MAXIMUM |
| 9 | \$45,894 | \$57,368 | \$68,842 |
| 8 | \$41,120 | \$51,401 | \$61,681 |
| 7 | \$36,843 | \$46,054 | \$55,265 |
| 6 | \$33,011 | \$41,263 | \$49,516 |
| 5 | \$29,577 | \$36,971 | \$44,365 |
| 4 | \$26,500 | \$33,125 | \$39,750 |

Space Florida
Total Compiled Statement of Revenues and Expenses
The Period Ending September 30, 2018
Unaudited
In 000's

| | Total budget |
|---|---------------------|
| Operations Revenues | |
| State Appropriated Revenue - OPS | \$ 11,500 |
| Other Revenue | 3,254 |
| Total Operations Revenues | \$ 14,754 |
| Operations Expenses | |
| Salaries & Other Related Costs | \$ 6,689 |
| Contract & Subcontract Services | 3,531 |
| Operating, General & Administrative | 1,815 |
| Utilities & Maintenance | 1,320 |
| Business Recruitment/Investment | 1,096 |
| Travel & Entertainment | 303 |
| Total Operations Expenses (Excluding Depreciation) | \$ 14,754 |
| Change in Net Assets due to Operations | \$ 0 |

Space Florida
Fiscal Year 2017 and 2018 Budget Comparison
Unaudited
In 000's

| | FY 17 Budget June 30 | FY 17 Total Actual & Commitments June 30 | FY 17 Budget to FY 17 Actual & Commitments Variance | FY 18 Budget September 30 | FY 18 to FY 17 Budget Variance |
|---|-------------------------|---|--|------------------------------|--------------------------------------|
| Operations Revenues | | | | | |
| State Appropriated Revenue, Ops | \$ 10,000 | \$ 10,000 | \$ - | \$ 11,500 | \$ (1,500) |
| Other Revenue | 3,176 | 3,416 | (240) | 3,254 | (78) |
| Total Operations Revenues | \$ 13,176 | \$ 13,416 | \$ (240) | \$ 14,754 | \$ (1,578) |
| Operations Expenses | | | | | |
| Salaries & Other Related Costs | \$ 5,246 | \$ 5,223 | \$ 23 | \$ 6,689 | \$ (1,443) |
| Contract & Subcontract Services | 3,318 | 3,240 | 78 | 3,531 | (213) |
| Operating, General & Administrative | 1,141 | 2,710 | (1,569) | 1,815 | (674) |
| Utilities & Maintenance | 1,529 | 1,370 | 159 | 1,320 | 209 |
| Business Recruitment/Investment | 1,535 | 608 | 927 | 1,096 | 440 |
| Travel & Entertainment | 408 | 265 | 143 | 303 | 105 |
| Total Operations Expenses, no depreciation | \$ 13,176 | \$ 13,416 | \$ (240) | \$ 14,754 | \$ (1,578) |
| Change in net assets due to Operations | \$ - | \$ - | \$ - | \$ - | \$ - |

**Space Florida
Fiscal Year 2018 Budget Compared
to Fiscal Year 2017 Budget
Budget Narrative**

Revenue:

State Appropriations Budget for Fiscal Year 2018 for Operations will increase by \$1.5 million to \$11.5 million as compared to Fiscal Year 2017 Budget. Other revenue, which is comprised of Space Florida assisted financing projects and lease revenues, is expected to increase for Fiscal Year 2018 by \$78 thousand as compared to Fiscal Year 2017 primarily due to an increase in projected facility lease revenues.

Expenses:

Salary and Other Related Costs for Fiscal Year 2018 will increase by \$1,443 thousand as compared to Fiscal Year 2017 Budget. The increase is primarily due to update to the compensation plan pay ranges and the addition of seven new staff position.

Contract and Subcontract Services for Fiscal Year 2018 is anticipated to increase by \$213 thousand for Fiscal Year 2018 as compared to Fiscal Year 2017 Budget. The increase is due primarily to an increase in legal expense due to the complex nature of the deals that are being pursued. Contract and Subcontract services consist of legal, business development services & project support, facility services to including operations & maintenance, and general operating services.

Operating General and Administrative for Fiscal Year 2018 is anticipated to increase by \$674 thousand as compared to Fiscal Year 2017 Budget. This increase is primarily due to loan service expense for the Engineering and Technology Center Facility, scheduled capital improvement and capital equipment purchases. Remaining expenses included in this category are rentals & leases, insurance, other general operating expenses and capital improvements.

Utilities and Maintenance for Fiscal Year 2018 is expected to decrease by approximately \$209 thousand as compared to Fiscal Year 2017 Budget. The decrease is primarily due to the energy saving efforts implemented at the SLSL offset by an increase in Repair and Maintenance costs associated with the RLV Hangar.

Business Recruitment/Investments for Fiscal Year 2018 is anticipated to decreased by \$440 thousand as compared to Fiscal Year 2017 Budget. The decrease is primarily due to a reduction in business recruitment activities because of the nature of the projects that are being pursued. Additional efforts related to this category are promotion and project expense, Microgravity Research Center, advertising and project expenses.

Travel and Entertainment for Fiscal Year 2018 is anticipated to decrease by \$105 thousand as compared to Fiscal Year 2017. The decrease is primarily due to the nature of the business deals and a decrease in anticipated foreign travel related efforts.

Space Florida
Fiscal Year 2018 Budget Detail
September 1, 2017 to June 30, 2018
in 000's

| Operating Revenues | FY 17 Budget to | | | | |
|---------------------------------|-------------------------|--|--|------------------------------|--------------------------------------|
| | FY 17 Budget June 30 | FY 17 Total Actual & Commitments June 30 | FY 17 Total Actual & Commitments Variance | FY 18 Budget September 30 | FY 17 to FY 18 Budget Variance |
| State Appropriated Revenue | \$ 10,000 | \$ 10,000 | \$ - | \$ 11,500 | \$ (1,500) |
| Facility Revenue | | | | | |
| SLSL | \$ 1,014 | \$ 719 | \$ 295 | \$ 830 | \$ 184 |
| SRMU | 575 | 730 | (155) | 765 | (190) |
| RLV Hangar | 250 | - | 250 | 200 | 50 |
| So Campus | 25 | 26 | (1) | 25 | - |
| SLF | 125 | 65 | 60 | - | 125 |
| LC 46 | | 113 | (113) | - | - |
| Area 57 | | 151 | (151) | 67 | (67) |
| Equipment | - | 135 | (135) | - | - |
| AOS | | | | 305 | (305) |
| Total | \$ 1,989 | \$ 1,938 | \$ 51 | \$ 2,193 | \$ (204) |
| Financing Revenue | | | | | |
| Orion Admin Fee | \$ 295 | \$ 295 | \$ - | \$ 295 | - |
| Loan Administration Fee | 127 | 127 | (0) | 127 | - |
| Interest Income | 60 | 213 | (153) | 60 | - |
| OPF3 Admin Fee | 580 | 580 | (0) | 580 | - |
| Total | \$ 1,062 | \$ 1,215 | \$ (153) | \$ 1,062 | \$ - |
| Fees & Charges for Services | | | | | |
| SLF Landing Fees | \$ 125 | \$ 225 | \$ (100) | \$ - | \$ 125 |
| Misc. Revenue | - | 38 | (38) | - | - |
| Total | \$ 125 | \$ 263 | \$ (138) | \$ - | \$ 125 |
| Total Operating Revenues | \$ 13,176 | \$ 13,416 | \$ (240) | \$ 14,754 | \$ (1,578) |

Space Florida
Fiscal Year 2018 Budget Detail
September 1, 2017 to June 30, 2018
in 000's

| | FY 17 Budget June 30 | FY 17 Total Actual & Commitments June 30 | FY 17 Budget to FY 17 Total Actual & Commitments Variance | FY 18 Budget September 30 | FY 17 to FY 18 Budget Variance |
|--|-------------------------|---|---|------------------------------|--------------------------------------|
| Salary & Other Related Costs | | | | | |
| Salary & Wages | \$ 3,328 | \$ 3,359 | \$ (31) | \$ 4,790 | \$ (1,462) |
| Payroll Taxes | 67 | 48 | 19 | 69 | (2) |
| Retirement | 499 | 539 | (40) | 718 | (219) |
| Life & Health Insurance | 691 | 666 | 25 | 950 | (259) |
| Bonus | 512 | 512 | 0 | - | 512 |
| Other | 149 | 99 | 50 | 161 | (12) |
| Total Salaries & Other Related Costs | \$ 5,246 | \$ 5,223 | \$ 23 | \$ 6,689 | \$ (1,443) |
| Contract & Subcontract Services | | | | | |
| Legal | \$ 230 | \$ 244 | \$ (14) | \$ 375 | \$ (145) |
| Business Development Services & Project Support | 268 | 401 | (133) | 303 | (35) |
| Facility Services | 2,417 | 2,215 | 202 | 2,427 | (10) |
| General Operations Services | 403 | 380 | 23 | 426 | (23) |
| Total Contract & Subcontract Services | \$ 3,318 | \$ 3,240 | \$ 78 | \$ 3,531 | \$ (213) |
| Operating General & Administrative | | | | | |
| Rental & Leases | \$ 402 | \$ 405 | \$ (3) | \$ 413 | \$ (11) |
| Insurance | 217 | 161 | 56 | 156 | 61 |
| Other General Operating Expenses | 173 | 153 | 20 | 200 | (27) |
| Capital Improvements | 350 | 1,991 | (1,641) | 647 | (296) |
| Loan Service Expense | | | | 400 | (400) |
| Total Operating, General & Administrative | \$ 1,141 | \$ 2,710 | \$ (1,569) | \$ 1,815 | \$ (674) |
| Utilities & Maintenance | | | | | |
| Utilities | | | | | |
| SLSL | \$ 750 | \$ 681 | \$ 69 | \$ 700 | \$ 50 |
| RLV Hanger | 15 | 17 | (2) | 15 | - |
| Camp Blanding | 75 | 76 | (1) | 55 | 20 |
| Other | 94 | 96 | (2) | 76 | 18 |
| Repair & Maintenance | | | | | |
| SLSL | 150 | 60 | 90 | 50 | 100 |
| LC 36 | 60 | 2 | 58 | - | 60 |
| RLV Hanger | 125 | 239 | (114) | 225 | (100) |
| Camp Blanding | 120 | 63 | 57 | 150 | (30) |
| Other | 140 | 136 | 4 | 49 | 91 |
| Total Utilities & Maintenance | \$ 1,529 | \$ 1,370 | \$ 159 | \$ 1,320 | \$ 209 |
| Business Recruitment/Investment | | | | | |
| Promotional & Project Expenses | \$ 673 | \$ 252 | \$ 421 | \$ 617 | \$ 56 |
| Other Grants & Aid | 862 | 356 | 506 | 479 | 383 |
| Total Business Recruitment/Investment | \$ 1,535 | \$ 608 | \$ 927 | \$ 1,096 | \$ 440 |
| Travel and Entertainment | \$ 408 | \$ 265 | \$ 143 | \$ 303 | \$ 105 |
| Total Budget | \$ 13,176 | \$ 13,416 | \$ (240) | \$ 14,754 | \$ (1,578) |

| 95% of Market | | | |
|---------------|-----------|---------------|-----------|
| GRADE | MINIMUM | CONTROL POINT | MAXIMUM |
| 27 | \$182,901 | \$281,386 | \$379,871 |
| 26 | \$175,082 | \$266,267 | \$357,116 |
| 25 | \$167,597 | \$251,961 | \$335,725 |
| 24 | \$160,432 | \$238,423 | \$315,615 |
| 23 | \$153,574 | \$225,613 | \$296,709 |
| 22 | \$147,009 | \$213,491 | \$278,936 |
| 21 | \$140,724 | \$202,021 | \$262,228 |
| 20 | \$134,708 | \$191,166 | \$246,520 |
| 19 | \$128,949 | \$180,895 | \$231,753 |

| 95% of Market | | | |
|---------------|-----------|---------------|-----------|
| GRADE | MINIMUM | CONTROL POINT | MAXIMUM |
| 18 | \$117,046 | \$162,313 | \$206,591 |
| 17 | \$106,141 | \$145,503 | \$183,987 |
| 16 | \$96,252 | \$130,433 | \$163,856 |
| 15 | \$87,285 | \$116,925 | \$145,928 |
| 14 | \$79,152 | \$104,815 | \$129,961 |
| 13 | \$71,778 | \$93,960 | \$115,742 |
| 12 | \$65,091 | \$84,228 | \$103,078 |
| 11 | \$59,026 | \$75,505 | \$91,799 |
| 10 | \$53,527 | \$67,685 | \$81,755 |
| 9 | \$48,540 | \$60,675 | \$72,810 |

| 95% of Market | | | |
|---------------|----------|---------------|----------|
| GRADE | MINIMUM | CONTROL POINT | MAXIMUM |
| 9 | \$45,894 | \$57,368 | \$68,842 |
| 8 | \$41,120 | \$51,401 | \$61,681 |
| 7 | \$36,843 | \$46,054 | \$55,265 |
| 6 | \$33,011 | \$41,263 | \$49,516 |
| 5 | \$29,577 | \$36,971 | \$44,365 |
| 4 | \$26,500 | \$33,125 | \$39,750 |

| Space Florida | | | | |
|---|----------------------------|--------------|------------------|----------------------|
| Employees | | | | |
| October 1, 2016 - September 30, 2017 | | | | |
| Employee Name | Beginning of Period | Added | Attrition | End of Period |
| Bailey, Gail | 1 | | | 1 |
| Beerman, Theodore | 1 | | | 1 |
| Bonjawo, Jaime | 1 | | | 1 |
| Bontrager, Mark | 1 | | | 1 |
| Coates, Roberta | 1 | | | 1 |
| Cody, Ellen | | 1 | | 1 |
| Corder-Jensen, Heidi | 1 | | | 1 |
| Courtney, Beth | 1 | | | 1 |
| Daniel, Danielle | 1 | | | 1 |
| DiBello, Frank | 1 | | | 1 |
| Duong, Marie | 1 | | 1 | - |
| Eggert, Peter | 1 | | | 1 |
| Forron, Stan | 1 | | | 1 |
| Gannon, Anthony | 1 | | | 1 |
| Haug, Howard | 1 | | | 1 |
| Herman, Linda | 1 | | | 1 |
| Ketcham, Dale | 1 | | | 1 |
| Kuzma, James | 1 | | | 1 |
| Luney Jr., Percy | 1 | | | 1 |
| Mason, Mark | 1 | | | 1 |
| Masse, Jacob | 1 | | | 1 |
| Mayfield, Desiree | 1 | | | 1 |
| McCarthy, Patrick | 1 | | | 1 |
| McShea, Bernard | 1 | | | 1 |
| Moffitt, James | 1 | | | 1 |
| Newsham, Emma | 1 | | | 1 |
| O'Konek, Natha | | 1 | | 1 |
| Pierce, Jilliane | | 1 | | 1 |
| Robbins, Arthur | 1 | | | 1 |
| Romberger, Todd | 1 | | | 1 |
| Rosa, Rhonda | 1 | | | 1 |
| Shell, Sara | 1 | | | 1 |
| Snow, Christopher | 1 | | | 1 |
| Spratt, Sharon | 1 | | | 1 |
| Swanson, Denise | 1 | | | 1 |
| Szabo, Steve | 1 | | | 1 |
| Wilkerson, Gene | 1 | | | 1 |
| Willhardt, Debra | 1 | | | 1 |
| Williams, Keevin | 1 | | | 1 |
| Zheng, Ivy | | 1 | | 1 |
| Total | 36 | 4 | 1 | 39 |

**Space Florida
Travel Profile
Fiscal Year 2018 Budget**

| Title | Domestic Travel | International International Travel | Annual Travel Budget |
|--|--------------------|--|----------------------------|
| President | 20,358 | 17,289 | 37,647 |
| VP Business Development | 20,358 | 17,289 | 37,647 |
| VP Education & Talent Supply Chain | - | - | - |
| VP Spaceport Operations | 3,393 | - | 3,393 |
| Treasurer/EVP Chief Investment Officer | 6,786 | - | 6,786 |
| COO | 20,358 | - | 20,358 |
| VP Special Projects | 23,751 | - | 23,751 |
| Sr Director Project Management | 23,751 | 17,289 | 41,040 |
| Project Manager | 3,393 | - | 3,393 |
| Director, Spaceport Operations | - | - | - |
| Senior Director of Business Development | 10,179 | - | 10,179 |
| Director, Commercial Space | 23,751 | 17,289 | 41,040 |
| Manager, Facilities and Technology | 3,393 | - | 3,393 |
| Director of Research & Project Development | 6,786 | - | 6,786 |
| Manager, Contract Compliance | 3,393 | - | 3,393 |
| Senior Contracts Administrator | - | - | - |
| CFO/VP of Administration | 3,393 | - | 3,393 |
| Marketing Manager | 3,393 | - | 3,393 |
| Public Relations Coordinator | 3,393 | - | 3,393 |
| Assistant Facilities Manager | 3,393 | - | 3,393 |
| OSF Facilities Manager/Camp Blanding | - | - | - |
| Controller | - | - | - |
| Staff Accountant | - | - | - |
| Financial Analyst | - | - | - |
| Accountant | - | - | - |
| Executive Assistant | 3,393 | - | 3,393 |
| Administrative Coordinator | - | - | - |
| OSF Assistant Facilities Manager / Camp Blanding | - | - | - |
| Accounting Assistant | - | - | - |
| Manager Airfiled Operatons | 6,786 | - | 6,786 |
| Stratigic Alliance, Director | 6,786 | - | 6,786 |
| Procurement Manager | - | - | - |
| Senior Director of Government Relations | 3,393 | - | 3,393 |
| Spaceport Development Program Manager | 3,393 | - | 3,393 |
| Environmental Safety and Health Program Manager | 3,393 | - | 3,393 |
| Spaceport Operations Project Administrator | 3,393 | - | 3,393 |
| Federal Government Relations Manager | 6,786 | - | 6,786 |
| Government Affairs Coordinaor | 3,393 | - | 3,393 |
| Business Development Assistant | - | - | - |
| Office Manager | 3,393 | - | 3,393 |
| Total | 227,331 | 69,156 | 296,487 |



**Space Florida Board of Director Meeting
October 30, 2017
Contracts for Approval**

1. **Matrix Composites:** Space Florida requests approval for the authorizing resolution in conjunction with conduit financing agreements for Matrix Composites in the amount of approximately Two Million Seven Hundred Forty-Seven Thousand Dollars (\$2,747,000) with the Lender Hancock Whitney. Additionally, Space Florida requests approval for negotiations and contract activities for a loan with Matrix Composites associated with this project in the amount of Two Hundred Fifty Thousand Dollars (\$250,000).
2. **York Space Systems:** Space Florida requests approval for a loan transaction with York Space Systems in the amount of Seven Hundred Fifty Thousand Dollars (\$750,000) for a four (4) year term with an annual interest rate of 5.5%. The company will receive interest only payments during the term and upon maturity Space Florida will have an ownership conversion option or require the loan be payable in twelve (12) equal monthly payments.
3. **Project Moffett:** Space Florida requests approval for management negotiations and to enter agreement with skyTran for a sublease at the Space Florida Landing Facility Premises for fifteen (15) acres for a period of up to fifty (50) years at market rates.
4. **FDOT 2018 Spaceport Planning and Engineering:** Space Florida requests approval for management negotiations and related contract activities with FDOT in the amount of up to Two Million Five Hundred Thousand Dollars (\$2,500,000) in conjunction with FY18 Spaceport Engineering Planning and Services. Additionally, Space Florida requests approval for management negotiations and related contract activities with AECOM, BRPH and RS&H, and their sub-contractors, in the amount of up to Two Million Five Hundred Thousand Dollars (\$2,500,000) to perform engineering and planning services on a task order basis.
5. **Rush Construction:** Space Florida requests the board to approve the addition of Rush Construction to the August 21, 2017 Board Approved list of vendors in conjunction with the performance of operations and maintenance, utilities, insurance, property management and service commodity needs associated with Space Florida facilities.

RESOLUTION NO. 28

RESOLUTION

of the

SPACE FLORIDA BOARD OF DIRECTORS

regarding

\$2,747,361 Equipment Financing for Matrix Composites, Inc.

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF SPACE FLORIDA:

Section 1. Authority for this Resolution. This resolution is adopted pursuant to Chapter 331, Part II, Florida Statutes, Constitution of the State of Florida, and other applicable provisions of law (collectively, the “Act”).

Section 2. Definitions. Words and phrases in this resolution have the following meanings:

“Bank” means Whitney Equipment Finance, LLC, in its capacity as lender under the Loan Agreement, and its successors and assigns.

“Chairman” means the Chairman of the Board of Directors of Space Florida or, in his or her absence or inability to act, any other member of the Board of Directors of Space Florida.

“Credit Enhancement Guaranty” means the guaranty to be executed and delivered by the Guarantors to Space Florida, as collateral for payment of the Credit Enhancement Note, in substantially the form contained in **Exhibit C**.

“Credit Enhancement Note” means the promissory note to be executed and delivered by Matrix to Space Florida in connection with the Economic Development Agreement substantially in the form attached as **Exhibit B**.

“Credit Enhancement Loan” means the credit-enhancement funds in the amount of \$250,000 to be loaned by Space Florida to Matrix, pursuant to the Economic Development Agreement and the Credit Enhancement Note, and to be deposited with the Bank for the benefit of Matrix, to assist Matrix with financing the Project.

“Economic Development Agreement” means the agreement between Space Florida and Matrix to be executed in substantially the form attached as **Exhibit A**, under which Space Florida will loan to Matrix a credit-enhancement amount not to exceed \$250,000, the proceeds of which will be deposited directly with the Bank for the account of Space Florida as set forth in the Loan Agreement.

“Equipment Lease” means the lease agreement to be negotiated and executed by Space Florida, as lessor, and Matrix Composites, Inc., as lessee, substantially in the form attached as **Exhibit D**.

“Equipment-Lease Revenues” means all revenues received by Space Florida from Matrix under the Equipment Lease, net of (i) payment of reimbursements owed to Space Florida under the Equipment Lease, (ii) payments of administrative charges owed to Space Florida under the Equipment Lease, and (iii) other amounts, if any, not available under the Equipment Lease for servicing debt on the Note.

“Guarantors” mean Kenneth S. Swarner and David A. Nesbitt, Jr., individuals who are shareholders in Matrix, and Red Rock Properties, L. C., a Florida limited liability company and affiliate of Matrix.

“Guaranty Agreement” means the guaranty agreement to be executed by the Guarantors and delivered to the Bank as collateral for payment of the Notes, as the same may be amended and restated from time to time.

“Loan Agreement” means the “Financing Agreement and Collateral Assignment” for an equipment-financing loan to be executed by Space Florida and the Bank, substantially in the form attached as **Exhibit E**. The Loan Agreement may also be referred to as “Personal Property Loan”.

“Loan Amount” means the amount or amounts to be borrowed by Space Florida under the Loan Agreement, not to exceed, in the aggregate, \$2,747,361.00.

“Matrix” means Matrix Composites, Inc., a Florida corporation doing business in Florida and an affiliate of the Guarantors.

“Note” or “Notes” means the one or more Space Florida Lease-Revenue Promissory Notes (“Project Zion”) (if any) to be executed by Space Florida in connection with the Loan Agreement.

“Officer” means the President/CEO, the Treasurer, or the Chief Financial Officer of Space Florida.

“Pledged Funds” means collectively (i) the Equipment-Lease Revenues, (ii) all funds on deposit from time to time with the Bank under the Loan Agreement and the Guaranty Agreement (including all investment securities and deposits thereunder), and (iii) all investment earnings on any such funds.

“Project” means the acquisition by Space Florida of machinery and tooling to be leased to Matrix for use in producing composite parts and structures for the “next generation” of jet engines under a contract recently awarded to Matrix.

Section 3. Findings. It is hereby determined and declared by the Board of Directors that:

A. Matrix has requested that Space Florida (i) purchase high-value machinery and tooling and to lease it to Matrix for its use in connection with the Project and (ii) provide Matrix with the Credit Enhancement Loan, the proceeds of which will serve as credit enhancement under the Loan Agreement.

B. Space Florida has determined that (i) the Project will constitute a “project” within the meaning of the Act, (ii) that Matrix’s expansion of its aviation-supply business in Florida will foster and promote the growth and development of aerospace business development, which satisfies the purposes and duties for which Space Florida was established under Section 331.302 and 331.3051 of Florida Statutes, and (iii) the Project will also assist in Space Florida’s mission of (a) fostering a business climate for the state to be a global leader in aerospace and aviation research, investment, and commerce and (b) creating high-value business and jobs in the state.

C. The Note(s) (if any) and the Loan Agreement are expressly authorized by Section 331.337, Florida Statutes, and do not constitute an issuance of revenue bonds or other bonds for purposes of Subsection 331.305(2) of Florida Statutes.

D. A negotiated sale of the Note (if any) is required and necessary and is in the best interest of Space Florida for the following reasons:

(i) the Note(s) will be special and limited obligations of Space Florida payable solely from the Pledged Funds;

(ii) the cost of issuance of the Notes, which must be borne directly or indirectly by Matrix, would most likely be greater if the Notes are sold at public sale by competitive bids than if the Notes are sold at negotiated sale;

(iii) there is no basis, considering prevailing market conditions, to expect that a sale of the Notes by competitive bids would be more favorable than a negotiated sale;

(iv) because prevailing market conditions are uncertain, it is desirable to sell the Notes at predetermined prices; and

(v) debt obligations having the characteristics of the Notes are typically sold at negotiated sale under these market conditions.

F. The debt under the Loan Agreement and the Notes and the interest thereon are nonrecourse against Space Florida and shall not be deemed to constitute either (i) a general debt, liability or obligation of Space Florida or the State of Florida or any other political

subdivision thereof or (ii) a pledge of the faith and credit of Space Florida or the State of Florida or any other political subdivision thereof. The debt shall be payable solely from the revenues provided therefor and the collateral of Matrix provided with respect thereto. Space Florida is not obligated to pay the debt or the interest thereon except from the Pledged Funds, and neither the faith and credit of Space Florida nor the faith and credit or taxing power of the State of Florida or any political subdivision thereof is pledged to the payment of the principal of or the interest on the debt. Space Florida has no taxing power, and no recourse may be had against Space Florida for payment of the debt by any other revenues or funds of Space Florida or by any other assets or property of Space Florida. Notwithstanding the foregoing, to the extent lawful Space Florida may assign to the Bank, as collateral to secure the debt, the equipment subject to the Equipment Lease and the purchase of which was financed by the Loan Agreement.

Section 4. Authorization of Loan Transaction.

A. Pursuant to its authority under Section 331.337, Florida Statutes, the Board approves negotiation, execution, and delivery by Space Florida of the Notes (if any) and the Loan Agreement subject to the following:

1. The principal amount or amounts of the debt shall not exceed, in the aggregate, \$2,747,361.00;
2. The interest rate or rates on the debt shall be fixed or variable rates not to exceed 8%;
3. The source of payment of the debt by Space Florida, and the only funds pledged by Space Florida as security for payment of the debt, shall be the Pledged Funds and such revenues, if any, received from time to time by Space Florida and expressly earmarked or designated for that purpose. The Bank otherwise must have no recourse against Space Florida or its revenues, funds, property, or other assets for payment of the debt.
4. The lender shall be the Bank, unless determined otherwise by the President of Space Florida;
5. The debt shall mature and be payable in full no later than the sixth anniversary of the date on which the final portion of the debt is incurred; and
6. The proceeds of the Note and/or Loan Agreement, net of the costs of closing the Loan Agreement and reimbursements of Space Florida expenses incurred, shall be used solely to fund costs of the Project and to pay existing Matrix debt.

B. The Chairman and an Officer or Officers are authorized and directed to negotiate, execute and deliver the Equipment Lease with Matrix, the Loan Agreement with the Bank, and the Notes (if any), each with such additional terms and provisions as they deem necessary or useful, consistent with the parameters in subsection A.

C. To undertake the Credit Enhancement Loan, the Chairman and the Officers are authorized and directed to execute and deliver the Economic Development Agreement and to accept the Credit Enhancement Note, but only if and when they receive a fully executed Credit Enhancement Guaranty from the Guarantors, subject to such modifications to those documents as the Chairman and the Officers may deem to be in the interests of Space Florida.

D. The Chairman and Officers are authorized and directed (i) to prepare, negotiate, execute, and deliver such other notices, agreements, certifications, and instruments, including security agreements, liens and related filings, and (ii) to take all other actions as they deem necessary or useful to consummate and carry out the transaction authorized by this resolution.

Section 5. Severability. If any provision of this resolution shall be held illegal or unenforceable in any context, the holding shall not affect other provisions herein or render other provisions invalid or unenforceable. To that end, this resolution is declared to be severable.

Section 6. Applicable Provisions of Law. This resolution shall be governed by and construed in accordance with the laws of the State of Florida.

Section 7. Superseding Clause. All resolutions or parts thereof in conflict herewith are hereby superseded.

Section 8. Effective Date. This resolution shall take effect immediately upon its adoption.

APPROVED this ___ day of _____, 2017.

SPACE FLORIDA BOARD OF DIRECTORS

By: _____
William T. Dymond, Jr., Chairman
Board of Directors

ATTEST:

By: _____
