

RESOLUTION #27

RESOLUTION

of the

**SPACE FLORIDA
BOARD OF DIRECTORS**

regarding

**\$27,200,000 Equipment Financing for
GKN Aerospace Florida, 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, Chapter 189, 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 Credit Agricole Corporate and Investment Bank, 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.

“Equipment Lease” means that certain lease agreement to be negotiated and entered into by Space Florida, as lessor, and GKN, as lessee, under which GKN will lease equipment from time to time for use in the Project.

“Equipment-Lease Revenues” means all revenues received by Space Florida from GKN 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.

“GKN” means GKN Aerospace Florida, Inc., a Delaware Corporation authorized to do business in Florida and an affiliate of the Guarantor.

“Guarantor” means GKN Holdings, PLC, a British company and parent of GKN.

“Guaranty Agreement” means the guaranty agreement to be executed by the Guarantor and delivered to the Bank, as the same may be amended and restated from time to time.

“Loan Agreement” means the agreement for a term loan to be negotiated and executed by Space Florida and the Bank.

“Loan Amount” means the amount or amounts to be borrowed by Space Florida under the Loan Agreement, not to exceed, in the aggregate, \$27,200,000.

“Note” means the Space Florida Lease-Revenue Promissory Note (“Project Gondola”) 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 (including all investment securities and deposits thereunder), and (iii) all investment earnings on any such funds.

“Project” means GKN’s proposed location and expansion of its business activities to a new manufacturing facility in or near Panama City Beach, Florida.

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

A. GKN has requested Space Florida to purchase high-value equipment and tooling and to lease it to GKN for its use in connection with the Project.

B. In exchange, GKN has committed to (i) invest approximately \$55 million in the Project and (ii) create 170 new, full-time jobs, with average annual wages of \$63,000.

C. Space Florida has determined that (i) the Project will constitute a “project” within the meaning of the Act, (ii) GKN is a supply-chain contractor, primarily serving contractors involved in national defense work, (iii) the proposed expansion of its aviation-supply business in Florida will support the promotion of defense-related aerospace business development, which satisfies the purposes and duties for which Space Florida was established under Section 331.3051 of Florida Statutes, and (iv) 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.

D. The Note 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.

E. A negotiated sale of the Note is required and necessary and is in the best interest of Space Florida for the following reasons:

- (i) the Note will be a special and limited obligation of Space Florida payable solely from the Equipment-Lease Revenues;
- (ii) the cost of issuance of the Note, which must be borne directly or indirectly by GKN, would most likely be greater if the Note is sold at public sale by competitive bids than if the Note is sold at negotiated sale;
- (iii) there is no basis, considering prevailing market conditions, to expect that a sale of the Note by competitive bids would be more favorable than a negotiated sale;
- (iv) because prevailing market conditions are uncertain, it is desirable to sell the Note at a predetermined price; and
- (v) debt obligations having the characteristics of the Note are typically sold at negotiated sale under these market conditions.

F. The Note and the interest thereon shall not be deemed to constitute either a general debt, liability or obligation of Space Florida or the State of Florida or any other political subdivision thereof, or a pledge of the faith and credit of Space Florida or the State of Florida or any other political subdivision thereof, but shall be payable solely from the revenues provided therefor and the collateral of GKN provided with respect thereto. Space Florida is not obligated to pay the Note or the interest thereon except from the Equipment-Lease Revenues, 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 Note. Space Florida has no taxing power.

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 Note and the Loan Agreement subject to the following:

1. The principal amount or amounts shall not exceed, in the aggregate, \$27,200,000.00;
2. The interest rate or rates on the Note shall not exceed a fixed rate of 5% per annum or a variable rate of 5% per annum;
3. The source of payment by Space Florida, and the only funds pledged by Space Florida as security for the payment, shall be the Equipment-Lease Revenues and such revenues, if any, received from time to time by Space Florida and expressly earmarked or designated for that purpose;

4. The lender shall be the Bank, unless determined otherwise by the President of Space Florida;
5. The note shall mature and be payable in full no later than the seventh anniversary of the date on which the Note is issued; and
6. The proceeds of the Note, net of the costs of the closing, shall be used solely to fund costs of the Project;

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

C. 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) 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: _____
