RESOLUTION NO. 23-43

RESOLUTION

of the

SPACE FLORIDA
BOARD OF DIRECTORS

regarding

NOT-TO-EXCEED $225,000,000,
6.25% SENIOR SECURED NOTES
DUE 2053

for

BAE SYSTEMS JACKSONVILLE SHIP REPAIR, LLC
(Project Poseidon)

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

Section 1. Authority. This resolution is adopted pursuant to (i) the Constitution of the State of Florida, (ii) the Space Florida Act, which is Chapter 331, Part II, of Florida Statutes, (iii) Chapter 189, Florida Statues, and (iv) other applicable provisions of law.

Section 2. Findings. The Board of Directors of Space Florida finds and declares the following:

A. BAE Systems Jacksonville Ship Repair, LLC ("**JSR**") is a Delaware limited liability company authorized to do business, and doing business, in the State of Florida. JSR has a major ship-repair facility and is a major employer in Jacksonville, Florida. BAE Systems, PLC ("BAE"), the parent of JSR, has other repair facilities in Virginia, California and Hawaii.

B. The U.S. Navy is adding ships to its fleet at Naval Station Mayport, including ships outfitted with Aegis missile systems and MK 41 launchers. The demand for maintenance, repair, and overhaul ("**MRO**") of U.S. naval ships in the Jacksonville area is increasing, and JSR is the major contractor in the area for MRO services.

C. JSR's ship-repair facility needs upgrade and replacement of its equipment and systems, including installation of a state-of-the-art ship lift, additional dry dock capacity, and other improvements ("**Project**").

D. JSR and its parent, BAE have a workable option or options other than investing in Florida. JSR can choose to move its facilities and operations to another state. The decision whether to remain in Florida will depend on, among other things, whether Space Florida will finance and lease to JSR the upgraded ship lift and other equipment needed by JSR to meet the added demand of the U.S. Navy for MRO services.

E. As an incentive for JSR and its parent to invest and expand operations in Duval County, Space Florida can issue notes in a private placement in an aggregate total principal amount not to exceed $ 225,000,000, bearing interest not to exceed 6.25% per annum, and maturing no later than 2053 ("**Notes**"). The proceeds from the sale of the Notes will be used by Space Florida to finance the Project.

F. The total capital investment projected by JSR and its parent to be undertaken, if it elects to retain its operations in Duval County, will be approximately $180,000,000. The capital investment and business expansion will result in creation of 500 net new company jobs in Duval County, with an average annual wage of $75,000.

G. Space Florida has determined that (i) under the Space Florida Act, the Project will constitute a "project" and an "aerospace business proposing to expand ... its business in this state," (ii) JSR's business in Duval County supports the promotion of aerospace business development, which satisfies the purposes and duties for which Space Florida was established under the Space Florida Act, and (iii) the Project will assist both (a) in achieving Space Florida's stated mission of fostering a business environment that encourages the development of the state's position as a global leader in aerospace research, investment, exploration and commerce and (b) in creating high-value-added businesses and jobs in the State.

H. A negotiated financing of the equipment and other improvements for JSR is required and necessary and is in the best interest of Space Florida for the following reasons:

1. the lease financing and the issuance of the Notes will be a special and limited obligation of Space Florida payable solely from lease revenues to be received under the Equipment Lease approved below;

2. a lease financing of this type is not suitable for a public offering and competitive bids, which is why such a transaction is rarely attempted; and

3. there is no basis to expect that the terms and conditions of a lease financing arrived at by a public offering and competitive bids would be more favorable to either Space Florida or JSR than a negotiated transaction with the prospective purchasers of the privately placed Notes.

I. The principal amount of the debt under the financing and the yield maintenance premium, if any, and the interest thereon shall not constitute (i) a general debt, liability or obligation of Space Florida, the State of Florida, Duval County, or any other political subdivision, (ii) a pledge of the faith and credit of Space Florida, the State of Florida, Duval County, or any other political subdivision, but shall be payable solely from the lease revenues received from JSR under the Equipment Lease and other collateral provided in connection with the Notes. Space Florida is not obligated to pay any amounts due or the interest thereon except

from the lease revenues received for that purpose, 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 will be pledged to the payment of the principal, yield maintenance premium, and interest coming due on the Notes. Space Florida has no taxing power.

J. If and to the extent required by law, Space Florida shall obtain from the Note purchasers or the financial advisor to BAE and JSR, as applicable, a disclosure statement containing the information required by Section 218.385(6), Florida Statutes, and the truth-in-bonding information required by Section 218.385(2), Florida Statutes, prior to the execution of the Project Financing Documents identified below and the issuance of the Notes. Space Florida does not require any further disclosure from the purchasers of the Notes.

Section 3. Authorization of Transaction. Space Florida is authorized and directed issue the Notes for the Project as follows:

A. The Notes shall be issued in an aggregate principal amount not to exceed TWO HUNDRED, TWENTY-FIVE MILLION and no/100 dollars ($225,000,000.00);
B. Interest payable on the principal amount of the Notes shall be at a *per annum* rate or rates not to exceed six and one-fourth percent (6.25%);
C. The final maturity date for the borrowing shall be April 1, 2053; and
D. The proceeds of the Notes shall be expended only for the following:

1. Costs of issuance: To pay the costs of issuance of the Notes;
2. Payment of interest: To pay interest on the Notes on each April 1 and October 1 through and including April 1, 2025;
3. Payment and reimbursement of Project costs: To pay, or to reimburse JSR for payment of, the costs of design, permitting, acquisition, assembly, and installation of the equipment and facilities comprising the Project, including costs of consultants, attorneys, surveys, site preparation, and other ancillary costs that can properly be treated under generally accepted accounting principles as capital costs of the Project;
4. Repayment of Working Capital Facility: To repay the outstanding principal and accrued interest owing under the working capital facility agreement to be entered into between JSR, as lender, and Space Florida, as borrower;
5. Other required payments: To pay the costs of all other uses and purposes required by the terms of the financing to be paid from the Note proceeds; and
6. Surplus Funds: The balance of any Note proceeds that remain following the payments described in clauses a. through e. above shall be recorded under, invested, and applied in accordance with, the Cash Services Agreement to be entered into between JSR and the Space Florida.

No recourse may be had against Space Florida or its funds, revenues, properties, or other assets for payment of the principal of, premium, if any, and interest on the Notes other than the

revenues paid by JSR and received by or on behalf of Space Florida under the Equipment Lease authorized below.

Section 4. Authorization of Project Financing Documents. The President and Chief Executive Officer and other officers of Space Florida are authorized and directed to execute and deliver the following agreements and instruments ("**Project Financing Documents**") substantially in the form attached to this resolution in the exhibits indicated:

- Exhibit A – Note Purchase Agreement (including form of the Notes);
- Exhibit B – Equipment Lease;
- Exhibit C – Ground Lease and Owner's Access Agreement;
- Exhibit D – Shipyard Modernization Agreement;
- Exhibit E – Working Capital Facility Agreement;
- Exhibit F – Cash Services Agreement; and
- Exhibit G – Collateral Agency, Security, and Account Agreement.

The Project Financing Documents are hereby approved by the Board of Directors substantially in the forms attached in Exhibits A through I, with such revisions and edits (i) as are not inconsistent with the material provisions of the documents as approved by this Resolution and (ii) as may be approved by the President and CEO or the Executive Vice President of Space Florida and legal counsel to Space Florida prior to execution by Space Florida. Approval of such revisions and edits, if any, shall be conclusively witnessed by the execution of the agreements by the President and CEO or the Executive Vice President and by legal counsel.

In addition to other requirements of this resolution, the Project Financing Documents may be executed and delivered by Space Florida only upon the execution and delivery by BAE to the Collateral Agent, on behalf of the holders of the Notes, of the unconditional Guaranty of payment, when due, of all amounts owed under the Note Purchase Agreement, the Notes, and related instruments.

Section 5. Additional Authorizations. The Chairman of this Board of Directors, the other members of this Board, and the officers of Space Florida are authorized collectively and individually to execute and deliver additional contracts, documents, certificates, and other instruments on behalf of Space Florida, and to take all other actions, as may be necessary or useful in consummating the intent and purposes of this resolution, the Project Financing Documents, and the transactions contemplated thereunder.

Section 6. Severability. If any part of this resolution is held invalid or unenforceable by a court of competent jurisdiction, the invalid or unenforceable part will not affect any other part herein or render any other part hereof invalid or unenforceable. To that end, this resolution is declared to be severable.

Section 7. Governing Law. This resolution shall be governed by and construed in accordance with the laws of the State of Florida.

Section 8. Superseding Clause. All resolutions or parts thereof in conflict herewith are hereby superseded to the extent of the conflict.

Section 9. Effective Date. This resolution shall take effect immediately upon its adoption.

APPROVED this 27th day of April, 2023.

SPACE FLORIDA
By: its Board of Directors

By: _____
Honorable Jeanette Nunez,
Lt. Governor of Florida
Chair, Board of Directors

ATTEST: _____

By: FRANK A. DiBELLO
Title: PRESIDENT & CEO

EXHIBIT A
to
Space Florida Board of Directors
Resolution No. 23-43

Note Purchase Agreement
(including form of the Notes)

SPACE FLORIDA

$_____

__% Senior Secured Notes due April 1, 2053

_____

NOTE PURCHASE AGREEMENT

_____

Dated _____, 2023

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SPACE FLORIDA
[505 Odyssey Way, Suite 300
Exploration Park, Florida 32953]

[__]% Senior Secured Notes due April 1, 2053

[_____], 2023

TO EACH OF THE PURCHASERS LISTED IN
THE PURCHASER SCHEDULE HERETO:

Ladies and Gentlemen:

SPACE FLORIDA, an independent special district, a body politic and corporate, and a subdivision of the State of Florida (the "**Issuer**"), agrees with each of the Purchasers as follows:

SECTION 1. AUTHORIZATION OF NOTES.

Section 1.1 Authorization of Notes. The Issuer will authorize the issue and sale of $[_____] aggregate principal amount of its [___]% Senior Secured Notes due April 1, 2053 (the "**Notes**"). The Notes shall be substantially in the form set out in Schedule 1. Certain capitalized and other terms used in this Agreement are defined in Schedule A and, for purposes of this Agreement, the rules of construction set forth in Section 23.4 shall govern.

Section 1.2 Parties; Use of Proceeds. The Issuer is organized, in part, to promote aerospace business and development in the State of Florida by facilitating business financing. The Issuer will facilitate the assembly, installation, financing, funding and development of a shiplift and related improvements (the "**Shipyard Improvements**") at certain premises located at the Jacksonville Ship Repair Shipyard, Jacksonville, Florida (the "**Premises**") of BAE Systems Jacksonville Ship Repair, LLC, a Delaware limited liability company (the "**Lessee**"), which Premises are leased pursuant to (i) that certain Ground Lease and Owner's Access Agreement, dated as of [_____], 2023 (as the same may be amended, restated, supplemented or modified from time to time, the "**Ground Lease**") by and between the Lessee and the Issuer, and (ii) that certain Sovereignty Submerged Lands Lease Renewal Modification to Extend Term dated as of [_____], 2023 (as the same may be amended, restated, supplemented or modified from time to time, the "**Submerged Lands Lease**") by and between the Board of Trustees of the Internal Improvement Trust Fund of the State of Florida and the Issuer. The Issuer and the Lessee have entered into (i) that certain Equipment Lease, dated as of [_____], 2023 (as the same may be amended, restated, supplemented or modified from time to time, the "**Equipment Lease**") pursuant to which the Issuer has leased to Lessee the Shipyard Improvements and (ii) that certain Shipyard Modernization Agreement dated as of [_____] (as the same may be amended, restated, supplemented or modified from time to time, the "**Shipyard Modernization Agreement**"; together with the Ground Lease, the Submerged Lands Lease and the Equipment Lease, the "**Material Contracts**") pursuant to which the Issuer will, among other things, appoint the Lessee as its agent to procure and install the Shipyard Improvements. The proceeds of the Notes shall be used to (i) fund the procurement, assembly, and installation of the Shipyard Improvements, (ii) pay costs and expenses incurred in connection with the closing of the

transactions contemplated in this Agreement and the Material Contracts, (iii) pay interest on the Notes on each April 1 and October 1 through and including April 1, 2025, (iv) repay all amounts outstanding under the Working Capital Facility Agreement, and (v) following the payment of all other amounts described in clauses (i)-(iv), apply the balance of any Note proceeds in accordance with the Cash Services Agreement.

Section 1.3 Collateral; Non-Recourse Debt. Pursuant to the Security Documents, the obligations of the Issuer under this Agreement, the Notes and the other Finance Documents to which it is a party will be secured by a security interest in the "Collateral", as defined in the CASAA, in each case, granted in favor of the Collateral Agent, for the benefit of the holders of the Notes. For the avoidance of doubt, the recourse and remedy of the Collateral Agent and each holder of a Note against the Issuer for the payment of a deficiency or other sum owing on account of the indebtedness evidenced by a Note, or for the payment of any liability resulting from the breach of any representation, agreement or warranty of any nature whatsoever in this Agreement or any other Finance Document, is limited solely to the Rents and other amounts payable under the Equipment Lease and other Collateral securing the Note. The Notes, this Agreement, and the Financing Documents are all strictly without recourse to the Issuer. The Collateral Agent, by acceptance of this Agreement, and each holder of a Note, by acceptance of this Agreement and the Notes, waive and release all liability of the Issuer, and of each past, present, and future member of the Issuer's Board of Directors, and of each officer, employee, and agent of the Issuer (other than Lessee) for and on account of such indebtedness or such liability. The Collateral Agent and each holder of a Note agree to look solely to the Rents and other amounts payable under the Equipment Lease and other Collateral securing the Notes and the Guaranty for payment of said indebtedness and satisfaction of such liability.

Except for the foregoing security interest in the Collateral, notwithstanding anything in this Agreement, the Notes and the Indebtedness represented thereby will not constitute a debt or loan of credit or a pledge of the full faith and credit or taxing power of the Issuer, the State of Florida, or any political subdivision thereof and shall never constitute or give rise to a pecuniary liability of the Issuer, the State of Florida, or any political subdivision thereof. The sole source of repayment of the Notes will be the Collateral and the Guaranty described in Section 1.4.

Section 1.4 Guaranty. The payment by the Issuer of all amounts due with respect to the Notes will be absolutely, unconditionally and irrevocably guaranteed by the Guarantor pursuant to the Guaranty.

SECTION 2. SALE AND PURCHASE OF NOTES.

Subject to the terms and conditions of this Agreement, the Issuer will issue and sell to each Purchaser and each Purchaser will purchase from the Issuer, at the Closing provided for in Section 3, Notes in the principal amount specified opposite such Purchaser's name in the Purchaser Schedule at the purchase price of 100% of the principal amount thereof. The Purchasers' obligations hereunder are several and not joint obligations and no Purchaser shall have any liability to any Person for the performance or non-performance of any obligation by any other Purchaser hereunder.

SECTION 3. CLOSING.

The sale and purchase of the Notes to be purchased by each Purchaser shall occur at the offices of Greenberg Traurig, LLP, 77 West Wacker Drive, Suite 3100, Chicago, Illinois, 60601, at 9:00 a.m., Chicago time, at a closing (the "**Closing**") on [_____], 20[__] or on such other Business Day thereafter as may be agreed upon by the Issuer and the Purchasers. At the Closing the Issuer will deliver to each Purchaser the Notes to be purchased by such Purchaser in the form of a single Note (or such greater number of Notes in denominations of at least $100,000 as such Purchaser may request) dated the date of the Closing and registered in such Purchaser's name (or in the name of its nominee), against delivery by such Purchaser to the Issuer or its order of immediately available funds in the amount of the purchase price therefor by wire transfer of immediately available funds for the account of the Issuer to the JSR Bank Account for further disbursement to the Lessee for payment of Closing Costs (as defined in the CASAA) incurred in connection with the Closing and each of the other permitted uses of such Note proceeds in accordance with Section 1.2 all in accordance with the Funds Flow Memorandum. If, on the date of Closing, the Issuer shall fail to tender such Notes to any Purchaser as provided above in this Section 3, or any of the conditions specified in Section 4 shall not have been fulfilled to such Purchaser's satisfaction, such Purchaser shall, at its election, be relieved of all further obligations under this Agreement, without thereby waiving any rights such Purchaser may have by reason of such failure by the Issuer to tender such Notes or any of the conditions specified in Section 4 not having been fulfilled to such Purchaser's satisfaction.

SECTION 4. CONDITIONS TO CLOSING.

Each Purchaser's obligation to purchase and pay for the Notes to be sold to such Purchaser at the Closing is subject to the fulfillment to such Purchaser's satisfaction, prior to or at the Closing, of the following conditions:

Section 4.1 Representations and Warranties. The representations and warranties of the Issuer and the Guarantor in the Finance Documents to which it is a party shall be correct when made and at the Closing (or, for those representations and warranties that are made only as of a particular date, as of such date).

Section 4.2 Performance; No Default. Each of the Issuer and the Guarantor shall have performed and complied with all material agreements and conditions contained in this Agreement and the other Finance Documents to which it is a party required to be performed or complied with by it prior to or at the Closing. After giving effect to the issue and sale of the Notes at the Closing (and the application of the proceeds thereof as contemplated by Section 5.11), no Default or Event of Default shall have occurred and be continuing.

Section 4.3 Compliance Certificates.

(a) *Officer's Certificate of the Issuer*. The Issuer shall have delivered to such Purchaser an Officer's Certificate, dated the date of the Closing, certifying that the conditions specified in Sections 4.1, 4.2, 4.9 and 4.18 have been fulfilled.

(b) *Officer's Certificate of the Guarantor*. The Guarantor shall have delivered to such Purchaser an Officer's Certificate, dated the date of the Closing, certifying that the conditions specified in Sections 4.1, 4.2, 4.9, 4.17 and 4.18 have been fulfilled.

(c) *Secretary's or Authorized Officer's Certificates*. The Issuer, the Lessee and the Guarantor shall have delivered to such Purchaser a certificate of its Secretary, Assistant Secretary or Authorized Officer, dated the date of the Closing, certifying as to (i) the resolutions attached thereto and other corporate or organizational proceedings relating to the authorization, execution and delivery of the Notes, this Agreement and other Finance Documents to which it is a party, (ii) its organizational documents as then in effect and (iii) in the case of the Lessee, a good standing or entity status certificate of such party, issued by the Secretary of State of the State of Florida or other appropriate officer of its state of organization, no earlier than fifteen (15) days prior to the date of the Closing.

Section 4.4 Opinions of Counsel. Such Purchaser shall have received opinions in form and substance satisfactory to such Purchaser, dated the date of the Closing (a)(i) from GrayRobinson, P.A., counsel for the Issuer, covering the matters set forth in Schedule 4.4(a)(i), (ii) from [_____], special counsel for the Lessee, covering the matters set forth in Schedule 4.4(a)(ii), and (iii) from Winston & Strawn LLP, New York counsel for the Guarantor, covering such matters set forth in Schedule 4.4(a)(iii), and covering such other matters incident to the transactions contemplated hereby as such Purchaser or its counsel may reasonably request (and the Issuer hereby instructs its counsel to deliver such opinion to the Purchasers) and (b) from Greenberg Traurig, LLP, the Purchasers' special counsel in connection with such transactions, substantially in the form set forth in Schedule 4.4(b) and covering such other matters incident to such transactions as such Purchaser may reasonably request.

Section 4.5 Purchase Permitted By Applicable Law, Etc. On the date of the Closing such Purchaser's purchase of Notes shall (a) be permitted by the laws and regulations of each jurisdiction to which such Purchaser is subject, without recourse to provisions (such as section 1405(a)(8) of the New York Insurance Law) permitting limited investments by insurance companies without restriction as to the character of the particular investment, (b) not violate any Applicable Law or regulation (including Regulation T, U or X of the Board of Governors of the Federal Reserve System) and (c) not subject such Purchaser to any tax, penalty or liability under or pursuant to any Applicable Law or regulation, which law or regulation was not in effect on the date hereof. If requested by such Purchaser, such Purchaser shall have received an Officer's Certificate certifying as to such matters of fact as such Purchaser may reasonably specify to enable such Purchaser to determine whether such purchase is so permitted.

Section 4.6 Sale of Other Notes. Contemporaneously with the Closing the Issuer shall sell to each other Purchaser and each other Purchaser shall purchase the Notes to be purchased by it at the Closing as specified in the Purchaser Schedule.

Section 4.7 Payment of Fees. Without limiting Section 16.1, the Issuer shall have paid or arrangements acceptable to the Purchasers shall have been made for the following amounts to be paid from the proceeds of the Closing on or promptly following the Closing pursuant to the Funds Flow Memorandum: (i) all fees then due and payable to the Collateral Agent in accordance with the Collateral Agent Fee Letter, (ii) the reasonable and documented fees, charges and disbursements of each special counsel to the Collateral Agent and the Purchasers and (iii) all other fees, costs and expenses then due and payable by the Issuer pursuant to this Agreement or any other Finance Document, in the case of each of clauses (i) through (iii) to the extent reflected in a

statement of such parties or counsel rendered to the Issuer and the Guarantor at least three (3) Business Days prior to the date of Closing.

Section 4.8 Private Placement Number. A Private Placement Number issued by the PPN CUSIP Unit of CUSIP Global Services (in cooperation with the SVO) shall have been obtained for the Notes.

Section 4.9 Changes in Corporate Structure. Neither the Issuer nor the Guarantor shall have changed its jurisdiction of incorporation or organization, as applicable, or been a party to any merger or consolidation or succeeded to all or any substantial part of the liabilities of any other entity, at any time following (i) in the case of the Issuer, the date of the most recent financial statements referred to in Schedule 5.3[1], and (ii) in the case of the Guarantor, the date of its most recent annual report.

Section 4.10 Funding Instructions. At least three Business Days prior to the date of the Closing, each Purchaser shall have received written instructions signed by a Responsible Officer on letterhead of the Issuer confirming the information specified in Section 3 including (i) the name and address of the transferee bank, (ii) such transferee bank's ABA number and (iii) the account name and number into which the purchase price for the Notes is to be deposited (which account shall be fully opened and able to receive micro deposits in accordance with this section at least three Business Days prior to the date of Closing). Each Purchaser has the right, but not the obligation, upon written notice (which may be by e-mail) to the Issuer, to elect to deliver a micro deposit (less than $51.00) to the account identified in the written instructions no later than two Business Days prior to Closing. If a Purchaser delivers a micro deposit, a Responsible Officer of the Issuer must verbally verify the receipt and amount of the micro deposit to such Purchaser on a telephone call initiated by such Purchaser prior to Closing. The Issuer shall not be obligated to return the amount of the micro deposit, nor will the amount of the micro deposit be netted against the Purchaser's purchase price of the Notes. If requested by a Purchaser, an identifiable Responsible Officer of the Issuer shall confirm the written instructions by a videoconference made available to the Purchasers no later than two Business Days prior to Closing.

Section 4.11 Finance Documents.

(a) *Finance Documents*. (i) Each Purchaser shall have received one original of each Note to be purchased by such Purchaser at the Closing, and (ii) each Purchaser and the Collateral Agent shall have received a fully executed copy of each other Finance Document. The transactions contemplated by the Finance Documents to be effective as of the date of the Closing shall have become effective in accordance with the terms of the applicable Finance Document.

(b) *Material Contracts*. Each Purchaser and the Collateral Agent shall have received a fully executed copy of each Material Contract, executed and delivered on or prior to the date of the Closing, together with a certificate of the Issuer to the effect that as of the date of Closing (A) such copy is a true and complete copy of such Material Contract, (B) each of the Material Contracts is in full force and effect, (C) all conditions precedent to the full effectiveness of such

[1] SF to confirm the financials to be delivered under Section 5.3.

Material Contract, as applicable, shall have been satisfied and (D) no "default" or "event of default" by the Issuer or, to the Issuer's knowledge, by any other party to a Material Contract has occurred and is continuing thereunder, except for any "default" or "event of default" which would not reasonably be expected to have a Material Adverse Effect.

Section 4.12 Establishment of Accounts; Filings.

(a) *Establishment of Accounts*. The Issuer shall have established or caused to be established all Accounts required to be established on the Closing pursuant to the CASAA, and all of the Accounts required to be subject to the Lien of the Security Documents shall be subject to the Lien of the Security Documents.

(b) *Filings*. The UCC financing statements required to be filed, registered or recorded in connection with the transactions contemplated by the Finance Documents shall have been properly filed, registered or recorded (or satisfactory arrangements shall have been made for the filing, registration or recordation) in each office required in order to create in favor of the Collateral Agent, for the ratable benefit of the holders, a valid perfected first priority Lien on that portion of the Collateral with respect to which a Lien can be perfected by filing under Applicable Law, free and clear of any Liens, other than Permitted Liens, and all necessary filing and other similar fees, and all taxes and other charges related to such filings, shall have been paid in full (or satisfactory arrangements shall have been made for such payment).

Section 4.13 Lien Searches. UCC, judgment lien and tax lien searches, dated not more than thirty (30) days prior to the Closing or otherwise in form and substance acceptable to the Purchasers, with respect to the Issuer in the State of Florida and the Guarantor in the District of Columbia (collectively, the "**Lien Searches**"), shall have been delivered to the Collateral Agent and such Purchaser and its special counsel. Bankruptcy, litigation and docket search reports of a recent date before the Closing (satisfactory to such Purchaser and its special counsel) for the jurisdiction in which any of the Issuer or the Guarantor has a primary place of business shall have been delivered to the Collateral Agent, such Purchaser and its special counsel. Such Lien Searches shall confirm that neither the Issuer nor the Guarantor is a party to any bankruptcy proceeding.

Section 4.14 Funds Flow Memorandum. Such Purchaser shall have received a memorandum satisfactory to such Purchaser detailing the proposed flow and uses of the proceeds from the Notes on the Closing (the "**Funds Flow Memorandum**").

Section 4.15 Insurance. All insurance policies required to be in place under the Finance Documents and the Material Contracts shall be in full force and effect and such insurance policies shall otherwise conform in all material respects with the requirements specified in the Finance Documents and the Material Contracts. Certificates of insurance reasonably acceptable to such Purchaser and its special counsel evidencing the insurance policies and endorsements required to be maintained pursuant to Section 9.2 shall have been delivered to the Collateral Agent and such Purchaser and its special counsel. All premiums then due and payable on such insurance shall have been paid except where the failure to pay any such premium would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

Section 4.16 Governmental Approvals. All material governmental approvals required to be obtained or made by the Issuer for the Issuer to execute and deliver the Finance Documents and to perform its obligations thereunder have been obtained or made and are in full force and effect. The Lessee shall have delivered to the Collateral Agent and such Purchaser a duly executed Officer's Certificate of the Lessee certifying that all material governmental approvals required to be obtained or made by the Lessee for the Lessee to proceed with the work relating to the Shipyard Improvements (other than, in each case, such governmental approvals that are not then necessary) and to perform its obligations under the Material Contracts have been obtained or made and are in full force and effect.

Section 4.17 No Material Adverse Change. Since the date of the immediately preceding annual report of the Guarantor, there shall not have occurred any material adverse change in the prospects of the Guarantor.

Section 4.18 No Judicial Action. To the knowledge of the Issuer and the Guarantor, no injunction, judgment, decree or other order prohibiting, enjoining or preventing the transactions contemplated in the Finance Documents shall have been issued and no action shall have been taken or law enacted making the consummation of such transactions illegal or otherwise rendering any Finance Document void or unenforceable in whole or in part.

Section 4.19 Know Your Customer. The Issuer and the Guarantor shall have delivered at least five Business Days in advance of the Closing to the Collateral Agent and each Purchaser all such documentation and information requested reasonably in advance of such date by the Collateral Agent or such Purchaser that are necessary for the Collateral Agent or such Purchaser to identify the Issuer and the Guarantor in accordance with the requirements of the USA PATRIOT Act (including the "know your customer" and similar regulations thereunder).

Section 4.20 Proceedings and Documents. All corporate and other proceedings in connection with the transactions contemplated by this Agreement and all documents and instruments incident to such transactions shall be satisfactory to such Purchaser and its special counsel, and such Purchaser and its special counsel shall have received all such counterpart originals or certified or other copies of such documents as such Purchaser or such special counsel may reasonably request.

SECTION 5. REPRESENTATIONS AND WARRANTIES OF THE ISSUER.

The Issuer represents and warrants to each Purchaser that:

Section 5.1 Organization; Power and Authority. The Issuer (i) is duly organized, validly existing and in good standing under the laws of Florida and (ii) does not conduct business outside the State of Florida. The Issuer has the corporate power and authority to own or hold under lease the properties it purports to own or hold under lease, to transact the business it transacts and proposes to transact, to execute and deliver this Agreement and the Notes and to perform the provisions hereof and thereof.

Section 5.2 Authorization, Etc. This Agreement, the Notes and the other Finance Documents have been duly authorized by all necessary action on the part of the Issuer, and this

Agreement constitutes, and upon execution and delivery thereof each Note will constitute, a legal, valid and binding obligation of the Issuer enforceable against the Issuer in accordance with its terms, except as such enforceability may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting the enforcement of creditors' rights and (ii) principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

Section 5.3 Financial Statements; Material Liabilities. The Issuer has delivered to each Purchaser copies of the financial statements of the Issuer listed on Schedule 5.3. All of such financial statements (including in each case the related schedules and notes) fairly present in all material respects the financial position of the Issuer as of the respective dates specified in such Schedule and the results of its operations and cash flows for the respective periods so specified and have been prepared in accordance with GAAP consistently applied throughout the periods involved except as set forth in the notes thereto (subject, in the case of any interim financial statements, to normal year-end adjustments). The Issuer does not have any material liabilities that are not disclosed in its financial statements.

Section 5.4 Compliance with Laws, Other Instruments, Etc. The execution, delivery and performance by the Issuer of this Agreement, the Notes and the other Finance Documents will not (i) contravene, result in any breach of, or constitute a default under, or result in the creation of any Lien (except for Permitted Liens) in respect of any property of the Issuer under, any indenture, mortgage, deed of trust, loan, purchase or credit agreement, lease, corporate charter, regulations or by-laws, shareholders agreement or any other agreement or instrument to which the Issuer is bound or by which the Issuer or any of its properties may be bound or affected, (ii) conflict with or result in a breach of any of the terms, conditions or provisions of any order, judgment, decree or ruling of any court, arbitrator or Governmental Authority applicable to the Issuer or (iii) violate any provision of any statute or other rule or regulation of any Governmental Authority applicable to the Issuer except, in the case of this clause (iii) where such violation would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

Section 5.5 Governmental Authorizations, Etc. Except for (i) those which have already been obtained, (ii) those that if not obtained would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect, and (iii) any filings, registrations and/or notifications necessary to create or perfect Liens created pursuant to the Security Documents, no consent, approval or authorization of, or registration, filing or declaration with, any Governmental Authority is required in connection with the execution, delivery or performance by the Issuer of this Agreement, the Notes or the Material Contracts.

Section 5.6 Litigation; Observance of Statutes and Orders.(a) There are no actions, suits, investigations or proceedings pending or, to the best knowledge of the Issuer, threatened against or affecting the Issuer or any property of the Issuer in any court or before any arbitrator of any kind or before or by any Governmental Authority that would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(b) The Issuer is not (i) in default under any agreement or instrument to which it is a party or by which it is bound, (ii) in violation of any order, judgment, decree or ruling of any court, any arbitrator of any kind or any Governmental Authority or (iii) in violation of any Applicable

Law, ordinance, rule or regulation of any Governmental Authority (including Environmental Laws, the USA PATRIOT Act or any of the other laws and regulations that are referred to in Section 5.13), in each case which default or violation would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

Section 5.7 Title to Assets and Properties. The Issuer has good and sufficient title to its properties that individually or in the aggregate are material and all other assets and property necessary to perform its obligations under the Finance Documents and the Material Contracts.

Section 5.8 Equipment Lease. Each of the following is true and correct with respect to the Equipment Lease: (i) the Issuer is the sole owner of the entire lessor's interest in the Equipment Lease; (ii) other than in connection with the CASAA, none of the Rents reserved in the Equipment Lease have been assigned or otherwise pledged or hypothecated; (iii) to the Issuer's knowledge, neither the Issuer nor the Lessee is in default under the Equipment Lease in any material respect; and (iv) to the Issuer's knowledge there exist no offsets or defenses to the payment of any portion of the Rents under the Equipment Lease in any respect.

Section 5.9 Employee Benefit Plans. Although the Notes and the Indebtedness represented thereby are strictly without recourse to the Issuer, as a courtesy the Issuer represents to each Purchaser that (i) the Issuer has no Plan and no other worker-benefit plan subject to either Title I or Title IV of ERISA and (ii) the Issuer has no ERISA Affiliates.

Section 5.10 Private Offering by the Issuer.(a) Neither the Issuer nor anyone acting on its behalf has offered the Notes or any similar Securities for sale to, or solicited any offer to buy the Notes or any similar Securities from, or otherwise approached or negotiated in respect thereof with, any Person other than the Purchasers and not more than [__] other Institutional Investors, each of which has been offered the Notes at a private sale for investment. Neither the Issuer nor anyone acting on its behalf has taken, or will take, any action that would subject the issuance or sale of the Notes to the registration requirements of section 5 of the Securities Act or to the registration requirements of any Securities or blue sky laws of any applicable jurisdiction.

(b) It is acknowledged that in giving the representation in this Section 5.10, the Issuer has relied on the offeree letter from RBC Capital Markets, LLC to the Issuer, counsel to the Issuer, and counsel to the Purchasers dated on or about the date hereof.

Section 5.11 Use of Proceeds; Margin Regulations. The Issuer will apply, or cause to be applied, the proceeds of the sale of the Notes hereunder as set forth in Section 1.2 of this Agreement. No part of the proceeds from the sale of the Notes hereunder will be used, directly or indirectly, for the purpose of buying or carrying any margin stock within the meaning of Regulation U of the Board of Governors of the Federal Reserve System (12 CFR 221), or for the purpose of buying or carrying or trading in any Securities under such circumstances as to involve the Issuer in a violation of Regulation X of said Board (12 CFR 224) or to involve any broker or dealer in a violation of Regulation T of said Board (12 CFR 220). Margin stock does not constitute more than [5]% of the value of the consolidated assets of the Issuer and the Issuer does not have any present intention that margin stock will constitute more than [5]% of the value of such assets. As used in this Section, the terms "margin stock" and "purpose of buying or carrying" shall have the meanings assigned to them in said Regulation U.

Section 5.12 Foreign Assets Control Regulations, Etc.(a) Neither the Issuer nor any Controlled Entity (i) is a Blocked Person, (ii) has been notified that its name appears or may in the future appear on a State Sanctions List or (iii) is a target of sanctions that have been imposed by the United Nations, Canada or the European Union.

(b) Neither the Issuer nor any Controlled Entity (i) has violated, been found in violation of, or been charged or convicted under, any applicable U.S. Economic Sanctions Laws, Canadian Economic Sanctions Laws, Anti-Money Laundering Laws or Anti-Corruption Laws or (ii) to the Issuer's knowledge, is under investigation by any Governmental Authority for possible violation of any U.S. Economic Sanctions Laws, Canadian Economic Sanctions Laws, Anti-Money Laundering Laws or Anti-Corruption Laws.

(c) No part of the proceeds from the sale of the Notes hereunder will be used, directly or indirectly, for the purpose of making any improper payments, including bribes, to any Governmental Official or commercial counterparty in order to obtain, retain or direct business or obtain any improper advantage, in each case which would be in violation of, or cause any Purchaser to be in violation of, any applicable Anti-Corruption Laws.

Section 5.13 Status under Certain Statutes. To its knowledge, the Issuer is not subject to regulation under the Investment Company Act of 1940, the Public Utility Holding Company Act of 2005, the ICC Termination Act of 1995, or the Federal Power Act.

SECTION 6. REPRESENTATIONS OF THE PURCHASERS.

Section 6.1 Purchase for Investment.(a) Each Purchaser severally represents to the Issuer that such Purchaser is an "accredited investor" within the meaning of Regulation D under the Securities Act and that it is purchasing the Notes for its own account or for one or more separate accounts maintained by such Purchaser or for the account of one or more pension or trust funds and not with a view to the distribution thereof, provided that the disposition of such Purchaser's or their property shall at all times be within such Purchaser's or their control. Each Purchaser understands that the Notes have not been registered under the Securities Act and may be resold only if registered pursuant to the provisions of the Securities Act or if an exemption from registration is available, except under circumstances where neither such registration nor such an exemption is required by law, and that the Issuer is not required to register the Notes.

(b) Each Purchaser severally represents that (1) it has such knowledge, sophistication and experience in business and financial matters that it is capable of evaluating the merits and risks of the transactions contemplated by this Agreement and (2) it has been granted the opportunity to ask questions of, and receive satisfactory answers from, representatives of the Issuer concerning the business affairs and financial condition of the Issuer and the terms and conditions of the purchase of the Notes and has had the opportunity to obtain and has obtained any additional information which it deems necessary regarding such purchase.

SECTION 7. INFORMATION AS TO ISSUER.

Section 7.1 Financial and Business Information. The Issuer shall deliver to the Collateral Agent and each holder of a Note that is an Institutional Investor:

(a) *Notice of Default or Event of Default* — promptly, and in any event within 5 days after a Responsible Officer becoming aware of the existence of any Default or Event of Default or that any Person has given any notice or taken any action with respect to a claimed default hereunder or that any Person has given any notice or taken any action with respect to a claimed default of the type referred to in Section 11(f), a written notice specifying the nature and period of existence thereof and what action the Issuer is taking or proposes to take with respect thereto;

(b) *Notices from Governmental Authority* – promptly, and in any event within thirty (30) days of receipt thereof, copies of any notice from any Governmental Authority relating to any order, ruling, statute or other law or regulation that would reasonably be expected to have a Material Adverse Effect on the Issuer;

(c) *Notices under Material Contracts* — promptly, and in any event within ten (10) Business Days after delivery or receipt by the Issuer, copies of all notices of termination, material disputes, default or event of default, material penalties or material damages, suspension of performance in any material respect or any Force Majeure event (or any analogous event or circumstance as provided for in any Material Contract) given or received pursuant to or in respect of any Material Contract; and

(d) *Requested Information* — with reasonable promptness, such other data and information relating to the ability of the Issuer to perform its obligations hereunder and under the Notes as from time to time may be reasonably requested by any such holder of a Note.

Section 7.2 Limitation on Disclosure Obligation. The Issuer shall not be required to disclose, pursuant to Section 7.1(d):

(a) information that the Issuer determines after consultation with counsel qualified to advise on such matters that, notwithstanding the confidentiality requirements of Section 21, it would be prohibited from disclosing by Applicable Law without making public disclosure thereof; *provided* that the Issuer shall provide the holders of the Notes with a recitation of the Applicable Law limiting such disclosure and, to the extent permitted by such Applicable Law, any supporting documentation; *provided further* that the Issuer shall use commercially reasonable efforts to obtain consent from the party in whose favor the obligation of confidentiality is owed to permit the disclosure of the relevant information;

(b) information that, notwithstanding the confidentiality requirements of Section 21, the Issuer is prohibited from disclosing by the terms of an obligation of confidentiality contained in any agreement (other than any agreement with any of its Affiliates) binding upon the Issuer and not entered into in contemplation of this clause (b); *provided* that the Issuer shall use commercially reasonable efforts to obtain consent from the party in whose favor the obligation of confidentiality was made to permit the disclosure of the relevant information; and

(c) promptly after a request therefor from any holder of a Note that is an Institutional Investor, the Issuer will provide each holder with a written opinion of counsel (which may be addressed to the Issuer) relied upon (and such other evidence as such holder may reasonably request) as to any requested information that the Issuer is prohibited from disclosing to such holder under circumstances described in this Section 7.2.

SECTION 8. PAYMENT AND PREPAYMENT OF THE NOTES.

Section 8.1 Interest; Required Prepayments; Maturity. (a)The Issuer shall pay, or cause to be paid, interest on the unpaid principal balance of each Note (i) semi-annually in arrears on October 1, 2023 and on each April 1 and October 1 thereafter to and including October 1, 2052, and (ii) at the Maturity Date, at a rate per annum equal to [___]%. Interest shall accrue from the date of issuance of each Note until the earliest to occur of (i) the stated Maturity Date thereof and (ii) prepayment of the entire principal amount of such Note. Notwithstanding anything to the contrary herein, if the principal, interest or other amounts due under each Note are not paid on the due date for payment thereof, such unpaid interest and other amounts shall thereafter bear interest (including post-petition interest in any proceeding under applicable bankruptcy laws) payable upon demand at a rate per annum equal to the Default Rate. Interest shall be based on a 360-day year comprised of twelve 30-day months and, in the case of an incomplete month, the number of days elapsed, but not more than 30 days in a month.

(b) On October 1, 2025 and on each April 1 and October 1 thereafter to and including April 1, 2053 the Issuer will prepay $[_____] principal amount (or such lesser principal amount as shall then be outstanding) of the Notes at par and without payment of the Make-Whole Amount or any premium, *provided* that upon any partial prepayment of the Notes pursuant to Section 8.2 or partial purchase of the Notes permitted by Section 8.5, the principal amount of each required prepayment of the Notes becoming due under this Section 8.1 on and after the date of such prepayment or purchase shall be reduced in the same proportion as the aggregate unpaid principal amount of the Notes is reduced as a result of such prepayment or purchase.

(c) As provided therein, the entire unpaid principal balance of each Note shall be due and payable on the Maturity Date thereof.

Section 8.2 Optional and Mandatory Prepayments with Make-Whole Amount.

(a) The Issuer may, at its option, upon notice as provided below, prepay at any time all, or from time to time any part of, the Notes, in an amount not less than 5% of the aggregate principal amount of the Notes then outstanding, at 100% of the principal amount so prepaid, together with interest on the amount of the Notes being prepaid accrued to the date of prepayment, and the Make-Whole Amount determined for the prepayment date with respect to such principal amount. The Issuer will give each holder of a Note written notice of each optional prepayment under this Section 8.2(a) not less than ten (10) days and not more than sixty (60) days prior to the date fixed for such prepayment unless the Issuer and the Required Holders agree to another time period pursuant to Section 18. Each such written notice shall specify such date (which shall be a Business Day), the aggregate principal amount of the Notes to be prepaid on such date, the principal amount of each of the Notes held by such holder to be prepaid (determined in accordance with Section 8.3), and the interest to be paid on the prepayment date with respect to such principal amount being prepaid, and shall be accompanied by an Officer's Certificate as to the estimated Make-Whole Amount, if any, due in connection with such prepayment (calculated as if the date of such written notice were the date of the prepayment), setting forth the details of such computation. Two (2) Business Days prior to such prepayment, the Issuer shall deliver to each holder of a Note an Officer's Certificate specifying the calculation of such Make-Whole Amount, if any, as of the specified prepayment date.

(b) Upon the occurrence of an Event of Default (as defined in the Equipment Lease) and the expiration of the cure and remedy periods set out in Sections 16(a) and 16(b) of the Equipment Lease, the Guarantor shall be given a period of not less than fifteen (15) Business Days following the expiration of such time periods to provide written notice to the Issuer and the holders of the Notes (an "**Assumption Notice**") of the Guarantor's intention to assume such Notes in accordance with Section 13 of the Guarantee. In the event that the Guarantor shall fail to deliver such Assumption Notice or shall fail to actually assume the Notes for which an Assumption Notice was delivered, the Issuer will give each holder of a Note written notice that the Issuer shall prepay all principal, interest, and Make-Whole Amount, if any, owing to the holders of the Notes on a date not less than ten (10) Business Days and not more than fifteen (15) Business Days following the date of the Issuer's written notice. Such written notice shall specify the date of such mandatory prepayment (which shall be a Business Day), the aggregate principal amount of the Notes to be prepaid on such date, the principal amount of each of the Notes held by such holder to be prepaid (determined in accordance with Section 8.3), the interest to be paid on the prepayment date with respect to such principal amount being prepaid, and shall be accompanied by an Officer's Certificate as to the estimated Make-Whole Amount, if any, due in connection with such prepayment (calculated as if the date of such written notice were the date of the prepayment), setting forth the details of such computation. Two (2) Business Days prior to such prepayment, the Issuer shall deliver to each holder of a Note an Officer's Certificate specifying the calculation of such Make-Whole Amount, if any, as of the specified prepayment date.

Section 8.3 Allocation of Partial Prepayments. In the case of each partial prepayment of the Notes pursuant to Section 8.1 or Section 8.2, the principal amount of the Notes to be prepaid shall be allocated among all of the Notes at the time outstanding in proportion, as nearly as practicable, to the respective unpaid principal amounts thereof not theretofore called for prepayment.

Section 8.4 Maturity; Surrender, Etc. In the case of each prepayment of Notes pursuant to this Section 8, the principal amount of each Note to be prepaid shall mature and become due and payable on the date fixed for such prepayment (which shall be a Business Day), together with interest on such principal amount accrued to such date and the applicable Make-Whole Amount, if any. From and after such date, unless the Issuer shall fail to pay such principal amount when so due and payable, together with the interest and Make-Whole Amount, if any, as aforesaid, interest on such principal amount shall cease to accrue. Any Note paid or prepaid in full shall be surrendered to the Issuer and cancelled and shall not be reissued, and no Note shall be issued in lieu of any prepaid principal amount of any Note.

Section 8.5 Purchase of Notes. The Issuer will not and, will not permit the Lessee, the Guarantor, or any of their respective Affiliates to, purchase, redeem, prepay or otherwise acquire, directly or indirectly, any of the outstanding Notes except upon the payment or prepayment of the Notes in accordance with the terms of this Agreement and the Notes. The Issuer will promptly cancel all Notes acquired by it, the Lessee, the Guarantor, or any of their respective Affiliates pursuant to any payment, prepayment or purchase of Notes pursuant to any provision of this Agreement and no Notes may be issued in substitution or exchange for any such Notes.

Section 8.6 Make-Whole Amount.

The term "**Make-Whole Amount**" means, with respect to any Note, an amount equal to the excess, if any, of the Discounted Value of the Remaining Scheduled Payments with respect to the Called Principal of such Note over the amount of such Called Principal, *provided* that the Make-Whole Amount may in no event be less than zero. For the purposes of determining the Make-Whole Amount, the following terms have the following meanings:

"**Called Principal**" means, with respect to any Note, the principal of such Note that is to be prepaid pursuant to Section 8.2 or has become or is declared to be immediately due and payable pursuant to Section 12.1, as the context requires.

"**Discounted Value**" means, with respect to the Called Principal of any Note, the amount obtained by discounting all Remaining Scheduled Payments with respect to such Called Principal from their respective scheduled due dates to the Settlement Date with respect to such Called Principal, in accordance with accepted financial practice and at a discount factor (applied on the same periodic basis as that on which interest on the Notes is payable) equal to the Reinvestment Yield with respect to such Called Principal.

"**Reinvestment Yield**" means, with respect to the Called Principal of any Note, the sum of (a) 0.50% plus (b) the yield to maturity implied by the "Ask Yield(s)" reported as of 10:00 a.m. (New York City time) on the second Business Day preceding the Settlement Date with respect to such Called Principal, on the display designated as "Page PX1" (or such other display as may replace Page PX1) on Bloomberg Financial Markets for the most recently issued actively traded on-the-run U.S. Treasury securities ("**Reported**") having a maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date. If there are no such U.S. Treasury securities Reported having a maturity equal to such Remaining Average Life, then such implied yield to maturity will be determined by (i) converting U.S. Treasury bill quotations to bond equivalent yields in accordance with accepted financial practice and (ii) interpolating linearly between the "Ask Yields" Reported for the applicable most recently issued actively traded on-the-run U.S. Treasury securities with the maturities (1) closest to and greater than such Remaining Average Life and (2) closest to and less than such Remaining Average Life. The Reinvestment Yield shall be rounded to the number of decimal places as appears in the interest rate of the applicable Note.

If such yields are not Reported or the yields Reported as of such time are not ascertainable (including by way of interpolation), then "**Reinvestment Yield**" means, with respect to the Called Principal of any Note, the sum of (x) 0.50% plus (y) the yield to maturity implied by the U.S. Treasury constant maturity yields reported, for the latest day for which such yields have been so reported as of the second Business Day preceding the Settlement Date with respect to such Called Principal, in Federal Reserve Statistical Release H.15 (or any comparable successor publication) for the U.S. Treasury constant maturity having a term equal to the Remaining Average Life of such Called Principal as of such Settlement Date. If there is no such U.S. Treasury constant maturity having a term equal to such Remaining Average Life, such implied yield to maturity will be determined by interpolating linearly between (1) the U.S. Treasury constant maturity so reported with the term closest to and greater than such Remaining Average Life and (2) the U.S. Treasury constant maturity so reported with the term closest to and less than such Remaining

Average Life. The Reinvestment Yield shall be rounded to the number of decimal places as appears in the interest rate of the applicable Note.

"**Remaining Average Life**" means, with respect to any Called Principal, the number of years obtained by dividing (i) such Called Principal into (ii) the sum of the products obtained by multiplying (a) the principal component of each Remaining Scheduled Payment with respect to such Called Principal by (b) the number of years, computed on the basis of a 360-day year comprised of twelve 30-day months and calculated to two decimal places, that will elapse between the Settlement Date with respect to such Called Principal and the scheduled due date of such Remaining Scheduled Payment.

"**Remaining Scheduled Payments**" means, with respect to the Called Principal of any Note, all payments of such Called Principal and interest thereon that would be due after the Settlement Date with respect to such Called Principal if no payment of such Called Principal were made prior to its scheduled due date, *provided* that if such Settlement Date is not a date on which interest payments are due to be made under the Notes, then the amount of the next succeeding scheduled interest payment will be reduced by the amount of interest accrued to such Settlement Date and required to be paid on such Settlement Date pursuant to Section 8.2 or Section 12.1.

"**Settlement Date**" means, with respect to the Called Principal of any Note, the date on which such Called Principal is to be prepaid pursuant to Section 8.2 or has become or is declared to be immediately due and payable pursuant to Section 12.1, as the context requires.

Section 8.7 Payments Due on Non-Business Days. Anything in this Agreement or the Notes to the contrary notwithstanding, (x) except as set forth in clause (y) below, any payment of interest on any Note that is due on a date that is not a Business Day shall be made on the next succeeding Business Day without including the additional days elapsed in the computation of the interest payable on such next succeeding Business Day; and (y) any payment of principal of or Make-Whole Amount on any Note (including principal due on the Maturity Date of such Note) that is due on a date that is not a Business Day shall be made on the next succeeding Business Day and shall include the additional days elapsed in the computation of interest payable on such next succeeding Business Day.

SECTION 9. AFFIRMATIVE COVENANTS.

The Issuer covenants that so long as any of the Notes are outstanding:

Section 9.1 Compliance with Laws. Without limiting Section 10.3, the Issuer will comply with all laws, ordinances or governmental rules or regulations to which it is subject (including Environmental Laws, the USA PATRIOT Act and the other laws and regulations that are referred to in Section 5.13) and will obtain and maintain in effect all licenses, certificates, permits, franchises and other governmental authorizations necessary to the ownership of their respective properties or to the conduct of their respective businesses, in each case to the extent necessary to ensure that non-compliance with such laws, ordinances or governmental rules or regulations or failures to obtain or maintain in effect such licenses, certificates, permits, franchises and other governmental authorizations would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

Section 9.2 Insurance. The Issuer will maintain or cause to be maintained through the Equipment Lease, with financially sound and reputable insurers, insurance with respect to the Shipyard Improvements and the Premises against such casualties and contingencies, of such types, on such terms and in such amounts (including deductibles, co-insurance and self-insurance, if adequate reserves are maintained with respect thereto) as is customary in the case of entities of established reputations engaged in the same or a similar business and similarly situated.

Section 9.3 Maintenance of Shipyard Improvements. The Issuer will maintain and keep, or cause to be maintained and kept, through the Equipment Lease, the Shipyard Improvements in good repair, working order and condition (other than ordinary wear and tear), so that the business carried on in connection therewith may be properly conducted at all times; *provided* that this Section 9.3 shall not prevent the Issuer and the Lessee from discontinuing the operation and the maintenance of any of its properties if such discontinuance is desirable in the conduct of its business and such discontinuance would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

Section 9.4 Payment of Taxes. The Issuer will file or will cause to be filed all tax returns required to be filed and will pay and discharge or will cause to be paid and discharged all taxes shown to be due and payable on such returns and all other taxes, assessments, governmental charges or levies payable to the extent the same have become due and payable and before they have become delinquent, provided that the Issuer need not pay any such tax, assessment, charge or levy if (i) the amount, applicability or validity thereof is contested by the Issuer pursuant to a Good Faith Contest or (ii) the nonpayment of all such taxes, assessments, charges and levies would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

Section 9.5 Corporate Existence. Subject to change of law of the State of Florida over which the Issuer has no control, the Issuer will take no action to terminate its legal existence.

Section 9.6 Compliance with Material Contracts. The Issuer will (a) duly and punctually perform and observe in all material respects all its covenants and obligations contained in the Material Contracts, and (b) take all reasonable and necessary action to prevent the termination or cancellation of any Material Contract except for the expiration of such Material Contract in accordance with its terms and not as a result of a breach or default thereunder.

Section 9.7 Accounts. The Issuer will establish and maintain each Account required from time to time by the Finance Documents, and deposit or apply all Rents and other amounts received by the Issuer under the Material Contracts, except for _____, into the Accounts in accordance with the CASAA and the other Finance Documents and request or make only such payments out of the Accounts as permitted by the CASAA and the other Finance Documents.

SECTION 10. NEGATIVE COVENANTS.

The Issuer covenants that so long as any of the Notes are outstanding:

Section 10.1 Material Contracts. The Issuer will not, without the prior written consent of the Required Holders (which consent shall not be unreasonably withheld, conditioned or

delayed), (1) amend, modify, or waive any term of any Material Contract in any material respect, (2) cancel or terminate any Material Contract, (3) assign (or permit the assignment of) any Material Contract except in favor of the Collateral Agent or in connection with a transaction permitted by Section 10.5, or (4) declare a material default or exercise remedies under any Material Contract or waive, release, or consent to any release of, the Lessee or any other counterparty to any Material Contract from its material obligations and liabilities thereunder.

Section 10.2 Merger; Consolidation, Etc. Subject to change of law of the State of Florida over which the Issuer has no control, the Issuer will undertake no action to consolidate with or to merge with any other Person or to convey, transfer or lease all or substantially all of its assets in a single transaction or series of transactions to another if such consolidation, merger, conveyance, transfer, or lease would have a Material Adverse Effect.

Section 10.3 Economic Sanctions, Etc. The Issuer will not, and will not permit any Controlled Entity to (a) become (including by virtue of being owned or controlled by a Blocked Person), own or control a Blocked Person or (b) directly or indirectly have any investment in or engage in any dealing or transaction (including any investment, dealing or transaction involving the proceeds of the Notes) with any Person if such investment, dealing or transaction (i) would cause any holder or any affiliate of such holder to be in violation of, or subject to sanctions under, any law or regulation applicable to such holder, or (ii) is prohibited by or subject to sanctions under any U.S. Economic Sanctions Laws.

Section 10.4 Liens. The Issuer will not directly or indirectly create, incur, assume or permit to exist (upon the happening of a contingency or otherwise) any Lien on or with respect to any of the Collateral (including any document or instrument in respect of goods or accounts receivable) of the Issuer in connection with the Shipyard Improvements and the Premises, whether now owned or held or hereafter acquired, or any income or profits therefrom, or assign or otherwise convey any right to receive such income or profits, except Permitted Liens.

Section 10.5 Sale of Shipyard Improvements. The Issuer will not sell, assign or transfer the Shipyard Improvements (or any interest therein) except a sale to the Lessee permitted under the terms of the Equipment Lease.

Section 10.6 No Other Accounts. The Issuer will not maintain, establish or use any Deposit Account or Securities Account with respect to the Shipyard Improvements or Material Contracts except for (1) the Accounts, (2) those accounts (if any) over which an effective Account Control Agreement has been established with the depository where such Deposit Account or Securities Account is being maintained, and (3) the JSR Bank Account.

SECTION 11. EVENTS OF DEFAULT.

An "**Event of Default**" shall exist if any of the following conditions or events shall occur and be continuing:

(a) the Issuer defaults in the payment of any principal or Make-Whole Amount, if any, on any Note when the same becomes due and payable, whether at maturity or at a date fixed for

prepayment or by declaration or otherwise; *provided*, that if any such default is caused by technical or administrative error, then the Issuer shall have three Business Days to remedy such default; or

(b) the Issuer defaults in the payment of any interest on any Note for more than five Business Days after the same becomes due and payable; or

(c) the Issuer defaults in the performance of or compliance with any term contained in Section 7.1(a) or Section 10; or

(d) the Issuer or the Guarantor defaults in the performance of or compliance with any term contained herein (other than those referred to in Sections 11(a), (b) and (c)), the Guaranty or any other Finance Document to which it is a party and such default is not remedied within 30 days after the earlier of (i) an Authorized Officer obtaining actual knowledge of such default and (ii) the Issuer and the Guarantor receiving written notice of such default from any holder of a Note (any such written notice to be identified as a "notice of default" and to refer specifically to this Section 11(d)); *provided* that if such default cannot reasonably be cured within such thirty (30) day period, then so long as the Issuer commences to cure such default during such thirty (30) day period and is diligently pursuing such cure to completion, such thirty (30) day period shall be extended for up to sixty (60) additional days, but in no event shall such period be longer than one hundred twenty (120) days in the aggregate; or

(e) any representation or warranty made in writing by or on behalf of the Issuer or the Guarantor or by any officer of the Issuer or the Guarantor in this Agreement or any other Finance Document or any writing furnished in connection with the transactions contemplated hereby proves to have been false or incorrect in any material respect on the date as of which made and the underlying event or circumstance that made such representation and warranty incorrect (together with any adverse results resulting therefrom), if capable of cure, has not been cured within the earlier of (i) thirty (30) days after receipt by the Issuer of notice from any holder of a Note, of such misrepresentation or (ii) thirty (30) days after an Authorized Officer obtaining actual knowledge of such misrepresentation, or in each case such longer period, not to exceed one hundred twenty (120) days, as may be reasonably necessary to remedy such inaccuracy, so long as the Issuer acts and continues to act diligently and in good faith to cure such misrepresentation; or

(f) [Reserved]; or

(g) the Guarantor (i) files, or consents by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy, for liquidation or to take advantage of any bankruptcy, insolvency, reorganization, moratorium or other similar law of any jurisdiction, (ii) makes an assignment for the benefit of its creditors, (iii) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, (iv) is adjudicated as insolvent or to be liquidated, or (v) takes corporate action for the purpose of any of the foregoing; or

(h) a court or other Governmental Authority of competent jurisdiction enters an order appointing, without consent of the Guarantor, as applicable, a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property,

or constituting an order for relief or approving a petition for relief or reorganization or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy or insolvency law of any jurisdiction, or ordering the dissolution, winding-up or liquidation of the Guarantor, or any such petition shall be filed against the Guarantor and such petition shall not be dismissed within 60 days; or

(i) any event occurs with respect to the Guarantor which under the laws of any jurisdiction is analogous to any of the events described in Section 11(g) or Section 11(h), *provided* that the applicable grace period, if any, which shall apply shall be the one applicable to the relevant proceeding which most closely corresponds to the proceeding described in Section 11(g) or Section 11(h); or

(j) at any time after the execution and delivery thereof, this Agreement or any other Finance Document ceases to be in full force and effect (other than by reason of the satisfaction in full of the Notes in accordance with the terms hereof) or shall be declared null and void; or

(k) the Guaranty shall cease to be in full force and effect, the Guarantor or any Person acting on behalf of the Guarantor shall contest in any manner the validity, binding nature or enforceability of the Guaranty, or the obligations of the Guarantor under the Guaranty are not or cease to be legal, valid, binding and enforceable in accordance with the terms of the Guaranty.

SECTION 12. REMEDIES ON DEFAULT, ETC.

Section 12.1 Acceleration. (a)If an Event of Default with respect to the Issuer described in Section 11(g), (h) or (i) (other than an Event of Default described in clause (i) of Section 11(g) or described in clause (vi) of Section 11(g) by virtue of the fact that such clause encompasses clause (i) of Section 11(g)) has occurred, all the Notes then outstanding shall automatically become immediately due and payable.

(b) If any other Event of Default has occurred and is continuing, the Required Holders may at any time at its or their option, by notice or notices to the Issuer, declare all the Notes then outstanding to be immediately due and payable.

(c) If any Event of Default described in Section 11(a) or (b) has occurred and is continuing, any holder or holders of Notes at the time outstanding affected by such Event of Default may at any time, at its or their option, by notice or notices to the Issuer, declare all the Notes held by it or them to be immediately due and payable.

Upon any Notes becoming due and payable under this Section 12.1, whether automatically or by declaration, such Notes will forthwith mature and the entire unpaid principal amount of such Notes, plus (x) all accrued and unpaid interest thereon (including interest accrued thereon at the Default Rate) and (y) the Make-Whole Amount determined in respect of such principal amount, shall all be immediately due and payable, in each and every case without presentment, demand, protest or further notice, all of which are hereby waived. The Issuer acknowledges, and the parties hereto agree, that each holder of a Note has the right to maintain its investment in the Notes free from repayment by the Issuer (except as herein specifically provided for) and that the provision for payment of a Make-Whole Amount by the Issuer in the event that the Notes are prepaid or are

accelerated as a result of an Event of Default, is intended to provide compensation for the deprivation of such right under such circumstances.

Section 12.2 Other Remedies. If any Default or Event of Default has occurred and is continuing, and irrespective of whether any Notes have become or have been declared immediately due and payable under Section 12.1, the holder of any Note at the time outstanding may proceed to protect and enforce the rights of such holder by an action at law, suit in equity or other appropriate proceeding, whether for the specific performance of any agreement contained herein or in any Note or the Guaranty, or for an injunction against a violation of any of the terms hereof or thereof, or in aid of the exercise of any power granted hereby or thereby or by law or otherwise.

Section 12.3 Rescission. At any time after any Notes have been declared due and payable pursuant to Section 12.1(b) or (c), the Required Holders, by written notice to the Issuer, may rescind and annul any such declaration and its consequences if (a) the Issuer has paid all overdue interest on the Notes, all principal of and Make-Whole Amount, if any, on any Notes that are due and payable and are unpaid other than by reason of such declaration, and all interest on such overdue principal and Make-Whole Amount, if any, and (to the extent permitted by Applicable Law) any overdue interest in respect of the Notes, at the Default Rate, (b) neither the Issuer nor any other Person shall have paid any amounts which have become due solely by reason of such declaration, (c) all Events of Default and Defaults, other than non-payment of amounts that have become due solely by reason of such declaration, have been cured or have been waived pursuant to Section 18, and (d) no judgment or decree has been entered for the payment of any monies due pursuant hereto or to the Notes. No rescission and annulment under this Section 12.3 will extend to or affect any subsequent Event of Default or Default or impair any right consequent thereon.

Section 12.4 No Waivers or Election of Remedies, Expenses, Etc. No course of dealing and no delay on the part of any holder of any Note in exercising any right, power or remedy shall operate as a waiver thereof or otherwise prejudice such holder's rights, powers or remedies. No right, power or remedy conferred by this Agreement, the Guaranty or any Note upon any holder thereof shall be exclusive of any other right, power or remedy referred to herein or therein or now or hereafter available at law, in equity, by statute or otherwise. Without limiting the obligations of the Issuer under Section 16, the Issuer will pay to the holder of each Note on demand such further amount as shall be sufficient to cover all costs and expenses of such holder incurred in any enforcement or collection under this Section 12, including reasonable attorneys' fees, expenses and disbursements.

SECTION 13. TAXES.

Section 13.1 Taxes. Notwithstanding anything to the contrary in this Agreement, the Issuer may, to the extent required to do so by applicable law, deduct or withhold taxes imposed by or on behalf of the United States, any State, or any political subdivision thereof from payments hereunder, and shall not be required to pay additional amounts to any Purchaser with respect to any such withholding except to the extent that such withholding is imposed as a result of a change of U.S. federal, State or political subdivision law occurring after the date of Closing. In no event, however, will the Issuer be required to pay additional amounts to any holder of Notes with respect to withholding imposed under FATCA or as a result of such holder failing to comply with Section 13.2.

Section 13.2 Tax Forms.

(a) Each holder of a Note that is not a United States Person (a "**Foreign Noteholder**"), shall deliver to the Issuer on or prior to the date that it becomes a holder hereunder and at such times prescribed by applicable law, or as reasonably requested by the Issuer, whichever of the following is applicable;

(i) in the case of a Foreign Noteholder claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under the Notes, an executed IRS Form W-8BEN-E or IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. Federal withholding tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under the Notes, IRS Form W-8BEN-E or IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. Federal withholding tax pursuant to the "business profits" or "other income" article of such tax treaty;

(ii) in the case of a Foreign Noteholder claiming that its extension of credit will generate U.S. effectively connected income, an executed IRS Form W-8ECI;

(iii) in the case of a Foreign Noteholder claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate to the effect that such Foreign Noteholder is not a "bank" extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of the Issuer within the meaning of Section 881(c)(3)(B) of the Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code (a "**U.S. Tax Compliance Certificate**") substantially in the form attached as Exhibit 13.2 and (y) an executed IRS Form W-8BEN-E or IRS Form W-8BEN; or

(iv) to the extent a Foreign Noteholder is not the beneficial owner, an executed IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN-E, IRS Form W-8BEN, a U.S. Tax Compliance Certificate with respect to the beneficial owner, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Noteholder is a partnership and one or more direct or indirect partners of such Foreign Noteholder are claiming the portfolio interest exemption, such Foreign Noteholder may provide a U.S. Tax Compliance Certificate on behalf of each such direct and indirect partner; or

(v) any Foreign Noteholder shall, to the extent it is legally entitled to do so, deliver to the Issuer on or prior to the date on which such Foreign Noteholder becomes a holder under this Agreement (and from time to time thereafter upon the reasonable request of the Issuer), executed originals of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. Federal withholding tax, duly completed, together with such supplementary documentation required to be made. Nothing in Section 13.2(a)(v) shall require any holder to provide information that is confidential or proprietary to such holder unless the Issuer is required to obtain such information under the Code and, in such event, the Issuer shall treat any such information it receives as confidential except

as required by applicable law. Each Purchaser agrees that if any such form previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form.

(b) Any holder of a Note that is a United States Person shall provide the Issuer with an executed copy of IRS Form W-9 certifying such holder is entitled to an exemption from U.S. backup withholding tax.

SECTION 14. REGISTRATION; EXCHANGE; SUBSTITUTION OF NOTES.

Section 14.1 Registration of Notes. The Registrar, acting solely in its role as Registrar and as non-fiduciary agent of the Issuer, shall keep a register for the registration and registration of transfers of Notes. The name and address of each holder of one or more Notes, each transfer thereof and the name and address of each transferee of one or more Notes shall be registered in such register. If any holder of one or more Notes is a nominee, then (a) the name and address of the beneficial owner of such Note or Notes shall also be registered in such register as an owner and holder thereof and (b) at any such beneficial owner's option, either such beneficial owner or its nominee may execute any amendment, waiver or consent pursuant to this Agreement. Prior to due presentment for registration of transfer, the Person in whose name any Note shall be registered shall be deemed and treated as the owner and holder thereof for all purposes hereof, and the Issuer shall not be affected by any notice or knowledge to the contrary. The Issuer shall give to any holder of a Note that is an Institutional Investor promptly upon request therefor, a complete and correct copy of the names and addresses of all registered holders of Notes.

Section 14.2 Transfer and Exchange of Notes. Upon surrender of any Note to the Issuer at the address and to the attention of the designated officer (all as specified in Section 19), for registration of transfer or exchange (and in the case of a surrender for registration of transfer accompanied by a written instrument of transfer duly executed by the registered holder of such Note or such holder's attorney duly authorized in writing and accompanied by the relevant name, address and other information for notices of each transferee of such Note or part thereof), within 10 Business Days thereafter, the Issuer shall execute and deliver, at the Issuer's expense (except as provided below), one or more new Notes (as requested by the holder thereof) in exchange therefor, in an aggregate principal amount equal to the unpaid principal amount of the surrendered Note. Each such new Note shall be payable to such Person as such holder may request and shall be substantially in the form of Schedule 1. Each such new Note shall be dated and bear interest from the date to which interest shall have been paid on the surrendered Note or dated the date of the surrendered Note if no interest shall have been paid thereon. The Issuer may require payment of a sum sufficient to cover any stamp tax or governmental charge imposed in respect of any such transfer of Notes. Notes shall not be transferred in denominations of less than $100,000, provided that if necessary to enable the registration of transfer by a holder of its entire holding of Notes, one Note may be in a denomination of less than $100,000.

Section 14.3 Replacement of Notes. Upon receipt by the Issuer at the address and to the attention of the designated officer (all as specified in Section 19(iii)) of evidence reasonably satisfactory to it of the ownership of and the loss, theft, destruction or mutilation of any Note (which evidence shall be, in the case of an Institutional Investor, notice from such Institutional Investor of such ownership and such loss, theft, destruction or mutilation), and

(a) in the case of loss, theft or destruction, of indemnity reasonably satisfactory to it (provided that if the holder of such Note is, or is a nominee for, an original Purchaser or another holder of a Note with a minimum net worth of at least $50,000,000 or a Qualified Institutional Buyer, such Person's own unsecured agreement of indemnity shall be deemed to be satisfactory), or

(b) in the case of mutilation, upon surrender and cancellation thereof,

within 10 Business Days thereafter, the Issuer shall execute and deliver, in lieu thereof, a new Note, dated and bearing interest from the date to which interest shall have been paid on such lost, stolen, destroyed or mutilated Note or dated the date of such lost, stolen, destroyed or mutilated Note if no interest shall have been paid thereon.

SECTION 15. PAYMENTS ON NOTES.

Section 15.1 Place of Payment. Subject to Section 15.2, payments of principal, Make-Whole Amount, if any, and interest becoming due and payable on the Notes shall be made in New York, New York at the principal office of US Bank National Association in such jurisdiction. The Issuer may at any time, by notice to each holder of a Note, change the place of payment of the Notes so long as such place of payment shall be either the principal office of the Issuer in such jurisdiction or the principal office of a bank or trust company in such jurisdiction.

Section 15.2 Payment by Wire Transfer. So long as any Purchaser or its nominee shall be the holder of any Note, and notwithstanding anything contained in Section 15.1 or in such Note to the contrary, the Issuer or the Paying Agent on its behalf will pay all sums becoming due on such Note for principal, Make-Whole Amount, if any, interest and all other amounts becoming due hereunder by the method and at the address specified for such purpose below such Purchaser's name in the Purchaser Schedule, or by such other method or at such other address as such Purchaser shall have from time to time specified to the Issuer and the Paying Agent in writing for such purpose, without the presentation or surrender of such Note or the making of any notation thereon, except that upon written request of the Issuer made concurrently with or reasonably promptly after payment or prepayment in full of any Note, such Purchaser shall surrender such Note for cancellation, reasonably promptly after any such request, to the Issuer at its principal executive office or at the place of payment most recently designated by the Issuer pursuant to Section 15.1. Prior to any sale or other disposition of any Note held by a Purchaser or its nominee, such Purchaser will, at its election, either endorse thereon the amount of principal paid thereon and the last date to which interest has been paid thereon or surrender such Note to the Issuer in exchange for a new Note or Notes pursuant to Section 14.2. The Issuer will afford the benefits of this Section 15.2 to any Institutional Investor that is the direct or indirect transferee of any Note purchased by a Purchaser under this Agreement and that has made the same agreement relating to such Note as the Purchasers have made in this Section 15.2.

Section 15.3 FATCA Information. By acceptance of any Note, the holder of such Note agrees that such holder will with reasonable promptness duly complete and deliver to the Issuer, or to such other Person as may be reasonably requested by the Issuer, from time to time (a) in the case of any such holder that is a United States Person, such holder's United States tax identification number or other forms reasonably requested by the Issuer necessary to establish such holder's

status as a United States Person under FATCA and as may otherwise be necessary for the Issuer to comply with its obligations under FATCA and (b) in the case of any such holder that is not a United States Person, such documentation prescribed by Applicable Law (including as prescribed by section 1471(b)(3)(C)(i) of the Code) and such additional documentation as may be necessary for the Issuer to comply with its obligations under FATCA and to determine that such holder has complied with such holder's obligations under FATCA or to determine the amount (if any) to deduct and withhold from any such payment made to such holder. Nothing in this Section 15.3 shall require any holder to provide information that is confidential or proprietary to such holder unless the Issuer is required to obtain such information under FATCA and, in such event, the Issuer shall treat any such information it receives as confidential.

SECTION 16. EXPENSES, ETC.

Section 16.1 Transaction Expenses. Whether or not the transactions contemplated hereby are consummated, the Guarantor will pay all costs and expenses (including the reasonable and documented attorneys' fees of a special counsel) incurred by the Purchasers and each other holder of a Note in connection with such transactions and in connection with any amendments, waivers or consents under or in respect of this Agreement, the Guaranty, the Notes or the other Finance Documents (whether or not such amendment, waiver or consent becomes effective), shall be paid from the proceeds of the Closing or by reimbursement from the Guarantor including: (a) the costs and expenses incurred in enforcing or defending (or determining whether or how to enforce or defend) any rights under this Agreement, the Guaranty, the Notes or the other Finance Documents or in responding to any subpoena or other legal process or informal investigative demand issued in connection with this Agreement, the Guaranty, the Notes or the other Finance Documents, or by reason of being a holder of any Note, (b) the costs and expenses, including financial advisors' fees, incurred in connection with the insolvency or bankruptcy of the Issuer or the Guarantor or in connection with any work-out or restructuring of the transactions contemplated hereby and by the Notes, the Guaranty and the other Finance Documents and (c) the costs and expenses incurred in connection with the initial filing of this Agreement and all related documents and financial information with the SVO provided, that such costs and expenses under this clause (c) shall not exceed $5,000. If required by the NAIC, the Issuer shall obtain and maintain at its own cost and expense a Legal Entity Identifier (LEI).

The Issuer will pay, and will save each Purchaser and each other holder of a Note harmless from, (i) all claims in respect of any fees, costs or expenses, if any, of brokers and finders (other than those, if any, retained by a Purchaser or other holder in connection with its purchase of the Notes), (ii) any and all wire transfer fees that any bank or other financial institution deducts from any payment under such Note to such holder or otherwise charges to a holder of a Note with respect to a payment under such Note and (iii) any judgment, liability, claim, order, decree, fine, penalty, cost, fee, expense (including reasonable attorneys' fees and expenses) or obligation resulting from the consummation of the transactions contemplated hereby, including the use of the proceeds of the Notes by the Issuer.

Section 16.2 Certain Taxes. The Issuer agrees to pay all stamp, documentary or similar taxes or fees which may be payable in respect of the execution and delivery or the enforcement of this Agreement or the Guaranty or the execution and delivery (but not the transfer) or the

enforcement of any of the Notes in the United States or any other jurisdiction where the Issuer or the Guarantor has assets or of any amendment of, or waiver or consent under or with respect to, this Agreement, the Guaranty or of any of the Notes, and to pay any value added tax due and payable in respect of reimbursement of costs and expenses by the Issuer pursuant to this Section 16, and will save each holder of a Note to the extent permitted by Applicable Law harmless against any loss or liability resulting from nonpayment or delay in payment of any such tax or fee required to be paid by the Issuer hereunder.

Section 16.3 Survival. The obligations of the Issuer under this Section 16 will survive the payment or transfer of any Note, the enforcement, amendment or waiver of any provision of this Agreement, the Guaranty or the Notes, and the termination of this Agreement.

SECTION 17. SURVIVAL OF REPRESENTATIONS AND WARRANTIES; ENTIRE AGREEMENT.

All representations and warranties contained herein shall survive the execution and delivery of this Agreement and the Notes, the purchase or transfer by any Purchaser of any Note or portion thereof or interest therein and the payment of any Note, and may be relied upon by any subsequent holder of a Note, regardless of any investigation made at any time by or on behalf of such Purchaser or any other holder of a Note. All statements contained in any certificate or other instrument delivered by or on behalf of the Issuer pursuant to this Agreement shall be deemed representations and warranties of the Issuer under this Agreement. Subject to the preceding sentence, this Agreement, the Notes, the Guaranty and the Finance Documents embody the entire agreement and understanding between each Purchaser and the Issuer and supersede all prior agreements and understandings relating to the subject matter hereof.

SECTION 18. AMENDMENT AND WAIVER.

Section 18.1 Requirements. This Agreement and the Notes may be amended, and the observance of any term hereof or of the Notes may be waived (either retroactively or prospectively), only with the written consent of the Issuer and the Required Holders, except that:

(a) no amendment or waiver of any of Sections 1, 2, 3, 4, 5, 6 or 21 hereof, or any defined term (as it is used therein), will be effective as to any Purchaser unless consented to by such Purchaser in writing; and

(b) no amendment or waiver may, without the written consent of each Purchaser and the holder of each Note at the time outstanding, (i) subject to Section 12 relating to acceleration or rescission, change the amount or time of any prepayment or payment of principal of, or reduce the rate or change the time of payment or method of computation of (x) interest on the Notes or (y) the Make-Whole Amount, (ii) change the percentage of the principal amount of the Notes the holders of which are required to consent to any amendment or waiver, or (iii) amend any of Sections 8, 11(a), 11(b), 12, 17 or 20.

Section 18.2 Solicitation of Holders of Notes.

(a) *Solicitation*. The Issuer will provide each holder of a Note with sufficient information, sufficiently far in advance of the date a decision is required, to enable such holder to

make an informed and considered decision with respect to any proposed amendment, waiver or consent in respect of any of the provisions hereof or of the Notes or the Guaranty. The Issuer will deliver executed or true and correct copies of each amendment, waiver or consent effected pursuant to this Section 18 or the Guaranty to each holder of a Note promptly following the date on which it is executed and delivered by, or receives the consent or approval of, the requisite holders of Notes.

(b) *Payment*. The Issuer will not directly or indirectly pay or cause to be paid any remuneration, whether by way of supplemental or additional interest, fee or otherwise, or grant any security or provide other credit support, to any holder of a Note as consideration for or as an inducement to the entering into by such holder of any waiver or amendment of any of the terms and provisions hereof or of the Guaranty or any Note unless such remuneration is concurrently paid, or security is concurrently granted or other credit support concurrently provided, on the same terms, ratably to each holder of a Note even if such holder did not consent to such waiver or amendment.

(c) *Consent in Contemplation of Transfer*. Any consent given pursuant to this Section 18 or the Guaranty by a holder of a Note that has transferred or has agreed to transfer its Note to (i) the Issuer, the Lessee, the Guarantor or any of their respective Affiliates or (ii) any other Person in connection with, or in anticipation of, such other Person acquiring, making a tender offer for or merging with the Issuer, the Lessee, the Guarantor and/or any of their respective Affiliates, in each case in connection with such consent, shall be void and of no force or effect except solely as to such holder, and any amendments effected or waivers granted or to be effected or granted that would not have been or would not be so effected or granted but for such consent (and the consents of all other holders of Notes that were acquired under the same or similar conditions) shall be void and of no force or effect except solely as to such holder.

Section 18.3 Binding Effect, Etc. Any amendment or waiver consented to as provided in this Section 18 or the Guaranty applies equally to all holders of Notes and is binding upon them and upon each future holder of any Note and upon the Issuer without regard to whether such Note has been marked to indicate such amendment or waiver. No such amendment or waiver will extend to or affect any obligation, covenant, agreement, Default or Event of Default not expressly amended or waived or impair any right consequent thereon. No course of dealing between the Issuer and any holder of a Note and no delay in exercising any rights hereunder or under any Note or the Guaranty shall operate as a waiver of any rights of any holder of such Note.

Section 18.4 Notes Held by Issuer, Etc. Solely for the purpose of determining whether the holders of the requisite percentage of the aggregate principal amount of Notes then outstanding approved or consented to any amendment, waiver or consent to be given under this Agreement, the Guaranty or the Notes, or have directed the taking of any action provided herein or in the Guaranty or the Notes to be taken upon the direction of the holders of a specified percentage of the aggregate principal amount of Notes then outstanding, Notes directly or indirectly owned by the Issuer, the Lessee or any of its Affiliates shall be deemed not to be outstanding.

SECTION 19. NOTICES.

All notices and communications provided for hereunder shall be in writing and sent (a) by email if the sender on the same day sends a confirming copy of such notice by an internationally recognized overnight delivery service (charges prepaid), or (b) by registered or certified mail with return receipt requested (postage prepaid), or (c) by an internationally recognized overnight delivery service (charges prepaid). Any such notice must be sent:

(i) if to any Purchaser or its nominee, to such Purchaser or nominee at the address specified for such communications in the Purchaser Schedule, or at such other address as such Purchaser or nominee shall have specified to the Issuer, the Guarantor, and the Collateral Agent in writing,

(ii) if to any other holder of any Note, to such holder at such address as such other holder shall have specified to the Issuer, the Guarantor, and the Collateral Agent in writing,

(iii) if to the Issuer, to the Issuer at its address set forth at the beginning hereof to the attention of [_____], or at such other address as the Issuer shall have specified to the holder of each Note in writing, with a copy to the Guarantor as set out in clause (iv) below,

(iv) if to the Guarantor, to the Guarantor at [_____], or at such other address as the Guarantor shall have specified to the holder of each Note, the Collateral Agent and Issuer in writing, with a copy to Winston & Strawn LLP, 200 Park Avenue, New York, New York 10166, Attn: Alan S. Hoffman, Esq.,

(v) if to the Collateral Agent, to the Collateral Agent at [_____], or at such other address as Collateral Agent shall have specified to the holder of each Note, Issuer and the Guarantor in writing.

Notices under this Section 19 will be deemed given only when actually received.

SECTION 20. REPRODUCTION OF DOCUMENTS.

This Agreement and all documents relating thereto, including (a) consents, waivers and modifications that may hereafter be executed, (b) documents received by any Purchaser at the Closing (except the Notes themselves), and (c) financial statements, certificates and other information previously or hereafter furnished to any Purchaser, may be reproduced by such Purchaser by any photographic, photostatic, electronic, digital, or other similar process and such Purchaser may destroy any original document so reproduced. The Issuer agrees and stipulates that, to the extent permitted by Applicable Law, any such reproduction shall be admissible in evidence as the original itself in any judicial or administrative proceeding (whether or not the original is in existence and whether or not such reproduction was made by such Purchaser in the regular course of business) and any enlargement, facsimile or further reproduction of such reproduction shall likewise be admissible in evidence. This Section 20 shall not prohibit the Issuer or any other holder of Notes from contesting any such reproduction to the same extent that it could contest the original, or from introducing evidence to demonstrate the inaccuracy of any such reproduction.

SECTION 21. CONFIDENTIAL INFORMATION.

For the purposes of this Section 21, "**Confidential Information**" means information delivered to any Purchaser by or on behalf of the Issuer, the Lessee, or the Guarantor in connection with the transactions contemplated by or otherwise pursuant to this Agreement that is proprietary in nature; *provided* that such term does not include information that (a) was publicly known or otherwise known to such Purchaser prior to the time of such disclosure, (b) subsequently becomes publicly known through no act or omission by such Purchaser or any Person acting on such Purchaser's behalf, (c) otherwise becomes known to such Purchaser other than through disclosure by the Issuer, the Lessee, or the Guarantor or (d) constitutes financial statements delivered to such Purchaser under the Guaranty that are otherwise publicly available. Each Purchaser will maintain the confidentiality of such Confidential Information in accordance with procedures adopted by such Purchaser in good faith to protect confidential information of third parties delivered to such Purchaser, provided that such Purchaser may deliver or disclose Confidential Information to (i) its directors, officers, employees, agents, attorneys, trustees and affiliates (to the extent such disclosure reasonably relates to the administration of the investment represented by its Notes), (ii) its auditors, financial advisors and other professional advisors who agree to hold confidential the Confidential Information substantially in accordance with this Section 21, (iii) any other holder of any Note, (iv) any Institutional Investor to which it sells or offers to sell such Note or any part thereof or any participation therein (if such Person has agreed in writing prior to its receipt of such Confidential Information to be bound by this Section 21), (v) any Person from which it offers to purchase any Security of the Issuer (if such Person has agreed in writing prior to its receipt of such Confidential Information to be bound by this Section 21), (vi) any federal or state regulatory authority having jurisdiction over such Purchaser, (vii) the NAIC or the SVO or, in each case, any similar organization, or any nationally recognized rating agency that requires access to information about such Purchaser's investment portfolio, or (viii) any other Person to which such delivery or disclosure may be necessary or appropriate (it being understood that, before disclosing the Confidential Information or any portion thereof to such Person, the Purchaser will inform such Person of the confidential nature of the Confidential Information and direct such Person to maintain such information in confidence) (w) to effect compliance with any law, rule, regulation or order applicable to such Purchaser, (x) in response to any subpoena or other legal process, (y) in connection with any litigation to which such Purchaser is a party or (z) if an Event of Default has occurred and is continuing, to the extent such Purchaser may reasonably determine such delivery and disclosure to be necessary or appropriate in the enforcement or for the protection of the rights and remedies under such Purchaser's Notes, this Agreement or the Guaranty; *provided*, in the case of clauses (x) and (y) that such Purchaser will in advance of such disclosure provide the Issuer and Guarantor with prompt notice of such disclosure. Each holder of a Note, by its acceptance of a Note, will be deemed to have agreed to be bound by and to be entitled to the benefits of this Section 21 as though it were a party to this Agreement. On reasonable request by the Issuer in connection with the delivery to any holder of a Note of information required to be delivered to such holder under this Agreement or requested by such holder (other than a holder that is a party to this Agreement or its nominee), such holder will enter into an agreement with the Issuer embodying this Section 21.

In the event that as a condition to receiving access to information relating to the Issuer, the Lessee, or the Guarantor in connection with the transactions contemplated by or otherwise

pursuant to this Agreement, any Purchaser or holder of a Note is required to agree to a confidentiality undertaking (whether through IntraLinks, another secure website, a secure virtual workspace or otherwise) which is different from this Section 21, this Section 21 shall not be amended thereby and, as between such Purchaser or such holder and the Issuer, this Section 21 shall supersede any such other confidentiality undertaking.

SECTION 22. SUBSTITUTION OF PURCHASER.

Each Purchaser shall have the right to substitute any one of its Affiliates or another Purchaser or any one of such other Purchaser's Affiliates (a "**Substitute Purchaser**") as the purchaser of the Notes that it has agreed to purchase hereunder, by written notice to the Issuer, which notice shall be signed by both such Purchaser and such Substitute Purchaser, shall contain such Substitute Purchaser's agreement to be bound by this Agreement and shall contain a confirmation by such Substitute Purchaser of the accuracy with respect to it of the representations set forth in Section 6. Upon receipt of such notice, any reference to such Purchaser in this Agreement (other than in this Section 22), shall be deemed to refer to such Substitute Purchaser in lieu of such original Purchaser. In the event that such Substitute Purchaser is so substituted as a Purchaser hereunder and such Substitute Purchaser thereafter transfers to such original Purchaser all of the Notes then held by such Substitute Purchaser, upon receipt by the Issuer and the Guarantor of notice of such transfer, any reference to such Substitute Purchaser as a "Purchaser" in this Agreement (other than in this Section 22), shall no longer be deemed to refer to such Substitute Purchaser, but shall refer to such original Purchaser, and such original Purchaser shall again have all the rights of an original holder of the Notes under this Agreement.

SECTION 23. MISCELLANEOUS.

Section 23.1 Successors and Assigns. All covenants and other agreements contained in this Agreement by or on behalf of any of the parties hereto bind and inure to the benefit of their respective successors and assigns (including any subsequent holder of a Note) whether so expressed or not, except that, subject to Section 10.2, the Issuer may not assign or otherwise transfer any of its rights or obligations hereunder or under the Notes without the prior written consent of each holder. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto and their respective successors and assigns permitted hereby) any legal or equitable right, remedy or claim under or by reason of this Agreement.

Section 23.2 Accounting Terms. All accounting terms used herein which are not expressly defined in this Agreement have the meanings respectively given to them in accordance with GAAP. Except as otherwise specifically provided herein, (i) all computations made pursuant to this Agreement shall be made in accordance with GAAP, and (ii) all financial statements shall be prepared in accordance with GAAP. For purposes of determining compliance with this Agreement (including Section 9, Section 10 and the definition of "Indebtedness"), any election by the Issuer to measure any financial liability using fair value (as permitted by Financial Accounting Standards Board Accounting Standards Codification Topic No. 825-10-25 – Fair Value Option, International Accounting Standard 39 – Financial Instruments: Recognition and Measurement or any similar accounting standard) shall be disregarded and such determination shall be made as if such election had not been made.

Section 23.3 Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall (to the full extent permitted by law) not invalidate or render unenforceable such provision in any other jurisdiction.

Section 23.4 Construction, Etc. Each covenant contained herein shall be construed (absent express provision to the contrary) as being independent of each other covenant contained herein, so that compliance with any one covenant shall not (absent such an express contrary provision) be deemed to excuse compliance with any other covenant. Where any provision herein refers to action to be taken by any Person, or which such Person is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such Person.

Defined terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein) and, for purposes of the Notes, shall also include any such notes issued in substitution therefor pursuant to Section 14, (b) subject to Section 23.1, any reference herein to any Person shall be construed to include such Person's successors and assigns, (c) the words "herein," "hereof" and "hereunder," and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Sections and Schedules shall be construed to refer to Sections of, and Schedules to, this Agreement, and (e) any reference to any law or regulation herein shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time.

Section 23.5 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which together shall constitute one instrument. Each counterpart may consist of a number of copies hereof, each signed by less than all, but together signed by all, of the parties hereto.

Section 23.6 Governing Law. This Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the law of the State of Florida excluding choice-of-law principles of the law of such State that would permit the application of the laws of a jurisdiction other than such State.

Section 23.7 Jurisdiction and Process; Waiver of Jury Trial.

(a) An action against the Issuer arising out of or relating to this Agreement or the Notes shall be brought only in the Circuit Court of the Fourth Judicial Circuit of Florida, in Duval County, Florida, applying law of the State of Florida.

(b) The Issuer agrees, to the fullest extent permitted by Applicable Law, that a final judgment in any suit, action or proceeding of the nature referred to in Section 23.7(a) brought in any such court shall be conclusive and binding upon it subject to rights of appeal, as the case may be, and may be enforced in the courts of the United States of America or the State of Florida (or any other courts to the jurisdiction of which it or any of its assets is or may be subject) by a suit upon such judgment.

(c) Pursuant to Rule 1.070(i) of the Florida Rules of Civil Procedure, the Issuer consents to, and agrees to accept, process served by or on behalf of any holder of Notes in any suit, action or proceeding of the nature referred to in Section 23.7(a) by mail in accordance with that rule.

(d) The parties hereto hereby waive trial by jury in any action brought on or with respect to this Agreement, the Notes or any other document executed in connection herewith or therewith.

Section 23.8 Guarantor Assumption or Purchase of Notes. Each Purchaser (and each holder of a Note by acceptance of such Note) agrees to permit the Guarantor to assume the Notes under the circumstances described in Section 13 of the Guarantee.

If you are in agreement with the foregoing, please sign the form of agreement on a counterpart of this Agreement and return it to the Issuer, whereupon this Agreement shall become a binding agreement between you and the Issuer.

Very truly yours,

SPACE FLORIDA

By_____
Name:_____
Title:_____

This Agreement is hereby accepted and agreed to as of the date hereof.

[ADD PURCHASER SIGNATURE BLOCKS]

By_____
Name:
Title:

PURCHASE SCHEDULE
(to Note Purchase Agreement)

DEFINED TERMS

As used herein, the following terms have the respective meanings set forth below or set forth in the Section hereof following such term:

"**Account**" means any Deposit Account or Securities Account of the Issuer relating to the Shipyard Improvements or any Material Contract, including those Deposit Accounts or securities accounts created and established under the CASAA.

"**Account Control Agreement**" means, with respect to any account (other than an Account), a blocked account agreement by and among the Issuer in whose name such account is maintained, the depository where such account is maintained and the Collateral Agent pursuant to which, among other things, such depository agrees to comply with instructions originated by the Collateral Agent with respect to the disposition of funds in such account, which agreement shall be in form and substance reasonably acceptable to the Issuer, the Required Holders and the Collateral Agent.

"**Affiliate**" means, at any time, and with respect to any Person, any other Person that at such time directly or indirectly through one or more intermediaries Controls, or is Controlled by, or is under common Control with, such first Person and, with respect to the Issuer, shall include any Person beneficially owning or holding, directly or indirectly, 10% or more of any class of voting or equity interests of the Issuer or any Person of which the Issuer beneficially owns or holds, in the aggregate, directly or indirectly, 10% or more of any class of voting or equity interests. Unless the context otherwise clearly requires, any reference to an "Affiliate" is a reference to an Affiliate of the Issuer.

"**Agreement**" means this Note Purchase Agreement, including all Schedules attached to this Agreement.

"**Anti-Corruption Laws**" means any law or regulation in a U.S. or any non-U.S. jurisdiction regarding bribery or any other corrupt activity, including the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act 2010.

"**Anti-Money Laundering Laws**" means any law or regulation in a U.S. or any non-U.S. jurisdiction regarding money laundering, drug trafficking, terrorist-related activities or other money laundering predicate crimes, including the Currency and Foreign Transactions Reporting Act of 1970 (otherwise known as the Bank Secrecy Act) and the USA PATRIOT Act.

"**Applicable Law**" means, with respect to any Person, property or matter, any of the following applicable thereto: any federal, state or local statute, law, treaty, rule, regulation, ordinance, code, judgment, administrative or judicial ruling, rule of common law, order, decree, directive, or requirement or in each case having the force of law or any interpretation or administration of any of the foregoing, by any Governmental Authority.

"**Assumption Notice**" is defined in Section 8.2(b).

"**Authorized Officer**" means any Senior Financial Officer and any other officer of the Issuer, the Lessee or the Guarantor, as applicable, with responsibility for the administration of the relevant portion of this Agreement.

"**Blocked Person**" means (a) a Person whose name appears on the list of Specially Designated Nationals and Blocked Persons published by OFAC, (b) a Person, entity, organization, country or regime that is blocked or a target of sanctions that have been imposed under U.S. Economic Sanctions Laws, (c) a Canada Blocked Person or (d) a Person that is an agent, department or instrumentality of, or is otherwise beneficially owned by, controlled by or acting on behalf of, directly or indirectly, any Person, entity, organization, country or regime described in clause (a), (b) or (c).

"**Business Day**" means any day other than a Saturday, a Sunday or a day on which commercial banks in New York, New York or Jacksonville, Florida are required or authorized to be closed.

"**Canada Blocked Person**" means (i) a "terrorist group" as defined for the purposes of Part II.1 of the *Criminal Code* (Canada), as amended or (ii) a Person identified in or pursuant to (w) Part II.1 of the *Criminal Code* (Canada), as amended or (x) the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), as amended or (y) the *Justice for Victims of Corrupt Foreign Officials Act (Sergei Magnitsky Law)*, as amended or (z) regulations or orders promulgated pursuant to the *Special Economic Measures Act* (Canada), as amended, the United Nations Act (Canada), as amended, or the F*reezing Assets of Corrupt Foreign Officials Act* (Canada), as amended, in any case pursuant to this clause (ii) as a Person in respect of whose property or benefit a holder of Notes would be prohibited from entering into or facilitating a related financial transaction.

"**Canadian Economic Sanctions Laws**" means those laws, including enabling legislation, orders-in-council or other regulations administered and enforced by Canada or a political subdivision of Canada pursuant to which economic sanctions have been imposed on any Person, entity, organization, country or regime, including Part II.1 of the Criminal Code (Canada), as amended, the Special Economic Measures Act (Canada), as amended, the Proceeds of Crime (Money Laundering) and Terrorist Financing Act, as amended, the Justice for Victims of Corrupt Foreign Officials Act (Sergei Magnitsky Law), as amended, the United Nations Act (Canada), as amended, the Export and Import Permits Act (Canada), as amended, and the Freezing Assets of Corrupt Foreign Officials Act (Canada), as amended, and including all regulations promulgated under any of the foregoing, or any other similar sanctions program or action.

"**Capital Lease**" means, at any time, a lease with respect to which the lessee is required concurrently to recognize the acquisition of an asset and the incurrence of a liability in accordance with GAAP.

"**CASAA**" means that certain Collateral Agency, Security and Account Agreement, dated as of the Closing, by and among the Issuer, the Secured Parties and the Collateral Agent.

"**Cash Services Agreement**" means that certain Cash Services Agreement dated as of [_____], 2023, between the Lessee and the Issuer.

"**Closing**" is defined in Section 3.

"**Code**" means the Internal Revenue Code of 1986 and the rules and regulations promulgated thereunder from time to time.

"**Collateral**" has the meaning given to such term in Section 2.1 of the CASAA.

"**Collateral Agent**" means Citibank N.A. or any Person appointed to replace such Person with the authority to exercise and perform the rights and duties of the Collateral Agent under the Security Documents.

"**Collateral Agent Fee Letter**" means the collateral agent fee letter dated on or about the date hereof between the Collateral Agent and the Issuer.

"**Collateral Assignment of Equipment Lease**" means that certain Collateral Assignment of Equipment Lease, dated as of the Closing, by and among the Issuer and the Collateral Agent.

"**Collateral Assignment of Shipyard Modernization Agreement**" means that certain Collateral Assignment of Shipyard Modernization Agreement, dated as of the Closing, by and among the Issuer and the Collateral Agent.

"**Confidential Information**" is defined in Section 21.

"**Control**" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise; and the terms "**Controlled**" and "**Controlling**" shall have meanings correlative to the foregoing.

"**Controlled Entity**" means (a) any of the Issuer's respective Controlled Affiliates and (b) if the Issuer has a parent company, such parent company and its Controlled Affiliates.

"**Default**" means an event or condition the occurrence or existence of which would, with the lapse of time or the giving of notice or both, become an Event of Default.

"**Default Rate**" means that rate of interest per annum that is 2.0% above the rate of interest stated in clause (a) of the first paragraph of the Notes.

"**Deposit Account**" means a special, segregated and irrevocable Dollar denominated "deposit account" (as defined in Section 9-102(a)(29) of the UCC).

"**Dollar**" and "**$**" means the lawful money of the United States.

"**Environmental Laws**" means any and all federal, state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the

environment or the release of any materials into the environment, including those related to Hazardous Materials.

"**Equipment Lease**" is defined in Section 11.

"**ERISA**" means the Employee Retirement Income Security Act of 1974 and the rules and regulations promulgated thereunder from time to time in effect.

"**ERISA Affiliate**" means (i) with respect to the Issuer, any trade or business (whether or not incorporated) that is treated as a single employer together with the Issuer under section 414 of the Code and (ii) with respect to the Guarantor, any trade or business (whether or not incorporated) that is treated as a single employer together with the Guarantor under section 414 of the Code.

"**Event of Default**" is defined in Section 11.

"**Exchange Act**" means the Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder from time to time in effect.

"**FATCA**" means (a) sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), together with any current or future regulations or official interpretations thereof, (b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the United States of America and any other jurisdiction, which (in either case) facilitates the implementation of the foregoing clause (a), and (c) any agreements entered into pursuant to section 1471(b)(1) of the Code.

"**Finance Documents**" means, collectively, this Agreement, the Notes, the Guaranty, the Collateral Agent Fee Letter, the Security Documents, and any and all documents evidencing or securing the Secured Obligations and all documents, instruments and agreements executed from time to time in connection therewith.as each of the foregoing may from time to time be amended, modified, consolidated, extended, renewed or replaced.

"**Funds Flow Memorandum**" is defined in Section 4.14.

"**GAAP**" means generally accepted accounting principles as in effect from time to time in the United States of America.

"**Good Faith Contest**" means the contest of an item if (i) the item is diligently being contested in good faith and, when applicable, by appropriate proceedings timely instituted, (ii) adequate reserves are established in accordance with GAAP with respect to the contested item (if and to the extent GAAP require the establishment of such reserves) or otherwise bonds or an escrow of funds in an amount sufficient to repay the underlying obligation have been obtained and maintained, (iii) during the period of such contest, the enforcement of any contested item is effectively stayed and (iv) the failure to pay or comply with the contested item during the period of such contest would not reasonably be expected to have a Material Adverse Effect.

"**Governmental Authority**" means

(a) the government of

(i) the United States of America or any state or other political subdivision thereof, or

(ii) any other jurisdiction in which the Issuer conducts all or any part of its business, or which asserts jurisdiction over any properties of the Issuer, or

(b) any entity exercising executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, any such government.

"**Governmental Official**" means any governmental official or employee, employee of any government-owned or government-controlled entity, political party, any official of a political party, candidate for political office, official of any public international organization or anyone else acting in an official capacity.

"**Ground Lease**" is defined in Section 1.2.

"**Guarantor**" means BAE Systems plc, an English public limited company.

"**Guaranty**" means that certain Guarantee, dated [_____], 2023, made by the Guarantor in favor of the holders of Notes.

"**Hazardous Materials**" means any and all pollutants, toxic or hazardous wastes or other substances that might pose a hazard to health and safety, the removal of which may be required or the generation, manufacture, refining, production, processing, treatment, storage, handling, transportation, transfer, use, disposal, release, discharge, spillage, seepage or filtration of which is or shall be restricted, prohibited or penalized by any Applicable Law, including asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, petroleum, petroleum products, lead based paint, radon gas or similar restricted, prohibited or penalized substances.

"**holder**" means, with respect to any Note, the Person in whose name such Note is registered in the register maintained by the Issuer pursuant to Section 14.1, *provided, however*, that if such Person is a nominee, then for the purposes of Sections 7, 12, 17.2 and 18 and any related definitions in this Schedule A, "holder" shall mean the beneficial owner of such Note whose name and address appears in such register.

"**Indebtedness**" with respect to any Person means, at any time, without duplication,

(a) its liabilities for borrowed money and its redemption obligations in respect of mandatorily redeemable Preferred Stock;

(b) its liabilities for the deferred purchase price of property acquired by such Person (excluding accounts payable arising in the ordinary course of business but including all liabilities created or arising under any conditional sale or other title retention agreement with respect to any such property);

(c) (i) all liabilities appearing on its balance sheet in accordance with GAAP in respect of Capital Leases and (ii) all liabilities which would appear on its balance sheet in accordance with GAAP in respect of Synthetic Leases assuming such Synthetic Leases were accounted for as Capital Leases;

(d) all liabilities for borrowed money secured by any Lien with respect to any property owned by such Person (whether or not it has assumed or otherwise become liable for such liabilities);

(e) all its liabilities in respect of letters of credit or instruments serving a similar function issued or accepted for its account by banks and other financial institutions (whether or not representing obligations for borrowed money);

(f) the aggregate Swap Termination Value of all Swap Contracts of such Person; and

(g) any guaranty of such Person with respect to liabilities of a type described in any of clauses (a) through (f) hereof.

Indebtedness of any Person shall include all obligations of such Person of the character described in clauses (a) through (g) to the extent such Person remains legally liable in respect thereof notwithstanding that any such obligation is deemed to be extinguished under GAAP.

"**Institutional Investor**" means (a) any Purchaser of a Note, (b) any holder of a Note holding (together with one or more of its affiliates) more than 5% of the aggregate principal amount of the Notes then outstanding, (c) any bank, trust company, savings and loan association or other financial institution, any pension plan, any investment company, any insurance company, any broker or dealer, or any other similar financial institution or entity, regardless of legal form, and (d) any Related Fund of any holder of any Note.

"**Issuer**" is defined in the first paragraph of this Agreement.

"**JSR Bank Account**" has the meaning assigned to such term in the Shipyard Modernization Agreement.

"**Lessee**" is defined in Section 1.2.

"**Lien**" means, with respect to any Person, any mortgage, lien, pledge, charge, security interest or other encumbrance, or any interest or title of any vendor, lessor, lender or other secured party to or of such Person under any conditional sale or other title retention agreement or Capital Lease, upon or with respect to any property or asset of such Person (including in the case of stock, stockholder agreements, voting trust agreements and all similar arrangements).

"**Lien Searches**" is defined in Section 4.13.

"**Make-Whole Amount**" is defined in Section 8.6.

"**Material**" means material in relation to the ability of the Guarantor to perform its obligations under the Guaranty.

"**Material Adverse Effect**" means a material adverse effect on (a) the ability of the Issuer or the Guarantor to perform its obligations under the Finance Documents, or (b) the validity or enforceability of this Agreement, the Notes, the Guaranty, or any other Finance Document.

"**Material Contracts**" is defined in Section 1.2.

"**Maturity Date**" is defined in the first paragraph of each Note.

"**NAIC**" means the National Association of Insurance Commissioners.

"**Note Proceeds Account**" is defined in the CASAA.

"**Notes**" is defined in Section 1.1.

"**OFAC**" means the Office of Foreign Assets Control of the United States Department of the Treasury.

"**OFAC Sanctions Program**" means any economic or trade sanction that OFAC is responsible for administering and enforcing. A list of OFAC Sanctions Programs may be found at http://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx.

"**Officer's Certificate**" means a certificate of an Authorized Officer or of any other officer of the Issuer or the Guarantor, as applicable, whose responsibilities extend to the subject matter of such certificate.

"**Paying Agent**" means Citibank, N.A.

"**Permitted Liens**" means:

(a) any mechanic's, materialmen's, workmen's, repairmen's, warehousemens', carriers' or any like Lien or right of set-off arising in the ordinary course of business or under Applicable Law, securing obligations incurred in connection with the Shipyard Improvements which (i) are not overdue by more than thirty (30) days, (ii) have been bonded in accordance with Applicable Law or (iii) are being contested pursuant to a Good Faith Contest;

(b) Liens for taxes, assessments or governmental charges which are not yet delinquent or which are being contested in good faith pursuant to a Good Faith Contest;

(c) Liens, deposits or pledges incurred or created in the ordinary course of business or under Applicable Law in connection with or to secure the performance of bids, tenders, contracts, leases, statutory obligations, surety bonds or appeal bonds,

(d) Liens arising out of judgments or awards fully covered by insurance or with respect to which an appeal or proceeding for review is being contested pursuant to a Good Faith Contest;

(e) any Lien existing on any property or asset prior to the acquisition thereof by the Issuer;

(f) the Lien of any of the Security Documents and the related financing statements filed with respect thereto;

(g) any easements, covenants, conditions, rights-of-way or other exceptions or defects or irregularities to title with respect to the Premises that exist as of the Closing;

(h) any easements, covenants, conditions, rights-of-way, exceptions or Liens granted by the Lessee in the real property or improvements in which the Premises are located;

(i) Liens that extend, renew or replace in whole or in part any Lien referred to in this definition of Permitted Liens; or

(j) any other Lien approved in writing by the Required Holders.

"**Person**" means an individual, partnership, corporation, limited liability company, association, trust, unincorporated organization, business entity or Governmental Authority.

"**Plan**" means an "employee benefit plan" (as defined in section 3(3) of ERISA) subject to Title I of ERISA that is or, within the preceding five years, has been established or maintained, or to which contributions are or, within the preceding five years, have been made or required to be made, by (i) with respect to the Issuer, the Issuer or any ERISA Affiliate or with respect to which the Issuer or any ERISA Affiliate may have any liability or (ii) with respect to the Guarantor, the Guarantor or any ERISA Affiliate or with respect to which the Guarantor or any ERISA Affiliate may have any liability.

"**Preferred Stock**" means any class of capital stock of a Person that is preferred over any other class of capital stock (or similar equity interests) of such Person as to the payment of dividends or the payment of any amount upon liquidation or dissolution of such Person.

"**Premises**" is defined in Section 1.2.

"**property**" or "**properties**" means, unless otherwise specifically limited, real or personal property of any kind, tangible or intangible, choate or inchoate.

"**Purchaser**" or "**Purchasers**" means each of the purchasers that has executed and delivered this Agreement to the Issuer and such Purchaser's successors and assigns (so long as any such assignment complies with Section 14.2), *provided, however*, that any Purchaser of a Note that ceases to be the registered holder or a beneficial owner (through a nominee) of such Note as the

result of a transfer thereof pursuant to Section 14.2 shall cease to be included within the meaning of "Purchaser" of such Note for the purposes of this Agreement upon such transfer.

"**Purchaser Schedule**" means the Purchaser Schedule to this Agreement listing the Purchasers of the Notes and including their notice and payment information.

"**Qualified Institutional Buyer**" means any Person who is a "qualified institutional buyer" within the meaning of such term as set forth in Rule 144A(a)(1) under the Securities Act.

"**Registrar**" means Citibank, N.A.

"**Related Fund**" means, with respect to any holder of any Note, any fund or entity that (a) invests in Securities or bank loans, and (b) is advised or managed by such holder, the same investment advisor as such holder or by an affiliate of such holder or such investment advisor.

"**Rents**" means, with respect to the Equipment Lease, the rents, revenues, issues, profits, proceeds, receipts, income, accounts, condemnation awards, insurance proceeds, and other receivables arising out of or from the Equipment Lease, including, without limitation, any fees and expenses payable thereunder, but excluding the following:

(a) the Administrative Fee payable under subsection 8(d) of the Equipment Lease,

(b) the reimbursements payable under subsection 8(e) of the Equipment Lease,

(c) the property, sales and other taxes, assessments, and other governmental charges payable under subsection 8(f) of the Equipment Lease and section 6 of the Ground Lease,

(d) indemnities payable to the Issuer under sections 3, 8, and 13 of the Ground Lease, section 14 of the Equipment Lease, and section 10 of the Shipyard Modernization Agreement.

"**Required Holders**" means at any time on or after the Closing, the holders of greater than 50% in principal amount of the Notes at the time outstanding (exclusive of Notes then owned by the Issuer, the Lessee or the Guarantor or any of their Affiliates).

"**Responsible Officer**" means any Senior Financial Officer and any other officer of the Issuer with responsibility for the administration of the relevant portion of this Agreement.

"**Secured Obligations**" means any and all present and future liabilities and obligations of the Issuer to the holders of the Notes or Collateral Agent, including those under or in connection with each Finance Document, together with all reasonable fees and expenses incurred in collecting any or all of such liabilities and obligations or enforcing any rights under each Finance Document.

"**Securities**" or "**Security**" shall have the meaning specified in section 2(1) of the Securities Act.

"**Securities Account**" means a special, segregated and irrevocable Dollar-denominated "securities account" (as defined in Section 8-501(a) of the UCC).

"**Securities Act**" means the Securities Act of 1933 and the rules and regulations promulgated thereunder from time to time in effect.

"**Security Documents**" means, collectively, the CASAA, the Collateral Assignment of Equipment Lease, the Collateral Assignment of the Shipyard Modernization Agreement, the Account Control Agreements (if any), and all other instruments, documents and agreements, and all other documents executed by the Issuer in connection with securing the Notes, in favor of the Purchasers thereunder, as each of the foregoing may from time to time be amended, modified, consolidated, extended, renewed or replaced.

"**Senior Financial Officer**" means the chief financial officer, principal accounting officer, treasurer or comptroller of the Issuer or the Guarantor.

"**Shipyard Improvements**" is defined in Section 1.2.

"**Shipyard Modernization Agreement**" is defined in Section 1.2

"**State Sanctions List**" means a list that is adopted by any state Governmental Authority within the United States of America or Canada pertaining to Persons that engage in investment or other commercial activities in Iran or any other country that is a target of economic sanctions imposed under U.S. Economic Sanctions Laws or Canadian Economic Sanctions Laws.

"**Submerged Lands Lease**" is defined in Section 1.2.

"**Substitute Purchaser**" is defined in Section 22.

"**SVO**" means the Securities Valuation Office of the NAIC.

"**Swap Contract**" means (a) any and all interest rate swap transactions, basis swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward foreign exchange transactions, cap transactions, floor transactions, currency options, spot contracts or any other similar transactions or any of the foregoing (including any options to enter into any of the foregoing), and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc. or any International Foreign Exchange Master Agreement.

"**Swap Termination Value**" means, in respect of any one or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts, (a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amounts(s) determined as the mark-to-market

values(s) for such Swap Contracts, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Contracts.

"**Synthetic Lease**" means, at any time, any lease (including leases that may be terminated by the lessee at any time) of any property (a) that is accounted for as an operating lease under GAAP and (b) in respect of which the lessee retains or obtains ownership of the property so leased for U.S. federal income tax purposes, other than any such lease under which such Person is the lessor.

"**Uniform Commercial Code**" or "**UCC**" means the Uniform Commercial Code as in effect from time to time in the State of Florida; *provided* that all references herein to specific sections or subsections of the UCC are references to such sections or subsections, as the case may be, of the Uniform Commercial Code as in effect in such state on the date hereof and provided further, that, at any time, if by reason of mandatory provisions of law, any or all of the perfection or priority of the Collateral Agent's security interest in any item or portion of the Collateral or the Collateral Agent's rights with respect to the Collateral are governed by the Uniform Commercial Code as in effect in a jurisdiction other than Florida, the term "UCC" means the Uniform Commercial Code as in effect at such time in such other jurisdiction for purposes of the provisions relating to such perfection or priority or rights, and for purposes of definitions relating to such provisions.

"**United States Person**" has the meaning set forth in Section 7701(a)(30) of the Code.

"**USA PATRIOT Act**" means United States Public Law 107-56, Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT ACT) Act of 2001 and the rules and regulations promulgated thereunder from time to time in effect.

"**U.S. Economic Sanctions Laws**" means those laws, executive orders, enabling legislation or regulations administered and enforced by the United States pursuant to which economic sanctions have been imposed on any Person, entity, organization, country or regime, including the Trading with the Enemy Act, the International Emergency Economic Powers Act, the Iran Sanctions Act, the Sudan Accountability and Divestment Act and any other OFAC Sanctions Program.

"**Working Capital Facility Agreement**" means that certain Working Capital Facility Agreement dated as of [_____], 2023, between the Lessee and the Issuer.

[FORM OF NOTE]

SPACE FLORIDA

[____]% Senior Secured Note Due April 1, 2053

[Date]

No. [_____]
$[_____] PPN[_____]

For Value Received, the undersigned, SPACE FLORIDA (herein called the "**Issuer**"), an independent special district, a body politic and corporate, and a subdivision of the State of Florida, hereby promises to pay to [_____], or registered assigns, the principal sum of [_____] Dollars (or so much thereof as shall not have been prepaid) on [_____, ____] (the "**Maturity Date**"), with interest (computed on the basis of a 360-day year of twelve 30-day months) (a) on the unpaid balance hereof at the rate of [____]% per annum from the date hereof, payable semiannually, on the 1st day of April and October in each year, commencing October 1, 2023, and on the Maturity Date, until the principal hereof shall have become due and payable, and (b) to the extent permitted by law, (x) on any overdue payment of interest and (y) during the continuance of an Event of Default, on such unpaid balance and any overdue payment of any Make-Whole Amount, at a rate per annum from time to time equal to [coupon + 2]%, payable semiannually as aforesaid (or, at the option of the registered holder hereof, on demand).

Payments of principal of, interest on and any Make-Whole Amount with respect to this Note are to be made in lawful money of the United States of America at US Bank National Association in New York, New York or at such other place as the Issuer shall have designated by written notice to the holder of this Note as provided in the Note Purchase Agreement referred to below.

This Note is one of a series of Senior Secured Notes (herein called the "**Notes**") issued pursuant to the Note Purchase Agreement, dated [_____], 2023 (as from time to time amended, the "**Note Purchase Agreement**"), by and among the Issuer and the respective Purchasers named therein and is entitled to the benefits thereof. Each holder of this Note will be deemed, by its acceptance hereof, to have (i) agreed to the confidentiality provisions set forth in Section 21 of the Note Purchase Agreement and (ii) made the representation set forth in Section 6.1 of the Note Purchase Agreement. Unless otherwise indicated, capitalized terms used in this Note shall have the respective meanings ascribed to such terms in the Note Purchase Agreement.

This Note is secured by, and entitled to the benefits of, the Security Documents.

This Note is a registered Note and, as provided in the Note Purchase Agreement, upon surrender of this Note for registration of transfer accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Issuer may treat the Person in

whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Issuer will not be affected by any notice to the contrary.

The Issuer will make required prepayments of principal on the dates and in the amounts specified in the Note Purchase Agreement. This Note is also subject to optional prepayment, in whole or from time to time in part, at the times and on the terms specified in the Note Purchase Agreement, but not otherwise.

Pursuant to the Guaranty dated as of [_____], 2023, BAE Systems plc has absolutely and unconditionally guaranteed the payment in full of the principal of, Make-Whole Amount and interest on this Note all as more fully set forth therein.

If an Event of Default occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including any applicable Make-Whole Amount) and with the effect provided in the Note Purchase Agreement.

This Note shall be construed and enforced in accordance with, and the rights of the Issuer and the holder of this Note shall be governed by, the law of the State of Florida excluding choice-of-law principles of the law of such State that would permit the application of the laws of a jurisdiction other than such State.

SPACE FLORIDA

By_____
Name:
Title:

FORM OF OPINION OF SPECIAL COUNSEL
FOR THE ISSUER

SCHEDULE 4.4(a)(i)
(to Note Purchase Agreement)

FORM OF OPINION OF FLORIDA COUNSEL
FOR THE LESSEE

SCHEDULE 4.4(a)(ii)
(to Note Purchase Agreement)

FORM OF OPINION OF NEW YORK COUNSEL
FOR THE GUARANTOR

SCHEDULE 4.4(a)(iii)
(to Note Purchase Agreement)

FORM OF OPINION OF SPECIAL COUNSEL
FOR THE PURCHASERS

SCHEDULE 4.4(b)
(to Note Purchase Agreement)

FINANCIAL STATEMENTS

SCHEDULE 5.3
(to Note Purchase Agreement)

INFORMATION RELATING TO PURCHASERS

NAME AND ADDRESS OF PURCHASER	PRINCIPAL AMOUNT OF NOTES TO BE PURCHASED
[NAME OF PURCHASER]	$

(1) All payments by wire transfer of immediately available funds to:

with sufficient information to identify the source and application of such funds.

(2) All notices of payments and written confirmations of such wire transfers:

(3) E-mail address for Electronic Delivery:

(4) All other communications:

(5) U.S. Tax Identification Number:

Exhibit 13.2 – Form of US Tax Compliance Certificate

Reference is hereby made to the Note Purchase Agreement dated [_____], 2023 (as amended, supplemented or otherwise modified from time to time, the "Note Purchase Agreement"), among Space Florida and the Purchasers that are signatories thereto.

Unless otherwise defined herein, capitalized terms defined in the Note Purchase Agreement and used herein have the meanings given to them in the Note Purchase Agreement.

Pursuant to the provisions of Section 13 (*Taxes*) of the Note Purchase Agreement, the undersigned hereby certifies that:

(i) it is the sole record and beneficial owner of the Notes in respect of which it is providing this certificate;

(ii) it is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code;

(iii) it is not a "ten percent shareholder" of the Issuer within the meaning of Section 871(h)(3)(B) of the Code;

(iv) it is not a "controlled foreign corporation" related to the Issuer as described in Section 881(c)(3)(C) of the Code; and

(v) interest payments on the Notes(s) are not effectively connected with the conduct of a trade or business within the United States of the undersigned.

The undersigned has furnished the Issuer and the Paying Agent with a certificate of its non-United States Person status on IRS W-8BEN-E or IRS Form W-8BEN. By executing this certificate, the undersigned agrees that if the information provided in this certificate changes, the undersigned shall promptly so inform the Issuer in writing.

[•]

By:_____
Name:
Title:

Date: _____ __, [•]

EXHIBIT B
to
Space Florida Board of Directors
Resolution No. 23-43

Equipment Lease

W&S Comments 4/19/23

EQUIPMENT LEASE
between
SPACE FLORIDA
and
BAE SYSTEMS JACKSONVILLE SHIP REPAIR LLC

THIS EQUIPMENT LEASE (this "**Lease**"), is dated as of April __, 2023, and is between BAE Systems Jacksonville Ship Repair LLC, a Florida Limited Liability Company (the "**Company**") and **Space Florida**, an independent special district, a body politic and corporate, and a subdivision of the State of Florida ("**Space Florida**").

WHEREAS, Space Florida is willing and able to undertake a project to support the capabilities of the United States Department of Defense, in particular the capabilities of the United States Navy, in seaborne launch of military missiles.

WHEREAS, Space Florida and the Company are parties to that certain Shipyard Modernization Agreement dated as of April __, 2023, a copy of which is attached on **Exhibit D** hereto (the **"Shipyard Modernization Agreement**"), for the installation of a ship-lift system and other ancillary and supporting equipment as part of a shiplift LLF facility supporting the seaborne missile-launch capabilities of the United States Navy (the "**Project**").

WHEREAS, Space Florida is or will be the owner of certain equipment, machinery, hardware, furnishings, and other tangible personal property located or to be located at 8500 Heckscher Drive, Jacksonville, Florida, (the "**Facility**"), which equipment, machinery, hardware, furnishings, and other tangible personal property is more fully described on **Exhibit A** attached hereto and delivered pursuant to this Lease (collectively, and together with additions, substitutions and replacements of the listed personal property and with all attachments, repairs, improvements, and accessions to such property, the "**Equipment**").

WHEREAS, Space Florida will issue certain privately placed senior secured notes (the "**Notes**") to pay the costs for such Equipment pursuant to that certain Note Purchase Agreement to be entered into (the "**Note Purchase Agreement**") by and among Space Florida, as issuer, and the purchasers of such Notes named therein (collectively, the "**Noteholders**").

WHEREAS, Space Florida has determined that (i) the Project will constitute a "project" in accordance with Space Florida's enabling legislation in Chapter 331, Part II of the Florida Statutes, (ii) the Project qualifies as a deepwater port facility per subsections 331.303(17) and 403.021(9)b of the 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 businesses and jobs in the state (see Project analysis attached hereto as Exhibit C).

WHEREAS, the Company desires to have access to and use of the Equipment and Space Florida desires to provide the Company with such access to and use of the Equipment in accordance with the terms of this Lease.

WHEREAS, in undertaking the Project the Company expects and intends to invest approximately $180 million in its existing facilities in Jacksonville/Duval County and to add 500 new high-paying jobs – all of which will be a major economic-development event for Florida.

NOW, THEREFORE, for good and valuable mutual consideration, the receipt and sufficiency of which is hereby acknowledged, the Company and Space Florida agree as follows:

1. **Capitalized Terms.** Capitalized terms used herein, but not otherwise defined, shall have the meanings attributed to such terms in the Shipyard Modernization Agreement.

2. **Reserved.**

3. **Purchase and Installation of the Equipment.**

(a) The Company represents and warrants to Space Florida that during the Term of this Lease, the Equipment is tangible personal property used or to be used by the Company in the State of Florida, at the Facility, and solely in the ordinary course of the Company's business. The primary use, and the priority use, of the Equipment will be in the Company's operations under its contract(s) to provide maintenance, repair, and overhaul ("**MRO"**) of U.S. Navy vessels with seaborne missile-launch capabilities.

(b) Space Florida will acquire, as and when requested by the Company, Equipment designated and selected by the Company to best meet the operational and production needs, schedule and budget under contracts between the U.S. Navy and the Company. The purchase of the Equipment is not subject to Space Florida's procurement requirements under Space Florida's Purchasing Policies.

(c) Space Florida shall acquire the Equipment and shall cause it to be delivered, held, and installed for use in Florida by the Company in its ordinary course of business as provided in Section 3(a) above. The Company shall obtain all permits, licenses, and other approvals, whether from government agencies or otherwise, for the assembly, installation, operation, and use of the Equipment. The Company shall undertake and oversee all installation, testing, start-up, and operation of the Equipment per the Shipyard Modernization Agreement (Exhibit D hereto), and Space Florida is entitled to rely on the Company for the effective and timely placement of the Equipment into operation.

4. **Use of Equipment.** Upon its receipt of the Equipment, the Company shall have access to and use of the Equipment, subject to the terms and conditions of this Lease. The Company represents and agrees that during the term of this Lease, the Equipment is, and shall at all times remain, separately identifiable property located at the Facility. The Company shall comply with all laws, regulations, and other governmental directives pertaining to the installation, use, and operation of the Equipment and, if compliance therewith requires changes or additions to be made to the Equipment or its operation, such changes and additions shall be made by the Company at no cost to Space Florida.

5. **Parking Access Agreement on Space Florida Property, that has been Leased from FDOT.**

(a) Space Florida has signed a 32.5-year parking lease (the "**Parking Lease**") with the Florida Department of Transportation (FDOT), beginning on July 1, 2023 and concluding concurrent with this Lease, for the use of FDOT property as parking for the Project. The Parking Lease is attached as Exhibit E to this Lease. Space Florida hereby grants to Company parking access (the "**Parking Access Agreement**") to the property subject to the Parking Lease (inclusive of the obligation to maintain the property described in the Parking Lease, which obligation of the Company shall be effective as of the date hereof, notwithstanding anything in this Lease to the contrary), all for the Company's use of the subject property for parking for employees, subcontractors, vendors, U.S. Navy personnel, Space Florida personnel and any other persons with business at the Project or at the shipyard after the Project is completed. The Company shall undertake and carry out, and the Company herewith covenants with Space Florida that it will undertake and carry out, all the duties and obligations of the "Lessee" under the Parking Lease and shall pay all amounts required to be paid by the "Lessee" under, or in connection with the Company's use of, the Parking Lease property as if the Company was the "Lessee" thereunder.

(b) The Company shall be responsible for the payment of all annual rents and other amounts required under the Parking Lease and shall make such payments directly to FDOT in a timely manner, notifying Space Florida of the execution of each required payment under the Parking Lease.

(c) If and when Space Florida is required to indemnify FDOT under the Parking Lease, the Company shall undertake and fulfill the entire obligation of Space Florida as if the Company was the Lessee under the Parking Lease. Also, the Company shall indemnify and defend Space Florida, and shall hold Space Florida harmless, from any and all claims, losses, damages, and other liability, whether from personal injury or property damage or otherwise, and from all taxes, assessments, costs, fees and other charges of any nature, including interest and penalties thereon, that Space Florida may incur, directly or indirectly, in connection with the Parking Lease, including, but not limited to, Space Florida's reasonable legal fees and expenses in all judicial and administrative proceedings. If and when any such claims are made against Space Florida, then Space Florida shall promptly notify the Company of such claims and shall not settle the claims without the Company's prior written consent, so long as the Company is diligently defending Space Florida against such claims.

(d) In the event the Company chooses to exercise its option to renew this Lease, Space Florida agrees to make reasonable efforts to extend the Parking Lease with FDOT to accommodate the use of the Parking Lease property during the renewals.

6. **Term and Renewals.**

(a) **Term.** The "**Term**" of this Lease shall be for a period of 28 years commencing on April 1, 2025 (the "**Commencement Date**") and expiring on the twenty-eighth (28) anniversary of the Commencement Date (March 31, 2053). However, the Term will not expire or be terminated until all use and other fees and amounts due and payable hereunder for (i) payment by Space Florida of all principal, interest, and other amounts owing to the Noteholders with respect to the Notes and (ii) reimbursement of all out-of-pocket expenses, if any, incurred by

Space Florida in connection with the Equipment are paid in full by the Company as required by subsection 8(e).

(b) **Renewals**. At its option, the Company may renew the Term of this Lease two times, each time for six years, each renewal term expiring on the sixth anniversary of its start. To exercise its option to renew, the Company must provide suitable notice to Space Florida no later than the 90th day prior to the expiration of the Term or the renewal of the Term.

7. **Reserved.**

8. **Use Fees and Other Payments by the Company.**

(a) **Use Fees – Term.** The Company shall pay use fees in the amount and at the times indicated in Exhibit B to this Lease. The Company acknowledges that the issuance of the Notes is a financing undertaken by Space Florida and that Space Florida intends and expects the revenue it receives from this Lease to be the sole source of funds for the payments by Space Florida of the debt under the Note Purchase Agreement. The obligations under the Note Purchase Agreement and the Notes are being undertaken by Space Florida with the full consent of the Company and in reliance on the Company being willing to pay all costs arising in connection with the Note Purchase Agreement and the Notes. Therefore, if the amounts due and the dates of payment under the Note Purchase Agreement differ from the amounts and dates in **Exhibit B**, the use-fee-payment schedule in **Exhibit B** shall be modified by Space Florida and the Company accordingly. The Note Purchase Agreement documents shall be subject to the review and approval of the Company prior to the closing thereof. Thereafter, any amendments or modifications to the Note Purchase Agreement documents shall be subject to the Company's prior approval.

(b) **Use Fees – Renewal Terms**. During renewal terms the Company shall operate the equipment as a marine shiplift facility primarily supporting the United States Navy and providing high paying aerospace jobs to the Duval County region of the State of Florida. Use fees payable by the Company during the renewal terms shall be market rent equal to 60% of the fixed market rent set for the initial term of the Equipment Lease, payable annually in arrears. However, on November 15 of each calendar year during the initial term of the Equipment Lease and any exercised renewal terms thereafter, the Company shall report to Space Florida its employment levels for the previous year running from November 1 to October 31, and review with Space Florida the facility's scope of operations for the same period.

During the initial term of the Lease, the Company shall receive no employment credits to be applied against the prescribed market rent for the equipment. However, should the company elect to exercise one or both renewal terms and thereby extend the desirable aerospace employment from 28 years to 34 years or 40 years, the Company shall receive an employment credit against its required commercial rent, based on the amount of high paying aerospace employment it generates in the Duval County region of the State of Florida, as described below.

The Company shall receive an employment credit of fourteen thousand dollars ($14,000) per high-paying aerospace job generated in years one through six of the two renewal options, which shall be calculated as follows: The discount for year one of the first year of the first renewal option shall be based on the company's employment performance for the period running from November 1 through October 31, of the final year of the initial term of the Equipment Lease. The Company shall receive an employment credit against its rent payable equal to fourteen thousand dollars ($14,000) per job for each employee, contract hire, or subcontract job generated at the Space Florida Poseidon Facility in the previous reporting year. Each year at the above November meeting the parties shall recalculate the employment credit for the coming year based on the previous year's employment performance.

The maximum employment credit for any lease year shall be limited to the total rent due for that lease year. In no event shall Space Florida or the State of Florida be liable to pay the Company negative rent because the employment credit exceeded the market rent due. However, in the event the Company generates an employment credit in excess of the market rent due, such excess employment credit shall be available for use in any future year where the Company fails to meet adequate employment levels.

For clarity and the avoidance of doubt, the parties agree on the following hypothetical example of an employment credit during a renewal term:

> The market rent in the initial term is $12.0 million per annum. The Company elects to renew the Equipment Lease for six years. The employment level at the Space Florida Poseidon facility is 450 equivalent full-time jobs for the previous November 1 through October 31.
>
> Year One renewal-term rent = 60% of initial term rent of $12.0 million = $7.2 million annual rent.
>
> Employment Credit = $14,000 x 450 = $6.3 million.
>
> The final annual rent is calculated as the market rent of $7.2 million, less the employment credit of $6.3 million = a final rent of $0.9 million.
>
> All succeeding years are calculated in the same manner.

(c) **Lump Sum Partial Repayment of Use Fees.** During the Term of the Lease, the Company may, from time-to-time, wish to partially prepay the principal portion of the Notes on which the lease payments are predicated or refinance the Notes so long as the term of the Notes does not exceed the term of the Lease. In that event, the parties hereto agree to act reasonably in amending the use-fee-payment schedule in **Exhibit B**, in accordance with the principles of Subsection 8(a) herein, with the goal being to reduce the Note Purchase Agreement principal by the amount of the prepayment.

(d) **Administrative Fees.** In addition to the use fees, reimbursements, and other amounts payable by the Company under this Lease, the Company shall pay to Space

Florida on or before the closing and initial funding of the Note Purchase Agreement a one-time administrative fee in the sum of $75,000. Thereafter, on or before September 30 of each year the Company shall pay an annual administrative fee to Space Florida in the amount of $75,000. No other administrative or on-going or recurring fees shall be charged to or paid by the Company under this Lease.

(e) **Reimbursement of Space Florida by the Company.** As material consideration for Space Florida's willingness to enter into the Note Purchase Agreement and this Lease, the Company shall reimburse Space Florida for all reasonable expenses and costs incurred by Space Florida from time to time in connection with the administration and enforcement of this Lease, including (without limitation) reasonable fees paid to Space Florida's attorneys, accountants, and consultants, taxes, governmental fees, licensing fees, and other costs and expenses arising out of or incurred by Space Florida in connection with this Lease, such costs not to exceed $[•] cumulatively, over the term of this Lease.

(f) **Taxes.**

(i) **Property taxes on the Equipment**. The Company shall reimburse Space Florida promptly for its payment, or otherwise shall pay directly and timely, all property taxes and assessments levied or imposed on the Equipment. Each year the Company shall complete and sign the Tangible Property Tax Return (Form DR-405) required under Florida property-tax law for the Equipment. No later than March 1 or 30 days before the statutory deadline to file the form, whichever is earlier, the Company shall deliver the completed return to Space Florida for filing.

(ii) **Property taxes on leasehold interest**. The Company shall pay timely all property taxes, assessments, and other charges, if any, on its leasehold interest in the Equipment. Space Florida shall cooperate with the Company if and when it applies for an exemption from property taxes for the Company's right to possession and use of, or leasehold interest in, the Equipment.

(iii) **Other taxes and assessments**. The Company shall be solely responsible for, and shall pay or otherwise reimburse Space Florida for its payment of, all other taxes and assessments, if any, imposed on the Equipment and/or any leasehold or other interest in the Equipment, as well as all other governmental charges, including but not limited to license, title, recording and registration fees and any and all sales, use, excise, gross receipts, franchise, stamp or other taxes, fees and assessments now or hereafter imposed by any foreign, federal, state or local governmental body, agency, or other taxing or governmental authority upon the Equipment or the purchase, ownership, delivery, leasing, possession, use, operation, or transfer thereof or upon the use fee, together with any related penalties, fines or interest thereon ("**Taxes**"). The Company's obligations to pay the Taxes shall not be deemed to be an admission by the Company that any such Taxes are actually due and the Company reserves and has the right to contest and/or assert defenses to the imposition of any Taxes. The Company agrees to remit such Taxes to Space Florida and/or to the applicable

governmental authority no later than 30 days following receipt of written demand therefor from Space Florida accompanied by reasonable supporting documentation sufficient to permit the Company to verify the charges set forth therein.

(iv) **Indemnity for taxes and assessments**. The Company agrees to indemnify, defend and hold Space Florida harmless from any and all damages, liability, interest and penalties on taxes, assessments, costs, fees and other charges (collectively, "**Claims**") Space Florida may incur, directly or indirectly, in connection with this Lease and the Equipment, including, but not limited to, Space Florida's reasonable legal fees and expenses in all judicial and administrative proceedings. Space Florida agrees that in the event that any Claims are made against Space Florida hereunder, then Space Florida shall promptly notify the Company of such Claims and shall not settle any such Claims without the Company's prior written consent, so long as the Company is diligently defending Space Florida against such Claims.

(v) **Sales taxes**. Subsection 212.08(6) of the Florida Statutes generally provides an exemption from sales tax for sales of tangible personal property to governmental entities when payment is made directly to the dealer by the governmental entity. Further, Section 331.354 of the Florida Statutes provides that Space Florida is not required to pay taxes on any project or any other property owned by Space Florida under Part II of Chapter 331 of the Florida Statutes or upon the income therefrom. The Company shall be entitled to assert any such statutory defenses to imposition of any such taxes on or in connection with the Equipment and any possessory or leasehold interests in the Equipment. In connection with the foregoing, Space Florida agrees to claim and/or apply for, and to cooperate with the Company to claim or apply for, any such exemptions. However, Space Florida may elect for a purchase of an item or items of equipment with an aggregate purchase price less than $50,000 (when taken together with all other purchases) not to claim or apply for an exemption from sales tax for that purchase.

(g) **Guarantee of Payments.** As material consideration for Space Florida being willing to enter into both this Lease and the conduit financing under the Note Purchase Agreement, the Company guarantees to Space Florida, absolutely and unconditionally, the full and prompt payment of all use fees under this Lease, plus all other amounts hereunder, until the payment of all principal, interest, and other amounts due (recognizing the incorporation of any reductions related to an early termination or prepayment of principal as herein contemplated) and to become due under the Note Purchase Agreement are paid in full. This guarantee shall survive the expiration or earlier termination of this Lease and shall continue in full force and effect until all amounts due and to become due under the Note Purchase Agreement are paid in full. If any payment hereunder shall be due on a day that is not a business day, the date for payment shall be extended to the next succeeding business day.

(h) **Payments to Debt Service Account**. The Company hereby agrees and Space Florida hereby irrevocably authorizes and directs the Company that, until otherwise notified by the Collateral Agent, any payments payable by the Company to Space Florida

pursuant to the terms of this Lease shall be made directly to the Collateral Agent, in immediately available funds, for deposit into the [Debt Service Account] established by the Collateral Agent (Account No. [_____]), at [_____] (ABA No. [_____]), or to such other person or at such other address or account as the Collateral Agent may from time to time specify in writing to the Company and Space Florida.

9. **Reporting.** During the Term of this Lease, the Company shall provide an annual statement to Space Florida with:

(a) a complete inventory of the Equipment, which shall include serial numbers to the extent available; and

(b) a certification that the Equipment is:

(i) located in the Facility,

(ii) in reasonably good condition, with Reasonable Wear and Tear (as defined in Section 12) excepted, and has been properly maintained and serviced during such preceding year, and

(iii) free of any encumbrances and/or liens by the Company.

In the event that any of the Equipment is destroyed, stolen or otherwise removed from the Facility, the Company shall have the obligation to either (x) replace such items of Equipment and shall notify Space Florida of the replacement serial numbers to the extent applicable, or (y) purchase such items for the greater of the then fair-market value or the amount of outstanding debt due from Space Florida to the Noteholders for the Equipment so as to remove the items from the Equipment subject to the terms of this Lease. Each such annual statement will be due on or before March 31, for the preceding calendar year, for the term of this Lease.

10. **Expiration of Lease.** Upon the expiration of the Term of this Lease and its renewal terms if exercised by the Company, the parties shall cause one of the following to occur:

(a) The Company shall purchase the Equipment for the aggregate purchase price of $100,000.00; or

(b) Space Florida shall disassemble and remove the Equipment at no cost to the Company.

11. **Repairs and Maintenance.**

(a) **Maintenance**. This Lease is intended to be an absolute net lease. The Company will maintain such Equipment in the ordinary course and in good condition, excepting only Reasonable Wear and Tear (as defined below), and shall have no obligation to undertake any extraordinary measures to preserve the Equipment. The Company shall not suffer or permit any liens and/or other encumbrances to be placed on the Equipment during the Term of this Lease. As used herein "**Reasonable Wear and Tear**" means the result of normal use of the Equipment as originally intended assuming: (a) use and maintenance in accordance with the supplier's recommendations; (b) the complete absence of any casualty, misuse, abuse, abandonment, improper care, accident, negligence or

similar occurrence; and (c) use that does not, in any way, impair the function of the Equipment or prevent it from immediately being placed into use or its continued use.

(b) **Tech Refresh**. To ensure the ongoing effectiveness and efficiency of the Equipment the parties hereto shall establish a Technical Refreshment Schedule for the retirement, replacement, and technological upgrade, when and as appropriate and useful, of old equipment and tools, to be replaced with like or technically superior equipment and tooling otherwise upgraded in capability. The Company may, at its option, endeavor to purchase such like or technically superior equipment and tooling as Company property outside of the Lease. In such case the tooling would be subject to normal Florida tangible personal property and sales and use tax, with no rights of ownership granted to Space Florida.

12. **Warranties.**

(a) **No Warranties by Space Florida.** The Equipment shall be provided to the Company in its then as-is condition, with all faults, provided that title thereto shall be free of any liens and claims. Space Florida makes no representations or warranties, express or implied, of any kind as to the Equipment, including, without limitation, its merchantability, its fitness for any particular purpose, its design, condition, suitability or workmanship.

(b) **Manufacturer Warranties and Licenses.** During the Term of this Lease, Space Florida assigns to the Company all of Space Florida's rights in warranties and licenses provided by any manufacturer, supplier or vendor but, in each case, only to the extent that Space Florida has the right to assign the applicable warranty or assign or sub-license the applicable license. Space Florida may opt not to enter into any purchase agreement or license that does not permit such assignment and/or sub-license. The Company may take any action appropriate to enforce such warranties and/or sub-license provided such enforcement is pursued in the Company's name and at its expense. In the event the Company is precluded from enforcing any such warranty and/or sublicense in its name, Space Florida shall, upon the Company's request, and at the Company's expense, take reasonable steps to enforce such warranties and/or sublicense. Space Florida will provide reasonable assistance to the Company in dealing with any communications or correspondence with such manufacturers, suppliers or vendors. Space Florida agrees that it will include a condition in the purchase order for the Equipment that the applicable manufacturer will issue its warranty and software or other licenses, if any, in favor of the Company or will otherwise allow the Company to (i) enforce the same directly with the manufacturer and (ii) receive the applicable rights under any such licenses.

13. **Insurance.** The Company shall establish a General Liability Policy ("**Insurance**") through a commercial insurance provider, meeting all the requirements stated herein, and require that all its employees, contractors, subcontractors, vendors, and agents be covered by such policy or like insurance for the period of performance applicable to each, related to the performance of scope associated with the Project.

The Insurance shall provide general commercial liability insurance with minimum limits of $2,000,000; and minimum $1,000,000 automobile liability insurance on all vehicles used in the performance of the Company's services under this Lease or used on the Project site. The Company shall provide Space Florida a certificate of insurance upon the signing of this Lease. The Company shall provide Space Florida a certificate of insurance as set forth below. The Company shall maintain the following insurance during the entire Term of the Lease, unless otherwise stated below, at or in excess of, the amounts indicated:

(a) Errors and Omissions Insurance and/or Professional Liability Insurance with a limit of $1,000,000 each claim and $2,000,000 aggregate with a deductible not to exceed $250,000 and to be maintained for at least 3 years after substantial completion of the Project.

(b) Comprehensive General Liability - Two Million Dollars ($2,000,000) aggregate and Two Million Dollars ($2,000,000) per occurrence, Bodily Injury and Property Damage - Two Million Dollars ($2,000,000) aggregate, Two Million Dollars per occurrence. Excess Liability for comprehensive general liability (Umbrella) - Five Million Dollars ($5,000,000).

(c) Comprehensive Automobile Liability - One Million Dollars ($1,000,000) per occurrence Bodily Injury and Property Damage/all owned, non-owned and hired vehicles.

In addition to the Insurance, Company shall maintain, and shall require its' contractors, subcontractors, vendors, and agents to maintain, a separate Worker's Compensation/Coverage A - Statutory/Coverage B Policy - with coverage limits of not less than Five Hundred Thousand Dollars ($500,000) each accident, Five Hundred Thousand Dollars ($500,000) aggregate disease, Five Hundred Thousand Dollars ($500,000) each employee.

The Company shall maintain all the above policies of insurance with companies having an A.M. Best's rating of A- VII or better. Space Florida shall be named as an additional insured on all general liability insurance policies. The Company shall provide Space Florida with certificates of insurance supporting the Insurance evidencing the above insurance coverages prior to the issuance of a Certificate of Occupancy or similar installation completion document. All certificates shall also indicate that the insurer shall give Space Florida at least 30 days' prior written notice in the event of cancellation or non-renewal of the applicable insurance coverage. The Company shall provide Space Florida with valid certificates of insurance with the above coverages before commencing any of the Company's services under this Lease and shall provide all renewal certificates of insurance on at least an annual basis.

14. **Indemnification and Limitation of Liability.**

(a) Upon the Company's receipt of possession of the Equipment (which possession of such Equipment shall be deemed to have occurred on execution by Space Florida of the applicable purchase contract, purchase order, or other procurement document), the Company shall assume all risk of loss and/or damage with respect to the Equipment from any cause whatsoever. The Company shall indemnify, hold harmless and

defend Space Florida and the Noteholders from and against any and all claims arising out of the possession, installation, operation, maintenance, and use of the Equipment by the Company.

(b) Space Florida's limits of liability are set forth in section 768.28, Florida Statutes, and nothing herein shall be construed to extend the liabilities of Space Florida beyond that provided in section 768.28, Florida Statutes. Nothing herein is intended as a waiver of Space Florida's sovereign immunity beyond the waiver under Section 768.28, Florida Statutes. Except as set forth in Section 27 below, nothing hereby shall inure to the benefit of any third party for any purpose and shall not allow claims otherwise barred by sovereign immunity or operation of law.

15. **Events of Default.** The occurrence of any of the following shall constitute an "**Event of Default**" by the Company:

(a) Any failure by the Company to pay in full, when due, (i) a use fee due under Section 8(a) or (ii) the administrative fee payable under Section 8(b), or (iii) any other charge required to be paid under this Lease, or any part thereof, and such default continues for 30 days after the Company receives written notice from Space Florida of the Company's failure to pay the amount due; or

(b) The Company subleasing some or all of the Equipment without Space Florida's and the holders' of more than 50% of the aggregate outstanding principal amount of the Notes prior written consent; or

(c) Any failure by the Company to observe or perform any other provision, covenant or condition of this Lease to be observed or performed by the Company where such failure continues for 30 days after written notice thereof from Space Florida to the Company; *provided* that if the nature of such default is such that it cannot reasonably be cured within such 30-day period, the Company shall not be deemed to be in default during such 30-day period if it shall promptly commence to cure within such period and diligently pursue such cure to completion; or

(d) To the extent permitted by law, (i) a general assignment by the Company for the benefit of creditors, or (ii) the filing by or against the Company of any proceeding under an insolvency or bankruptcy law, unless in the case of an involuntary proceeding filed against the Company or any guarantor the same is dismissed within 90 days, or (iii) the appointment of a trustee or receiver to take possession of all or substantially all of the assets of the Company, unless possession is restored to the Company within 90 days.

16. **Remedies Upon Event of Default.**

(a) Upon the happening of any Event of Default and expiration of the Company's appropriate cure period as set forth in Article 15 herein, Space Florida shall have the right to take such actions as are reasonably necessary to cure such Event of Default on the Company's behalf, and the Company shall pay to Space Florida within 60 days following the Company's receipt of Space Florida's written demand therefor, along with

appropriate supporting documentation sufficient to permit the Company to verify the reasonable costs and expenses for which Space Florida seeks reimbursement: (i) sums equal to reasonable expenditures made and obligations incurred by Space Florida in connection with the remedying of the Company's Event of Default pursuant to the provisions of this Section 16(a); and (ii) sums equal to all reasonable expenditures made and obligations incurred by Space Florida in collecting or attempting to collect the use fee (and/or other sums due from the Company) or in enforcing or attempting to enforce any rights of Space Florida under this Lease or pursuant to law, including, without limitation, all reasonable legal fees and other amounts so expended. The Company's obligations under this Section 16(a) shall survive the expiration or sooner termination of the term of this Lease.

(b) Space Florida shall (1) provide to the Noteholders each notice required to be given to the Company pursuant to this Lease in connection therewith and (2) refrain from terminating this Lease without first having afforded the Noteholders the right (but without the obligation) for a period of 45 days after the date of receipt of such notice from Space Florida or the occurrence of any of the events specified in Section 15, to remedy such default or cause the same to be remedied (which performance Space Florida shall accept as though the same had been performed by the Company).

(c) To the extent such default has not been timely cured or remedied within the time periods provided in Sections 16(a) or 16(b) above, the Guarantor shall be given a period of not less than fifteen (15) Business Days following the expiration of such time periods to provide written notice to Space Florida and the holders of the Notes of the Guarantor's intention to assume such Notes (the "Assumption Notice") in accordance with Section 13 of the Guarantee. In the event the Guarantor delivers notice of its intent to assume the Notes within such fifteen (15) Business Day period, the Company shall purchase, concurrently with such assumption of the Notes, the Equipment for the aggregate purchase price of $100,000.00 and in connection therewith each of this Lease and the Ground Lease and Owner's Access Agreement shall concurrently terminate.

(d) In the event that the Guarantor shall fail to deliver the Assumption Notice, the Company shall within ten (10) Business Days thereafter acquire the Equipment for a purchase price sufficient to permit Space Florida to prepay all principal, interest, and Make-Whole Amount (as defined in the Note Purchase Agreement), if any, owing to the holders of the Notes in accordance with the terms of Section 8.2 of the Note Purchase Agreement. The proceeds of such sale shall be deposited in the account directed by the holders of the Notes in accordance with the Note Purchase Agreement. Upon such sale, this Lease and the Ground Lease and Owner's Access Agreement shall concurrently terminate. If the Company fails to purchase such Equipment, then Space Florida shall have the right of specific performance and all other available remedies in law and equity.

17. **Waiver of Default.** No waiver by Space Florida of any violation or breach of any of the terms, provisions and covenants herein contained shall be deemed or construed to constitute a waiver of any other or later violation or breach of the same or any other of the terms, provisions, and covenants herein contained. Forbearance by Space Florida in enforcement of one or more of the remedies for an Event of Default shall not be deemed or construed to constitute a waiver of the

default. The acceptance of any use fee or other sum hereunder by Space Florida or the Noteholders following the occurrence of any Event of Default, whether or not known to Space Florida or the Noteholders, shall not be deemed a waiver of any such default. Space Florida and the Noteholders shall be free to accept checks from or on behalf of the Company without prejudice to Space Florida's and the Noteholder's rights and remedies, and no special endorsement or notation on any check shall in any manner be binding on Space Florida or the Noteholders.

18. **Assignment and Sublicense.**

(a) The Company shall not assign, sublicense, nor otherwise transfer its rights, duties or obligations under this Lease without the prior written consent of both Space Florida and the Noteholders, which consent shall not be unreasonably withheld, conditioned or delayed. Other than the collateral assignment described in Section 18(b), Space Florida shall not assign or otherwise transfer its rights, duties or obligations under this Lease without the prior written consent of both the Company and the Noteholders, which consent may be granted or withheld by the Company and the Noteholders in their sole and absolute discretion. Notwithstanding the foregoing, Space Florida will at all times be entitled to assign or transfer its rights, duties or obligations under this Lease to another governmental agency within the State of Florida so long as such assignment or transfer does not jeopardize or affect any tax exemptions that are available to the Company as a result of Space Florida's ownership of the Equipment, upon giving prior written notice to the Company and the Noteholders, and such successor governmental agency shall become responsible for any remaining performance due to the Company hereunder. In the event that each of Space Florida and the Noteholders approves the transfer of this Lease by the Company to a third party for which Space Florida's and the Noteholders's prior written consent is required, the Company remains responsible for all work performed and all expenses incurred in connection with this Lease.

(b) Space Florida has granted (or expects to grant) a security interest and has assigned (or expects to assign) to the Noteholders all of Space Florida's rights hereunder to receive payments of use fees under Section 8. The Company hereby consents to such security interest and assignment pursuant to that certain Collateral Agency, Security and Accounts Agreement to be entered into between Space Florida and Citibank, N.A., as the collateral agent (the "**Collateral Agent**").

19. **Negative Pledge/No transfer.** Space Florida shall not, directly or indirectly, create, incur, assume or permit to exist any lien, mortgage, pledge, security interest, charge or encumbrance of any kind, whether voluntary or involuntary, on or with respect to any of the Equipment. In addition, Space Florida shall not directly or indirectly sell, transfer or convey title to any or all of the Equipment, unless such transfer or conveyance is to a permitted assignee under Section 18 above.

20. **Captions.** All captions in this Lease are intended for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision herein.

21. **Applicable Law; Jurisdiction.**

(a) The terms of this Lease shall be construed and enforced in accordance with the laws of the State of Florida, without reference to conflict of law provisions, and all litigation arising under this Lease shall be brought in the Circuit Court for the 4th Judicial Circuit of Florida, in Duval County, Florida, applying Florida law.

(b) THE COMPANY HEREBY IRREVOCABLY CONSENTS TO THE NON-EXCLUSIVE JURISDICTION OF THE 4TH JUDICIAL CIRCUIT OF FLORIDA, SITTING IN DUVAL COUNTY, FLORIDA, FOR ANY PROCEEDING ARISING OUT OF OR RELATED TO THIS LEASE TO THE FULL EXTENT PERMITTED BY LAW, AND CONSENTS THAT ANY SERVICE OF PROCESS TO THE COMPANY IN ANY SUCH PROCEEDING IN ANY SUCH COURT MAY BE MADE BY CERTIFIED OR REGISTERED MAIL, AT THE ADDRESS PROVIDED FOR THE COMPANY IN SECTION 28 HEREOF; PROVIDED THAT SPACE FLORIDA RETAINS THE RIGHT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW. EACH PARTY WAIVES ANY OBJECTION TO JURISDICTION AND VENUE OF ANY ACTION INSTITUTED AGAINST IT AS PROVIDED HEREIN AND AGREES NOT TO ASSERT ANY DEFENSE BASED ON LACK OF JURISDICTION OR VENUE. EACH PARTY HEREBY WAIVES TRIAL BY JURY IN ANY ACTION, SUIT, PROCEEDING OR COUNTERCLAIM OF ANY KIND ARISING OUT OF OR RELATED TO THIS LEASE OR ANY OTHER LOAN DOCUMENT TO THE FULL EXTENT PERMITTED BY LAW. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS LEASE SHALL AFFECT ANY RIGHT THAT SPACE FLORIDA MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS LEASE AGAINST THE COMPANY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

22. **Interpretation of Agreement.** This Lease is the result of negotiation between the parties hereto and has been typed/printed by one party for the convenience of both parties, and the parties covenant that this Lease shall not be construed in favor of or against any of the parties hereto.

23. **Severability.** If any provision of this Lease or the application thereof to either party to this Lease is held invalid by a court of competent jurisdiction, such invalidity shall not affect other provisions of this Lease which can be given effect without the invalid provision, and to this end, the provisions of this Lease are declared to be severable.

24. **No Agency.** Nothing contained herein shall be deemed or construed by the parties hereto or by any third party as creating the relationship of principal and agent, partners, joint ventures, or any other similar such relationship between the parties hereto.

25. **Entirety of Agreement.** The parties hereto agree that this Lease sets forth the entire agreement between the parties, and fully supersedes all prior written or oral agreements and understandings between the parties pertaining to such subject matter, including, without limitation, the Shipyard Modernization Agreement, which shall be deemed to be merged into this Lease and attached hereto as **Exhibit D**. None of the provisions, terms and conditions contained in this Lease

may be added to, modified, superseded or otherwise altered, except as may be specifically authorized herein or by written instrument executed by the parties hereto and by the Noteholders.

26. **Counterparts.** This document may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of such counterparts shall constitute one agreement.

27. **Reserved.**

28. **Notices.** Notices shall be delivered to the parties at the address set forth below, which may be modified by notice to the other party given as provided herein, as follows:

To Space Florida:

Ron Lau
Senior Vice President, Corporate Development & Capital Programs
505 Odyssey Way, Suite 300
Exploration Park, FL 32953
rlau@spaceflorida.gov321-730-5301 x _____

and

Desiree Mayfield, Contracts Compliance Manager
505 Odyssey Way, Suite 300
Exploration Park, Florida 32953
contracts@spaceflorida.gov
321-730-5301 x 237

To Company:

Alan Kaminsky
Finance Director Jacksonville Ship Repair/
Ship Repair Operational Excellence
8500 Heckscher Dr,
Jacksonville, FL 32226
Alan.Kaminsky@BAESystems.com
904-251-1770

and

Jeffrey W. Peters
Deputy Chief Counsel
Ship Repair
BAE Systems Platforms and Services
BAE Systems Inc.
750 W Berkley Street,
Norfolk, VA 23523
757-494-4916

and

Geoffrey J. Troan
Managing Director,
Site Selection and Business Incentives
Vista Site Selection, LLC
135 N. Spring Lake Drive
Altamonte Springs, Florida 32714
407-413-6799

29. **Confidential Proprietary Information.** Space Florida shall comply fully with (i) the requirements in Section 812.081 of Florida Statutes and other applicable law for protection of the Company's trade secrets and (ii) the exemption of trade secrets from the disclosure requirements in Florida's public-records laws in Section 815.045 of the Florida Statutes. However, as provided by law, the foregoing obligations of Space Florida are contingent on (i) strict compliance by the Company with the requirements of a trade-secret owner to identify and appropriately mark all records or portions of records containing its trade secrets before the records come into possession by Space Florida and (ii) the Borrower's asserted trade secrets actually meeting the definition of "trade secret" in Section 812.081.

30. **Quiet Enjoyment**. If the Company shall pay the use fees and other amounts payable hereunder and substantially perform all of its covenants and conditions to be performed by the Company hereunder, the Company shall, during the term of this Lease, freely, peaceably, and quietly occupy and enjoy possession of the Equipment, together with the rights and privileges herein demised, without molestation or hindrance, lawful or otherwise, subject, however, to the terms of this Lease.

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[Signatures to follow on next page.]

W&S Comments 4/5/23

IN WITNESS WHEREOF, the parties have executed this Lease as set forth below.

Signed, Sealed and Delivered
in the presence of:

SPACE FLORIDA

By: _____

Printed
Name: _____

Title: _____

_____
Witness

_____
Witness

BAE SYSTEMS JACKSONVILLE SHIP REPAIR LLC

By: _____

Printed
Name: _____

Title: _____

_____
Witness

_____
Witness

W&S Comments 4/5/23

Exhibit A
to
Equipment Lease

SCHEDULE A - MARINE INFRASTRUCTURE	
Item No	Description
1A	Marine Construction Mobilization / Demobilization
	SECTION 01 - FINGER PIERS 1 AND 2
2A	36" x 3/4" Steel Pipe Piles (32 each pier)
3A	60" x 1" Steel Pipe Piles (32 each pier)
4A	Cast in Place Concrete (21' width piers)
5A	Delta Fenders at Shiplift Entry (both piers per MR405 & MR406 details)
	SECTION 02 - TRANSFER BRIDGE
12A	(8) x 36” steel pipe piles, ¾” wall thickness, 140ft length
13A	(12) x 30” SQ concrete piles, standard FDOT, 150ft length
14A	(21) x 30” SQ concrete piles, high moment FDOT, 90ft length
15A	(21) x 30” SQ concrete piles, high moment FDOT, 90ft length
16A	(2) x 24” SQ concrete piles, standard FDOT, 75ft length
	SECTION 03 - GANGWAY BRIDGES
17A	(2) Gangway Bridges, Steel Tressle (furnish and install)
	SECTION 04 - LLF ABUTMENT RETAINING WALL
20A	Concrete Retaining Wall (Type 1 - 260' length plus 50' wing walls)
21A	Concrete Retaining Wall (Type 2 - 80' length)
	SECTION 05 - MISCELLANEOUS
25A	Sheet Pile Wall (east bulkhead extension)
26A	SEDCON System Shiplift Basin

W&S Comments 4/5/23

SCHEDULE B - UPLAND INFRASTRUCTURE / LAND LEVEL FACILITY

Item No	Description	Unit	Estimated Quantity
	SECTION 01 - GENERAL		
	SECTION 02 - LAND LEVEL FACILITY STRUCTURAL		
16B	Foundation Support System (Geopier GCC Rigid Inclusions - LLF 455'x340')	LS	1
17B	Platform Slab, Heavy Load (Cast-In-Place Concrete)	CY	3,900
18B	Platform Slab, Light Load (Cast-In-Place Concrete)	CY	3,000
19B	Platform Slab, General (Cast-In-Place Concrete) (Revised for elimination of 100 LF MEP Trench)	CY	5,400
21B	Platform Slab, Tower Foundations (Additional Cast-In-Place Concrete including Anchor Bolts) (6 ea)	CY	112.5
22B	Load Transfer Pad (3/4" DGA Gravel Base)	CY	24,400
	SECTION 03 - PAVEMENT, SURFACING AND BASES		
27B	Portland Cement Concrete Pavement (LLF Approach), 12-IN	SY	500
28B	Portland Cement Concrete Pavement (LLF Service Apron Area, 65'x340'), 12-IN	SY	2,455
29B	Bituminous Pavement, HMA (Relocated Access Road, 25'x475'), 6-IN	TON	430
30B	Bituminous Pavement, HMA (Misc Yard And Utility Trench Areas), 6-IN	TON	100
31B	Base Stone, Crushed Limestone (All Pavements, 9-IN Depth Min., L.B.R. 75, 100% Max Density, AASHTO T-180)	TON	1,875
	SECTION 04 - SEWERS AND DRAINS		
32B	Storm Sewer, Trenched, Temporary Corrugated HDPE Double Wall, Class II, 36-IN (Interim Eq Basin Conveyance)	LF	98
33B	Storm Sewer, Trenched, RCP, Class V, 36-IN (Gasketed) (w/ Crushed Stone Bedding and Backfill) (Reduced item per drawing M-100)	LF	91
34B	Storm Sewer, Trenched, RCP, Class V, 42-IN (Gasketed) (w/ Crushed Stone Bedding and Backfill)	LF	677
35B	Industrial Storm Sewer, Trenched, RCP, Class V, 36-IN (Gasketed) (w/ Crushed Stone Bedding and Backfill)	LF	289
36B	Industrial Storm Sewer, Trenched, RCP, Class V, 42-IN (Gasketed) (w/ Crushed Stone Bedding and Backfill)	LF	575
37B	Industrial Storm Sewer, Trenched, RCP, Class V, 48-IN (Gasketed) (w/ Crushed Stone Bedding and Backfill)	LF	37
38B	Industrial Storm Sewer, Trenched, RCP, LLF Special Design, 18-IN (Gasketed) (w/ Crushed Stone Bedding and Backfill)	LF	167
39B	Industrial Storm Sewer, Trenched, RCP, LLF Special Design, 24-IN (Gasketed) (w/ Crushed Stone Bedding and Backfill)	LF	495
40B	Industrial Storm Sewer, Trenched, RCP, LLF Special Design, 36-IN (Gasketed) (w/ Crushed Stone Bedding and Backfill)	LF	88
41B	River Water Return Sewer, Gravity Main Trenched, PVC DR 14, 8-IN (w/ Crushed Stone Bedding and Backfill)	LF	675
42B	Sanitary Sewer, Gravity Main Trenched, PVC DR 14, 8-IN (w/ Crushed Stone Bedding and Backfill)	LF	250
43B	Sanitary Sewer, Gravity Main Trenched, PVC DR 14, 10-IN (w/ Crushed Stone Bedding and Backfill)	LF	510
	SECTION 05 - STRUCTURES FOR SANITARY AND STORM SEWER		
45B	Manhole, General Storm Water (Precast 6'-0" X 6'-0", HS-40 Loading)	EA	2
46B	Manhole, River Water (Precast 4'-0" Dia., HS-40 Loading)	EA	2
47B	Manhole, Sanitary Sewer (Precast 4'-0" Dia., HS-40 Loading)	EA	2
48B	Service Connection Port, LLF Riverwater	EA	2
49B	Service Connection Port, LLF Sanitary Sewer	EA	3
50B	Control Gate, LLF Industrial Storm Water (Plasti-Fab T-326 S/S Heavy Duty Titeseal Gate)	EA	1
51B	Precast Flared End Section, 12-IN	EA	1
52B	Precast Flared End Section, 36-IN	EA	2
53B	Precast Flared End Section, 42-IN	EA	2
54B	Special Outlet Structure (Pond #4)	LS	1

W&S Comments 4/5/23

SCHEDULE C - MECHANICAL, ELECTRIC, PLUMBING, FIRE MAIN SYSTEMS

Item No	Description	Unit	Estimated Quantity
	SECTION 01 - ELECTRICAL SYSTEM		
2C	MV Pad Mounted Transformer (2500 KVA or 2600KVA 65C)	EA	2
3C	MV Pad Mounted Switch - 6 Way	EA	1
4C	MV Vault Switches and 27KV Receptacle Assembly	EA	8
5C	150KW Generator Package	LS	1
6C	High Mast Lighting	EA	4
7C	Concrete-Encased Duct Banks - (2) x 5" (1) x 4"	LF	275
8C	Direct Bury Conduit for Medium Voltage (average 6 x 5")	LF	1,500
9C	480V Feeders	LS	1
10C	26400V Feeders	LS	1
11C	35KV Mining Cable Whips and (2) Male 27KV Receptacles	EA	8
12C	3000A Switchboard Assembly-B1 and B2	EA	2
13C	3000A Switchboard Assembly-for Pier 3 and Sustain	EA	2
15C	Ship Lift Motor Hoist Connections	LS	1
16C	Backbone Telecom: Fiber Optics, Copper, CATV (E-800/E-801)	LS	1
17C	Precast LLF Elec Vaults (HS-20)	EA	6
18C	Precast LLF Elec Vaults (3500 PSF)	EA	2
19C	6x6x6D Precast Electric Manhole	EA	2
20C	6x6x8D Precast Electrical Manholes	EA	2
21C	8x8x8D Precast Electric Manhole	EA	1
22C	4x4x4 Precast Communications Manhole	EA	4
23C	Electrical - Building B1 (1200sqft 1st floor - equipment level, 600sqft upper floor - control room)	SF	1,800
24C	Electrical - Building B2 (600 sqft)	SF	600
25C	Electrical - Pump Shelter Structure B3	LS	1
26C	Electrical - Building B4 (910 sqft)	SF	910
27C	400A Run - from machine shop D610 to new B4 (note no D610 transformer relocation)	LS	1
	SECTION 02 - POTABLE WATER PUMPHOUSE FACILITY		
28C	Deep Wells and Pumps (Potable Water)	LS	1
29C	Distribution pumps (Potable Water)	EA	2
30C	Water storage tank - 20,000gal (Potable Water)	EA	2
31C	Hydropneumatic tank - 10,000gal (Potable Water)	EA	1
32C	Sodium Hypochlorite system (Potable Water)	LS	1
33C	Piping and fittings, CPVC Pumphouse and Tank Piping	LS	1
	SECTION 03 - POTABLE WATER PIPING SYSTEM		
34C	Piping and fittings, 10" PVC DR 14 C900 (potable water - LLF perimeter piping)	LF	1,800
35C	Piping and fittings, 10" PVC DR 14 C900 (potable water - pumphouse connection to LLF)	LF	300
36C	Valve, 10" gate (potable water main)	EA	5
37C	Service Station Assembly (10" tee and double valves)	EA	9
	SECTION 04 - FIRE MAIN PIPING SYSTEM		
38C	Piping and fittings, 16" PVC DR 14 C900 (Fire Main)	LF	450
39C	Piping and fittings, 12" PVC DR 14 C900 (Fire Main)	LF	1,350
40C	Valve, 16" gate (Fire Main)	EA	3
41C	Valve, 12" gate (Fire Main)	EA	4
42C	Fire Hydrant assembly	EA	4
43C	Fire Main accessory connection services	EA	2
44C	Service Station Assembly (12" tee and double valves)	EA	9
45C	Service Vaults w/ covers, 8x8x6D (exterior LLF platform HS20 loading)	EA	9
	SECTION 06 - RIVER WATER PUMP ENCLOSURE		
48C	Fire Pumps, Intake Screens, Valves and Piping (Fire Main)	EA	2
49C	River Water Pumps, Intake Screens, Valves and Piping (River Water)	EA	2

W&S Comments 4/5/23

SCHEDULE D - SUPPORT BUILDINGS

Item No.	Description	Unit	Estimated Quantity (Shiplift LITE v2)
1D	Building B1 (1200sqft 1st floor - equipment level, 600sqft upper floor - control room)	SF	1,800
2D	Building B2 (600 sqft)	SF	600
3D	Pump Shelter Structure B3	LS	1
4D	Building B4 (910 sqft)	SF	910

W&S Comments 4/5/23

Exhibit B
to
Equipment Lease

Schedule of Use-Fee Payments

Date	Amount Due
Payment 1 - April 1, 2025	
Payment 2 – October 1, 2025	
Payment 3 - April 1, 2026	
Payment 4 - October 1, 2026	
Payment 5 - April 1, 2027	
Payment 6 - October 1, 2027	
Payment 7 - April 1, 2028	
Payment 8 – October 1, 2028	
Payment 9 - April 1, 2029	
Payment 10 – October 1, 2029	
Payment 11 – April 1, 2030	
Payment 12 – October 1, 2030	
Payment 13 – April 1, 2031	
Payment 14 – October 1, 2031	
Payment 15 – April 1, 2032	
Payment 16 - October 1, 2032	
Payment 17 – April 1, 2033	
Payment 18 – October 1, 2033	
Payment 19 – April 1, 2034	
Payment 20 – October 1, 2034	
Payment 21 – April 1, 2035	
Payment 22 - October 1, 2035	
Payment 23 – April 1, 2036	
Payment 24 – October 1, 2036	
Payment 25 – April 1, 2037	
Payment 26 – October 1, 2037	
Payment 27 – April 1, 2038	
Payment 28 – October 1, 2038	
Payment 29 – April 1, 2039	
Payment 30 – October 1, 2039	
Payment 31 – April 1, 2040	
Payment 32 – October 1, 2040	
Payment 33 – April 1, 2041	
Payment 34 – October 1, 2041	

Payment 35 – April 1, 2042	
Payment 36 – October 1, 2042	
Payment 37 – April 1, 2043	
Payment 38 – October 1, 2043	
Payment 39 - April 1, 2044	
Payment 340 – October 1, 2044	
Payment 41 – April 1, 2045	
Payment 42 – October 1, 2045	
Payment 43 – April 1, 2046	
Payment 44 – October 1, 2046	
Payment 45 – April 1, 2047	
Payment 46 - October 1, 2047	
Payment 47 – April 1, 2048	
Payment 48 – October 1, 2048	
Payment 49 – April 1, 2049	
Payment 50 – October 1, 2049	
Payment 51 – April 1, 2050	
Payment 52 – October 1, 2050	
Payment 53 – April 1, 2051	
Payment 54 – October 1, 2051	
Payment 55 – April 1, 2052	
Payment 56 – October 1, 2052	

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Exhibit C
to
Equipment Lease

Project Analysis

W&S Comments 4/5/23

Exhibit D
to
Equipment Lease

Shipyard Modernization Agreement
between Space Florida and Company

W&S Comments 4/5/23

Exhibit E
to
Equipment Lease

Parking Lease between the Florida Department of Transportation and Space Florida

EXHIBIT C
to
Space Florida Board of Directors
Resolution No. 23-43

Ground Lease and Owner's Access Agreement

GROUND LEASE AND OWNER'S ACCESS AGREEMENT

BAE Systems Jacksonville Ship Repair, LLC
and
Space Florida

This Ground Lease and Owner's Access Agreement (the "Agreement") is made this _____ day of _____, 2023 by and between BAE Systems Jacksonville Ship Repair, a Florida Limited Liability Company, whose principal place of business is 8500 Heckscher Drive, Jacksonville, Florida 32226 ("JSR" or "Lessor"), and SPACE FLORIDA, an independent special district, a body politic and corporate, and a subdivision of the State of Florida whose principal place of business is 505 Odyssey Way, Exploration Park, FL 32953 ("Space Florida" or "Lessee").

Space Florida has entered into agreements with JSR to install a Marine Shiplift and Repair System for the maintenance, repair, and overhaul of the U.S. Navy's fleet of seaborne launch platforms including but not limited to Frigates, Destroyers, Cruisers, and Littoral Combat Ships, to house JSR's employees comprising its aerospace workforce, and provide and install other related equipment and tooling, all to be located on private and public lands in the City of Jacksonville, Florida (the "Project").

This Agreement grants Space Florida a ground lease for the equipment installation phase of the Project (the "Development Term"), which is an initial period of two years, followed by owner's access rights extending for the Project's twenty-eight-year operational phase (the "Primary Term").

In order for Space Florida to install the improvements required by the Project during the Development Term, Space Florida requires leasehold rights to the lands and submerged lands underlying the portions of the Project, where they will be required to install tooling and equipment integral to the Project. The purpose of the ground lease portion of this Agreement is to convey such leasehold rights to Space Florida to install other related equipment for the Project.

In order for Space Florida to oversee the Project properly during the Primary Term, Space Florida requires owner's access rights to the lands and submerged lands underlying the portions of the project where it owns tooling and equipment. The purpose of the owner's access rights portion of this Agreement is to convey such owner's access rights to Space Florida for the Primary Term.

JSR shall retain the right to occupy and use the Project Premises for the duration of this Agreement without providing advance notice to Space Florida.

This Agreement therefore grants Space Florida a two-year leasehold interest in the Project Premises during the Development Term, followed immediately by twenty-eight-years of owner's access rights for the Project Premises during the Primary Term, together with adequate easements and certain submerged land lease rights, to the Project Premises on the Project site, necessary for the installation and the landlord/owner's oversight of the Project.

The Parties have also executed an Equipment Lease. This Agreement shall automatically terminate upon a termination or expiration of the Equipment Lease.

THEREFORE, JSR and Space Florida, in consideration of the mutual covenants contained herein, and other valuable consideration, the sufficiency of which is acknowledged by the parties, do mutually agree as follows:

1. **Ground Lease and Owner's Access Agreement, Term and Use.**

(a) Definition of the Project Premises. Pursuant to the terms of this Agreement, JSR hereby leases and grants owner's access rights as denoted herein, to Space Florida and Space Florida leases and accepts owner's access rights as denoted herein from JSR, for the project premises ("Project Premises"), as defined herein as Ground Lease Parcel A (Shiplift and Wastewater Treatment Plant), together with its associated temporary access easement, as well as certain rights to install the shiplift on JSR's submerged land lease with the State of Florida. The parcel, access easement, and submerged land lease rights are more properly defined herein in Exhibit A, which includes an aerial drawing of the referenced parcel and a point-to-point description of the parcel together with access easements, and the rights granted JSR and Space Florida by the Florida Department of Environmental Protection under the submerged land lease on which the waterborne portion of the shiplift will sit.

(b) Permitted Uses. JSR acknowledges and consents to Space Florida's development plan for the installation of a new Marine Shiplift and Repair system for the U.S. Navy on the Project Premises shown on Exhibit B ("Space Florida Improvements"), which the parties acknowledge is a preliminary drawing and is subject to further revision. The right of Space Florida to access the Project Premises is limited solely to installation and inspection of the Space Florida Improvements, which will be subsequently leased to a system operator servicing the U.S. Navy's fleet of seaborne launch platforms and occasional commercial work (the "Permitted Uses").

(c) No Nuisance. Neither JSR nor Space Florida, shall operate, use and or maintain the Project Premises and the improvements thereon in such manner so as to create any nuisance from obnoxious odors, smoke, noxious gases, vapors, dust, noise or otherwise, beyond the normal operations anticipated in a shipyard.

(d) Liens. If any involuntary mechanic's or materialmen's liens or affidavits claiming the same are ever filed on the Project Premises or portion thereof, JSR shall cause the same to be discharged of record by payment, deposit, bond, or order of a court of competent jurisdiction within thirty (30) calendar days after notice of the filing thereof. JSR shall be required to defend, indemnify, and hold harmless Space Florida and its agents, and representatives from and against all third-party claims, demands, causes of action, suits, judgments, damages, and expenses (including attorneys' fees) in any way arising from or relating to the failure by JSR to discharge any liens subject to this Section 1(d). This indemnity provision shall survive termination or expiration of this Agreement.

(e) Clear Title. JSR represents and warrants to Space Florida that JSR owns the Project Premises free and clear of any claim, lien, pledge, security interest, purchase right, or other encumbrance other than any easements on record in the Real Property Records of Duval County, Florida. There are no pending or threatened action or proceedings against JSR, or any affiliate of JSR, and/or the Project Premises, relating to or adversely affecting the ability of JSR to fulfill its obligations hereunder.

JSR further represents to Space Florida that no future development or operations on the Property will unreasonably interfere with the Space Florida Improvements.

(f) Temporary Easement. JSR hereby grants to Space Florida a certain temporary easement ("Temporary Easement") to access the Project Premises during the Term of this Agreement, through JSR's property. Such Temporary Easement is denoted in Exhibit A hereto. The Temporary Easement shall expire at the conclusion of this Agreement.

2. **Terms of the Ground Lease and Owner's Access Agreement.**

(a) Term. Subject to earlier termination as provided herein, the term ("Term") of this Agreement, shall be approximately thirty years comprised of the following:

(i) Development Term. The Development Term shall begin on the date of execution of this Agreement and continue until 11:59 PM on March 31, 2025, subject to extension as provided herein for delays caused by Force Majeure or mutual agreement of the parties hereto. During this time the ground lease portion of this Agreement shall be in effect, granting Space Florida a leasehold interest in the Project Premises.

(ii) Primary Term. The primary term shall begin at midnight on April 1, 2025, whether or not all of the Space Florida Improvements have been completed, and shall continue for twenty-eight (28) years (the "Primary Term"), completing at 1159 PM on March 31, 2053. During this time the owner's access agreement portion of the Agreement shall be in effect, and Space Florida's access rights shall be limited to those reasonably accorded a landlord as an owner's access for leased property.

(iii) This Agreement shall automatically terminate upon termination or expiration of the Equipment Lease executed by the Parties.

3. **Space Florida Indemnity.**

JSR shall defend, indemnify, and hold harmless Space Florida, its officers, directors, agents, employees, and lenders from and against all claims, damages, losses, liens, and expenses, (including but not limited to reasonable fees and charges of attorneys or other professionals and court and arbitration or other dispute resolution costs) to the extent resulting from (i) breach of the terms of this Agreement by JSR, and its affiliates or any of its employees, officers, directors or representatives (including contractors, subcontractors, and suppliers) employed or contracted by or on behalf of JSR or its affiliates, (ii) underlying conditions of the land that makes up the Project Premises or the adjoining Project land holdings, (iii) violations of applicable law by JSR and its affiliates or any of its employees, officers, directors or representatives (including contractors, subcontractors, and suppliers) employed or contracted by or on behalf of JSR or its affiliates to perform, furnish or provide any of the Improvements, or (iv) death of or injury to third parties (including either party's employees and agents), or damage to property to the extent the death, injury, or property damage arises out of or otherwise in connection with JSR's occupation and use of the Project Premises, whether during the Development Term or the Primary Term.

The provisions of this section shall survive the expiration or termination of this Agreement for any reason.

4. **Condemnation.**

(a) Total Condemnation. If during the Term of this Agreement, all or any material portion of the Project Premises shall be taken for any public or quasi-public use under any governmental law, ordinance or regulation, or by right of eminent domain, or should all or any material portion of the Project Premises be sold to the condemning authority under threat of condemnation, and if such taking renders the Project Premises in JSR's reasonable judgment unsuitable for its intended use hereunder, this Agreement shall terminate on the date the condemning authority takes possession, all rent shall be apportioned and paid up to the termination date, any rent paid and attributable to the period after such termination date shall be refunded to Space Florida, and the parties hereto shall have no further obligations hereunder, except for those provisions herein, which explicitly survive the expiration or earlier termination of this Agreement. No termination of this Agreement may be exercised by Space Florida without the prior, written consent of any leasehold mortgagee.

(b) Partial Condemnation. If less than all the Project Premises shall be taken as above described, and the Project Premises shall in JSR's reasonable judgment continue to be reasonably tenantable and suitable for the uses for which the Project Premises have been leased hereunder, JSR shall make available to Space Florida such funds as are reasonably necessary to repair any damage to the Project Premises caused by the condemnation, but in no event shall JSR be required to make available any more funds than those received by JSR for the portion of the Project Premises that requires repair, and this Agreement shall continue in force and effect. In the event, the Project Premises shall in JSR's reasonable judgment not be reasonably tenantable and suitable for the uses for which the Project Premises have been leased hereunder, this Agreement shall be terminated per the conditions of paragraph 4(a) herein.

(c) Allocation of Award. JSR shall be entitled to receive and retain any and all condemnation or eminent domain awards or proceeds or any awards or proceeds resulting from any sale under threat of same relating to the land which comprises the Project Premises. Space Florida shall be entitled to receive and retain any and all condemnation or eminent domain awards or proceeds recovered by it in a separate action brought by Space Florida for: (i) Space Florida's improvements upon the Project Premises, including the shiplift system; (ii) the value of the loss or diminution of Space Florida's leasehold estate; and (iii) any and all other damages or costs sustained or incurred by Space Florida in connection therewith. Space Florida may, at Space Florida's option, join any action between JSR and the condemner or initiate separate action but shall not be entitled to any portion of any award or proceeds recovered by JSR.

(d) Notice of Condemnation Proceedings. In the event JSR or Space Florida receives notice of any proposed or pending condemnation proceeding affecting the Project Premises, the party receiving such notice shall promptly notify the other parties and the holder of any leasehold mortgage (if it shall have given to such party notice of the address of such leasehold mortgagee).

(e) Disputes. JSR and Space Florida each covenants to seek separate awards in all such condemnation proceedings and to use their respective best efforts to see that such separate awards are made at all stages of all such proceedings. JSR and any leasehold mortgagee shall each have the right, at its own expense, to appear in any condemnation proceeding and to participate in any and all hearings, trials and appeals therein.

5. **Rent.**

Space Florida shall pay JSR the sum of ten dollars ($10) per annum, due and payable in advance for each year on the anniversary of the Agreement signing.

6. **Taxes.**

(a) JSR shall be responsible for the payment of all taxes, assessments, levies, and other government charges, however denominated, including but not limited to ad valorem taxes, assessments, fees, and other charges levied, imposed, or assessed by government entities against, or with respect to, the Project Premises, the improvements thereon, and the leasehold interests therein, together with all special assessments of any kind levied and assessed against the Project Premises and the equipment, other personal property, and improvements thereon.

(b) JSR will have the right, at its sole cost and expense, to initiate and prosecute any proceedings permitted by law for the purpose of obtaining abatement or of otherwise contesting the validity or amount of any taxes and/or assessments against the Project Premises provided JSR gives Space Florida prior written notice of its intention to do so. If required, JSR may initiate and take such action in the name of Space Florida, which will cooperate with JSR to such extent as is reasonably required such that said proceedings may be brought to successful conclusion. Space Florida shall reasonably cooperate, including providing documents and information, to assist JSR's efforts to seek an abatement or contest the validity of taxes or assessments under this Section 6.

7. **Installation and Replacement of Equipment and Improvements.**

(a) Space Florida may install, replace, or refurbish equipment and improvements on the Project Premises on the following terms:

(i) JSR and Space Florida shall execute a Shipyard Modernization Agreement, concurrent to the execution of this Agreement, such contract outlining the technical specifications for the installation, replacement, and refurbishment necessary to complete the Project, inclusive of the Space Florida Improvements addressed herein.

(ii) JSR and Space Florida shall execute an Equipment Lease concurrent to the execution of this Agreement, such lease outlining JSR's right to access and operate the equipment installed by Space Florida and specifying the Technical Refreshment of the Project over the term of this Agreement. Space Florida may make additional modifications to the Project Premises, with the written approval of JSR as part of the Technical Refreshment program in the Equipment Lease.

(iii) At the conclusion or termination of this Agreement, Space Florida shall have the right to remove, to demolish and remove, or to abandon in place all its shipyard – lift equipment together with all remaining existing improvements on the site.

8. **Environmental Indemnity.**

JSR shall indemnify Space Florida against any and all claims of environmental liability related to the Project Premises, which indemnification shall include payment and reimbursement of all attorneys' fees and costs in connection with such claims. Space Florida's right hereunder to such indemnity shall survive the expiration of this Agreement.

9. **Insurance.**

JSR shall establish a Project Poseidon General Liability Policy ("PPGLP") through a commercial insurance provider for the Term of the Project. The PPGLP shall meet all the requirements stated herein, and require that all employees, contractors, subcontractors, vendors, and agents be covered by such policy for the period of performance by such person of work associated with the Project.

The PPGLP shall provide general commercial liability insurance with minimum limits of $2,000,000; and minimum $1,000,000 automobile liability insurance on all vehicles used in the performance of the work or otherwise used on the Project Premises. JSR shall provide Space Florida a certificate of insurance for such coverages prior to the start of the Term. Such certificate of insurance shall accord the following provisions as set forth below. JSR shall maintain the following insurance during the Term of the Lease, unless otherwise stated below, at or in excess of, the amounts indicated:

(a) Errors and Omissions Insurance and/or Professional Liability Insurance with a limit of $1,000,000 each claim and $2,000,000 aggregate with a deductible not to exceed $25,000 and to be maintained for at least three (3) years after substantial completion of the Project.

(b) Comprehensive General Liability - Two Million Dollars ($2,000,000) aggregate and Two Million Dollars ($2,000,000) per occurrence, Bodily Injury and Property Damage - Two Million Dollars ($2,000,000) aggregate, Two Million Dollars per occurrence. Excess Liability for comprehensive general liability (Umbrella) - Five Million Dollars ($5,000,000).

(c) Comprehensive Automobile Liability - One Million Dollars ($1,000,000) per occurrence Bodily Injury and Property Damage/all owned, non-owned and hired vehicles.

In addition to the PPGLP, JSR shall maintain, and shall require its contractors, subcontractors, vendors, and agents to maintain, a separate Worker's Compensation/Coverage A - Statutory/Coverage B Policy - with coverage limits of not less than Five Hundred Thousand Dollars ($500,000) each accident, Five Hundred Thousand Dollars ($500,000) aggregate disease, and Five Hundred Thousand Dollars ($500,000) each employee.

JSR shall maintain all the above policies of insurance with companies having an A.M. Best's rating of A- VII or better. Space Florida shall be named as an additional insured on all general liability insurance policies if they are not the primary insured party. JSR shall provide Space Florida with certificates of insurance supporting the PPGLP evidencing the above insurance coverages. The PPGLP certificate of insurance shall be issued within ninety (90) days of the execution of this Agreement or at least three (3) business days before work commences on the Project site, whichever comes first. Such certificate shall also indicate that the insurer shall give the primary and named insured at least thirty (30) days' prior written notice in the event of cancellation or non-renewal of the applicable insurance coverage. The primary

insured party hereto shall provide the other party hereto with valid certificates of insurance with the above coverages before commencing any work and shall provide all renewal certificates of insurance on at least an annual basis.

10. **Default; Termination.**

The occurrence of any one of the following default events during the Term shall immediately confer upon JSR the right, in its sole discretion, to declare Space Florida in default without notice:

(a) The related Shiplift Equipment Lease is terminated.

(b) Space Florida shall fail to pay any installments of Rent, as described herein.

(c) Space Florida shall take any action for which JSR's consent or approval is required without obtaining such.

(d) Space Florida is the subject of a bankruptcy or other insolvency proceeding, whether voluntary or involuntary that is not dismissed within thirty (30) days of its filing;

11. **Compliance with Laws.**

(a) JSR in its use, occupation, alteration and/or construction of improvements upon the Project Premises shall, at its sole expense, comply with and be governed by all laws, ordinances, rules, regulations and directives of the federal, state, and municipal governmental units or agencies having jurisdiction over the Project Premises and the business being conducted thereon. Within fifteen (15) calendar days after receipt by any party hereto of a notice of non-compliance, or of a regulatory investigation or enforcement action by any appropriate governmental agency relating to such non-compliance, the receiving party shall advise the other parties in writing and provide copies of same. Once such notice is received, JSR shall have, to the extent required by the agency as the result of such regulatory investigation or enforcement action and by the provisions of this Agreement, at its sole expense, to make any repairs, alterations and additions to the Project Premises and take all corrective measures as may be prescribed by the agency to bring same into compliance.

(b) E-Verify Employment. As long as required by Section 448.095 of Florida Statutes (or its successor legislation), Space Florida and JSR must remain registered with and must use the federal E-Verify system (or its replacement) in each party's hiring of new employees. Further, JSR must cause each of its "subcontractors" (as that term is used in section 448.095) likewise to be registered with and to use the E-Verify system in the subcontractor's hiring of new employees. The parties acknowledge that under subsection 448.095(2)(c) a failure to comply with the statute can result in a statutorily required termination of this Agreement or of a contract between JSR and its subcontractor.

12. **Force Majeure.**

(a) The term "Force Majeure as used herein shall mean any event or circumstance which is beyond the reasonable control of the party affected, which by exercise of due diligence, it shall be

unable to overcome, and which are in the nature of acts of God; acts of public enemy; lightning; storm; hurricane; explosion; fire; drought; earthquake; tornado; flood; adverse water conditions; ice; washout; line outage; nuclear disaster; explosion or other serious casualty; threats of violence; sabotage; war (whether declared or not); warlike circumstances, mobilization, revolution, riot or civil commotion; legal intervention; derailment; labor and material shortages; embargoes; regulation or order of governmental authority; strikes; lockout; failure to obtain any necessary government approvals or permits; or other labor dispute. Labor disputes may be resolved solely at the discretion of the party having the difficulty.

(b) To the extent either party is prevented by Force Majeure from performing, in whole or in part, its obligations under this Agreement, and provided that such party ("Affected Party'') gives verbal notice and written confirmation of the Force Majeure occurrence within ten (10) days (such notices shall include a description of the Force Majeure and its expected duration), then the obligations of the Affected Party giving such notice shall be suspended to the extent made necessary by the Force Majeure and during its continuance (other than the obligation to pay money then due or becoming due with respect to performance of its obligations prior to the Force Majeure).

(c) The Affected Party shall use all reasonable efforts to overcome the Force Majeure as soon as possible. When the Force Majeure has terminated, the Affected Party shall provide verbal notice and written confirmation of same within ten (10) business days. If the notified party disagrees with the notice submitted by an Affected Party, the notified party must advise the Affected Party in writing within thirty (30) days (including weekends and holidays) of receipt of notice, otherwise the notified party shall be bound by it.

13. **Indemnity.**

(a) JSR SHALL DEFEND, INDEMNIFY, PROTECT AND HOLD HARMLESS SPACE FLORIDA AND ITS OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, SUCCESSORS, ASSIGNS, TRANSFEREES, OTHER LESSEES, CONTRACTORS, SUBCONTRACTORS, AS WELL AS TRUSTEES, BENEFICIARIES, RELATIVES, MEMBERS, MANAGERS, PARTNERS, OFFICERS, DIRECTORS AND RELATED OR AFFILIATED ENTITIES (THE "INDEMNIFIED PARTIES") FROM ANY AND ALL LIENS, CLAIMS, DEMANDS, COSTS (INCLUDING BUT NOT LIMITED TO ATTORNEYS' FEES, ACCOUNTANT'S FEES, ENGINEER'S FEES, CONSULTANT'S FEES AND EXPERT'S FEES), EXPENSES, DAMAGES, LOSSES AND CAUSES OF ACTION FOR DAMAGES (COLLECTIVELY, "LOSSES") BECAUSE OF INJURY TO PERSONS (INCLUDING DEATH) AND INJURY OR DAMAGE TO OR LOSS OF ANY PROPERTY OR IMPROVEMENTS ARISING FROM OR RELATED TO THE INSTALLATION, REPLACEMENT, OPERATION, MAINTENANCE, OR USE OF THE PROJECT OR THE PROJECT PREMISES OR OTHERWISE CAUSED BY THE ACTS AND/OR OMISSIONS OF JSR OR ITS EMPLOYEES, OFFICERS, AGENTS, INVITEES, LICENSEES, CONTRACTORS, OR ANY OTHER PERSON OR ENTITY ACTING UNDER ITS REQUEST, CONTROL OR DIRECTION, REGARDLESS OF WHETHER THEIR NEGLIGENCE OR OTHER CULPABLE CONDUCT IS SOLE OR CONCURRENT, OR FROM ANY DEFECT, IMPERFECTION, OPERATION, MAINTENANCE, OR INSTALLATION, OR REPLACEMENT OF ANY EQUIPMENT OR IMPROVEMENT USED IN JSR'S OR SUBLESSEE/JSR'S OPERATIONS, EXCEPT TO THE EXTENT SUCH LOSSES ARE CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF SPACE FLORIDA.

(b) THE OBLIGATIONS OF THE PARTIES UNDER THIS SECTION SHALL SURVIVE THE EXPIRATION OR EARLIER TERMINATION OF THIS AGREEMENT.

14. **Limitation of Liability.**

(a) NOTWITHSTANDING ANY PROVISION HEREIN TO THE CONTRARY, NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR, AND EACH PARTY RELEASES THE OTHER FROM LIABILITY ATTRIBUTABLE TO, INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL AND PUNITIVE DAMAGES ARISING OUT OF THE PERFORMANCE OF THIS AGREEMENT, OR DEFAULT IN THE PERFORMANCE HEREOF, WHETHER BASED UPON CONTRACT, TORT (INCLUDING NEGLIGENCE OR STRICT LIABILITY), WARRANTY OR ANY OTHER LEGAL THEORY.

(b) THE LIMITATION OF LIABILITY PROVIDED IN THIS SECTION 14 SHALL NOT LIMIT JSR'S OBLIGATION TO INDEMNIFY SPACE FLORIDA PURSUANT TO SECTION 13.

15. **Miscellaneous.**

(a) Time is of the Essence. It is understood and agreed between the parties hereto that time is of the essence related to this Agreement and shall apply to all terms and conditions contained herein.

(b) Independent Contractor/Relationship of the Parties. Space Florida is a lessee and/or landlord owner as appropriate, and, to the extent applicable, an independent contractor under this Agreement. Services provided by Space Florida pursuant to this Agreement, if any, shall be subject to the supervision of Space Florida. In providing such services, neither Space Florida nor its agents shall act as officers, employees, or agents of JSR. This Agreement shall not constitute or make the parties a partnership or joint venture.

(c) Waiver of Claims. Each party hereto waives any claim against the other party, and its officers, or employees for loss of anticipated profits caused by any suit or proceedings directly or indirectly attacking the validity of this Agreement or any part thereof, or by any judgment or award to any suit or proceeding declaring this Agreement null, void or voidable, or delaying the same or any part thereof, from being carried out.

(d) Amendments and Waivers. No modifications, amendment, or alteration in the terms or conditions contained herein shall be effective unless contained in a written document prepared with the same formality and of equal dignity as this Agreement and executed by JSR and Space Florida. Amendments and waivers by Space Florida of material provisions will be enforceable against Space Florida only if expressly approved by its Board of Directors.

(e) Materiality and Waiver of Breach. JSR and Space Florida agree that each requirement, duty, and obligation set forth herein is substantial and important to the formation of this Agreement and, therefore, is a material term hereof. Either JSR's or Space Florida's failure to enforce any provision of this Agreement shall not be deemed a waiver of such provision or modification of this Agreement. A waiver of any breach of a provision of this Agreement shall not be deemed a waiver of any subsequent breach and shall not be construed to be a modification of the terms of this Agreement.

(f) Execution Authority. JSR warrants to Space Florida that the execution and delivery by JSR, and JSR's' performance under this Agreement, are within JSR's powers and have been duly authorized by all requisite parties. The person executing this Agreement on behalf of JSR has the authority to do so and this Agreement constitutes the legal, valid and binding obligation of JSR, enforceable against JSR in accordance with its terms. The execution and delivery by Space Florida, and Space Florida's performance under this Agreement, are within Space Florida's powers and have been duly authorized by all requisite parties. The person executing this Agreement on behalf of Space Florida has the authority to do so, and this Agreement constitutes the legal, valid and binding obligation of Space Florida, enforceable against Space Florida in accordance with its terms.

(g) Captions, Headings and Terms. The article, section and paragraph headings in this Agreement are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope or intent of any provision hereof. Terms such as "herein," "hereof," "hereunder," and "hereinafter" refer to this Agreement as a whole and not to any particular sentence, paragraph, section or article where they appear, unless the context otherwise requires. Whenever reference is made to an article of this Agreement , such reference is to the article as a whole, including all of the sections, subsections and subparagraphs of such article, unless the reference is made to a particular subsection or subparagraph of such article.

(h) Severability. In the event a portion of this Agreement is found by a court of competent jurisdiction to be invalid, the remaining provisions shall continue to be effective. In the event the portion found to be invalid materially affects the benefit of this Agreement to either party the parties will negotiate in good faith to replace the portion found to be invalid with a replacement provision that places the parties in the same relative position as before the provision was found to be invalid.

(i) Access to Project Premises. JSR and its affiliates and agents shall have full access to and use of the Project Premises at all times through the duration of this Agreement and without notice to Space Florida.

(j) Confidentiality. Space Florida shall comply fully with (i) the requirements in Sections 288.075 and 812.081 of Florida Statutes and other applicable law for protection of the Company's trade secrets and (ii) the exemption of trade secrets from the disclosure requirements in Florida's public-records laws in Section 815.045 of Florida Statutes. However, as provided by law, the foregoing obligations of SF are contingent on (i) strict compliance by the Company with the requirements of a trade-secret owner to identify and appropriately mark all records or portions of records containing its trade secrets *before* the records come into possession by SF and (ii) the Company's asserted trade secrets actually meeting the definition of "trade secret" in Section 812.081. Notwithstanding, neither party shall be precluded from providing this Agreement to its affiliates, using the Agreement or any such information in the normal conduct of its commercial activities, in obtaining or attempting to obtain financing for facilities or equipment, or in filing reports with or furnishing other information to the Securities and Exchange Commission, securities commissions of the various states, state regulatory commissions, or to any other appropriate governmental authorities when required by such authorities. When required the parties may also submit this Agreement or any such information to consultants and contractors performing work on or related to the subject matter of this Agreement, who agree in writing to protect the confidentiality of such information in the same manner provided herein.

(k) Entire Agreement. This Agreement together with the attachments hereto, constitutes the entire agreement between the parties with respect to the subject matter hereof and merges and replaces all prior negotiations, discussions, representations, warranties, offers, promises and agreements with respect to such matter.

(l) No Rights of Third Parties. Except as explicitly defined herein, nothing in this Agreement is intended to confer any right on any person other than the parties to it and their respective permitted successors and assigns; nor is anything in this Agreement intended to modify or discharge the obligation or liability of any third person to either party to this Agreement, nor shall any provision give any third person any right of subrogation or action over against either party to this Agreement.

(m) Notices. In all cases where written notice is to be given under this Agreement, such notice shall be given in person as Express Mail or FedEx postage or courier charges prepaid and addressed as provided herein, and on the date mailed or dispatched such notice shall also be given by electronic mail for advance information purposes only. When so given, such notice shall be effective when received, if given by personal delivery, or two (2) days after the date so mailed or dispatched. For the purpose hereof, unless otherwise provided by notice in writing from the respective parties, notices shall be addressed as follows:

If to BAE Systems:

Alan Kaminsky
Finance Director Jacksonville Ship Repair/
Ship Repair Operational Excellence
8500 Heckscher Dr.
Jacksonville, FL 32226
Alan.Kaminsky@BAESystems.com
904-251-1770

and

Jeffrey W. Peters
Deputy Chief Counsel
BAE Systems Platforms & Services
Ship Repair
750 Berkley Street
Norfolk, VA, 23523, USA
Jeffrey.W.Peters@baesystems.com
757-494-4916

and

Bruce Lumley
Corporate Real Estate Manager
Bruce.Lumley@baesystems.com
858-449-1190

With a copy to:

Geoffrey J. Troan
Director, Site Selection and Business Incentives
Vista Site Selection, LLC
Altamonte Springs, Florida 32714
Orlando, Florida 32714
407-413-6799

If to Space Florida:

Matt Chesnut
Project Manager, Project Poseidon
Space Florida
505 Odyssey Way, Suite 300
Exploration Park, FL 32953
mchesnut@spaceflorida.gov
321-730-5301 x 205

and

Desiree Mayfield, Contracts Compliance Manager
Space Florida
505 Odyssey Way, Suite 300
Exploration Park, Florida 32953
contracts@spaceflorida.gov
321-730-5301 x 237

(n) Assignment and Sublease. JSR may, at its sole discretion, assign this Agreement to any affiliate or business unit of BAE Systems, Inc., with reasonable written notice.

(o) Survival of Obligations. The indemnification obligations and obligations to make payments for activities or events occurring under this Agreement prior to its expiration or termination shall survive such expiration or termination.

(p) Applicable Law and Venue; Waiver of Jury Trial. This Agreement shall be interpreted and construed in accordance with and governed by the laws of the State of Florida, and the parties agree to waive any rights to a jury trial.

(q) Attorneys' Fees. In the event any legal action or other proceeding is brought for the enforcement of this Agreement, or because of a dispute between the two parties hereto over an alleged breach, default or misrepresentation in connection with any provision of this Agreement, the parties shall bear their own attorneys' fees.

(r) Counterparts. This Agreement may be executed in any number of counterparts, each of which will for all purposes be deemed to be an original, and all of which are identical. Handwritten

signatures to this Agreement transmitted by telecopy or electronic transmission (for example, through use of a Portable Document Format or "PDF" file) shall be valid and effective to bind the party so signing.

[signature page follows]

IN WITNESS WHEREOF, the parties have executed this Agreement as set forth below.

Signed, Sealed and Delivered
in the presence of:

SPACE FLORIDA

By:_____

_____
Witness

Printed Name:

_____

Title:

_____
Witness

_____

BAE Systems Jacksonville Ship Repair, LLC:

By:

_____
Witness

_____

Printed Name:

_____
Witness

_____

Title:

_____

Exhibit A
Project Premises Property Description and Access Easements

Ground Lease and Owner's Access Agreement Parcel A. Ground Lease and Owner's Access Agreement Parcel A. Ground Lease and Owner's Access Agreement Parcel A is composed of the lands on which the

Shiplift equipment will sit, together with its adjoining integral maintenance structures, as depicted in the above illustration.

The area is defined as a parcel beginning at: 30°23’12”N 81°27’26”W; thereafter heading 502’ NNE to the corner fence post located 30°23’17”N 81°27’23”W; thereafter following the fence line heading 307’ WNW for 697’; thereafter heading 75’ NNE along the fence line, bordering the waste water treatment plant; thereafter heading 103’ WNW to a point located 30°23’22”N 81°27’30”W; thereafter heading 74’ SE to the perimeter fence; thereafter heading 101’SSE to the corner of Building D610; thereafter heading 576’ SSW to a point on the shoreline at 30°23’15”N 81°27’32”W; thereafter heading 552’ WSW ending at 30°23’12”N 81°27’26”W.

These dimensions lie within the larger BAE Systems Jacksonville Ship Repair owned parcel located at 8500 Heckscher Drive, Jacksonville, Florida 32226, and more particularly described as Duval County tax parcels 160830-0350; 160872-0200; 160830-0215; and 160830-0210.

Space Florida Improvements – Preliminary Drawing

This Exhibit B contains a brief presentation of the Space Florida improvements to be constructed on the Project Premises. A complete description of the Space Florida improvements is contained in the Shipyard Modernization Agreement.

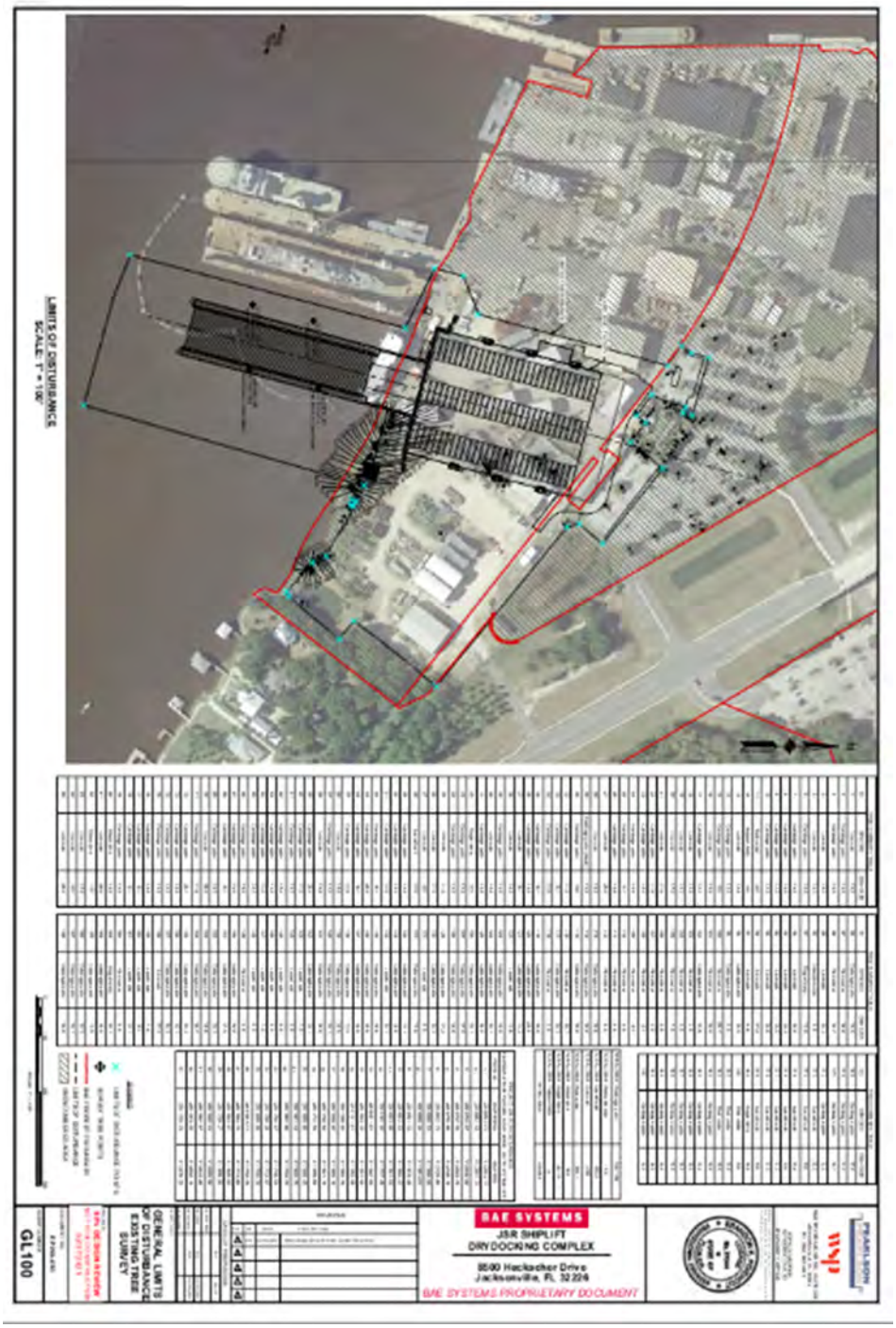

EXHIBIT D
to
Space Florida Board of Directors
Resolution No. 23-43

Shipyard Modernization Agreement

W&S Comments 4/19/23

SHIPYARD MODERNIZATION AGREEMENT

Space Florida
and
BAE Systems Jacksonville Ship Repair, LLC

US Navy Shiplift Project (Florida Project Poseidon)

This modernization agreement ("**Shipyard Modernization Agreement"**) is made this ____ day of April, 2023 by and between **SPACE FLORIDA**, an independent special district, a body politic and corporate, and a subdivision of the State of Florida ("**Space Florida**") with its principal place of business at 505 Odyssey Way, Exploration Park, FL 32953, and **BAE SYSTEMS JACKSONVILLE SHIP REPAIR LLC**, a Florida limited liability company with its principal place of business at 5600 Heckscher Drive, Jacksonville, Florida 32226 (the "**Company**").

WHEREAS, the Company intends and expects to expand and upgrade an existing maintenance, repair, and overhaul facility in Jacksonville, Florida, for the purpose of servicing those ships in the U.S. Navy's fleet that constitute seaborne missile-launch platforms, including frigates, destroyers, cruisers, and littoral combat ships; and

WHEREAS, the upgrade and modernization to the existing shipyard facility will include the acquisition, assembly and installation of a state-of-the-art marine shiplift, and installation of related equipment and tooling, all to be located on private and public lands near Naval Station Mayport in Duval County, Florida (the "**Project**"); and

WHEREAS, if Space Florida and the Company undertake and complete it, the Project will result in:

- an aggregate capital investment of some $180,000,000.00, and the retention of over 800 existing jobs; and
- the creation of more than 500 net new jobs at the Company and its subcontractors, with an average annual income of $75,000, all by 2025; and

WHEREAS, the Parties will execute an equipment lease to secure repayment of principal and interest associated with the funding that Space Florida provides to the Company for the Project under this Agreement (as the same may be amended from time to time, the "**Equipment Lease**"); and

W&S Comments 4/19/23

WHEREAS, Space Florida has been designated by the Legislature of the State of Florida as the single point of contact for state aerospace-related activities with federal agencies, the military, state agencies, businesses, and the private sector; and

WHEREAS, Space Florida is directed by the Legislature of the State of Florida to foster the growth and development of a sustainable and world-leading aerospace industry in Florida; and

WHEREAS, the Legislature of Florida has declared that the term "aerospace" includes, among other things, the industry that designs and manufactures aircraft, rockets, missiles, and equipment, systems, facilities, and related activities, including the application of aerospace technologies in sea-based platforms for commercial, civil, and defense purposes; and

WHEREAS, Space Florida has express legislative authority to acquire property, both real and tangible personal, by purchase or lease, and to execute all contracts and other instruments necessary or convenient to the exercise of its powers, including financing agreements to facilitate the financing, leasing, or sale of aerospace projects such as the Project; and

WHEREAS, Space Florida is authorized to fix and collect note payments, rental payments, and other charges for the use of projects, such as the Project, in connection with financing agreements; and

WHEREAS, the Project is the type of capital investment by the aerospace industry that Space Florida is authorized and directed by the Legislature of Florida to facilitate and foster.

NOW THEREFORE, the Company and Space Florida agree as follows:

1. **Recitals.** The parties agree that the above recitals are true and accurate.

2. **Services; Performance Standards.**

    a. **Deliverables**. The Company shall undertake and complete the Project with such specifications and schedule as may be necessary or useful to meet in a timely manner, the fleet maintenance, repair and overhaul needs of the Navy. The Project is comprised of the shiplift system and improvements set forth in the Construction Manager/Engineer as Advisor contract between the Company and Pearlson & Pearlson, Inc.

    b. **Performance Standards**. The Company shall design, acquire, assemble, and install the shiplift and shall undertake and complete the other components of the Project, all diligently and competently and consistent with Company's expertise, knowledge, skills and abilities. The Company shall use its best efforts to complete the Project with a design and on a schedule that achieves Project readiness consistent with the needs of the Navy.

3. **Lease-Leaseback Financing.** The Company and Space Florida shall endeavor to arrange financing for the capital cost of the Project, with a private placement of Space Florida senior secured notes. The estimated financing required is expected to be $201,400,000.00 which amount shall be raised by the issuance of such senior secured notes by Space Florida pursuant to the terms of a note purchase agreement to be entered into among Space Florida and the purchasers party thereto. Unless the Company and Space Florida agree later to a different structure, the financing will use a ground-lease/leaseback arrangement to secure repayment of principal and interest when due. Space Florida's duty to repay the debt incurred in connection with the Project must be limited to the rents, fees and other charges to be paid to Space Florida by the Company under the lease-leaseback documents. The notes to be issued by Space Florida as a part of the lease-leaseback financing and any other obligations of Space Florida thereunder shall be special, limited obligations of Space Florida payable solely from the security provided by Space Florida. The notes will not constitute a debt or loan of credit or a pledge of the full faith and credit or taxing power of the State of Florida or any political subdivision thereof and shall never constitute or give rise to a pecuniary liability of the State of Florida or any political subdivision thereof.

4. **Use of Financing Proceeds.** The proceeds of the financing shall be deposited (or caused to be deposited) by Space Florida in an account of the Company, to be denominated the "**JSR Bank Account**." Space Florida shall expend and use (or cause to be expended and used) the proceeds of the financing for the following purposes:

    a. **Costs of issuance.** To pay the costs of issuance of the notes;
    b. **Capitalized interest**. To pay interest on the principal amount of the notes, when due, but only if and to the extent the Company agrees;
    c. **Payment and reimbursement of Project costs**. To pay, or to reimburse the Company for payment of, the costs of design, permitting, acquisition, assembly, and installation of the equipment and facilities comprising the Project, including costs of consultants, attorneys, surveys, site preparation, and other ancillary costs that can properly be treated under generally accepted accounting principles as capital costs of the Project;
    d. **Repayment of Working Capital Facility**. To repay the outstanding principal and accrued interest owing under the working capital facility agreement to be entered into between the Company, as lender, and Space Florida, as borrower (the "**Working Capital Facility Agreement**");
    e. **Other required payments**. To pay the costs of all other uses and purposes required by the terms of the financing to be paid from the note proceeds; and
    f. **Surplus Funds**. The balance of any note proceeds that remain in the JSR Bank Account following the payments described in clauses a. through e.

above shall be recorded under, invested, and applied in accordance with, the Cash Services Agreement (as defined below) and the terms of paragraph 6 hereof.

5. Project Management

a. **Quarterly EAC Meetings** – Beginning ninety (90) days after the execution of this Shipyard Modernization Agreement, upon the request of Space Florida the Company shall meet with Space Florida oversight personnel and review the progress of the design and installation of the Project. Included in these briefings shall be a review of the Project master schedule ("**Master Schedule**") and the Project projected cost estimate-at-complete ("**EAC**") which shall reflect the projected total cost of the Project as of that date.

b. **Budget Responsibility that of the Company** – The Company shall be solely responsible for the completion of the Project within the proceeds of the notes issued by Space Florida. Upon receipt of such proceeds, the Company and Space Florida shall establish a design and installation budget, with an allocation for reserve ("**Budget Reserve**"). At each meeting under a., above, the Company shall review the EAC for the Project in comparison to the Budget, and reasonably allocate the Budget Reserve to absorb any cost growth, net of cost savings, incorporated into the EAC. If the EAC at any time exceeds the amount of the proceeds of the notes, the Company shall make reasonable efforts to recover the cost growth in the remaining work (the "**Project Estimate-To-Complete**" or "**Project ETC**"). If the Company is unable to recover the cost growth, either through the reasonable allocation of the Budget Reserve or a reduction in the Project ETC, or a reduction in scope, the Company shall promptly remit Company funds to remediate such overrun to the JSR Bank Account.

c. **Space Florida Project Site Access** – From time-to-time, at reasonable times and upon reasonable notice to Company, Space Florida may access the Project site to assess the progress of the Project, and interface with Company personnel, associated with the Project. Space Florida personnel may not direct work on the Project site.

6. **Payment of Project Costs.** Prior to the issuance of the notes, the JSR Bank Account may be funded with the proceeds of advances made by the Company under the Working Capital Facility Agreement. The proceeds of such advances will be used to pay Project costs. Upon the issuance of the notes and the repayment of all amounts owing under the Working Capital Facility Agreement, the balance of such note proceeds will be recorded under, invested, and applied in accordance with, the terms of a Cash Services Agreement to be entered into by the Company and Space Florida (the "**Cash Services Agreement**")

pursuant to which the Company agrees to manage any surplus Project funds. The Company shall periodically thereafter advance funds from the JSR Bank Account to pay directly, or to reimburse the Company for its payment of, the costs of the design, permitting, acquisition, assembly and installation of the equipment and facilities comprising the Project as follows:

a. **Reimbursement.** The Company has incurred and paid substantial Project costs before the date of this Shipyard Modernization Agreement and is expected to incur substantial additional Project costs between (i) the date hereof and (ii) the date the financing is closed and all amounts owing under the Working Capital Facility Agreement are repaid. Those Project costs include (but are not limited to) costs of design, permitting, and certain long-lead equipment, subassemblies, and materials associated with the Project. Accordingly, upon the deposit of the balance of the note proceeds into the JSR Bank Account, the Company may deliver to Space Florida an initial invoice for reimbursement of its costs incurred for such work performed and equipment and materials purchased. The invoice must be accompanied by documents reasonably supporting and verifying all such costs incurred by the Company. Upon receipt, Space Florida shall promptly direct the Company to pay such invoice with funds available under the Cash Services Agreement, which payment will serve to reduce the balance that remains under the terms of the Cash Services Agreement.

b. **Direct purchases**. When requested by the Company, Space Florida shall promptly direct the Company to pay directly the purchase price of equipment, subassemblies, and materials, as follows: The Company must first require its subcontractors, suppliers, and vendors to itemize materials and labor separately on invoices. Material costs may then be invoiced directly to Space Florida, with a copy of the invoice furnished simultaneously to the Company. Space Florida shall promptly direct the Company to make payment with funds available under the Cash Services Agreement in the amounts and at the times required by such subcontractor, supplier or vendor upon receipt of (i) the direct invoice, (ii) documents reasonably supporting the costs payable, and (iii) written confirmation from the Company that the purchase is proper and valid, that the goods have been delivered to and received by the Company, that the goods are what was ordered by the Company, that the goods are fit for use by the Company, and that the purchase is eligible under the Company's pertinent contract for payment. Upon payment by Space Florida, title to the equipment, subassembly, and/or materials shall vest in Space Florida, and the Company shall cause the vendor or subcontractor to document timely the transfer of title with a bill of sale or other appropriate instrument. Any such

payment made by the Company at the direction of Space Florida will serve to reduce the balance that remains under the terms of the Cash Services Agreement.

c. **Progress Payments**. For all other Project costs incurred by the Company, the Company shall prepare each month a request for reimbursement of its actual Project costs incurred (and not reimbursed) in the previous month or months. The invoice(s) and supporting documents are to be delivered within ten days after accounting close for the previous month. Space Florida shall promptly direct the Company to reimburse itself with funds available under the Cash Services Agreement, upon receipt of the invoice(s) and supporting documents ("**Progress Payments**"). The making of a Progress Payment by Space Florida will serve to reduce the balance that remains under the terms of the Cash Services Agreement.

d. **Cost allocations**. In its reimbursements under subparagraphs a. and c., the Company shall be reimbursed for its actual, direct costs as well as its cost allocations as described in its Cost Accounting Standards Board Accounting Disclosure Statement filed with the US Government (**Exhibit A**). However, there shall be no Facilities Capital Cost of Money or Profit /Fee added to any payment.

The Company shall provide Space Florida with a revised Project ETC no later than ten days after each calendar quarter to demonstrate that the expected total remaining amount of Project costs will not exceed the aggregate amount of funds then available under the Cash Services Agreement.

In the event the Project ETC exceeds the amount available under the Cash Services Agreement, the Company shall provide Space Florida a reasonable plan for the Company to fund properly the Project ETC, by either: 1) improving performance in the ETC to recover the variance; or 2) removing scope from the Project to reduce the ETC; or 3) evidencing the Company's access to sufficient sources of funding to timely complete the Project; or 4) a combination of the foregoing. Space Florida has no duty whatsoever to make Progress Payments or otherwise to reimburse or pay the costs of the Project in an aggregate amount exceeding the funds available under the Cash Services Agreement.

If upon completion of the Project funds remain available under the Cash Services Agreement, the remaining monies shall be applied by Space Florida, at the direction of the Company, to repay on the immediately succeeding scheduled payment date(s) the principal of, and interest owing on, the notes outstanding with a corresponding reduction in the amount of the Company's rent payments under the Equipment Lease.

7. **Term and Termination.**

a. **Term.** This Shipyard Modernization Agreement shall take effect upon its execution by both parties and shall expire upon completion of all Project work .

b. **Termination.** Either party may terminate this Shipyard Modernization Agreement without cause, upon three days' notice to the other party, at any time prior to the closing of the lease/leaseback financing. Either party may terminate this Shipyard Modernization Agreement if, as of August 1, 2023, the contemplated lease/leaseback financing has not been closed and the proceeds of the notes have not been deposited into the JSR Bank Account.

In the event of termination pursuant to any clause of this Shipyard Modernization Agreement, the Company shall discontinue the services hereunder upon the effective date of the termination. Concurrent with such termination, Space Florida shall forfeit any rights it may have acquired for the Project, inclusive of, but not limited to, land leases and easements.

8. **Insurance** The Company will insure all risk for the Project. The Company shall ensure that prior to commencing Project work appropriate insurance coverage, as required by this Agreement, is in place to cover that work before commencing the work. For clarity, as aspects of this Project work will start at different times, the Company will ensure that appropriate insurance is in place before starting those different aspects of Project work, such that no Project work will be commenced without appropriate insurance to cover the performance of that work. The Company shall maintain conventional (contractor or owner-controlled) insurance policies in the amounts indicated during the entire term of the Shipyard Modernization Agreement. The Company will use an owner-controlled insurance program that is materially in the form of Exhibit B hereto. Specific insurance requirements are set forth below.

a. Errors and Omissions Insurance and/or Professional Liability Insurance with a limit of $1,000,000 each claim and $2,000,000 aggregate, with a deductible not to exceed $250,000 and to be maintained for at least three years after substantial completion of the Project.

b. Comprehensive General Liability –$2,000,000 aggregate and $2,000,000 per occurrence; Bodily Injury and Property Damage –$2,000,000 aggregate, $2,000,000 per occurrence. Excess Liability for comprehensive general liability (umbrella coverage) –$5,000,000.

c. Comprehensive Automobile Liability –$1,000,000 per occurrence; Bodily Injury and Property Damage/all owned, non-owned and hired vehicles.

d. Worker's Compensation/Coverage A – Statutory/Coverage B –$500,000 each accident, $500,000 aggregate disease, $500,000 each employee.

The Company shall maintain all the above policies of insurance with companies having an A.M. Best's rating of A- VII or better. Space Florida shall be named as an additional insured on the policies. The Company shall provide Space Florida with certificates of insurance evidencing the above insurance coverages prior to the start of physical work on the Project site excepting advance activities, for this Shipyard Modernization Agreement. All certificates shall also indicate that the insurer shall give Space Florida at least 30 days' prior written notice in the event of cancellation or non-renewal of the applicable insurance coverage. The Company shall provide the other with valid renewal certificates of insurance on at least an annual basis.

Within a reasonable period after the execution of this Shipyard Modernization Agreement, the Company shall provide Space Florida with certificates of insurance evidencing such general coverage.

9. **Project Documents.** Space Florida shall have unrestricted access to all drawings (including the signed and sealed set of drawings approved by the applicable government building department as well as all drafts and revisions to such drawings), specifications, records, files, documents, correspondence, plans, programming analysis, designs, photographs, accounting and billing records, media, project correspondence, project records, and all other documents, including those in electronic form, prepared by the Company for or related to the Project **(**"**Project Documents")**. The Company shall furnish Space Florida with such reproductions of any Project Documents as Space Florida may request at any time, upon reasonable notice, subject to applicable intellectual property rights. Any reproductions shall be the sole and exclusive property of Space Florida, subject to applicable intellectual property rights associated with the reproductions. This Article shall survive termination or expiration of this Shipyard Modernization Agreement.

Notwithstanding, to the full extent not prohibited by law the Company and its subcontractors and vendors on the Shipyard Modernization Project shall not be required to disclose any processes or designs which said entity deems proprietary in nature and the intellectual property of the Company or a subcontractor or vendor.

10. Indemnity and Limitation of Liability and Remedies.

(a) SUBJECT TO AND EXCLUDING LIABILITIES AND OBLIGATIONS EXPRESSLY ALLOCATED TO SPACE FLORIDA HEREIN, THE COMPANY SHALL DEFEND, INDEMNIFY, PROTECT AND HOLD HARMLESS SPACE FLORIDA AND ITS OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, SUCCESSORS, ASSIGNS,

TRANSFEREES, OTHER LESSEES, CONTRACTORS, SUBCONTRACTORS, AS WELL AS TRUSTEES, BENEFICIARIES, RELATIVES, MEMBERS, MANAGERS, PARTNERS, OFFICERS, DIRECTORS AND RELATED OR AFFILIATED ENTITIES (THE "**INDEMNIFIED PARTIES**") FROM ANY AND ALL LIENS, CLAIMS, DEMANDS, COSTS (INCLUDING BUT NOT LIMITED TO REASONABLE AND DOCUMENTED ATTORNEYS' FEES, ACCOUNTANT'S FEES, ENGINEER'S FEES, CONSULTANT'S FEES AND EXPERT'S FEES), EXPENSES, DAMAGES, LOSSES AND CAUSES OF ACTION FOR DAMAGES (COLLECTIVELY, "**LOSSES**") BECAUSE OF INJURY TO PERSONS (INCLUDING DEATH) AND INJURY OR DAMAGE TO OR LOSS OF ANY PROPERTY OR IMPROVEMENTS ARISING FROM OR RELATED TO THE INSTALLATION, REPLACEMENT, OPERATION, MAINTENANCE, OR USE OF THE PROJECT OR THE PROJECT PREMISES OR OTHERWISE CAUSED BY THE ACTS AND/OR OMISSIONS OF COMPANY OR ITS EMPLOYEES, OFFICERS, AGENTS, INVITEES, LICENSEES, CONTRACTORS, OR ANY OTHER PERSON OR ENTITY ACTING UNDER ITS REQUEST, CONTROL OR DIRECTION, REGARDLESS OF WHETHER THEIR NEGLIGENCE OR OTHER CULPABLE CONDUCT IS SOLE OR CONCURRENT, OR FROM ANY DEFECT, IMPERFECTION, OPERATION, MAINTENANCE, OR INSTALLATION, OR REPLACEMENT OF ANY EQUIPMENT OR IMPROVEMENT USED IN THE COMPANY'S OPERATIONS, EXCEPT TO THE EXTENT SUCH LOSSES ARE CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF SPACE FLORIDA.

(b) THE OBLIGATIONS OF THE PARTIES UNDER THIS SECTION SHALL SURVIVE THE EXPIRATION OR EARLIER TERMINATION OF THIS AGREEMENT.

11. **Independent Contractor.** The Company is an independent contractor, not an agent of Space Florida. The Company's employees are not employees or agents of Space Florida for any purpose whatsoever, including state or federal taxes and workers' compensation insurance. This Shipyard Modernization Agreement is not intended to create, nor shall it create, an employment relationship, an agency, or a joint venture, partnership or similar relationship between the parties. The Company and its employees shall not hold itself or themselves out to the public as employees or agents of Space Florida. The Company shall not enter into, and does not have any right, power or authority to create or otherwise agree to or enter into, any contract or other obligation on behalf of Space Florida.

12. **Sovereign Immunity.** Space Florida's obligations to the Company, if any, are subject to the limitations of liability as provided in Section 768.28 of the Florida Statutes, as amended from time to time, and nothing in this Shipyard Modernization Agreement shall act as a waiver of Space Florida's entitlement to sovereign immunity as a matter of statutory and common law.

W&S Comments 4/19/23

13. **Consent and Other Acknowledgements and Agreements**

a. **Consent to Security Interest**. The Company hereby consents to the pledge, assignment, transfer and grant by Space Florida to the Collateral Agent (as defined below) of all of Space Florida's right, title and interest in, to and under this Shipyard Modernization Agreement as collateral security, pursuant to that certain Collateral Agency, Security and Accounts Agreement (the "**Security Agreement**") to be entered into between Space Florida and [•], as the collateral agent (the "**Collateral Agent**").

b. **Specific Acknowledgements and Agreements regarding lease/leaseback financing**. The Company hereby acknowledges and agrees that:

1. The Collateral Agent may, without the Company's consent, transfer or otherwise convey to any agent, successor or assignee or any other person all or any part of the Collateral Agent's right, title and interest in or to this Shipyard Modernization Agreement in connection with the exercise of its remedies under the Security Agreement. Notwithstanding any such grant, all such duties, covenants or conditions required to be performed by Space Florida shall survive and shall be and remain the sole responsibility of Space Florida, as the case may be, unless any such person notifies the Company in writing that it assumes any such duties, covenants or conditions in accordance with this Shipyard Modernization Agreement.
2. The Company will furnish to the Collateral Agent all notices of default, termination or suspension given by the Company pursuant to this Shipyard Modernization Agreement.

14. **Rights of Providers of Debt Financing**. The Company also acknowledges and agrees that:

a. In the event that any of the following shall occur:

1. the Company shall have the right to terminate this Shipyard Modernization Agreement; or
2. this Shipyard Modernization Agreement shall be rejected by a debtor in possession, trustee-in-bankruptcy, or receiver of Space Florida;

the Company shall (x) provide to the Collateral Agent each notice required to be given to Space Florida pursuant to this Shipyard Modernization Agreement in connection therewith and (y) refrain from terminating this Shipyard Modernization Agreement without first having afforded the Collateral Agent the right (but without the

obligation) for a period of 45 days after the date of receipt of such notice from the Company or the occurrence of any of the other events specified in clauses 1. or 2. of this Section 14b., as applicable, to remedy such default or cause the same to be remedied (which performance the Company shall accept as though the same had been performed by Space Florida).

15. **General Provisions.**

a. **Assignment**. The Company shall not assign this Shipyard Modernization Agreement or any of its rights or obligations hereunder, without the written consent of Space Florida, which consent may not be unreasonably withheld or delayed by Space Florida. The parties recognize that violation of any of the financing agreements is a reasonable cause for delaying or withholding approval.

b. **Notices.** All notices required by this Shipyard Modernization Agreement shall be in writing and delivered by electronic mail with a confirming reply email, by hand or by first-class registered or certified mail, postage prepaid, or by nationally recognized overnight delivery service, and addressed as follows:

if to Space Florida:

Matt Chesnut
Project Manager
Space Florida
505 Odyssey Way Suite 300
Exploration Park, FL 32953
P: 321-505-9185
F: 321-730-5307
Mchesnut@spaceflorida.gov

And

Desiree Mayfield
Contracts Compliance Manager
Space Florida
505 Odyssey Way Suite 300
Exploration Park, FL 32953

P: 321-695-5301
F: 321-730-5307
Dmayfield@spaceflorida.gov

And

if to the Company:

Toby Borge
Project Manager, Project Poseidon
Platforms & Services / Jacksonville Ship Repair
5600 Heckscher Drive
Jacksonville, Florida 32226
O: 904 251 1570
M: 904 528 1942
toby.borge@baesystems.com

with a copy to:

Alan Kaminsky
Director of Finance
BAE Systems Platforms and Services / Jacksonville Ship Repair
5600 Heckscher Drive
Jacksonville, Florida 32226
O: 904.251.1770
M: 631.748.7726
Alan.Kaminsky@baesystems.com

Jeffrey W. Peters
Deputy Chief Counsel
BAE Systems Platforms & Services
Ship Repair
750 Berkley Street
Norfolk, VA, 23523, USA
Jeffrey.W.Peters@baesystems.com
757-494-4916

And

Geoffrey Troan

Managing Director, Site Selection and Business Incentives
Vista Site Selection, LLC
135 N Spring Lake Drive
Altamonte Springs, Florida 32714
O: 614 464 6221
M: 407-413-6799
GJTroan@VistaSiteSelection.com

c. **Entire Agreement; Amendments and Waivers**. This Shipyard Modernization Agreement constitutes the entire agreement of the parties and supersedes all prior agreements and undertakings, both written and oral, between the parties with respect to the subject matter hereof. This Shipyard Modernization Agreement may not be amended or modified, and no provision hereof may be waived, except by an instrument in writing signed by the parties. Amendments of this Shipyard Modernization Agreement and waivers of material portions hereof shall bind Space Florida only if approved or ratified by the Space Florida Board of Directors.

d. **Governing Law; Severability**. This Shipyard Modernization Agreement shall be governed by and construed in accordance with the laws of the State of Florida. The invalidity of any portion of this Shipyard Modernization Agreement shall not affect the enforceability of the remaining portions of this Shipyard Modernization Agreement or any part thereof, all of which are inserted herein conditionally on their being valid in law.

e. **Waiver**. Failure to insist upon strict compliance with any of the terms, covenants or conditions hereof shall not be deemed a waiver or relinquishment of any such terms, covenants or conditions, nor shall any waiver or relinquishment of any right or power hereunder at any one time or more times be deemed a waiver or relinquishment of such right or power at any other time or times.

f. **Claims**. As a condition precedent to filing of any demand for legal action, the parties shall endeavor to resolve their claims by mediation, which, unless the parties agree otherwise, shall be in accordance with the rules of mediation set forth in Florida Statutes. The parties shall each bear 50% of the mediator's fee and filing and administration fees. The mediation shall be conducted at Space Florida's offices unless the parties agree to another location. A settlement reached in mediation shall be enforceable as a settlement agreement in any court having jurisdiction thereof.

g. **Jurisdiction and Venue**. Unless the parties agree otherwise at the time, a suit, action or proceeding with respect to this Shipyard Modernization Agreement shall be brought only in the Circuit Court of the 4th Judicial Circuit of Florida in Duval County. The parties accept the exclusive jurisdiction of that court for the purpose of any such suit, action or proceeding.

h. **Headings**. The headings contained in this Shipyard Modernization Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Shipyard Modernization Agreement.

i. **Counterparts.** This Shipyard Modernization Agreement may be executed in one or more counterparts, each of which will be deemed an original and all of which together will constitute one and the same instrument.

j. **Compliance with Federal, State, and Local Laws**.

i. In the performance of this Shipyard Modernization Agreement, the parties shall comply with all federal, state and local laws, rules and regulations, which may be applicable to this Shipyard Modernization Agreement.

ii. No party shall discriminate against any individual employed in the performance of this Shipyard Modernization Agreement because of race, sex, creed, color, handicap, national origin or marital status.

iii. Each party shall provide a harassment-free workplace, with any allegation of harassment given priority attention and action by management.

iv. Each party shall provide a drug-free workplace with any allegation of substance abuse given priority attention and action by management.

v. To the extent the Company is acting on behalf of Space Florida as provided under Subsection 119.011(2) of the Florida Statutes, Company shall:

a. Keep and maintain public records required by Space Florida to perform the services under this Shipyard Modernization Agreement.

b. Upon request from Space Florida's custodian of public records, provide Space Florida with a copy of the requested

records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the costs provided in Chapter 119 of the Florida Statutes or otherwise provided by law.

c. Ensure that public records that are confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of this Shipyard Modernization Agreement term and following completion of this Shipyard Modernization Agreement if the Company does not transfer the records to Space Florida.

d. Upon completion of this Shipyard Modernization Agreement, transfer, at no cost to Space Florida, all public records in possession of the Company or keep and maintain public records required by Space Florida to perform the service. If the Company transfers all public records to Space Florida upon completion of this Shipyard Modernization Agreement, the Company shall destroy any duplicate public records that are confidential and exempt from public records disclosure requirements. If the Company keeps and maintains public records upon completion of this Shipyard Modernization Agreement, the Company shall meet all applicable requirements of Florida law for retaining public records. All records stored electronically must be provided to Space Florida, upon request from Space Florida's custodian of public records, in a format that is compatible with the information technology systems of Space Florida.

e. If the Company fails to provide the public records to Space Florida within a reasonable time the Company may be subject to penalties under Section 119.10 of the Florida Statutes. Further, Space Florida may exercise any remedies at law or in equity, including the right to (i) impose sanctions and assess financial consequences, (ii) withhold and/or reduce payment, and (iii) terminate this Shipyard Modernization Agreement in accordance with the terms hereof.

f. The Company shall defend, at its own cost, indemnify, and hold harmless Space Florida and its officers, directors, and employees from and against all claims, damages, losses, and expenses, (including but not limited to fees and charges of attorneys or other professionals and court and arbitration or

other dispute-resolution costs) arising out of or resulting from the Company's failure to comply with the terms of this Section.

g. IF THE COMPANY HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE COMPANY'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS SHIPYARD MODERNIZATION AGREEMENT, CONTACT SPACE FLORIDA'S CUSTODIAN OF PUBLIC RECORDS, DESIREE MAYFIELD AT 321-695-5301, 505 Odyssey Way, Suite 300, Exploration Park, FL 32953. DMAYFIELD@SPACEFLORIDA.GOV.

vi. To provide for the mutual protection of confidential or exempt documents and information, the parties have executed a Non-Disclosure Agreement.

vii. The Company shall preserve all contract records and documents for the entire term of this Shipyard Modernization Agreement and for five years after the later of: (i) the date of submission of the Company's final Services, or (ii) until all claims (if any) regarding this Shipyard Modernization Agreement are resolved. During such period of time, Company shall retain and maintain all records and make such records available for a review and audit as may be requested by Space Florida. Space Florida may, at any time and for any reason whatsoever, review, audit, copy, examine and investigate records of Company, including papers, books, documents, and other supporting documentation related to the Project.

viii. Public Entity Crime Notice. The Company has at no time within three years prior to the effective date hereof been convicted of a public entity crime pursuant to Section 287.133(2)(a) of the Florida Statutes or listed on the state's discriminatory vendor list within three years prior to the date of this Shipyard Modernization Agreement. For services related to this Shipyard Modernization Agreement, the Company may not transact business with any public entity that has been placed on the discriminatory vendor list. A public entity crime means a violation of any state or federal law with respect to, and directly related to, the transaction of business with any public entity or agency (federal, state or local), involving antitrust, fraud, theft, bribery, collusion, racketeering, conspiracy,

forgery, falsification of records, receiving stolen property or material misrepresentation.

ix. E-Verify Employment. As long as required by Section 448.095 of Florida Statutes (or its successor legislation), Space Florida and JSR must remain registered with and must use the federal E-Verify system (or its replacement) in each party's hiring of new employees. Further, JSR must cause each of its "subcontractors" (as that term is used in section 448.095) to likewise be registered with and to use the E-Verify system in the subcontractor's hiring of new employees. The parties acknowledge that under subsection 448.095(2)(c) a failure to comply with the statute can result in a statutorily required termination of this Agreement or of a contract between JSR and its subcontractor.

x. Prohibition against Contingent Fees. The Company warrants it has not employed or retained any company or person, other than a bona fide employee working solely for the Company to solicit or secure this Shipyard Modernization Agreement and that it has not paid or agreed to pay any person, company, corporation, individual, or firm, other than a bona fide employee working solely for the Company any fee, commission, percentage, gift or other consideration contingent upon or resulting from the award or making of this Shipyard Modernization Agreement.

16. **Delivery; Title to Project Deliverables**. Space Florida shall take title to equipment and materials monthly as the Project progresses. Upon completion of the Project and all associated occupancy and operating permits, the Company shall promptly notify Space Florida of such. Space Florida and Company shall physically inspect the site and the Project Documentation to ensure compliance with the specifications for the Deliverables ("**Project Completion Audit**").

IN WITNESS WHEREOF, the parties hereto have executed this Shipyard Modernization Agreement as of the day and year first above written.

Space Florida:	**Company:**
By: _____	By: _____
Howard Haug, Executive Vice President	Print Name: Toby Borge Title: Project Representative / Project Poseidon

W&S Comments 4/19/23

W&S Comments 4/19/23

Exhibit A – Company's Accounting Disclosure Statement

W&S Comments 4/19/23

Exhibit B – Owner Controlled Insurance Program (OCIP)

OWNER CONTROLLED INSURANCE PROGRAM

1. Introduction:

BAE Systems, Inc. (hereinafter "Sponsor") will arrange for this project ("Project") to be insured under an Owner Controlled Insurance Program ("OCIP") to be administered by Willis, (the "OCIP Administrator"). With the exception of Excluded Parties (as defined below), all parties performing labor or services at the Project site are eligible to enroll in the OCIP and shall enroll in the OCIP.

The OCIP will provide to Enrolled Parties (as defined below) Commercial General Liability, and Umbrella/Excess Liability insurance (the "OCIP Coverages"), as summarily described herein, in connection with their operations at the Project Site (as defined by OCIP Policies). The OCIP Coverages do not include insurance for off-site activities.

This Agreement is hereby incorporated into, and made part of, those Plans, Specifications, General Conditions, Special Conditions and all Addenda thereto (the "Contract Documents") issued to Company in connection with its Work on the Project.

2. Enrolled Parties:

The OCIP shall cover Enrolled Parties only. Enrolled Parties are the following entities that have successfully enrolled:

(a) The Sponsor;
(b) Company and Subcontractors of all tiers, including temporary labor services and leasing companies; and
(c) Any other persons or entities as Sponsor may designate, in its sole discretion.

Enrolled Parties shall obtain and maintain, and shall require each of their Subcontractors of all tiers to obtain and maintain, the insurance coverage specified in Section 11 below.

Except as provided by applicable law, Sponsor's furnishing of OCIP Coverages shall in no way relieve or limit, or be construed to relieve or limit, any Enrolled Party of any responsibility, liability, or obligation imposed by the Contract Documents, the OCIP insurance policies, or by law, including, without limitation, any indemnification obligations which any Enrolled Party has to Sponsor, or any other party thereunder.

3. Excluded Parties:

The following "Excluded Parties" shall not be included in the OCIP, even if erroneously enrolled. Excluded Parties are:

(a) Contractors and any Subcontractors of any tier that do not perform any actual labor on the Project Site;
(b) Architects, surveyors, engineers, and soil testing engineers, and their consultants;
(c) Hazardous materials remediation, removal and/or transport companies and their consultants;
(d) Vendors, suppliers, fabricators, material dealers, truckers, haulers, drivers and others who merely transport, pick up, deliver, or carry materials, personnel, parts or equipment, or any other items or persons to or from the Project Site;
(e) Any party performing structural demolition or blasting;
(f) Mobile crane owners and/or operators whose sole scope of work involves the lifting or placement of materials or equipment for other contractors;
(g) Contractors whose sole scope of work includes Exterior Insulation and Finish Systems;
(h) Guard Services, janitorial services and food services;
(i) Any other parties whom the Sponsor elects, in its sole discretion, to exclude from the OCIP, even if otherwise eligible.

Excluded Parties shall obtain and maintain, and shall require each of their Subcontractors of all tiers to obtain and maintain, the insurance coverage specified in Section 12 below.

4. OCIP Coverages Governed Exclusively by the OCIP Policies:

The OCIP Coverages described and/or summarized in this Agreement and any other Contract Documents are set forth in full in the respective OCIP insurance policies (the "OCIP Policies"). The summary descriptions of the OCIP Coverages in this Agreement or the OCIP Manual are not intended to be complete or to alter or amend any provision of the actual OCIP Policies. In the event that any provision of this Agreement, the OCIP Manual, or the Contract Documents conflicts with the OCIP Policies, the provisions of the actual OCIP Policies shall govern.

5. Summary of OCIP Coverages:

OCIP Coverages shall apply only to Enrolled Parties and only to those operations of each Enrolled Party performed at the Project Site (as defined by the OCIP Policies) in connection with the Work.

The OCIP Coverages shall provide, subject to Section 4 above, at least the following insurance to Enrolled Parties:

(1) **Commercial General Liability Insurance** ISO Occurrence Form, or equivalent.

Each Occurrence Limit	$2,000,000
General Aggregate Limit	$4,000,000
[YEARS TBD] years Products & Completed Operations Extension	
Products & Completed Operations Aggregate	$4,000,000

This insurance is primary for occurrences at the Project Site (as defined in the CGL insurance policy).

The General Aggregate Limit Is not shared with other projects.

Products & Completed Operations Aggregate Limit is not shared with other projects. At Sponsor's discretion, Company shall be required to pay a sum of up to $25,000 for each occurrence, including court costs, claims adjustment expenses, attorney's fees and costs of defense for bodily injury or property damage, to the extent such losses payable under the OCIP Commercial General Liability Policy are attributable to Company's Work, acts or omissions, or the Work, acts or omissions of any of Company's Subcontractors, or any other entity or party for whom Company may be contractually or legally responsible ("General Liability Obligation"). The General Liability Obligation shall remain uninsured by Company and will not be covered by the OCIP Coverages.

(2) **Excess Liability Insurance** (General Liability)

Combined Single Limit	$[LIMIT TBD]
General Annual Aggregate	$[LIMIT TBD]
[YEARS TBD] years Products & Completed Operations Extension	
Products & Completed Operations Aggregate	$[LIMIT TBD]

The General Aggregate Limit is not shared with other projects.

Products & Completed Operations Aggregate Limit is not shared with other projects.

(3) **Company's Pollution Liability Insurance**

Combined Single Limit	$[LIMIT TBD]
General Annual Aggregate	$[LIMIT TBD]
[YEARS TBD] years Products & Completed Operations Extension	
Completed Operations Aggregate	$[LIMIT TBD]

The General Aggregate Limit Is not shared with other projects.

Completed Operations Aggregate Limit is not shared with other projects.

(4) **Builder's Risk Insurance** on an "All Risk" basis on the Project on a completed value basis, in the amount of the full insurable replacement cost.

6. OCIP Coverage Period:

The OCIP Coverages shall be effective following the Enrolled Party's successful enrollment, as deemed by the OCIP Administrator. Except as respects any completed operations coverage as described in this agreement (and as governed by the relevant OCIP Policies), and subject to Section 14 herein, coverage shall terminate upon expiration of the OCIP Policies (as set forth

in the OCIP Policies), notification by the OCIP Administrator, or the Enrolled Party's substantial completion of its work, whichever is earlier.

Parties no longer covered by the OCIP shall obtain and maintain, and shall require each of their Subcontractors to obtain and maintain, the insurance coverage specified in Section 11 below.

7. Evidence of OCIP Coverages:

The OCIP Administrator will issue Certificates of Insurance to each Enrolled Party evidencing Commercial General Liability and Umbrella/Excess Liability. Copies of the OCIP Policies will be made available by the OCIP Administrator to any Enrolled Party upon written request by that Enrolled Party.

8. Sponsor's Insurance Obligations:

(a) Sponsor shall pay the costs of premiums for the OCIP insurance policies and Sponsor will receive or pay, as the case may be, all adjustments to costs, whether by way of dividends, retroactive adjustments, return premiums, other moneys due, audits or otherwise.

(b) Sponsor assumes no obligation to procure insurance other than as specified in this Agreement.

(c) Sponsor reserves the right at its option, to furnish other insurance coverage of various types and limits provided that such coverage is not less than that specified in the Contract Documents.

9. Company Obligations:

(a) All parties, enrolled or excluded, shall incorporate the terms of this Agreement into all subcontract agreements.

(b) All eligible parties shall enroll in the OCIP and shall comply with all OCIP Administrator's instructions for properly enrolling in the OCIP.

(c) The following provisions apply to Enrolled Parties only:

i. Enrolled Parties shall comply with, and shall require all of its enrolled Subcontractors and Enrolled Party Subcontractors of all tiers to comply with, the OCIP Administrator's instructions for enrolling in the OCIP.

ii. Enrolled Parties shall maintain enrollment in the OCIP, and shall ensure all of its enrolled Subcontractors of all tiers enroll and maintain enrollment in the OCIP. Confirmation of enrollment from OCIP Administrator is required prior to commencement of any work.

iii. Enrolled Parties hereby assign to Sponsor the right to receive all adjustments to the cost of premiums for the OCIP Policies, and shall require that each of its Subcontractors of every tier assigns to Sponsor the right to receive all such adjustments.

iv. Enrolled Parties shall comply with all of the requirements set forth in this Agreement, the OCIP Manual, and the OCIP Policies.

v. Enrolled Parties shall provide to each Subcontractor of all tiers a copy of the OCIP Manual and shall ensure such Subcontractors' compliance with the provisions of the OCIP Policies (for Enrolled Parties), the OCIP Manual and this Agreement. The failure of an Enrolled Party to provide each of its enrolled Subcontractors with a copy of the same shall not relieve the Enrolled Party, or any such enrolled Subcontractors of any of the obligations contained therein.

vi. By entering into this Agreement, the Enrolled Party hereby acknowledges, and shall require each of its Subcontractors to acknowledge, in writing, that Sponsor and the OCIP Administrator are not agents, partners, or guarantors of the insurance companies providing the OCIP Policies (each individually referred to hereafter as "OCIP Insurer" and collectively, the "OCIP Insurers"), that neither the Sponsor nor the OCIP Administrator is responsible for any claims or disputes between or among Company, its Subcontractors, and any OCIP Insurer(s), and that neither Sponsor nor the OCIP Administrator guarantees the solvency, or the availability of limits, of any OCIP Insurer(s) or OCIP Policy(ies). Any type of insurance coverage or limits of liability in addition to the OCIP Policies that the Enrolled Party or its Subcontractors of any tier require for its or their own protection, or that is required by applicable laws or regulations, shall be Enrolled Party's or its Subcontractors' sole responsibility and expense, and shall not be billed to Sponsor.

vii. Enrolled Parties shall fully cooperate with, and require all of its Enrolled Subcontractors of all tiers to fully cooperate with, the OCIP Administrator and the OCIP Insurers, as applicable, in its or their administration of the OCIP including, but not limited to:

a. Attending meetings held in connection with the OCIP;
b. Complying with all administrative, insurance, and other requirements outlined in this Agreement;
c. Complying with and following the claim reporting procedures established in the OCIP;
d. Assisting and cooperating in every manner possible with the reporting, investigation, and adjustment of all claims and demands of all claims and/or demands which the Sponsor, Company, OCIP

Administrator, and/or OCIP Insurers are called upon to adjust or defend against arising out of operations at the Project Site.

viii. Enrolled Parties agree to release audit information and share claim data with Sponsor, the OCIP Administrator and the OCIP Insurer(s).

ix. Enrolled Parties shall provide, and require all of its Enrolled Subcontractors of all tiers to provide, within five (5) business days of Sponsor's or the OCIP Administrator's request, all documents or information as requested. Such information may include, but is not limited to, payroll records, certified copies of insurance policies, declaration pages of policies, rating pages, certificates of insurance, underwriting data, prior loss history information, insurance audits, safety records or history, OSHA citations, wage labor rates or such other data or information as Sponsor, the OCIP Administrator, or OCIP Insurers may request in the administration of the OCIP.

x. Any fines assessed by a governmental entity as the result of late enrollment shall be borne by the responsible enrolled entities.

10. <u>Bid Procedure – Net Bid</u>:

Compensation payable to the Company for performance of the work to be performed at the project site, will exclude all costs of insurance provided under the OCIP, as it relates to General Liability, and Umbrella/Excess. Each contractor warrants that all insurance premium calculations for work performed at the project site have been correctly identified and removed from their bids.

Costs for overlapping insurance coverage maintained by the enrolled parties will not be reimbursable.

All change orders will be submitted excluding the cost of insurance provided under the OCIP, and labor rates will be reduced to reflect the insurance reduction for work performed at the project site.

11. <u>Insurance Required all Parties:</u>

General Contractor shall purchase and maintain for all times during the performance of the Work and the term of this Agreement and for such extended term as required, at its sole expense, the following insurance, from companies authorized to do business in the state and jurisdiction where the Project is located.

General Contractor must ensure that its Subcontractors or delegates have comparable insurance with limits as shown below, unless the BAE Systems consents in writing to an exception.

Enrolled Parties shall provide the following insurance, as more particularly detailed in Section 12:

(a) For all operations off the Project Site (as defined by the OCIP Policies):
1. General Liability and Excess Liability insurance;

(b) For all operations, both on and off the Project Site,
1. Automobile Liability insurance,
2. Workers' Compensation and Employers Liability,
3. Excess Liability
4. Property insurance; and

(c) For all operations both on and off the Project Site after substantial completion of the Enrolled Party's Work: Automobile Liability, Worker's Compensation and Employer's Liability, General Liability and Excess Liability insurance;

Excluded Parties shall provide the following insurance, as more particularly detailed in Section 12:

For all operations on and off the Project Site:
1. General Liability and Excess Liability insurance;
2. Automobile Liability insurance,
3. Workers' Compensation and Employers Liability,
4. Excess Liability
5. Property insurance; and

12. Insurance Requirements:

A. Commercial Automobile Liability – Company shall provide and carry Automobile Liability insurance, (with no exclusion for terrorism), for all owned, non-owned and hired vehicles with limits of not less than $1,000,000 Combined Single Limit each occurrence for bodily injury and property damage to the extent that such vehicles are used to transport employees or other workers and materials to and from Project site. This insurance coverage must include all automotive and truck equipment used in the performance of the Work, both on and off the Project Site, including the loading, unloading and maintenance of such vehicles. The commercial automobile policy shall be further endorsed to:

a. Include BAE Systems, Inc. and its, subsidiaries, directors, officers and employees as additional insured on a primary and non-contributing basis.
b. A waiver of subrogation in favor of BAE Systems, Inc. and its, subsidiaries, directors, officers and employees.
c. Include an MCS-90 endorsement if the contractor or subcontractor hauls hazardous materials or waste

B. **Workers' Compensation and Employers Liability** - Company shall provide and carry Workers' Compensation insurance and Employers Liability insurance, with coverage, limits and coverage extensions as follows:

a. Workers Compensation insurance complying with the statutory requirements of the jurisdiction in which the Project is located and the Work is performed
b. Employers Liability insurance with limits of $1,000,000 bodily injury by accident (each accident); $1,000,000 bodily injury by disease (policy limit); and $1,000,000 bodily injury by disease (each employee)
c. A waiver of subrogation in favor of BAE Systems, Inc. and its, subsidiaries, directors, officers and employees.
d. All sole proprietors, partners, officers, executives, and members shall not be excluded from coverage. Any person that elects to exclude themselves from coverage shall not be allowed at the Project.

Terms and conditions shall include:

- USL&H – where applicable.
- Jones Act – where applicable.
- All states endorsement - where applicable.
- Certificate must clearly identify that coverage applies in the State in which the Project is located.

C. **Commercial General Liability** - Company shall provide and carry "Occurrence Based" Commercial General Liability ("CGL") insurance using the Insurance Service Office (ISO) policy form CG 00 01 04 13 or such form as provides equivalent coverage, (with no exclusion for terrorism), including Broad Form Property Damage, Premises and Operations coverage, Products and Completed Operations coverage, Personal Injury coverage, and Blanket Contractual Liability coverage. Required coverage limits, which will not be eroded by defense costs, will be: $1,000,000 Per Occurrence; $2,000,000 General Annual Aggregate (Other than Products/Completed Operations); $2,000,000 Products/Completed Operations Annual Aggregate; and $1,000,000 Personal and Advertising Injury Limit per Occurrence and in the Annual Aggregate. The Commercial General Liability Policy shall be further endorsed to:

a. To the fullest extent permitted by law, provide additional insured coverage to BAE Systems, Inc. and its, subsidiaries, directors, officers and employees using ISO additional insured endorsements CG 20 10 04 13 and CG 20 37 04 13 or their equivalent endorsements and shall include ongoing and completed operations coverage
b. Coverage available to the additional insureds shall apply on a primary and non-contributing basis as respects any other insurance, deductibles, or self-insurance available to the additional insureds
c. Coverage available to the additional insured will be $1,000,000 per occurrence or the full per occurrence limit of liability, whichever is greater

d. Coverage available to the additional insured shall be at least as broad as that afforded to the first named insured
e. A waiver of subrogation in favor of BAE Systems, Inc. and its, subsidiaries, directors, officers and employees
f. The Annual Aggregate shall apply on a per project basis
g. Defense costs shall be in addition to and not erode the limits of liability

General liability coverage shall be maintained and the Company shall provide completed operations coverage for a period of five (5) years following Final Completion of the Project or for the period equal to the Statute of Repose in the jurisdiction where the Project is located, whichever is longer.

Policies for Company and Subcontractors shall not contain exclusions for coverage of any of the following: Multi-Residential Construction, Apartment Construction, Explosion, Collapse and Underground hazard; contractual coverage for work within 50 feet of railroad property, State and Political subdivision.

D. **Umbrella / Excess Liability** - Company shall provide and carry an "Occurrence Based" Excess Liability (Umbrella) insurance, (with no exclusion for terrorism), which shall be written on no less than a follow form above the general liability, automobile liability, and employers liability coverages required by this Exhibit. As respects the General Company, the minimum required limits will be $25,000,000 per occurrence and in the annual aggregate, including coverage for Products Liability and Completed Operations. As respects lower tier Subcontractors, the minimum required limits will be $5,000,000 per occurrence and in the annual aggregate. The Umbrella / Excess Liability Policy shall be further endorsed to:

a. To the fullest extent permitted by law, provide additional insured coverage to BAE Systems, Inc. and its, subsidiaries, directors, officers and employees for the ongoing and completed operations of the Company
b. Coverage available to the additional insureds shall apply on a primary and non-contributing basis as respects any other insurance, deductibles, or self-insurance available to the additional insureds
c. Further, the amount of insurance available to the additional insured shall be for the full amount of the loss up to policy limits of liability and shall not be limited to any minimum requirements stated above.
d. Coverage available to the additional insured shall be at least as broad as that afforded to the first named insured and as broad as the coverage provided by the underlying insurance
e. A waiver of subrogation in favor of BAE Systems, Inc. and its, subsidiaries, directors, officers and employees.
f. The Annual Aggregate shall apply on a per project basis
g. Defense costs shall be in addition to and not erode the limits of liability

The General Liability, Employers' Liability, and Automobile Liability limit requirements may be met by primary coverage or combination of primary and umbrella/excess liability policies.

Umbrella / Excess Liability coverage shall be maintained and the Company shall provide completed operations coverage for a period of five (5) years following Final Completion of the Project or for the period equal to the Statute of Repose in the jurisdiction where the Project is located, whichever is longer.

Policies for Company and Subcontractors shall not contain exclusions for coverage of any of the following: Multi-Residential Construction, Apartment Construction, Explosion, Collapse and Underground hazard; contractual coverage for work within 50 feet of railroad property, State and Political subdivision.

E. **Professional Errors and Omissions (E&O).** If the Agreement includes design or engineering activities, Company shall provide Professional Liability Insurance (including but not limited to contractual liability coverage), with a retroactive date prior to commencement of work on the Project, to cover claims arising out of the performance of professional services caused by the negligent acts, error, or omissions of the Company. Company shall provide minimum limits of $1,000,000 per claim and $3,000,000 in the aggregate. Insurance shall be maintained for a period of not less than four (4) years after final completion of the entire Project (regardless of any earlier completion of the Work) or such longer period as may be required by BAE Systems, Inc. and its, subsidiaries, directors, officers and employees.

F. **Property and Company's equipment insurance.** The Company shall procure and maintain at the Company's own expense, insurance to cover the replacement cost value of all contractor's and contractor's employees owned or leased property tools and equipment brought onto BAE Systems' locations, including but not limited to hoists, sheds, tools, scaffolds and other construction equipment.

General Requirements For Company-Provided Insurance

The aforementioned Company-provided insurance policies must be maintained with insurers having a minimum A.M. Best rating of "A-VII" throughout the term of this Agreement and as otherwise stated herein. All of the aforementioned Company-provided insurance coverage shall be primary to and noncontributory with any coverage BAE Systems, Inc. may have. Company shall be responsible for all defense costs and deductibles in the event that their policies do not cover same.

Additional Insureds on all policies and waivers of subrogation for the benefit of the parties required by this exhibit shall include BAE Systems, Inc. and its, subsidiaries, directors, officers and employees.

All required policies shall provide BAE Systems, Inc. with 30 days' written notice of any cancellation, interruption or material reduction in coverage.

Company shall provide BAE Systems, Inc. a Certificate(s) and copies of specific policy forms and endorsement (including Additional Insured, Waiver of Subrogation and Written Notice of Cancellation) required herein prior to commencing the Work, evidencing the coverages described herein. Company is responsible for ensuring that certificates and endorsements provided to Owner accurately reflect the coverage required herein and are current and in effect for all periods required herein. Replacement Certificates of Insurance shall be provided for all required insurance that is renewed or replaced during the term of this Agreement within five (5) calendar days of renewal or replacement. Certificates of Insurance evidencing the continuation of completed operations coverage for the required period following completion of the Work shall be provided upon any renewal or replacement.

The insurance requirements under this Exhibit are considered minimum. BAE Systems, Inc. assumes no responsibility for the adequacy of the insurance in covering the Company and Subcontractors for potential liabilities under this Agreement. Additionally, the requirements for insurance described herein shall in no way be interpreted as relieving, reducing or limiting the Company or Subcontractors of any responsibility or liability, including the Company's obligation to indemnify and defend BAE Systems, Inc., required under this Agreement.

Should insurance coverage procured by the Company and Subcontractors in compliance with these requirements have a reduction in coverage below the minimum requirements, Company shall immediately inform BAE Systems, Inc. of the reduction in coverage and report on the steps taken by the Company and Subcontractors to immediately restore coverage at the required levels. For any required coverage that is subject to a Policy Limit of Liability, Company shall notify BAE Systems, Inc. that the insurance is subject to a Policy Limit of Liability. Should any required coverage subject to an Aggregate Limit of Liability be eroded, the Company shall notify BAE Systems, Inc. of such impairment and shall immediately take steps, at Company's sole expense, to restore both per occurrence and aggregate limits of liability to the minimum required amounts. In the event that the Company fails to maintain the coverages or limits as required herein, BAE Systems, Inc. has the right, but not the obligation, to purchase the required insurance. Any premiums or costs incurred by BAE Systems, Inc. to affect such coverage shall be payable by the Company or offset by any amounts payable to the Company.

The acceptance of Certificate(s) of Insurance by BAE Systems, Inc., or its representative, does not constitute approval or agreement by BAE Systems, Inc. that the insurance requirements have been met or that the insurance coverage provided is in compliance with the requirements of this Agreement.

a. Notice to Insurers

Company is responsible for notifying its insurance carriers in the event of a loss or potential loss involving coverage for the additional insureds. However, this does not prohibit any additional insureds from reporting a claim directly to Company's insurance carriers.

b. OCIP Exclusion Limitation

If any party's insurance includes an exclusion tied to owner controlled insurance programs (a.k.a. "wrap-ups" or "OCIPs") or other project-specific insurance, it may apply only to the extent of coverage available to that party under the OCIP or other Sponsor-provided insurance. Such exclusion may not be broader than what the OCIP or such other Sponsor-provided insurance actually covers.

c. Waiver of Claim/Waiver of Subrogation/Waiver of Transfer of Rights of Recovery:

Company waives its right to recover from BAE Systems, Inc. and any additional insured for all claims required to be covered by insurance required under this Agreement. All insurance policies required by this Agreement shall include a waiver of subrogation and any other rights of recovery by the insurer in favor of BAE Systems, Inc. and all parties that Company is required to name as additional insured.

13. Company's Representations and Warranties to Sponsor:

Company represents and warrants to Sponsor, and shall use its best efforts to ensure that each of its Subcontractors of every tier represent and warrant to Sponsor, that:

(a) All information they submit to Sponsor, or to the OCIP Administrator, shall be accurate and complete.
(b) Enrolled Companies have the opportunity to read and analyze copies of the OCIP insurance policies that are on file in Sponsor's office, and that they understand the OCIP Coverages. Any reference or summary in the Contract, this Agreement, the OCIP Manual, or elsewhere in any other Contract Document as to amount, nature, type, scope, or extent of OCIP Coverages and/or potential applicability to any potential claim or loss is for reference only. Company and its Subcontractors of all tiers have not relied upon said reference, but solely upon their own independent review and analysis of the OCIP insurance policies in formulating any understanding and/or belief as to amount, nature, type or extent of any OCIP insurance policies and/or its potential applicability to any potential claim or loss.
(c) Company acknowledges that Sponsor shall not pay or compensate Company or any Subcontractor of any tier, in any manner, for the costs of OCIP insurance policies.

14. Sponsor's Election to Modify or Discontinue the OCIP:

Sponsor may, for any reason, modify the coverage provided by the OCIP insurance policies, discontinue the OCIP or any part thereof, or request that Enrolled Parties or any of its Enrolled Subcontractors of any tier withdraw from the OCIP upon thirty (30) days written notice. Upon such notice Company and/or one or more of its Enrolled Subcontractors, as specified by Sponsor in such notice, shall obtain and thereafter maintain during the performance of the Work, all (or a portion thereof as specified by Sponsor) of the OCIP Coverages. The form, content, limits of liability and the insurer

issuing such replacement insurance shall be subject as set forth in Section 12 of this agreement for both on-site and off-site operations. The cost of the replacement insurance shall be at Sponsor's expense, but at costs agreed by the Sponsor

15. Withholding Payment:

Sponsor may withhold from any payment owed or owing to Company or its Enrolled Subcontractors of any tier the Costs of OCIP Coverages for Enrolled Parties if they are included in a request for payment. In the event that an audit of Company's records and information as permitted in the Contract, this Agreement, or in other Contract Documents reveals a discrepancy in the insurance, payroll, safety, or any other information required by the Contract Documents to be provided by Company to Sponsor, or to the OCIP Administrator, Sponsor shall have the right to full deduction from the Contract Price/Contract Sum of all such Costs of OCIP Coverages and all audit costs. Audit costs shall include, but shall not be limited to, the fees of the OCIP Administrator, and the fees of attorneys and accountants conducting the audit and review. If the Company or its Subcontractors of any tier fail to timely comply with the provisions of this Agreement, Sponsor may withhold any payments due to Company and/or its Subcontractors of any tier until such time as they have performed the requirements of this Agreement. Such withholding by Sponsor shall not be deemed to be a default under the Contract Documents.

16. Waiver of Claims/Subrogation:

Where permitted by law, Company hereby waives all rights of recovery because of deductible clauses, inadequacy of limits of any insurance policy, limitations or exclusions of coverage, or any other reason, against Sponsor, the OCIP Administrator, it's or their officers, agents, or employees, and any other Company or Subcontractor performing Work or rendering services on behalf of Company in connection with the planning, development and construction of the Project. All insurance maintained by Company or Subcontractor of any tier in conformity with this Agreement must waive all rights of recovery by subrogation against Sponsor and all other parties required by this Agreement to be additional insureds. Such waiver of rights of recovery and subrogation must be effective as to any individual or entity even if such individual or entity (a) would otherwise have a duty of indemnification, contractual or otherwise, (b) did not pay the insurance premium directly or indirectly, and (c) whether or not such individual or entity has an insurable interest in the property damaged.

EXHIBIT E
to
Space Florida Board of Directors
Resolution No. 23-43

Working Capital Facility Agreement

BAE Draft April 19

BAE SYSTEMS JACKSONVILLE SHIP REPAIR LLC as *Lender*

AND

SPACE FLORIDA *as Borrower*

WORKING CAPITAL FACILITY AGREEMENT

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This Working Capital Facility Agreement is made on

Between

(1) **BAE Systems Jacksonville Ship Repair LLC,** a Delaware limited liability company (Company registered number 4198809) whose registered office is at 8500 Heckscher Dr, Jacksonville, FL 32226 (**Lender**); and

(2) **Space Florida,** an independent special district, a body politic and corporate, and a subdivision of the State of Florida (**Borrower**).

Background

A. Lender and Borrower have entered into a Shipyard Modernization Agreement (**SMA**) in relation to the installation of a ship-lift facility (**the Project**), under which Lender agrees to provide services to Borrower, including design, installation and procurement services.

B. Borrower is raising funding for the Project via the issuance of Notes. Prior to receipt of such funding, Lender agrees to make funding available to Borrower, acting as owner's representative under the SMA, by incurring costs on its own account on behalf of Borrower for the benefit of the Project. Such costs will be recorded as Advances under this Agreement.

C. A portion of the proceeds of the Notes issuance will be paid to Lender and Lender will apply such proceeds in accordance with Clause 6.1 of this Agreement.

It is agreed

1 DEFINITIONS

1.1 In this Agreement:

Advance means a Project payment made by Lender on behalf of Borrower under the Facility;

Agreement means this Working Capital Facility agreement;

Availability Period means the period from the date of this Agreement up to and including the date that the proceeds of the Notes are received;

Business Day means a day (other than a Saturday or Sunday) on which banks are open for business generally in New York;

Cash Services Agreement means the agreement dated on or around the date hereof and entered into between the Borrower and the Lender for purposes of managing the proceeds of the Notes;

Default Rate has the meaning given to it in Clause 8.3 (Default Interest);

Drawdown Date means the date, being a Business Day, on which the relevant Advance is made under this Agreement, pursuant to Clause 5 (Drawdown);

Event of Default means an event specified as such in Clause 12 (Default);

Facility means the facility made available by the Lender to the Borrower hereunder subject to the terms and conditions contained in this Agreement;

Interest Period means a single six (6) month interest period commencing on the relevant Drawdown Date for such Advance;

Margin means seventy five (75) basis points;

Notes means senior secured notes issued under the NPA;

NPA means the Note Purchase Agreement dated [X] 2023 under which the Borrower will issue the Notes;

Party means a party to this Agreement and includes its successors in title, permitted assigns and permitted transferees;

Tax means any present or future tax, levy, impost, duty, charge, assessment or fee of any nature (including interest, penalties and additions thereto) that is imposed by any government or other taxing authority;

Tax Deduction means a deduction or withholding for or on account of Tax from a payment under this Agreement;

Term SOFR means the percentage rate per annum published by CME Group Benchmark Administration Limited (or a successor administrator) for the relevant period not later than 5:00 pm (New York City time) two (2) U.S. Government Securities Business Days prior to the first day of an Interest Period (or, in the event that this rate is discontinued, the successor benchmark to the rate or another officially published local benchmark rate as determined in the Lender's reasonable discretion);

Total Commitments means [two hundred one million four hundred thousand US Dollars] ($201.4M]);

US Dollars or **$** means United States Dollars; and

U.S. Government Securities Business Days means (a) any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which the Securities Industry and Financial

Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

2 THE FACILITY

2.1 Subject to the terms and conditions contained in this Agreement, the Lender makes available to the Borrower during the Availability Period a term loan facility in an amount not exceeding the Total Commitments.

3 PURPOSE

3.1 The Borrower has requested the Lender to make Advances available for the purpose of meeting its obligations under the SMA in relation to the Project and the Borrower shall apply the Advances solely for that purpose.

4 AVAILABILITY

4.1 The Facility will be made available by the Lender to the Borrower during the Availability Period in one or more Advances not exceeding the Total Commitments less any Advance then outstanding hereunder.

5 DRAWDOWN

5.1 Lender agrees to make funding available to Borrower, acting as owner's representative under the SMA, by incurring costs on its own account on behalf of Borrower for the benefit of the Project. Such costs will be recorded as Advances under this Agreement.

6 REPAYMENT AND REBORROWING

6.1 Repayment

The Borrower shall repay each Advance, together with any other amounts outstanding under this Agreement, to the Lender in one (1) lump sum repayment when the proceeds of the Notes issuance are received. The proceeds of the Notes shall be paid to Lender as a Deposit (as defined therein) under the Cash Services Agreement between the Parties. Lender shall apply such Proceeds firstly in repayment of any amounts outstanding under this Agreement.

6.2 Source of payment and repayment

The sole source of payment and repayment by the Borrower of all amounts due hereunder or in connection herewith, including (but not limited to) indemnification under Clause 14, is the proceeds of the Notes; provided that if the Notes are never issued by the Borrower, the Borrower shall apply the lease rentals payable by the Lender under the ship-lift facility equipment lease between the Lender and the Borrower to the repayment of all amounts due hereunder or in connection herewith. Except as set forth in the immediately preceding sentence, the Lender shall not be

entitled to payment or repayment hereunder from any other funds, source of funds, or assets of the Borrower. Payments coming due under or in connection with this Agreement are without recourse to the Borrower.

7 PREPAYMENT

7.1 Voluntary Prepayment

The Borrower shall have the option at any time and by giving not less than five (5) Business Days' prior written notice (or such shorter period as may be agreed) to the Lender to prepay the whole or any part of an Advance.

7.2 Miscellaneous

(a) Any notice of prepayment given by the Borrower to the Lender under Clause 7.1 (Voluntary Prepayment) shall be irrevocable and shall specify the date or dates upon which the relevant prepayment is to be made and the amount of that prepayment.

(b) Any prepayment under this Agreement shall be made together with accrued interest thereon and (other than in the case of a prepayment under Clause 10.3 (Taxes)) any indemnity costs as specified by the Lender to the Borrower.

8 INTEREST

8.1 Calculation of Interest

The Borrower shall pay interest to the Lender on each Advance at the rate per annum determined by the Lender to be the aggregate of (a) the Margin and (b) Term SOFR. The aggregate rate of interest determined by the Lender shall be promptly advised to the Borrower by the Lender.

8.2 Payment of Interest

All interest will accrue day to day and be calculated on the actual number of days elapsed on a 360 day year basis. Interest shall be due and payable by the Borrower on the last day of the Interest Period for such Advance (or, if earlier, at the end of the Availability Period) and will automatically accrue and be capitalized into the principal amount of such Advance, and shall thereafter be deemed to be a part of the principal amount of this Advance.

8.3 Default Interest

If the Borrower fails to pay any amount payable by it under this Agreement on its due date, interest (compounded monthly) shall accrue on the overdue amount from the due date up to and including the date of actual payment (both before and after judgement) at a rate per annum which is equal to the rate described in Clause 8.1 (Calculation of

Interest) above for such periods as the Lender may select, plus two (2) per cent (**Default Rate**). Any interest accruing under this Clause 8.3 shall be immediately payable by the Borrower on demand from the Lender.

9 PAYMENTS

9.1 Place and Funds

All payments by the Borrower to the Lender under this Agreement shall be made to the Lender to its account at such bank as it may notify to the Borrower for that purpose.

9.2 Currency

(a) A repayment or prepayment of an Advance or any part of an Advance and any interest on an Advance shall be made in US Dollars.

(b) Amounts payable in respect of costs, expenses and taxes and the like shall be made in US Dollars.

(c) Any other amount payable under this Agreement is, except as otherwise provided in this Agreement, payable in US Dollars.

9.3 Set-off and Counterclaim

All payments made by the Borrower hereunder shall be made without set-off or counterclaim.

9.4 Non-Business Days

(a) If a payment under this Agreement is due on a day which is not a Business Day, the due date for that payment shall instead be the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).

(b) During any extension of the due date for payment of any principal under this Agreement interest is payable on that principal at the rate payable as at the original due date.

10 TAXES – NOT APPLICABLE

11 ILLEGALITY

If it becomes unlawful or contrary to any regulation for the Lender to give effect to any of its obligations as contemplated by this Agreement or to fund or maintain any Advance, then the Lender may notify the Borrower accordingly and thereupon the Borrower shall, to the extent required and within the period allowed by such law or regulation or, if no period is allowed, forthwith repay all of the Advances together with all other amounts payable by it to the Lender under this Agreement.

12 DEFAULT

12.1 Events of Default

Each of the following events is an Event of Default:

(a) the Borrower fails to pay within five (5) Business Days any amount payable by it under this Agreement in respect of principal or interest at the place and in the currency in which it is expressed to be payable; or

(b) the Borrower fails to comply with any provision of this Agreement (other than those referred to in (a) above) and, if that default is capable of remedy, the Borrower fails to cure that default within thirty (30) Business Days of the Lender giving written notice to it requiring remedy; or

(c) the Borrower is unable to pay its debts generally as they fall due; or

(d) a resolution is passed at a meeting of the Borrower for (or to petition for) its winding-up or administration, or the Borrower presents any petition for its winding-up or administration, or an order for the winding-up or administration of the Borrower is made (unless in each case it is a voluntary solvent winding-up, amalgamation, reconstruction or reorganisation or part of a solvent scheme of arrangement); or

(e) the Borrower agrees to any kind of composition, rescheduling, scheme, compromise or arrangement involving it and its creditors generally (or any class of them) as a result of financial difficulties; or

(f) any administrative or other receiver or any manager of all or substantially all of the assets of the Borrower is appointed or an encumbrancer takes possession of, or any execution or distress is levied against, all or substantially all of the assets of the Borrower and which is not paid out or discharged within thirty (30) days after such appointment, taking possession or levy; or

(g) there occurs in any country or territory in which the Borrower carries on business or to the jurisdiction of whose courts it or any of its assets are subject, any event which corresponds in that country or territory with any of those mentioned in (c) to (f) above.

12.2 Notification

The Borrower shall immediately notify the Lender of the occurrence of an Event of Default.

12.3 Acceleration

On and at any time after the occurrence of an Event of Default, **provided that** the event is continuing, the Lender may by notice to the Borrower:

(a) declare any outstanding Advances to be forthwith due and payable together with all accrued interest thereon and all other amounts payable under this Agreement and the same shall thereupon become due and payable; and/or

(b) cancel the Total Commitments.

Any notice given under this Clause will take effect in accordance with its terms.

13 SET-OFF

13.1 After the occurrence of an Event of Default which is continuing, the Lender may set-off any matured obligation owed by the Borrower under this Agreement against any obligation (whether matured or not) owed by the Lender to the Borrower. If the obligations are in different currencies, the Lender may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off. If either obligation is unliquidated or unascertained, the Lender may set off in an amount estimated by it in good faith to be the amount of that obligation.

14 INDEMNITY

14.1 The Borrower shall indemnify the Lender against any and all loss or expense which the Lender shall certify as sustained or incurred by it as a consequence of any prepayment of an Advance (other than in the case of a prepayment under Clause 10.3 (Taxes)) or the occurrence of any Event of Default including, but not limited to, any loss or expense sustained or incurred in connection with borrowing monies from third parties to effect or maintain the Advance or any relevant part thereof. The certificate of the Lender as to the amount of such loss or expense shall be conclusive.

15 ASSIGNMENT

15.1 The Borrower shall not without the prior written consent of the Lender assign or transfer any or all of its rights and/or obligations under this Agreement.

15.2 The Lender shall not without the prior written consent of the Borrower assign or transfer any or all of its rights and/or obligations under this Agreement **provided that** such consent shall not be unreasonably withheld or delayed.

16 SEVERABILITY

16.1 If any of the provisions of this Agreement are found to be invalid, illegal or unenforceable this shall not affect the validity of the remaining provisions. In the event of such occurrence, the Parties shall, in so far as it is legally permitted, agree on the replacement of the relevant provision with a valid one achieving the same or a similar purpose.

17 COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall constitute an original of this Agreement, but all the counterparts shall together constitute the same agreement.

18 LAW AND JURISDICTION

The terms of this Agreement shall be construed and enforced in accordance with the laws of the State of Florida, without reference to conflict of law provisions, and all litigation arising under this Agreement shall be brought in the Circuit Court for the Fourth Judicial Circuit of Florida in Duval County, Florida, applying Florida law.

Signed by the Parties or their duly authorised representatives on the date of this Agreement.

……
Signed for and on behalf of **BAE Systems Jacksonville Ship Repair LLC**
Name:
Title:

Space Florida

By:……
Name:
Title:

EXHIBIT F
to
Space Florida Board of Directors
Resolution No. 23-43

Cash Services Agreement

BAE Draft April 19

BAE SYSTEMS JACKSONVILLE SHIP REPAIR LLC as *Cash Manager*

AND

SPACE FLORIDA *as Depositor*

CASH SERVICES AGREEMENT

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This Cash Services Agreement is made on

BETWEEN:

(1) **BAE SYSTEMS JACKSONVILLE SHIP REPAIR LLC,** a Delaware limited liability company (Company registered number 4198809) whose registered office is at 8500 Heckscher Dr, Jacksonville, FL 32226 (the ***Cash Manager***); and

(2) **SPACE FLORIDA** an independent special district, a body politic and corporate, and a subdivision of the State of Florida (the ***Depositor***).

WHEREAS:

(A) Depositor and Cash Manager have entered into a Shipyard Modernization Agreement (***SMA***) in relation to the installation of a ship-lift facility (***the Project***), under which Cash Manager agrees to provide services to Depositor, including design, installation and procurement services.

(B) Depositor is raising funding for the Project via the issuance of Notes. Prior to receipt of such funding, Depositor and Cash Manager have entered into the Working Capital Facility Agreement.

(C) A portion of the proceeds of the Notes issuance will be paid to Cash Manager as a Deposit under this Agreement. Cash Manager will apply such Deposit for the benefit of the Project in accordance with Clause 2.1 of this Agreement.

NOW THEREFORE, the parties agree as follows:

1. Definitions and Interpretation

1.1 In this Agreement:

Affiliate means a direct or indirect subsidiary of, or a legal entity controlled directly or indirectly by, BAE Systems plc;

Agreement means this Cash Services Agreement;

Business Day means a day other than a Saturday or Sunday on which banks are generally open for business in New York;

Cash Services has the meaning given to it in Clause 2.1;

Collateral Agency, Security and Account Agreement means that certain Collateral Agency, Security and Account Agreement dated as of [____], 2023 among the Cash Manager, the Depositor, [Citibank, N.A.], as Collateral Agent and account bank, and the Secured Parties (as defined therein)

Deposit has the meaning given to it in the recitals to this Agreement provided that a Deposit is deemed to be made on the date that the cash is credited to the Cash Manager's nominated bank account;

Notes means the senior secured notes issued under the NPA;

NPA means the Note Purchase Agreement dated [X] 2023 under which the Depositor will issue the Notes;

Term SOFR means the percentage rate per annum published by CME Group Benchmark Administration Limited (or a successor administrator) for the relevant period not later than 5:00pm (New York City time) two (2) U.S. Government Securities Business Days prior to the first day of an Interest Period (or, in the event that this rate is discontinued, the successor benchmark to the rate or another officially published local benchmark rate as determined in the Cash Manager's reasonable discretion);

US Dollars or $ means United States Dollars;

U.S. Government Securities Business Days means (a) any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities; and

Working Capital Facility Agreement means the agreement dated on or around the date hereof and entered into between the Depositor and the Cash Manager for purposes of making funding available to Depositor for the benefit of the Project.

1.2 The Cash Manager may perform its obligations under this Agreement itself or through its Affiliate(s), and in the latter case the Cash Manager shall ensure that the relevant Affiliate(s) performs such obligations.

2. Cash Services

2.1 Subject to Clause 6, the Cash Manager agrees to receive the Deposit and apply such Deposit firstly in repayment of any amount outstanding under the Working Capital Facility Agreement and secondly in payment of costs incurred by Cash Manager, acting as owner's representative under the SMA, for the benefit of the Project (together with the other obligations placed on the Cash Manager under this Agreement, the ***Cash Services***), including, without limitation, (i) the payment of interest due and payable on the Notes under the NPA during the installation of the Project, (ii) the payment of fees, costs and expenses due and payable to Citibank, N.A. as (I) collateral agent, under the terms of the Collateral Agency, Security and Account Agreement, and (II) paying agent and registrar, under that certain Paying Agent and Registrar Agreement dated as of [_____], 2023 among Citibank, N.A., the Depositor, and BAE Systems plc, respectively, and (iii) other miscellaneous Project-related costs.

3. NOT USED

4. Interest

4.1 The parties agree that the Deposit will bear interest at Term SOFR minus an arm's length margin of 12.5 basis points on the basis of a year (the ***Margin***). The Cash Manager may adjust the Margin on a periodical basis with prospective application to ensure it remains arm's length.

4.2 The Cash Manager shall periodically notify the Depositor of the applicable Margin (and any related updates). The rate notified by the Cash Manager shall be deemed to be binding on the Cash Manager and the Depositor unless expressly rejected by the Depositor immediately upon receipt of the notification referred to in this Clause 4.2, in which case the parties will agree in good faith the applicable rate or otherwise terminate this Agreement in accordance with Clause 8.

4.3 Any adjustment to the Margin pursuant to this Clause 4 shall be notified by the Cash Manager to the Depositor in accordance with Clause 4.2.

4.4 In respect of interest accrued for the previous month, a credit will be added to the principal balance of the Deposit as increased by any accrued interest from time to time in accordance with this Agreement on the first Business Day of each month.

5. Net Interest/Withholding Taxes

5.1 All payments of interest made under this Agreement shall be reduced by the amount of any applicable withholding or similar taxes.

5.2 The Cash Manager shall be responsible for depositing the correct amount of such taxes on such interest payments with the appropriate government authority. The Cash Manager shall be required to furnish the Depositor in a timely manner with a copy of all official tax receipts, or other appropriate documentation if official tax receipts are not available, relating to withholding taxes imposed on interest payments due to the Depositor.

6. Payments

6.1 The Deposit shall be paid (upon the funding of the Notes and the repayment in full of all amounts outstanding under the Working Capital Facility Agreement) into the following bank account held by the Cash Manager:

Bank:
SWIFT Code:
Account:
Account number:

IBAN:

6.2 A payment or any part of a payment and any interest due under this Agreement shall be made in US Dollars. Amounts payable in respect of costs, expenses and taxes and the like shall be made in US Dollars.

6.3 If a payment under this Agreement is due on a day which is not a Business Day, the due date for that payment shall instead be the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).

7. NOT USED

8. Termination

8.1 This Agreement shall come into force and effect from the date of this Agreement and shall terminate on completion of the Project (unless terminated before then by the Cash Manager or the Depositor giving written notice to the other in accordance with Clause 11).

8.2 Termination of this Agreement shall be without prejudice to any accrued rights or obligations of the parties up to the date of termination or the continuation of any provision which implicitly survives termination.

9. Effect of Termination

9.1 Any funds remaining under this Agreement upon completion of the installation of the Project will be applied in satisfaction of the immediately succeeding semi-annual payment(s) owing in respect of Depositor's obligations under the Notes and the Collateral Agency, Security and Account Agreement, with a corresponding reduction in lease rentals payable by Cash Manager under the ship-lift facility equipment lease between the parties.

10. Assignment

10.1 Subject to Clause 10.2, neither party shall assign any of its rights or transfer any of its rights and/or obligations under this Agreement without the consent of the other party.

10.2 The Cash Manager may assign any of its rights, or transfer (by novation or otherwise) any of its rights and/or obligations and/or any or all of the amount(s) or fractions thereof under this Agreement to an Affiliate.

10.3 The Depositor gives its consent to any assignment or transfer (by novation or otherwise) under Clause 10.2 in advance.

10.4 This Agreement and the rights and/or obligations (as applicable) contained within shall inure to the benefit of, and be binding upon, the successors and assigns of the parties hereto.

11. Notices

11.1 Any notice or other communication to be given by one party to another under, or in connection with the matters contemplated by this Agreement shall be addressed to the recipient and sent to the address or email address of such other party listed below for the purpose and marked for the attention of the person so given or such other address or email address or marked for such other person's attention as such other party may from time to time specify by notice given in accordance with this Clause 11 to the party giving the relevant notice or communication to it.

Cash Manager

Address:

Email:

For the attention of:

Depositor

Address:

Email:

For the attention of:

11.2 Any notice or other communication to be given by any party to any other party under, or in connection with the matters contemplated by this Agreement shall be in writing and shall be given by letter delivered by hand or sent by first class prepaid post (airmail if overseas) or sent by e-mail, and shall be deemed to have been received:

(a) in the case of delivery by hand, when delivered;

(b) in the case of first class prepaid post, 48 hours after the envelope containing it was posted or if sent via airmail from overseas on the fifth day following the day of posting; and

(c) in the case of e-mail, at the expiration of 24 hours after the time it was sent and provided that no delivery failure notification has been received by the sending party within such time.

11.3 A notice received or deemed to be received on a day which is not a Business Day, or after 5pm in the time zone of the recipient on any Business Day, shall be deemed to have been received on the next Business Day.

12. No Waiver

No failure on the part of the Cash Manager or the Depositor to exercise, and no delay in exercising any right hereunder shall be construed as a waiver thereof, nor shall any single or partial exercise of such right preclude any other or further exercise thereof or the exercise of any other right.

13. Severability

In the event that any provision hereof or action concluded in accordance herewith is held by any court having jurisdiction to be void or otherwise unenforceable, the remaining provisions shall continue to have full force and effect and the provision concerned shall be replaced by the parties hereto by a legally valid and enforceable provision which is as close in meaning to the original provision as is legally possible.

14. NOT USED

15. Amendments

Any amendment hereto may be made in writing only, duly executed by both parties.

16. Entire Agreement, Counterparts

This Agreement represents the complete understanding of the parties as to the contemplated transactions. It may be executed in any number of counterparts, each of which shall be enforceable against the parties actually executing such counterparts, and all of which together shall constitute one instrument.

17. Law and Jurisdiction

17.1 The terms of this Agreement shall be construed and enforced in accordance with the laws of the State of Florida, without reference to conflict of law provisions, and all litigation arising under this Agreement shall be brought and all litigation arising under this Agreement shall be brought in the Circuit Court of the Fourth Judicial Circuit of Florida, in Duval County, Florida, applying Florida law.

Signed by the parties or their duly authorised representatives on the date of this Agreement.

.....

Signed for and on behalf of **BAE Systems Jacksonville Ship Repair LLC**

Name:

Title:

Space Florida

By:.....

Name:

Title:

EXHIBIT G
to
Space Florida Board of Directors
Resolution No. 23-43

Collateral Agency, Security, and Account Agreement

/60168/160#50059387 v6

GT DRAFT APRIL 19, 2023

COLLATERAL AGENCY, SECURITY AND ACCOUNT AGREEMENT

DATED AS OF [_____]

BY AND AMONG

SPACE FLORIDA,
as the Issuer

BAE SYSTEMS JACKSONVILLE SHIP REPAIR LLC,
as the Lessee

CITIBANK, N.A.,
as collateral agent and account bank,

AND

THE SECURED PARTIES

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COLLATERAL AGENCY, SECURITY AND ACCOUNT AGREEMENT

THIS COLLATERAL AGENCY, SECURITY AND ACCOUNT AGREEMENT (as amended, amended and restated, supplemented or otherwise modified from time to time, this "**Agreement**"), dated as of [_____], by and among, SPACE FLORIDA, an independent special district, a body politic and corporate, and a subdivision of the State of Florida (together with its permitted successors and assigns, the "**Issuer**"), BAE SYSTEMS JACKSONVILLE SHIP REPAIR LLC, a Delaware limited liability company (in its capacity as lessee under the Equipment Lease, as the context requires, together with its permitted successors and assigns, "**Lessee**"), CITIBANK, N.A,, a national banking association, in its capacity as collateral agent and account bank (together with its successors and assigns, the "**Collateral Agent**"), and each of the SECURED PARTIES (as such term is hereinafter defined).

RECITALS:

WHEREAS, the Issuer will facilitate the assembly, installation, financing, funding and development of a shiplift and related improvements (the "**Shipyard Improvements**") at certain premises located at the Jacksonville Ship Repair Shipyard, Jacksonville, Florida (the "**Premises**") of the Lessee, which Premises are leased pursuant to (i) that certain Ground Lease and Owner's Access Agreement, dated as of [_____], 2023 (as the same may be amended, restated, supplemented or modified from time to time, the "**Ground Lease**") by and between the Lessee and the Issuer, and (ii) that certain Sovereignty Submerged Lands Lease Renewal Modification to Extend Term dated as of [_____], 2023 (as the same may be amended, restated, supplemented or modified from time to time, the "**Submerged Lands Lease**") by and between the Board of Trustees of the Internal Improvement Trust Fund of the State of Florida and the Lessee;

WHEREAS, the Issuer has entered into (i) that certain Equipment Lease, dated as of [_____], 2023 (as the same may be amended, restated, supplemented or modified from time to time, the "**Equipment Lease**") pursuant to which the Issuer has leased to Lessee the Shipyard Improvements and (ii) that certain Shipyard Modernization Agreement dated as of [_____] (as the same may be amended, restated, supplemented or modified from time to time, the "**Shipyard Modernization Agreement**"; together with the Ground Lease, the Submerged Lands Lease and the Equipment Lease, the "**Material Contracts**") pursuant to which the Issuer will, among other things, appoint the Lessee to procure and install the Shipyard Improvements;

WHEREAS, pursuant to the terms of that certain Note Purchase Agreement dated as of even date herewith (as amended, amended and restated, supplemented or otherwise modified from time to time, the "**Note Purchase Agreement**"), among the Issuer and the several Purchasers named in the Purchaser Schedule thereto (together with their successors and assigns, the "**Initial Holders**" or the "**Secured Parties**"), the Issuer is, among other things, selling to the Initial Holders and the Initial Holders are purchasing from the Issuer, its [___]% Senior Secured Notes due [April 1, 2053] (collectively, the "**Notes**");

WHEREAS, the Issuer seeks to issue the Notes, among other things (i) to fund the procurement, assembly, and installation of the Shipyard Improvements (the "**Installation Costs**"), (ii) to pay costs and expenses incurred in connection with the closing of the transactions contemplated in this Agreement and the Material Contracts, (iii) to pay interest on the Notes on

each April 1 and October 1 through and including [April 1, 2025], (iv) to repay all amounts outstanding under the Working Capital Facility Agreement, and (v) following the payment of all other amounts described in clauses (i)-(iv), to apply the balance of any Note proceeds in accordance with the Cash Services Agreement;

WHEREAS, it is a condition precedent to the purchase of the Notes by the Purchasers under the Note Purchase Agreement that (i) the Issuer execute and deliver this Agreement, pursuant to which the Issuer will grant a Lien in favor of the Collateral Agent over all of its rights, title and interest in the Collateral to secure the Secured Obligations and (ii) BAE Systems plc, an English public limited company (the "**Guarantor**") execute and deliver that certain Guarantee, dated of even date herewith, in favor of the Purchasers pursuant to which the Guarantor guarantees the payment of the Notes and the other amounts owed by the Issuer under the Finance Documents; and

WHEREAS, the Collateral Agent has agreed to act as the collateral agent and account bank under this Agreement and the other Security Documents on behalf of the Secured Parties in accordance with the terms and provisions of this Agreement.

NOW, THEREFORE, in consideration of the mutual agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Issuer agrees with the Collateral Agent and the Secured Parties as follows:

SECTION 1. INTERPRETATION OF AGREEMENT.

Section 1.1. Terms Defined. Certain capitalized and other terms used in this Agreement are defined in, and rules of interpretation relating to such terms and this Agreement are set forth in, the Note Purchase Agreement. References to a "Schedule" or an "Exhibit" are, unless otherwise specified, to a Schedule or an Exhibit attached to this Agreement. References to a "Section" are references to a Section of this Agreement unless otherwise specified.

Section 1.2. Section Headings and Table of Contents; Construction.

(a) *Section Headings and Table of Contents, etc*. The titles of the Sections of this Agreement and the Table of Contents of this Agreement appear as a matter of convenience only, do not constitute a part hereof and shall not affect the construction hereof. The words "herein", "hereof", "hereunder" and "hereto" refer to this Agreement as a whole and not to any particular Section or other subdivision. References to Sections are, unless otherwise specified, references to Sections of this Agreement.

(b) *Construction*. Each covenant contained herein shall be construed (absent an express contrary provision herein) as being independent of each other covenant contained herein, and compliance with any one covenant shall not (absent such an express contrary provision) be deemed to excuse compliance with one or more other covenants.

SECTION 2. GRANTING CLAUSES; AGREEMENT TO HOLD FOR BENEFIT OF THE SECURED PARTIES.

Section 2.1. Granting Clauses. To secure the full and punctual payment and performance when due, whether at stated maturity, by acceleration or otherwise, of (i) any and all principal, interest (including any default interest and whether arising before or after the filing of a petition in bankruptcy and whether or not allowed), Make-Whole Amount, indemnity obligations, fees and other indebtedness, obligations and liabilities of the Issuer to the holders due and owing with respect to the Notes issued from time to time under the Note Purchase Agreement, in each case, whether now existing or hereafter arising (and whether arising before or after the filing of a petition in bankruptcy and whether or not allowed), due or to become due, direct or indirect, absolute or contingent, and howsoever evidenced, held or acquired, (ii) payment and performance of all obligations of the Issuer under the Finance Documents to which it is a party, together with all advances, payments or other expenditures made by any Secured Party or the Collateral Agent as or for the payment or performance of any such obligations of the Issuer under and pursuant to the Finance Documents, and (iii) any and all expenses and charges, legal or otherwise, suffered or incurred by any Secured Party or the Collateral Agent as provided herein in collecting or enforcing any of such foregoing indebtedness, obligations and liabilities or in realizing on or protecting or preserving any security therefor, including, without limitation, the lien and security interests granted in accordance with the Security Documents (all such principal, interest (including default interest), indebtedness, obligations, liabilities, expenses and charges described in clauses (i) through (iii), inclusive, but without duplication, together with any modifications, extensions or renewals thereof is being referred to herein as the "**Secured Obligations**") all for the benefit of the Secured Parties and the Collateral Agent, and for the uses and purposes and subject to the terms and provisions hereof, and in consideration of the premises and of the covenants herein contained, the Issuer does hereby irrevocably collaterally assign, pledge and grant a first priority lien and security interest to the Collateral Agent, its permitted successors and permitted assigns, on behalf of the Secured Parties, in and to all of the Issuer's right, title and interest in the following (together with all right, title and interest of the Issuer in the items referred to in Section 2.2 being herein referred to as the "**Collateral**"):

GRANTING CLAUSE

All right, title and interest of the Issuer in and to the following, whether now owned by the Issuer or hereafter acquired, including all substitutions, renewals and replacements of and additions, improvements, accessions, parts and accumulations thereof:

(i) the Equipment Lease and the Shipyard Modernization Agreement, together with all right, power and authority of the Issuer to amend, modify or change the terms of the Equipment Lease or the Shipyard Modernization Agreement, or to surrender, cancel, or terminate the same; (ii) all rents and amounts due under the Equipment Lease and the Shipyard Modernization Agreement, including, without limitation, rent equivalents, moneys payable as damages or in lieu of rent equivalents, base rent, additional rent, income, fees and receivables, casualty or termination amounts or purchase price payable

thereunder, whether paid or accruing before or after the filing by or against the Issuer of any petition for relief under the Bankruptcy Code (collectively, the "**Rents**"), (iii) all of the Issuer's claims and rights (the "**Bankruptcy Claims**") to the payment of damages arising from any rejection by Lessee under the Equipment Lease or the Shipyard Modernization Agreement of any petition for relief under 11 U.S.C. §101 et seq., as the same may be amended from time to time (the "**Bankruptcy Code**"), (iv) all proceeds from the cancellation, surrender, sale or other disposition of the Equipment Lease, the Shipyard Modernization Agreement, the Rents, and the Bankruptcy Claims, (v) all rights, powers, privileges, options and other benefits of the Issuer under the Equipment Lease and the Shipyard Modernization Agreement, including without limitation, (A) the immediate and continuing right to make claims for, receive, collect and receipt for, all Rents payable or receivable under the Equipment Lease and the Shipyard Modernization Agreement (and to apply the same to the payment of the Notes in accordance with the Note Purchase Agreement and this Agreement) and to do all other things which Issuer or any lessor is or may become entitled to do under the Equipment Lease or the Shipyard Modernization Agreement; (B) the right to pursue and collect any claim in bankruptcy or receivership proceedings of the Issuer; and (C) the right to make all waivers and agreements, to give and receive all notices, consents and releases, and to take such action upon the happening of an event of default under the Equipment Lease or the Shipyard Modernization Agreement as Issuer shall have the right under the Equipment Lease or the Shipyard Modernization Agreement or at law to take; (vi) the right by agent or by court-appointed receiver, to collect the Rents; (vii) the Issuer's irrevocable power of attorney, coupled with an interest, to take any and all of the actions set forth herein, (viii) all revenues, income and profits arising from the foregoing, and (ix) the Accounts described in Section 4; *provided* that in no event shall the Collateral include any property or assets of the Issuer other than as set forth in this Granting Clause or Section 2.2, it being understood that all such assets (including the Shipyard Improvements) are expressly excluded from the lien of this Agreement.

Section 2.2. Agreement to Hold for the Benefit of the Secured Parties. In addition to the property pledged and granted to the Collateral Agent pursuant to Section 2.1 hereof, to secure the Secured Obligations, and in consideration of the premises and of the covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Collateral Agent does hereby declare that it holds as collateral agent for the ratable benefit of the Secured Parties under this Agreement, all of the right, title and interest of the Collateral Agent other than rights of the Collateral Agent to payment, reimbursement and indemnification for its own account, to and under any agreements and instruments entered into by the Collateral Agent from time to time which grant or evidence a Lien for the benefit of any Secured Party or the Secured Parties.

TO HAVE AND TO HOLD all and singular the aforesaid Collateral unto the Collateral Agent, its permitted successors and permitted assigns, for the benefit and security of the Secured Parties, without any priority of any one over any other, and for the uses and purposes, and subject to the terms and provisions, set forth in this Agreement.

It is intended by the Issuer that this Agreement constitutes a collateral assignment for security purposes only and not a present, absolute assignment of the Equipment Lease, Shipyard Modernization Agreement, Rents and Bankruptcy Claims. Notwithstanding anything to the contrary contained in this Agreement, this Agreement is in all respects subject to Issuer's right prior to the occurrence of a Default or an Event of Default, but not to the Collateral Agent's exclusion (a) to receive from the Lessee certificates and other documents and information that the Lessee is required to give or furnish to the Issuer in accordance with the Equipment Lease and the Shipyard Modernization Agreement, (b) to inspect the Shipyard Improvements and all records relating thereto if and to the extent permitted under the Equipment Lease and the Shipyard Modernization Agreement, and (c) to demand performance or observance by the Lessee under the Equipment Lease and the Shipyard Modernization Agreement of the applicable terms, conditions and agreements of the Equipment Lease and the Shipyard Modernization Agreement as allowed by law, equity, or the Equipment Lease and the Shipyard Modernization Agreement; *provided, however*, the Issuer may not (1) accelerate payment of Rent, or (2) give any notice (including any notice of default), sue or pursue any remedy or take any action under the Equipment Lease or the Shipyard Modernization Agreement that might have the effect of (A) terminating the Equipment Lease or the Shipyard Modernization Agreement, (B) dispossessing Lessee, (C) declaring the Equipment Lease or the Shipyard Modernization Agreement forfeited or terminated, (D) reducing any of Lessee's obligations under the Equipment Lease or the Shipyard Modernization Agreement, or (E) adversely affecting the rights of Issuer as landlord under the Equipment Lease or the Shipyard Modernization Agreement or the value of the Shipyard Improvements, without in each instance Collateral Agent's prior written consent (acting at the direction of the Required Secured Parties).

It is expressly acknowledged and agreed that anything herein contained to the contrary notwithstanding, the Issuer shall remain liable under each of the Finance Documents, Equipment Lease and the Shipyard Modernization Agreement and the permits and any governmental approvals to perform all of its respective obligations thereunder, all in accordance with and pursuant to the terms and provisions thereof, and the Collateral Agent and the Secured Parties shall have no obligation or liability under any of the Finance Documents, Equipment Lease and the Shipyard Modernization Agreement or any permit or any governmental approval by reason of or arising out of this assignment nor shall the Collateral Agent or any Secured Party be required or obligated in any manner to perform or fulfill any obligations of the Issuer thereunder or to make any payment, or to make any inquiry as to the nature or sufficiency of any payment received by it, or present or file any claim, or take any action to collect or enforce the payment of any amounts that may have been assigned to it or to which it may be entitled at any time or times.

For so long as this Agreement is in effect, following the occurrence and during the continuance of an Event of Default, the Issuer does hereby constitute the Collateral Agent the true and lawful attorney of the Issuer, irrevocably and coupled with an interest, with full power of substitution (in the name of the Issuer or otherwise) to ask, require, demand, receive, compound and give acquittance for any and all monies and claims for monies due and to become due to the Issuer under or arising out of the Security Documents or Equipment Lease or the Shipyard Modernization Agreement, to endorse any checks or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings which the Secured

Parties direct the Collateral Agent to do to accomplish the purposes of this Agreement, including, without limitation, (i) to sign and endorse any invoices, freight or express bills, bills of lading, storage or warehouse receipts, drafts against debtors, assignments, proxies, stock powers, verifications, and notices in connection with accounts and other documents relating to the Collateral; (iii) to file any claims or take any action or institute any proceedings that may be necessary or desirable for the collection of any of the Collateral or otherwise to enforce the rights of the Collateral Agent with respect to any of the Collateral; (iv) to defend any suit, action or proceeding brought against the Issuer with respect to any Collateral; (v) to settle, compromise or adjust any suit, action, claim or proceeding described in clauses (ii) and (vi) and, in connection therewith, to give such discharges or releases as shall be appropriate; (vi) to make, settle, compromise or adjust any claims under or pertaining to any of the Collateral (including claims under any policy of insurance); and (vii) to do any and all acts and things to protect and preserve the Collateral, including, without limitation, the protection and prosecution of all rights included in the Collateral and to do, at the Secured Parties' option and the Issuer's expense, at any time, or from time to time, all acts and things reasonably necessary to protect, preserve, maintain, or realize upon the Collateral and the Collateral Agent's security interest therein..

SECTION 3. RECEIPT, DISTRIBUTION AND APPLICATION OF REVENUES FROM THE ISSUER.

Each of the Issuer and the Lessee agrees and acknowledges that all Rents and other revenues and compensation payable to the Issuer pursuant to the Equipment Lease and the Shipyard Modernization Agreement (including all of the Issuer's right to receive monies or proceeds following any purchase of the Shipyard Improvements) have been assigned to the Collateral Agent, pursuant to the terms and provisions of the Security Documents and will be held and disbursed pursuant to the terms herein, and that the Collateral Agent shall at all times have a first priority perfected lien on all such revenues and monies, subject to Permitted Liens.

SECTION 4. ACCOUNT; APPLICATION OF PROCEEDS.

Section 4.1. Account. The Issuer has established with the Collateral Agent, and will maintain in full force and effect throughout the term of this Agreement, a non-interest bearing, segregated Account named the Rent Account (Account Number _____) (said account, together with any replacements thereof or substitutions therefor, the "**Rent Account**");

The Collateral Agent, acting at the direction of the holders of at least 50.01% in principal amount of the Notes at the time outstanding (exclusive of Notes then owned by the Issuer, the Guarantor, the Lessee or any of their Affiliates) (the "**Required Secured Parties**") may create any other Accounts hereunder, to be held in trust for the benefit of the Secured Parties as necessary to carry out the purposes of this Agreement; *provided*, that the creation of any such Accounts shall not adversely affect the rights of the Issuer or the Lessee without the prior written consent of the Issuer or the Lessee, as applicable.

Section 4.2. Rent Account.

(a) *Deposits to the Rent Account*. The Issuer shall establish an Account with the Collateral Agent to be designated as the Rent Account. Subject to the satisfaction of the conditions precedent set forth in Section 4 of the Note Purchase Agreement, on the date of Closing, the proceeds of the Notes shall be deposited into the Rent Account and then disbursed and/or retained on the date of Closing as follows: (i) an amount equal to $[_____] shall be paid to Collateral Agent for upfront costs and administrative fees and expenses; (ii) an amount equal to $[_____] shall be transferred to the Lessee to repay all amounts outstanding under the Working Capital Facility Agreement, and (iii) following the payment of all other amounts described in clauses (i)-(ii), the balance of any Note proceeds shall be applied in accordance with the Cash Services Agreement. From and after the date of the Closing, the Issuer hereby instructs, and Lessee hereby agrees, to make any and all payments of Rent or other amounts payable under the Equipment Lease and the Shipyard Modernization Agreement directly to the Rent Account. Each of the Issuer and the Lessee hereby agrees to transfer to the Rent Account any funds required to be transferred to the Rent Account pursuant to the terms of this Agreement, the Equipment Lease, and the Shipyard Modernization Agreement.

(b) *Withdrawals from the Rent Account*. Subject to Section 4.3, so long as no Default or Event of Default shall have occurred and be continuing or would occur as a result of giving effect to any application of funds contemplated by this Section 4.4(b) (unless the proceeds of such withdrawal will, upon release from the Rent Account, be used to and will cure such Default or Event of Default), funds in the Rent Account shall be transferred by the Collateral Agent in each case at the following times and in the following order of priority:

(1) *first*, on each April 1 and October 1 (each a "**Payment Date**") or on any other date when owed, to the extent there are funds remaining in the Rent Account as of such date, to the payment of any and all fees, costs, indemnities, charges and expenses (including reasonable attorneys' fees and expenses) then due and payable to the Collateral Agent and the Paying Agent;

(2) *second*, on each Payment Date, to the extent there are funds remaining in the Rent Account as of such date after application of payments set forth in Sections 4.2(b)(1), on a *pro rata* basis, an amount sufficient to pay interest then due on the Secured Obligations;

(3) *third*, on each Payment Date, to the extent there are funds remaining in the Rent Account as of such date after application of payments set forth in Sections 4.2(b)(1)-(2), on a *pro rata* basis, an amount sufficient to pay any scheduled principal amounts due and payable with respect to the Secured Obligations;

(4) *fourth*, on each Payment Date and any other date on which the following amounts may be due and payable, to the extent there are funds remaining in the Rent Account as of such date after application of the payments set forth in Sections 4.2(b)(1)-(3), on a *pro rata* basis, an amount sufficient to prepay the outstanding Secured Obligations to

the extent required to be prepaid pursuant to the terms of the Finance Documents (including, without limitation, amounts then due and payable to the Secured Parties with respect to prepayment premiums and Make-Whole Amount, if any, on the outstanding Secured Obligations); and

(5) *fifth*, on each Payment Date, to the extent there are funds remaining in the Rent Account as of such date after application of payments set forth in Sections 4.2(b)(1)-(4) to the Lessee.

Section 4.3. Application of Proceeds upon an Event of Default.

(a) *Payment Direction*. Pursuant to the terms herein, following the occurrence and during the continuance of an Event of Default, the Issuer does hereby constitute the Collateral Agent its true and lawful attorney, irrevocably and coupled with an interest, with full power of substitution (in the name of the Issuer or otherwise) to, at all times acting at the direction of the Required Secured Parties, deposit (or cause to be deposited) all Rents under the Equipment Lease and the Shipyard Modernization Agreement into the Rent Account; *provided* that the Collateral Agent shall not provide any such instructions or make any such deposits unless an Event of Default shall have occurred and it shall have been instructed to do so in writing by the Required Secured Parties. Following the Collateral Agent providing any such instruction or making any such deposit, and during the continuance of the applicable Event of Default, if the Issuer or any agent or Affiliate of the Issuer receives any Rents or any payment or portion thereof made pursuant to the Equipment Lease and the Shipyard Modernization Agreement, such amounts shall be held for the benefit of the Collateral Agent and the Issuer shall pay, or shall cause such agent or Affiliate to pay, promptly, such Rents in the form received by such Person to the Collateral Agent, and such Rents shall be held in the Rent Account and distributed pursuant to the provisions of this Agreement.

(b) *Acceptance of Notices; Application of Proceeds*. If an Event of Default shall have occurred and be continuing (i) the Collateral Agent shall accept all notices and instructions required to be given to the Collateral Agent pursuant to the terms of this Agreement only from the Required Secured Parties and not from any other Person, (ii) the Collateral Agent shall not withdraw from, dispose of, transfer, pay or otherwise distribute any monies into, or out of, any of the Accounts except pursuant to such notices and instructions from the Required Secured Parties and (iii) the Collateral Agent shall upon written direction of the Required Secured Parties in the form of Exhibit C deposit into the Collateral Proceeds Account all amounts deposited or held in all Accounts established under this Section 4 and apply such amounts in the manner provided for in Section 4.4 hereof.

Section 4.4. Application of Collateral Proceeds.

(a) *Application of Proceeds*. Funds deposited in the Rent Account in connection with the exercise of rights or remedies in respect of the Secured Obligations shall be paid to and applied as follows as directed by the Required Secured Parties pursuant to a direction in the form of Exhibit C:

(i) *First* — to the payment of

(A) costs, fees, charges and expenses (including legal fees and expenses) of suit, if any, and of any sale, and of all proper expenses, liability and advances incurred or made hereunder or under the Finance Documents by the Collateral Agent or the Secured Parties (pursuant to their respective rights to exercise remedies in respect of the applicable Collateral), and

(B) all taxes, assessments or Liens superior to the Lien of the Security Documents, if any, (except any taxes, assessments or other superior Liens subject to which such sale of the applicable Collateral may have been made) in respect of the applicable Collateral;

provided that for purposes of this clause (i), all of the aforesaid amounts owing in respect of taxes, assessments or Liens referred to above shall be paid *first*, all of the aforesaid amounts owing to the Collateral Agent shall be paid *second* and all of the aforesaid amounts owing the Secured Parties shall be paid *third*;

(ii) *Second*, to the payment of any and all fees, costs, indemnities, charges and expenses (including reasonable attorneys' fees) then due and payable to the Collateral Agent

(iii) *Third* — on a *pro rata* basis, to the payment of amounts due and payable to the Secured Parties with respect to accrued interest on the outstanding Secured Obligations;

(iv) *Fourth* — on a *pro rata* basis, to the payment of any outstanding principal of the Secured Obligations and any other unpaid amounts due and owing on, or with respect to, the Secured Obligations (including amounts due with respect to indemnities, fees, Make-Whole Amount and prepayment premiums on the Secured Obligations); and

(v) *Fifth* — to the payment of the surplus, if any, to the Lessee.

(b) *Deficiency*. Subject to the provisions of the Note Purchase Agreement (including, without limitation, Section 1.3) and to Section 7.12 of this Agreement, the Issuer shall remain liable hereunder for payment of any deficiency owing on the applicable Secured Obligations after application of such proceeds.

(c) *Reliance Upon Certificate*. Prior to making any payments described in Section 4.4(a), the Collateral Agent shall be entitled to receive, and to conclusively rely on, (i) a certificate from each Secured Party, executed by an authorized officer of such Secured Party, as to the outstanding amounts of the Secured Obligations owing to such Secured Party, which amounts shall be identified as to type of Secured Obligations owing to such Secured Party in accordance with the allocation provisions described above and (ii) direction to make any payment from the Required Secured Parties.

Section 4.5. Acknowledgement. The parties hereto acknowledge and agree that, notwithstanding anything contained herein to the contrary, in consideration of the delivery of the Guarantee by the Guarantor, upon the payment and satisfaction in full of the Secured Obligations, all funds remaining in the Accounts shall, in each case, be the property of Lessee, and any such funds shall be disbursed to Lessee upon written request by Lessee to the Collateral Agent therefor.

SECTION 5. CONTROL OF ACCOUNTS.

Section 5.1. Acceptance of Appointment of Collateral Agent.

(a) *Collateral Agent as Securities Intermediary or Bank*. The Collateral Agent hereby agrees to act as "securities intermediary" (as defined in the Uniform Commercial Code of the State of [New York/Florida][1], the "**UCC**") hereunder with respect to the Accounts and the financial assets (within the meaning of the UCC) credited to such Accounts and as a "bank" (as defined in the UCC) to the extent any Account is deemed not to be a "securities account" (within the meaning of the UCC) with respect to the Accounts and credit balances not constituting financial assets (within the meaning of the UCC) credited thereto. The Collateral Agent also agrees to accept and promptly credit all cash, payments and other amounts to be delivered to or held by the Collateral Agent in respect of the Accounts pursuant to the terms of this Agreement. The Collateral Agent shall maintain any Accounts it holds hereunder as a Deposit Account or a Securities Account during the term of this Agreement and shall treat the cash, instruments and securities deposited to such Accounts as monies, instruments and securities pledged by the Issuer to the Collateral Agent for the ratable benefit of the Secured Parties to be held in the custody of the Collateral Agent, in accordance with the provisions of the Security Documents. The Issuer acknowledges that the Collateral Agent shall act as a "securities intermediary" and a "bank" with respect to each Account, the financial assets (within the meaning of the UCC) credited thereto and all other amounts or property on deposit in any Account.

(b) *Pledge of Accounts*. All moneys on deposit with the Collateral Agent in any Accounts and any other moneys held by the Collateral Agent pursuant to this Agreement have been pledged and assigned to the Collateral Agent, for the ratable benefit of the Secured Parties, as security for the payment of the Secured Obligations pursuant to the terms of the Security Documents. Neither the Issuer nor the Lessee shall exercise any rights against or in respect of monies held in the Accounts, in each case except in accordance with the express terms of this Agreement and the other Finance Documents. Neither the Issuer nor the Lessee shall have the right of withdrawal with respect to any Account described in Section 4 except as specifically provided herein.

Section 5.2. Control of Accounts.

(a) *Direction*. The Issuer hereby irrevocably directs, and the Collateral Agent hereby agrees, that the Collateral Agent, in its capacity as "bank" (as defined in the UCC) or "securities

[1] Citi/H&K to advise.

intermediary" (as defined in the UCC), as applicable, will comply with all instructions and orders, including "entitlement orders" (as defined in the UCC), regarding any Account originated by the Collateral Agent (at the direction of the Required Secured Parties) without the further consent of the Issuer or any other Person; *provided, however*, that the Collateral Agent shall not originate any instructions or orders regarding any Account unless an Event of Default has occurred and is continuing. Neither the Issuer nor the Lessee shall originate any instructions or orders regarding any Account so long as an Event of Default has occurred and is continuing. The parties hereto agree that Collateral Agent shall have "control" (within the meaning of Section 8-102(a)(17) of the UCC and 9-104 of the UCC, as applicable) with respect to each Account and the financial assets credited to each such Account.

(b) *Direction or Order from Collateral Agent Rules*. In the case of a conflict between any instruction or order originated by the Collateral Agent (at the direction of the Required Secured Parties) and any instruction or order originated by any other Person, other than a final non-appealable order by a court of competent jurisdiction, the instruction or order originated by the Collateral Agent shall prevail, subject to the proviso of clause (a) above. In the event of a conflict between the provisions of this Section 5.2 and any other provision of this Agreement or any other Finance Document, the terms of this Section 5.2 shall prevail. Every other section of this Agreement is subject to this Section 5.2.

Section 5.3. Characterization of Accounts. With respect to the Accounts, the parties hereto agree as follows: (i) each Account is and will be maintained as a "securities account" (as defined in the UCC) of the Collateral Agent, (ii) the Collateral Agent shall maintain each such Account as a "securities intermediary" (within the meaning of the UCC) with respect to such Account, (iii) each item of property (including without limitation, cash equivalents, instruments, investments, investment property or other) credited to each Account shall be treated as a "financial asset" (as defined in the UCC) and upon the delivery or transfer thereof to the Collateral Agent, the Collateral Agent will indicate by book-entry that property has been credited to such Account or accept such property for credit to such Account, and the Collateral Agent agrees that all property delivered or transferred to the Collateral Agent pursuant to this Agreement will be promptly credited to such Account, (iv) any "financial assets" (as defined in the UCC) in registered form or payable to or to the order of, or indorsed to, any Account shall be registered in the name of, payable to the order of, or indorsed to, the Collateral Agent or in blank, credited to another securities account maintained in the name of the Collateral Agent, and in no case will any "financial asset" (as defined in the UCC) credited to such Account be registered in the name of, payable to or to the order of, or indorsed to, the Issuer, except to the extent the foregoing have been subsequently indorsed by the Issuer to the Collateral Agent or in blank, (v) the Collateral Agent is the "entitlement holder" (as defined in UCC) with respect to the "financial assets" (as defined in the UCC) credited to each Account, (vi) any "investment property" (as defined in the UCC) delivered to the Collateral Agent shall be held by the Collateral Agent and promptly credited to the applicable Account by an appropriate entry in its records in accordance with this Agreement and (vii) to the extent that any Account held is not considered a "securities account" (as defined in the UCC), such Account shall be deemed a "deposit account" (within the meaning of the UCC), which the Issuer shall maintain with the Collateral Agent acting not as a "securities intermediary" (within the meaning of the UCC), but as a "bank" (within the meaning of the UCC).

Section 5.4. Security Agreement. This Agreement constitutes a "security agreement" as defined in Article 9 of the UCC.

SECTION 6. COVENANTS, REPRESENTATIONS AND CONDITIONS OF THE PARTIES.

Section 6.1. Recordation; Further Assurances. The Issuer, at the expense of the Lessee will execute, acknowledge, deliver, record and file, or will cause to be executed, acknowledged, delivered, recorded or filed, the Security Documents, any related financing statements and all such further instruments, supplements, transfers, financing statements, amendments and continuation statements in such manner and in such places as may be required by law in order to create, perfect, protect and preserve the rights and the Lien of the Collateral Agent in the Collateral, and shall deliver all such other documentation (including without limitation, lien searches, legal opinions, and certified organizational documents) and take all such other actions, in each case, as it would have been required to deliver and take on the date of Closing, and all such further instruments, supplements, transfers, financing statements, amendments and continuation statements as are necessary for the granting, releasing, confirming, assigning, transferring, pledging, delivering and setting over to the Collateral Agent of the Collateral, or as may be required in order to transfer to any successor agent or agents the estate, powers, instruments and funds held hereunder for the benefit of the Secured Parties. Without limiting the foregoing, the Issuer (i) agrees to perform or cause to be performed, at the Lessee's expense, any other act or take any other action as may be required by law to perfect and to keep perfected the Collateral Agent's security interest in the Collateral, and (ii) to the extent permitted by applicable law, hereby authorizes the Collateral Agent, at the direction of the Required Secured Parties, to execute and file any financing statements, continuation statements and other documents on such Person's behalf, which shall be prepared by such Person and delivered to the Collateral Agent, with respect to all or any part of the Collateral without the signature of the Issuer to maintain the Lien of the Security Documents described herein (including financing statements describing the Collateral); *provided* that the Collateral Agent shall furnish to the Issuer a copy of each such statement filed, promptly after the filing thereof; *provided* that the authorization granted in clause (ii) of this sentence does not relieve the obligations of the Issuer in clause (i) of this sentence or negate the provisions in Section 8.4(s) of this Agreement. A carbon, photographic or other reproduction of this Agreement or any financing statement covering the Collateral or any part thereof shall be sufficient as a financing statement where permitted by law. The Issuer will pay or cause to be paid all filing, registration and recording taxes and fees and any other taxes, assessments, fees or charges incident to any filing, registration and recording hereunder, and all taxes, assessments and charges with respect to the preparation, execution, delivery and acknowledgment of the Security Documents.

Section 6.2. Priority of Liens. Each of the Issuer and the Lessee recognizes and agrees that the security interests and other Liens in the Issuer's right, title and interest in and to the Collateral securing each of the Secured Obligations shall be at all times first priority perfected security interests and Liens, subject only to the Permitted Liens. The Lessee shall warrant and defend the Collateral against any claims and demands of all Persons at any time claiming the same or any interest in the Collateral adverse to any of the Secured Parties.

Section 6.3. [Reserved].

Section 6.4. Covenants. Neither the Issuer nor the Lessee shall take any action that would impair in any manner the enforceability of the Collateral Agent's security interest in and Lien on any Collateral (subject to the Permitted Liens).

Section 6.5. Representations of Collateral Agent. The Collateral Agent represents and warrants that:

(a) The Collateral Agent's designated corporate trust office and the place where the documents, accounts and records relating to the transaction are kept is located at the Collateral Agent's address described in Section 12.1 hereof.

(b) The Collateral Agent is a national banking association duly organized and validly existing in good standing under the laws of the United States and has full power and authority to execute, deliver and perform its obligations: (i) in its individual capacity under this Agreement, and (ii) acting as Collateral Agent under each other Finance Document to which it is or will be a party as Collateral Agent.

(c) This Agreement has been duly authorized, executed and delivered by or on behalf of the Collateral Agent in its individual capacity and is the legal, valid and binding obligation of the Collateral Agent (in its individual capacity), enforceable against it in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, or similar laws affecting creditors' rights generally and by general equitable principles. The Finance Documents to which the Collateral Agent is a party constitute the legal, valid and binding obligations of the Collateral Agent (acting solely as Collateral Agent under this Agreement, and not in its individual capacity), enforceable against it in accordance with their respective terms, except as such enforceability may be limited by applicable bankruptcy, insolvency or similar laws affecting creditors' rights generally and by general equitable principles.

(d) The execution, delivery and performance by (a) the Collateral Agent, in its individual capacity, of this Agreement, and (b) the Collateral Agent, in its capacity as Collateral Agent, of each Finance Document to which Collateral Agent is or will be a party, are not and will not be, and the performance by the Collateral Agent, in its individual capacity or as Collateral Agent, as the case may be, of its obligations under each are not and will not be, inconsistent with or violate the charter documents or by-laws of the Collateral Agent, do not and will not contravene or violate any applicable laws of the United States relating to the banking or trust powers of the Collateral Agent.

(e) None of the execution, delivery or performance by Collateral Agent in its individual capacity or as Collateral Agent, as the case may be, of any of the Finance Documents to which it is a party requires the consent or approval of, or the giving of notice to or registration with, or the taking of any other action in respect of, any Governmental Authority of the United States body governing its banking practices.

SECTION 7. DEFAULTS AND REMEDIES.

Section 7.1. Default Remedies.

(a) *Event of Default*. If an Event of Default has occurred and is continuing, the Required Secured Parties, by an instrument or instruments in writing executed and delivered to the Collateral Agent, and providing for the indemnity required hereunder, may direct, and at all times shall have such right to so direct, the method and place of conducting the proceedings to be taken in connection with the enforcement of the terms and conditions hereof. The Collateral Agent, upon being so directed in writing by the Required Secured Parties and indemnified by the Secured Parties in accordance with the terms of Section 8.3(d) and, subject to the rights and immunities set forth in Section 8 below, shall, in accordance with such direction,

(i) exercise all of the rights and remedies in respect of the Collateral to the fullest extent permitted under applicable law and all of the rights and remedies conferred in this Agreement and in the other Finance Documents,

(ii) exercise all of the rights and remedies of a secured party under the UCC of any applicable jurisdiction and may proceed to protect and enforce this Agreement and any of the other Finance Documents by suit or suits or proceedings at law, in equity, in bankruptcy or otherwise, and whether for the specific performance of any covenant or agreement herein or therein contained or in execution or aid of any power herein or therein granted, or for the appointment of a receiver or receivers for the Collateral or any part thereof or for the enforcement of any legal, equitable or other remedy to the fullest extent available under applicable law, and

(iii) protect and enforce this Agreement or any one or more of the other Finance Documents by suit or suits or proceedings at law, in equity, in bankruptcy or otherwise, and whether for the specific performance of any covenant or agreement herein or therein contained or in execution or aid of any power herein or therein granted, or for the enforcement of any legal, equitable or other remedy to the fullest extent available under applicable law.

(b) *Bankruptcy of the Issuer*. In case there shall be pending a case or proceedings in bankruptcy with respect to, or for the reorganization or arrangement of, the Issuer under any Bankruptcy law or in case a conservator, liquidator, custodian, receiver or trustee shall have been appointed for the Issuer or its property, the Collateral Agent shall have the right (and, if so directed in writing by the Required Secured Parties, the obligation) to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Secured Parties allowed in such case or proceeding for the entire amount of the obligations owed to such Secured Parties by the Issuer, at the date of the institution of such case or proceeding, and for any additional amounts which may become due and payable under any of the Finance Documents after such date.

(c) *Discretionary Actions*. The Collateral Agent may act, if any Event of Default has occurred and is continuing of which an Authorized Officer has actual knowledge, or under any other circumstance where action is reasonably required before any necessary instructions may be received in accordance with this Agreement, to the extent it deems necessary and without instruction from the Required Secured Parties, in order to:

(i) protect the Collateral,

(ii) instruct or give any notice to the Issuer or Lessee, or

(iii) otherwise promote and protect the interests of the Secured Parties;

provided, however, the Collateral Agent shall not be responsible or liable in any way to any of the Secured Parties for its failure to take any action pursuant to this clause (c). For purposes of clarification, the Collateral Agent's obligations under Section 8.5 or Section 8.6 hereof shall not be considered discretionary action that is subject to the terms of this clause (c).

(d) *Revocation of Direction*. The Required Secured Parties may at any time revoke or alter, by written instruction to the Collateral Agent, all or any part of any written direction previously delivered to the Collateral Agent by the Required Secured Parties, it being understood that the Collateral Agent shall not be liable for refraining from taking action if it receives conflicting written instructions from the Required Secured Parties (but in such event the Collateral Agent shall promptly provide written notice of such conflicting instructions to each Secured Party).

Section 7.2. Remedies Cumulative, etc.

(a) All covenants, conditions, provisions, warranties, guaranties, indemnities, and other undertakings of the Issuer or the Lessee contained in this Agreement or in any Finance Document or in any document referred to herein or therein, or contained in any agreement supplementary hereto or thereto, shall be deemed in addition to, and not in derogation or substitution of, any of the terms, covenants, conditions, or agreements of the Issuer or the Lessee herein or therein contained.

(b) The giving, taking, or enforcement of any other or additional security, collateral, or guaranty for the payment or performance of the Secured Obligations shall not operate to prejudice, waive, or affect the security of this Agreement or any other Finance Document, or any rights, powers, or remedies hereunder or thereunder, nor shall the Secured Parties or the Collateral Agent be required to first look to, enforce, or exhaust, any such other or additional security, collateral, or guaranties.

(c) No course of dealing on the part of any of the Secured Parties or the Collateral Agent, nor any delay or failure on the part of any of the Secured Parties or the Collateral Agent to exercise any right, shall impair any right or operate as a waiver of any right or otherwise prejudice the rights, powers, and remedies of the Secured Parties or the Collateral Agent hereunder or under any other Finance Document.

(d) No waiver by any of the Secured Parties or the Collateral Agent of any Default or Event of Default, whether such waiver be full or partial, shall extend to or be taken to affect any subsequent Default or Event of Default, or to impair the rights resulting therefrom, except as may be otherwise expressly provided herein or in any other Finance Document.

(e) Every right and remedy given hereby and by any other Finance Document or by applicable law to the Collateral Agent may, to the fullest extent provided under applicable law and subject to Section 7.1(a) of this Agreement, be exercised from time to time as often as may be deemed expedient by the Collateral Agent, upon the written direction of the Required Secured Parties.

Section 7.3. Restoration of Rights and Remedies. If the Collateral Agent shall have instituted any proceeding to enforce any right or remedy under any Finance Document and such proceeding shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Collateral Agent, then and in every such case the Collateral Agent, the Issuer, the Lessee and the Secured Parties shall, subject to any determination in such proceeding, be restored severally and respectively to their former positions hereunder, and thereafter all rights and remedies of the Collateral Agent shall continue as though no such proceeding had been instituted.

Section 7.4. Limitations on Suits.

(a) *Generally*. Anything else contained herein to the contrary notwithstanding, no Secured Party shall have the right to institute any suit, action or proceeding at law or in equity, for the execution of any trust or power hereof or of any Security Document or for any other remedy under or upon this Agreement or any other Security Document or with respect to any Collateral, unless each of the following conditions is satisfied:

(i) the Required Secured Parties shall have requested in writing that the Collateral Agent exercise the powers hereinbefore granted or institute such action, suit or proceeding in its own name;

(ii) the Collateral Agent shall have received the indemnity required hereby;

(iii) the Collateral Agent shall have refused or failed to comply with such written request for a period of thirty (30) days after such written request shall have been received by it; and

(iv) if action is to be taken with respect to the Collateral, an Event of Default exists.

Such notification, request, offer of indemnity and refusal or omission are conditions precedent to the exercise by any Secured Party of any remedy hereunder; it being understood that no one or more of such Secured Parties shall have any right in any manner whatever by his, her, its or their action to enforce any right under this Agreement or any other Security Document or with respect to any Collateral, except in the manner herein provided, and that all judicial

proceedings to enforce any provision hereof shall be instituted, had and maintained in the manner herein provided and for the benefit of all Secured Parties, as provided for herein.

(b) *Suits for Obligations*. Nothing in this Section 7.4, in any other provision of this Agreement or in any of the Finance Documents shall affect or impair the right of the Collateral Agent or the Secured Parties to enforce against the Issuer after the occurrence and during the continuance of an Event of Default, any obligation to pay principal, interest, Make-Whole Amount, prepayment premiums, fees and any other amounts under or in respect of (and in accordance with the terms of) the Finance Documents to which the Issuer is a party and any other obligations thereunder, and to accept and retain payment in respect of any such obligations or to enforce against any other obligor of such obligations any right to have such obligor make such payment and to accept and retain payment from such obligor in respect of any such obligations, *provided* that none of the Notes shall be declared immediately due and payable except in accordance with Section 12 of the Note Purchase Agreement and nothing in this sentence shall affect, limit, impair or reduce the requirements of Section 7.5, Section 7.7 or Section 4 herein with respect to the disposition of, and sharing of, Collateral and proceeds of Collateral received by a Secured Party or paid to a Secured Party by the Issuer.

Section 7.5. Sharing.

(a) *Remittance of Proceeds*. If:

(i) an Event of Default shall have occurred and be continuing, and

(ii) a Secured Party shall obtain any payment of proceeds of the Collateral other than through a distribution from the Collateral Agent pursuant to the terms hereof,

then such Secured Party shall, promptly after receipt thereof, notify the Collateral Agent in writing and remit such payment to the Collateral Agent and the Collateral Agent shall deposit such proceeds into the Collateral Proceeds Account. The Collateral Agent shall, promptly after receipt of such payment, disburse the amount so remitted to it as provided in Section 4.8 herein, in the order of priority set forth therein. Any such payment shall not be deemed to have satisfied any obligations in respect of which it was originally received by such Secured Party but rather shall be deemed to have satisfied, to the extent of the amount of such proceeds, the obligations of the Issuer to which such proceeds are applied as provided for in Section 4.8 herein.

(b) *Setoffs, Counterclaims, etc*. If:

(i) an Event of Default shall have occurred and be continuing, and

(ii) a Secured Party shall obtain any amounts through the exercise of a right of banker's lien, setoff or counterclaim against the Issuer (including, without limitation, any ordinary course application of account balances (by way of set-off, pre-authorized withdrawals, account consolidation or otherwise) to reduce any outstanding principal and to permanently reduce any commitment availability under any Secured Obligation that is in the nature of revolving credit),

then such Secured Party shall, promptly after receipt thereof, notify the Collateral Agent in writing and remit such amounts to the Collateral Agent and the Collateral Agent shall deposit such amounts into the Collateral Proceeds Account. The Collateral Agent shall, promptly after receipt of such amounts, disburse the amounts so remitted to it as provided in Section 4.8, in the order of priority set forth therein. Any such amounts shall not be deemed to have satisfied any obligations in respect of which it was originally received by such Secured Party but rather shall be deemed to have satisfied, to the extent of such amounts, the obligations of the Issuer to which such proceeds are applied as provided for in Section 4.8 herein.

(c) *Return of Proceeds*. If any Secured Party that has remitted proceeds of Collateral or other amounts to the Collateral Agent pursuant to any one or more of Section 7.5(a) or Section 7.5(b) shall thereafter be required to repay such proceeds or such other amounts to the original payor or obligee thereof, such Secured Party shall (i) notify the Collateral Agent in writing of the same and (ii) have a Lien on the Collateral, prior to the Lien securing the Secured Obligations (except the Lien in favor of the Collateral Agent pursuant hereto), securing the repayment of the proceeds so remitted to the Collateral Agent (less any portion thereof distributed to such Secured Party pursuant to Section 4 herein), *provided* that, upon written request by such Secured Party to the Collateral Agent, the Collateral Agent shall request the Person to whom such proceeds were disbursed to remit such proceeds to the Collateral Agent and such Person shall promptly comply with such request. The failure of the Collateral Agent to make any such request notwithstanding, each Person to whom such proceeds were disbursed shall be and remain obligated to remit such proceeds to the Collateral Agent and the Collateral Agent shall have no liability for any failure by a Secured Party to remit such proceeds as required by this Section 7.5(c).

(d) *Sharing of Collateral*. Except as otherwise provided in Section 7.5(a) through Section 7.5(c), inclusive, if any Secured Party shall obtain any property as security for the payment of any Secured Obligation held by it, such Secured Party shall promptly thereafter take such actions as shall be necessary to transfer such property to the Collateral Agent to be held as part of the Collateral, and the Collateral Agent shall deposit the proceeds from the disposition of any such property into the Collateral Proceeds Account and apply such proceeds as provided in Section 4 herein, in the order of priority set forth therein.

(e) *Knowledge of an Event of Default*. For purposes of this Section 7.5, a Secured Party shall be deemed to have knowledge of an Event of Default if any one or more of the officers or employees of such Secured Party assigned to oversee the Secured Obligations owned by such Secured Party:

(i) has actual knowledge of such Event of Default; or

(ii) receives written notice of such Event of Default from the Collateral Agent, another Secured Party, or the Issuer.

Section 7.6. Waivers. The Issuer covenants (to the extent that it may lawfully do so) that it will not at any time insist upon or plead, or in any manner claim or take the benefit or advantage of, any stay (except in connection with a pending appeal), valuation, appraisal, redemption or

extension law now or at any time hereafter in force which, but for this waiver, might be applicable to any foreclosure sale made under any judgment, order, decree or otherwise based on this Agreement or any of the other Security Documents, and the Issuer (to the extent that it may lawfully do so) hereby expressly waives and relinquishes all benefit and advantage of any and all such laws and hereby covenants that it will not hinder, delay or impede the execution of any power herein granted and delegated to the Collateral Agent or granted and delegated to the Collateral Agent under any of the other Finance Documents, but that it will suffer and permit the execution of every such power as though no such law or laws had been made or enacted.

Section 7.7. Fees and Expenses. If an Event of Default has occurred and is continuing, the Lessee will pay to the Collateral Agent and each of the Secured Parties, to the extent permitted by law, such amounts as shall be sufficient to cover the reasonable out-of-pocket costs and expenses, including, but not limited to, reasonable attorneys' fees and expenses, incurred by the Collateral Agent or the Secured Parties (pursuant to their respective rights under this Agreement to exercise remedies in respect of the Collateral) in collecting any such sums or in otherwise analyzing, evaluating, protecting, asserting, defending or enforcing any of their rights as set forth in any Finance Document, or incident to, the enforcement of any of the provisions hereof and all other charges due against the Collateral, including, without limitation, taxes, assessments or Liens upon the Collateral and any reasonable out-of-pocket fees and expenses, including transfer or other taxes, arising in connection with any sale, transfer or other disposition of the Collateral (other than taxes determined by reference to the income of the Collateral Agent or any Secured Party). Such fees and expenses shall be payable on demand together with interest thereon at the Default Rate applicable thereto, which with respect to the Collateral Agent shall be the highest Default Rate applicable to any of the Secured Obligations, and the Lessee's obligation hereunder to pay such expenses shall be treated as a Secured Obligation hereunder. Such fees and expenses are intended to constitute expenses of administration under applicable bankruptcy laws.

Section 7.8. Effect of Sale. Any sale, following the occurrence and during the continuance of an Event of Default, whether under any power of sale hereby given or by virtue of judicial proceedings, shall, to the fullest extent permitted under applicable law, operate to divest all right, title, interest, claim and demand whatsoever, either at law or in equity, of the Issuer in and to the property sold.

Section 7.9. Application of Proceeds. The Collateral Agent shall apply the cash proceeds of any action taken by it pursuant to this Section 7, after deducting all reasonable out-of-pocket costs and expenses of every kind incurred in connection therewith or incidental to the care or safekeeping of any Collateral or in any way relating to the Collateral or the rights and duties of the Collateral Agent under this Agreement, as set forth in Section 4.8 herein, in the order of priority set forth therein.

Section 7.10. Notice of Cure of Event of Default. If an Event of Default has ceased, the Secured Parties, to the extent that they have knowledge thereof, shall send notice that the Event of Default has ceased to the Collateral Agent and Issuer.

Section 7.11. Non-recourse. Except for the assignment of Collateral, notwithstanding anything in this Agreement, the Notes or any other Finance Document, the indebtedness represented thereby (i) is strictly non-recourse to the Issuer and (ii) will not constitute a debt or loan of credit or a pledge of the full faith and credit or taxing power of the State of Florida or any political subdivision thereof and shall never constitute or give rise to a pecuniary liability of the State of Florida or any political subdivision thereof. The sole source of repayment of the Notes will be the Collateral and the Guarantee. For the avoidance of doubt, the recourse and remedy of the Collateral Agent and a holder of a Note against the Issuer for the payment of a deficiency or other sum owing on account of the indebtedness evidenced by a Note, or for the payment of any liability resulting from the breach of any representation, agreement or warranty of any nature whatsoever in this Agreement or any other Finance Document, is limited solely to the Rents and other amounts payable under the Equipment Lease and other Collateral securing the Notes. The Notes, this Agreement, and the other Finance Documents are all strictly without recourse to the Issuer. The Collateral Agent, by acceptance of this Agreement, and each holder of a Note, by acceptance of this Agreement and the Notes, waive and release all liability of the Issuer, and of each past, present, and future member of the Issuer's Board of Directors, and of each officer, employee, and agent of the Issuer (other than Lessee and Guarantor) for and on account of such indebtedness or such liability. The Collateral Agent and each holder of a Note agree to look solely to the Rents and other amounts payable under the Equipment Lease and other Collateral securing the Notes for payment of said indebtedness and satisfaction of such liability.

SECTION 8. THE COLLATERAL AGENT.

Section 8.1. Grant of Authority; Acceptance of Appointment.

(a) Each Secured Party and each holder of any Secured Obligations by its acceptance thereof hereby irrevocably appoints and authorizes the Collateral Agent to execute and deliver this Agreement and to take such action as agent on its behalf and to exercise such powers hereunder and under the other Security Documents executed or accepted by the Collateral Agent in connection herewith as are specifically delegated to the Collateral Agent by the terms of this Agreement and to take such other actions as directed in writing by the Required Secured Parties to preserve and protect the security interests granted hereunder, in each case together with such other powers as are reasonably incidental thereto. Notwithstanding any provision apparently to the contrary elsewhere in this Agreement, the Collateral Agent shall not have any duties or responsibilities except those expressly set forth in this Agreement and the other Security Documents executed or accepted by the Collateral Agent in connection herewith. The Collateral Agent shall be deemed to have accepted a Security Document for purposes herein (i) upon its execution of such Security Document or (ii) upon its written acknowledgement of its acceptance of such Security Document.

(b) The Collateral Agent hereby accepts its appointment as "Collateral Agent" hereunder, including, without limitation, its obligations hereunder and under the other Security Documents executed or accepted by the Collateral Agent in connection herewith, for the benefit of the Secured Parties, upon the terms expressly set forth herein. The Collateral Agent shall not

have any obligation under or be charged with any knowledge with respect to any Security Document which is not executed or accepted by the Collateral Agent.

Section 8.2. Certain Duties and Responsibilities of Collateral Agent.

(a) *Undertakings*. The Collateral Agent:

(i) shall undertake to perform, and shall perform, only such duties as are specifically set forth in this Agreement and the other Security Documents executed or accepted by it and, if required by the terms of such documents, such duties as are directed by the Required Secured Parties to be performed, and no implied covenants or obligations shall be read into this Agreement or the other Security Documents against the Collateral Agent; and

(ii) may, in the absence of gross negligence or willful misconduct on its part, conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Collateral Agent and conforming to the requirements hereof or any other Security Document.

(b) *Direction*. If an Event of Default shall have occurred and be continuing of which an Authorized Officer has actual knowledge or has received written notice from a Secured Party or the Issuer or the Lessee, the Collateral Agent shall, to the extent indemnified in accordance herewith and so directed in writing by the Required Secured Parties, exercise such of the rights and powers vested in it by this Agreement and the other Security Documents executed or accepted by it for the benefit of the Secured Parties.

(c) *No Exculpation*. No provision hereof shall be construed to relieve the Collateral Agent from liability for its own gross negligent action (or negligent action in the handling of funds), its own gross negligent failure to act or its own willful misconduct, except that:

(i) this subsection shall not be construed to limit the effect of Section 8.2(a);

(ii) the Collateral Agent shall not be liable for any error of judgment made in good faith by an officer or by an employee thereof delegated responsibility for such judgment with due care of the Collateral Agent unless it shall be proved that the Collateral Agent was grossly negligent in ascertaining the pertinent facts;

(iii) the Collateral Agent shall not be liable to any Secured Party with respect to any action taken or omitted to be taken by it, in good faith after an Event of Default shall have occurred and be continuing, in accordance with the direction of the Required Secured Parties; and

(iv) the Collateral Agent shall not be liable to any Secured Party with respect to its failure to take any action under this Agreement or any of the other Security Documents directed by the Required Secured Parties if such action would, in the good faith opinion of the Collateral Agent, be unlawful or contrary to the terms and provisions of this Agreement

or any other Security Document, or would subject the Collateral Agent to liability under any federal, state or local environmental protection laws or regulations. The Collateral Agent shall be entitled to take any action or to refuse to take any action which the Collateral Agent regards as necessary for the Collateral Agent to comply with any applicable law, regulation or fiscal requirement of any Governmental Authority or any court order binding upon it.

(d) *Applicability of Section 8.2.* Except where expressly provided otherwise, every provision hereof and of every other Security Document relating to the conduct or affecting the liability of or affording protection to the Collateral Agent shall be subject to the provisions of this Section 8.2.

Section 8.3. Certain Provisions with Respect to Collateral Agent's Rights to Compensation and Indemnification.

(a) *Compensation*. The Lessee covenants and agrees to pay to the Collateral Agent from time to time, and the Collateral Agent shall receive such compensation as shall be agreed in writing between the Lessee and the Collateral Agent for all services rendered by it in the execution and performance of any of the powers and duties hereunder and under the other Security Documents of the Collateral Agent, which compensation shall not be limited by any provision of law in regard to the compensation. Such payment from the Lessee to the Collateral Agent shall be included as a portion of the use fees paid by the Lessee and deposited in the Rent Account pursuant to the terms of the Equipment Lease.

(b) *Indemnification*. The Lessee shall indemnify, defend and hold harmless the Collateral Agent, each Secured Party, and each of their officers, directors, trustees, employees, affiliates and agents (collectively referred to in this clause (b) as the "**Indemnified Persons**") from and against, and reimburse each Indemnified Person for, any and all claims, demands, liabilities, damages, judgments, penalties, and reasonable out-of-pocket costs, fees and expenses (including, without limitation, reasonable attorneys' fees and costs incurred in the investigation, defense and settlement of claims), but not taxes determined by reference to the income of the Collateral Agent or any Indemnified Person (all such items are referred to in this clause (b), collectively, as "**Losses**") which may be imposed upon, asserted against, or incurred or paid by any such Indemnified Person by reason of, on account of, or in connection with:

(i) any bodily injury, death or property damage occurring in or upon or in connection with the use, possession, maintenance, management or operation of Shipyard Improvements or any of the Collateral through any cause whatsoever; or

(ii) any transaction, suit, action or proceeding arising out of or in any way connected with this Agreement, any other Security Document or the Collateral.

Notwithstanding the foregoing or any other provision of the Finance Documents, the Lessee shall not be obligated to indemnify any Indemnified Person in respect of any of the foregoing matters if the liability of such Indemnified Person arose out of such Indemnified Person's gross negligence

or willful misconduct (or, in the case of the Collateral Agent, negligent action in the handling of funds), as determined by the final non-appealable judgment of a court of competent jurisdiction. The limitation set forth in the immediately preceding sentence shall apply to any other indemnity given to the Collateral Agent or any of the Secured Parties under this Agreement, under any other Security Document or under any Finance Document but the indemnity under this Section 8.3(b) shall supplement any other such indemnity and shall be in addition thereto. Each Indemnified Person shall promptly, and in any event within thirty (30) days after its receipt of written notice of the commencement of any action against it in respect of which indemnity may be sought under this Section 8.3(b), notify the Lessee in writing of such commencement. Unless in such Indemnified Person's reasonable judgment a conflict of interest between itself and the Lessee may exist in respect of such claim, such Indemnified Person, upon (i) written acknowledgement by the Lessee that it will pay any Losses in respect of such claim (subject to the gross negligence and willful misconduct qualifications set forth above) and (ii) reasonable evidence (including insurance) of its ability to pay such Losses, will permit the Lessee to assume the defense of such claim, with counsel reasonably satisfactory to such Indemnified Person, and if such defense is so assumed, the Lessee shall not enter into any settlement without the prior written consent of such Indemnified Person if such settlement attributes liability to such Indemnified Person and, under the circumstances contemplated hereinabove, the Lessee shall not be subject to any liability for any settlement made without its prior written consent (which shall not be unreasonably withheld, conditioned or delayed).

(c) *Collateral Agent Expenses*. The Lessee will promptly pay or reimburse the Collateral Agent, upon presentation by the Collateral Agent to such Person of an itemized statement, for all reasonable out-of-pocket expenses, disbursements and advances incurred or made by the Collateral Agent in accordance with any of the provisions hereof and of the other Security Documents (including the reasonable compensation and the reasonable expenses and disbursements of its counsel) except any such expense, disbursement or advance as may arise from the gross negligence or willful misconduct of the Collateral Agent (or negligence of the Collateral Agent in handling funds). The Collateral Agent shall have no right against any Secured Party for the payment of compensation for the Collateral Agent's services hereunder or any expenses or disbursements incurred in connection with the exercise and performance of the Collateral Agent's powers and duties hereunder or any indemnification against liability that the Collateral Agent may incur in the exercise and performance of such powers and duties (except in connection with indemnities provided separately by a Secured Party) but on the contrary, shall look solely to the Lessee for such payment and indemnification, *provided* that the Lessee's obligation hereunder to pay for such compensation, expenses, disbursements and indemnification (except against liability of the Collateral Agent in favor of a Secured Party, if any be established) shall be treated as a Secured Obligation hereunder.

(d) *Secured Party Indemnity*. Each Secured Party severally agrees to indemnify, defend and hold harmless the Collateral Agent (solely to the extent not reimbursed or paid by the Lessee as provided herein within sixty (60) days after demand therefor), pro rata according to the outstanding principal amount of the Secured Obligations held by such Secured Party (which principal amount of Secured Obligations shall, with respect to any holder, equal the aggregate outstanding principal amount of the Notes held by such holder) from time to time, from and against

any and all liabilities, obligations, damages, penalties, actions, judgments, suits, fees, costs, expenses or disbursements incurred by the Collateral Agent acting in accordance with the written direction of the Required Secured Parties; *provided* that no Secured Party shall be required to indemnify the Collateral Agent hereunder to the extent that any claim for indemnification is caused by the gross negligence or willful misconduct of the Collateral Agent (or negligence of the Collateral Agent in handling funds).

(e) *Reliance*. Notwithstanding anything to the contrary in this Agreement or any other Finance Document, the Collateral Agent may conclusively rely on any request, information, direction, instruction, or notice delivered to Collateral Agent, without any investigation or confirmation, including, but not limited to, any request or direction from the Lessee on behalf of the Issuer or the Required Secured Parties to move or transfer funds as set forth herein. The Lessee and the Secured Parties shall indemnify and hold the Collateral Agent harmless for any and all claims asserted against it for any actions taken in good faith by the Collateral Agent in connection with the delivery of such information, direction, instruction, or notice in accordance with the terms of Sections 8.3(b) and (d).

(f) *Survival*. The obligations and liability of the Lessee and the Secured Parties under this Section 8.3 shall survive the realization upon the Collateral and the payment in full of the Secured Obligations and any payment, release or discharge hereof and any or all security interests and Liens in the Collateral, the termination of this Agreement and the resignation or removal of the Collateral Agent.

Section 8.4. Certain Rights of Collateral Agent.

(a) *No Representations and Covenants*. The Collateral Agent shall not be responsible for any recitals or representations of the Issuer herein or in any Security Document or for insuring the Collateral, nor shall the Collateral Agent be bound to ascertain or inquire as to the performance or observance by the Issuer of any covenants, conditions or agreements contained herein, in any Security Document or in any other Finance Document.

(b) *Knowledge of Defaults*. Except in the case of a Default or an Event of Default of which an Authorized Officer has actual knowledge, the Collateral Agent shall be deemed to have knowledge of a Default or an Event of Default only upon receipt of written notice thereof from any of the Secured Parties or the Issuer.

(c) *Representations and Covenants Exculpation; No Accountability*. Except to the extent expressly provided in Section 6.5, the Collateral Agent makes no representation or warranty as to the validity, sufficiency or enforceability hereof, of any other Security Document or any instrument included in the Collateral, or as to the existence, genuineness, value, title or condition of any Collateral, or adequacy of insurance on, or otherwise with respect to, the Collateral. The Collateral Agent shall not be accountable to anyone for the use or application of the proceeds of the Secured Obligations or for the use or application of any property or the proceeds thereof which shall be released from the Lien of the Security Documents in accordance with the provisions hereof or any such Security Document. The Collateral Agent makes no representation or warranty as to

the attachment, perfection or priority of the security interests and Liens contemplated hereby or by the other Security Documents and shall have no duty to monitor or maintain the attachment, perfection or priority of such security interests and Liens. The Collateral Agent is not responsible for insuring the Collateral or for payment of taxes, charges, assessments or Liens upon the Collateral or other maintenance of the Collateral.

(d) *Reliance*. The Collateral Agent may conclusively rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note or other paper or document believed by it, in good faith, to be genuine and to have been signed or presented by the proper party or parties.

(e) *Request; Direction; Authorization*. All requests, directions, orders or authorizations made by any Secured Party to the Collateral Agent shall be in writing. All requests, directions, orders or authorizations made by the Issuer or the Lessee to the Collateral Agent shall be sufficiently evidenced by a request, direction or authorization in writing, delivered to the Collateral Agent, and signed in the name of such Person, as the case may be, by its authorized officer, manager, or member. Any resolution of the members or managers of such Person (or equivalent evidence of approval and authorization of action) shall be sufficiently evidenced by a copy of such resolution, certified by its authorized officer, manager or member to have been duly adopted and to be in full force and effect on the date of such certification, being delivered to the Collateral Agent.

(f) *Professional Consultation*. The Collateral Agent may consult with counsel, accountants and other skilled persons to be selected by the Collateral Agent and approved by the Lessee (unless an Event of Default has occurred and is continuing, in which case, the approval of the Lessee shall not be required), and the written advice of any thereof shall be full and complete authorization and protection in respect of any action taken, or omitted by it hereunder in good faith and in reliance thereon; *provided* that the foregoing shall not relieve the Collateral Agent from liability for its own gross negligence (or negligent action in the handling of funds) or willful misconduct.

(g) *Indemnity*. Except as otherwise expressly provided herein, the Collateral Agent shall be under no obligation to take any action to protect, preserve or enforce any rights or interests in the Collateral or to take any action toward the execution or enforcement of this Agreement, whether on its own motion or on the request of any other Person, which in the opinion of the Collateral Agent may involve loss, liability or expense to it, unless one or more Secured Parties shall offer and furnish security or indemnity, reasonably satisfactory to the Collateral Agent, against loss, liability and expense to the Collateral Agent (it being acknowledged by the Collateral Agent that the indemnity provided in Section 8.3(d) is satisfactory to the Collateral Agent if the Secured Party providing such indemnification has a minimum net worth of at least $50,000,000); *provided* that the foregoing shall not require the Collateral Agent to advance, expend or risk its own funds or otherwise incur personal liability in the performance of its duties or in the exercise of any rights or remedies hereunder.

(h) *Investigation*. The Collateral Agent shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note or other paper or document. Whenever in the administration of this Agreement the Collateral Agent shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Collateral Agent may, in the absence of bad faith on its part, rely upon a direction of the Required Secured Parties.

(i) *Agents*. The Collateral Agent may execute any of the rights or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Collateral Agent shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed by it with due care.

(j) *Collateral*. Subject to the provisions of this Section 8.4 and except to the extent specifically limited by applicable law, the Collateral Agent shall not be liable or responsible in any way for the safekeeping of the Collateral or for any loss or damage thereto or for any diminution in the value thereof, or any act or default of any warehouseman, carrier, forwarding agency, or other Person whomsoever (except to the extent such loss or damage results from the Collateral Agent's negligence in the handling of funds or the Collateral Agent's gross negligence or willful misconduct or violation of its obligations hereunder), but the same shall be at the sole risk of the Issuer.

(k) *Consultation with Secured Parties*. Whenever pursuant to the provisions hereof, of any other Security Document or of any other Finance Document it is required that any party hereto obtain the consent or approval of the Collateral Agent, or that any matter prove satisfactory to the Collateral Agent, the Collateral Agent, prior to giving any such consent or approval or indicating its satisfaction with any such matter, shall be required to consult with the Secured Parties in a manner deemed reasonable by the Collateral Agent, and the Collateral Agent shall only act or refrain from acting at the written direction of the Required Secured Parties with respect thereto.

(l) *Individual Liability*. The Collateral Agent shall not be required to advance, expend or risk its own funds or otherwise incur personal liability in the performance of its duties or in the exercise of any rights or remedies hereunder.

(m) *WITHHOLDINGS*. NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, THE COLLATERAL AGENT SHALL BE ENTITLED TO MAKE A DEDUCTION OR WITHHOLDING FROM ANY PAYMENT WHICH IT MAKES UNDER THIS AGREEMENT FOR OR ON ACCOUNT OF ANY TAX IF AND TO THE EXTENT SO REQUIRED BY APPLICABLE LAW; *PROVIDED* THAT THE LESSEE SHALL INDEMNIFY THE COLLATERAL AGENT AND THE SECURED PARTIES WITH RESPECT TO ANY SUCH WITHHOLDING, DEDUCTION OR TAX.

(n) *Patriot Act*. In order to comply with the laws, rules, regulations and executive orders in effect from time to time applicable to banking institutions, including, without limitation, those relating to the funding of terrorist activities and money laundering, including Section 326 of the USA PATRIOT Act ("**Applicable law**"), the Collateral Agent is required to obtain, verify,

record and update certain information relating to individuals and entities which maintain a business relationship with the Collateral Agent. Accordingly, each of the Issuer and Secured Parties agrees to provide to the Collateral Agent, upon its reasonable prior written request from time to time, such identifying information and documentation as reasonably required by the Collateral Agent to enable the Collateral Agent to comply with Applicable law.

(o) *No Discretion*. Notwithstanding anything else to the contrary herein, whenever reference is made in this Agreement to any discretionary action by, consent, designation, specification, requirement or approval of, notice, request or other communication from, or other direction given or action to be undertaken or to be (or not to be) suffered or omitted by the Collateral Agent or to any election, decision, opinion, acceptance, use of judgment, expression of satisfaction, reasonable satisfaction or other exercise of discretion, rights or remedies to be made (or not to be made) by the Collateral Agent, it is understood that in all cases the Collateral Agent shall be fully justified in failing or refusing to take any such action under this Agreement if it shall not have received such written instruction, advice or concurrence of the Required Secured Parties, as it deems appropriate. This provision is intended solely for the benefit of the Collateral Agent and its successors and permitted assigns and is not intended to and will not entitle the other parties hereto to any defense, claim or counterclaim, or confer any rights or benefits on any party hereto.

(p) *Special Damages*. In no event shall the Collateral Agent or any Secured Party be responsible or liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including but not limited to loss of profit, goodwill, reputation, business opportunity or anticipated saving) irrespective whether the Collateral Agent or such Secured Party has been advised of the likelihood of such loss or damage and regardless of the form of action.

(q) *No Bond or Surety Required*. So long as the Collateral Agent satisfies the requirements of Section 8.11, the Collateral Agent shall not be required to give any bond or surety in respect of the performance of its powers or duties hereunder.

(r) *Force Majeure*. The Collateral Agent shall not incur any liability for not performing any act or fulfilling any duty, obligation or responsibility hereunder by reason of an event or circumstance that (i) prevents or delays the Collateral Agent from performing its obligations (or causing such obligations to be performed) hereunder; (ii) is not (1) within the reasonable control of, or (2) the result of the gross negligence or willful misconduct of, such Collateral Agent; and (iii) by the exercise of commercially reasonable efforts which are consistent with accepted practices in the banking industry, the Collateral Agent is unable to overcome or avoid, or cause to be avoided (including but not limited to any act of God or war, civil unrest, local or national disturbance or disaster, any act of terrorism, other unavailability of the Federal Reserve Bank wire or facsimile or other wire or communication facility).

(s) *No Filing Obligation*. For the avoidance of doubt, nothing herein shall require the Collateral Agent to file financing statements, termination statements or continuation statements, or be responsible for maintaining the security interests purported to be created as described herein (except for the safe custody of any Collateral in its possession and the accounting for moneys actually received by it hereunder or under any other Finance Documents) and such responsibility

shall be solely that of the Issuer; *provided*, that upon the written direction of the Required Secured Parties, the Collateral Agent shall file financing statements, termination statements or continuation statements. The Collateral Agent shall not be responsible for and makes no representation as to the existence, genuineness, value or protection of any Collateral, for the legality, effectiveness or sufficiency of any Finance Document, or for the creation, perfection, priority, sufficiency or protection of any liens securing the Secured Obligations.

(t) *Right to Rely on Registrar*. Absent the actual knowledge of the Collateral Agent to the contrary or receipt by the Collateral Agent of notice from the Required Secured Parties to the contrary, the Collateral Agent shall have the right to rely without liability on the information contained in any Withdrawal Transfer Certificate delivered by the Lessee, which shall reflect the information contained in the register with respect to the Notes maintained by the Registrar pursuant to the terms of Section 14.1 of the Note Purchase Agreement. The Issuer and the Lessee each agrees to provide to the Collateral Agent any tax documentation or other information reasonably requested by the Collateral Agent to allow the Collateral Agent to make the payments set forth in Section 4.

Section 8.5. Notices of Default. The Collateral Agent shall notify in writing all Secured Parties of any Default or Event of Default of which an Authorized Officer has actual knowledge, promptly and in any event within five (5) Business Days after its gaining such knowledge, by email confirmed by delivery of notice by overnight courier sent the day of the email.

Section 8.6. Status of Monies Received. All monies received by the Collateral Agent shall be held, until used or applied as herein provided, in a segregated account for the purposes for which they were received, and the Collateral Agent shall be under no liability for interest on any monies held by it hereunder or under the other Security Documents.

Section 8.7. Interested Transactions. If the Collateral Agent or any affiliated Person is the owner of any Secured Obligation, or is interested in any financial transaction with the Issuer, or acts as depositary or otherwise in respect of other securities of the Issuer or Lessee held outside of the Collateral, at any time when an Event of Default has occurred and is continuing, then the Collateral Agent shall resign within thirty (30) days after the occurrence of such Event of Default, unless written consent authorizing or permitting the Collateral Agent to remain as Collateral Agent hereunder is obtained from the parties described below:

(a) all of the holders of Secured Obligations in the case of any Event of Default involving the failure of the Issuer to pay money, and

(b) the Required Secured Parties in the case of any Event of Default not specified in Section 8.7(a).

Nothing in this Section 8.7 shall prohibit the Collateral Agent or any affiliated corporation from acting as paying agent with respect to any Secured Obligations.

Section 8.8. Resignation of Collateral Agent. The Collateral Agent may resign and be discharged of its obligations hereunder created by delivering a notice to the Issuer, the Lessee, the Guarantor and the Secured Parties specifying the time and date when such resignation shall take effect. Such resignation shall take effect at the time and on the date specified in such notice (being not less than sixty (60) days after such notice shall have been given) unless previously a successor collateral agent shall have been appointed as herein provided, in which event such resignation shall take effect immediately upon the appointment of such successor, *provided* that, unless the continuance by the Collateral Agent of its obligations hereunder shall be in violation of applicable law, such resignation shall not take effect until a successor collateral agent shall have been appointed as hereinafter provided. If no successor collateral agent has been appointed and has accepted its appointment within forty-five (45) days after notice of the resignation of the resigning Collateral Agent, the resigning Collateral Agent may, at the expense of the Lessee, petition a court of competent jurisdiction for the appointment of a successor collateral agent.

Section 8.9. Removal of Collateral Agent.

(a) *Removal by the Secured Parties*. The Collateral Agent may be removed (with or without cause) at any time by an instrument or concurrent instruments in writing signed and acknowledged by the Required Secured Parties and delivered to each of the Secured Parties, the Collateral Agent, the Issuer and the Lessee. Such notice shall include a statement that the Required Secured Parties have obtained the commitment of a successor collateral agent that satisfies all the requirements hereof applicable to the Collateral Agent (including, without limitation, Section 8.11) to assume the obligations of the Collateral Agent hereunder (such appointment being subject, in any event, to the consent of the Required Secured Parties under Section 8.10). Such removal shall take effect at the time and on the date specified in such notice (being not less than thirty (30) days after such notice shall have been given) unless previously a successor collateral agent shall have been appointed as herein provided, in which event such removal shall take effect immediately upon the appointment of such successor.

(b) *Removal by the Issuer or the Lessee*.

(i) *Request*. The Issuer or the Lessee may request that the Collateral Agent be removed if such request:

(A) is in writing and is delivered to each Secured Party and the Collateral Agent,

(B) describes in reasonable detail the reasons for such removal, which reasons shall themselves be reasonable,

(C) certifies that no Default or Event of Default exists at the time of the issuance of such request or would be caused thereby, and

(D) states that the Issuer or Lessee, as applicable, has obtained the commitment of a successor collateral agent which satisfies the requirements of

Section 8.11 to assume the obligations of the Collateral Agent hereunder and under the other Security Documents.

(ii) *Consent by the Required Secured Parties*. The Required Secured Parties shall not unreasonably withhold their consent to a request made under Section 8.9(b)(i), *provided* that, without limiting the foregoing, such consent may in any case be withheld if:

(A) any Default or Event of Default then exists or, after giving effect to such request, would exist,

(B) the Issuer or Lessee, as applicable, shall have failed to satisfy any of the conditions or requirements set forth in this Section 8.9(b),

(C) the request would, in the reasonable opinion of the Required Secured Parties, result in, or cause to occur, a materially adverse impairment of the Collateral or the enforceability of the Security Documents, or

(D) the Required Secured Parties reject the Issuer's or the Lessee's recommendation for a successor collateral agent on the basis that (I) such successor collateral agent has a conflict of interest with its obligations hereunder and under the Security Documents, (II) such successor collateral agent, under applicable law, would not or may not be deemed to be the sole agent and representative of the Secured Parties, or (III) in the reasonable opinion of the Required Secured Parties, such successor collateral agent does not have the capability to fully discharge its duties to the Secured Parties hereunder and under the Security Documents.

(iii) *Subsequent Removal*. Any successor collateral agent to be appointed under this Section 8.9(b) shall nonetheless be subject to removal at the discretion of the Required Secured Parties under Section 8.9(a) and shall be subject to all the requirements of a successor collateral agent (including, without limitation, the requirements of Section 8.11). The rights of the Secured Parties under Section 8.10 shall not be in any way impaired or restricted by virtue of the Lessee's ability to make requests under this Section 8.9(b).

Section 8.10. Appointment of Successor Collateral Agent. If

(a) the Collateral Agent shall have given notice of resignation pursuant to Section 8.8, or

(b) notice of removal shall have been given pursuant to Section 8.9,

a successor collateral agent may be appointed by the Required Secured Parties at such time or, in accordance with Section 8.9(b), may be appointed by the Issuer or Lessee in each case with the consent of (x) the Required Secured Parties and (y) so long as no Default or Event of Default has occurred and is continuing, the Lessee or the Issuer, as applicable. If no such appointment shall have been made within forty-five (45) days after the giving of such notice of resignation or the giving of such notice of removal, a successor collateral agent may be appointed, upon application

of the retiring Collateral Agent, any Secured Party, the Issuer (with the consent of Lessee) or the Lessee (with the consent of the Issuer), by any court of competent jurisdiction at the expense of the Issuer or the Lessee, as applicable. During any period during which no such appointment shall have been made, the Required Secured Parties may act as and in the place of the Collateral Agent, and shall have all the rights, remedies, powers, privileges, immunities and indemnities as the Collateral Agent would have in so doing.

Section 8.11. Requirements of Collateral Agent. Each Collateral Agent appointed herein, or its successor, shall:

(a) be a trust company or banking corporation or national association located and organized under the laws of the United States of America or any state thereof or the District of Columbia,

(b) have capital, surplus and undivided profit aggregating at least $200,000,000,

(c) have long-term issuer ratings (or if such successor shall not have long-term deposit ratings and such successor is a Subsidiary of a holding company, such holding company shall have long-term deposit ratings) having a rating of A- and above from a "nationally recognized statistical rating organization" registered under the Exchange Act;

(d) be in compliance with Section 8.7, and

(e) be qualified to act as the Collateral Agent hereunder in all applicable jurisdictions including, without limitation, each state in which any Collateral is located.

Section 8.12. Merger or Consolidation of Collateral Agent. Any trust company, banking corporation or national association into which the Collateral Agent, or any successor to it under this Agreement, may be merged or converted or with which it or any successor to it may be consolidated or any trust company, banking corporation or national association resulting from any merger or consolidation to which the Collateral Agent or any successor to it shall be a party, or any trust company, banking corporation or national association succeeding to substantially all of the corporate trust business of the trustee bank, shall be the successor to the Collateral Agent under this Agreement without the execution or filing of any paper or any further act on the part of any of the parties hereto, *provided* that the requirements of Section 8.11 are satisfied with respect to any such trust company, banking corporation or national association. The Issuer covenants that in case of any such merger, consolidation or conversion they will, upon the request of the merged, consolidated or converted trust company, banking corporation or national association, execute, acknowledge and cause to be recorded or filed suitable instruments in writing, as may be necessary, to confirm the estates, rights and interests of such trust company, banking corporation or national association as Collateral Agent under this Agreement.

Section 8.13. Conveyance upon Request of Successor Collateral Agent. Should any instrument in writing from the Issuer be required by any successor collateral agent for more fully and certainly vesting in, and confirming to, such successor collateral agent the estates, rights,

powers and duties conferred herein, then upon the request of such successor collateral agent any and all such instruments in writing reasonably required to effectuate such transfer shall be made, executed, acknowledged and delivered by the Issuer.

Section 8.14. Acceptance of Appointment by Successor Collateral Agent. Any successor collateral agent appointed pursuant to any of the provisions hereof shall execute, acknowledge and deliver to the Issuer, the Lessee and the Secured Parties at such time an instrument accepting such appointment; and thereupon such successor collateral agent, without any further act, deed or conveyance, shall become vested with all the estates, properties, rights, powers and trusts of its predecessor in the rights hereunder with like effect as if originally named as Collateral Agent herein; but, nevertheless upon the written request of the Issuer or of the successor collateral agent and payment of all amounts then owing to the Collateral Agent ceasing to act, the Collateral Agent ceasing to act shall execute and deliver an instrument transferring to such successor collateral agent all the estates, properties, rights and powers of the Collateral Agent so ceasing to act, and shall duly assign, transfer and deliver any of the property and monies held by the Collateral Agent to the successor collateral agent so appointed in its place.

Section 8.15. Costs and Expenses. The Lessee shall pay all reasonable out-of-pocket costs and expenses incurred by the Collateral Agent and the Secured Parties in connection with any removal, resignation and appointment of Collateral Agents, co-trustees or separate agents, including, without limitation, all reasonable attorney's fees, all UCC search and/or filing fees and all other recording taxes, documentary taxes, stamp taxes or other similar taxes in connection with any such request.

Section 8.16. Statements, Reports and Notices.

(a) Within fifteen (15) days after each calendar month in each calendar year, the Collateral Agent shall provide or cause to be provided to each Secured Party, the Lessee and the Issuer statements showing the amount of each deposit into the Accounts held at the Collateral Agent during such month, the amount and recipient of each payment or distribution from each such Account held at the Collateral Agent during such month, the balance of each Account held at the Collateral Agent as of the end of such month, and all earnings, profits, or losses on investment of amounts in the Accounts held at the Collateral Agent during such month. The requirements of this subsection 8.16(a) may be performed by the Collateral Agent by granting the Lessee and the Issuer and each Secured Party on-line read-only access to the Accounts.

(b) In the event (i) the Collateral Agent shall have received any written request from the Issuer for consent to or approval of any matter or thing relating to any Collateral or the Issuer's obligations with respect thereto or (ii) there shall be due from the Collateral Agent under the provisions of any Security Document any performance or the delivery of any instrument, then, in each such event, the Collateral Agent shall promptly send to Lessee and each of the Secured Parties a notice setting forth, in reasonable detail, an account of the matter or thing as to which such consent has been requested or the performance or instrument required to be so delivered, as the case may be.

(c) The Collateral Agent shall provide or cause to be provided to each Secured Party, within five (5) Business Days after receipt thereof, copies of any notices, instruments, statements, reports, requests, officer's certificates, and other documents or instruments furnished by the Lessee or the Issuer to the Collateral Agent under or pursuant to any Security Documents.

SECTION 9. AMENDMENTS AND WAIVERS.

Section 9.1. Amendments and Waivers.

(a) *In General*. This Agreement and any other Security Document (unless otherwise set forth in such other Security Document) may be amended, and the observance of any term hereof or thereof may be waived, only in writing by agreement of the Collateral Agent, the Lessee and the Issuer (in the form of a supplement or otherwise), and only with the written consent of the Required Secured Parties, *provided* that no such amendment or waiver, shall, without the consent of all Secured Parties adversely affected thereby:

(i) permit the creation of any Lien or security interest with respect to any of the Collateral (excluding Permitted Liens) in favor of any Person other than the Collateral Agent for the benefit of the Secured Parties;

(ii) effect the deprivation of any Secured Party of the benefit of any Lien in and to the Collateral (other than in connection with a release of Collateral in accordance with Section 10(a) hereof);

(iii) amend or waive Sections 2.1, 2.2, 3, 4, 7.4, 7.5, 7.6, 7.7, 7.9, 8.3(b), 8.3(c), 8.3(d), 8.4(k), 8.5, 8.6, 8.16, 9.2, 9.3 or 10 hereof or this Section 9.1 or amend any defined term to the extent used therein;

(iv) reduce the amounts of debt service payments owed to such Secured Party under its Finance Documents;

(v) modify the definition of "**Required Secured Parties**", "**Required Holders**", or "**Secured Obligations**" or any definition used therein to the extent used therein, or otherwise change the percentage of the aggregate principal amount of Secured Obligations the holders of which are required to consent to any such waiver or supplemental agreement or amendment or modification pursuant to this Section 9.1;

(vi) permit any sale, transfer, conveyance or pledge of Collateral not permitted herein or in any other Finance Document; and

(vii) alter any provisions herein or in any other Security Document relative to payment or priority of the Secured Obligations or Liens securing the Secured Obligations.

No such amendment or waiver shall modify the rights, duties or immunities of the Collateral Agent, without the express written consent of the Collateral Agent.

(b) *Ministerial Amendments*. Notwithstanding the provisions of Section 9.1(a), the Issuer (at the direction of the Lessee) and the Collateral Agent may, without the consent of the Secured Parties, enter into a supplement hereto or to any other Security Document for any one or more of the following purposes:

(i) to correct and amplify the description of any property set forth in any Security Document constituting Collateral, or to add any additional property as Collateral;

(ii) to appoint any co-collateral agent or separate or successor collateral agent in accordance with the terms hereof so long as any such Person shall not be required to perform any duties or be exposed to any liabilities except as provided herein; and

(iii) to provide for the joinder of any additional Secured Party pursuant to the terms hereof.

Section 9.2. Notice of Amendment or Waiver. Promptly after the execution by the Issuer (with the consent of the Lessee) and the Collateral Agent of any amendment or waiver, the Collateral Agent shall give written notice, together with a conformed copy thereof, to each Secured Party at such time. The Collateral Agent shall, following its request, be provided with a confirmation of the identity and contact information of the Secured Parties by the Lessee in accordance with the terms of Section 11.3 prior to providing such written notice. Any failure of the Collateral Agent to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such document.

Section 9.3. Solicitation of Secured Parties. The Issuer will not solicit, request or negotiate for or with respect to any proposed amendment or waiver, or consent with respect thereto, of any of the provisions hereof or any other Security Document unless each Secured Party shall be informed thereof by the Issuer and shall be afforded the opportunity of considering the same. The Issuer will not, directly or indirectly, pay or cause to be paid any remuneration, whether by way of supplemental or additional interest, remuneration, fee or otherwise, to any Secured Party as consideration for or as an inducement to entering into by any Secured Party of any waiver, modification or amendment of, or agreement with respect to, any of the terms and provisions hereof or the other Security Documents unless such remuneration or fee is concurrently paid, on the same terms, ratably according to amount of outstanding Secured Obligations, to all Secured Parties holding Secured Obligations at the time (regardless of whether such Secured Party executed such amendment or waiver).

Section 9.4. Opinion of Counsel Conclusive as to Amendments and Waivers. The Collateral Agent is hereby authorized to join with the Issuer in the execution of any amendment, waiver or consent authorized or permitted by the terms hereof and to make the further agreements and stipulations that may be therein contained, and, in connection therewith, the Collateral Agent shall receive and shall be entitled to conclusively rely on an opinion of counsel and officers' certificate (as to matters of fact) as conclusive evidence that any such document executed pursuant to the provisions of this Section 9 is authorized or permitted by the terms of this Agreement,

complies with the requirements of this Section 9, is the legal, valid and binding obligation of the Issuer and that all conditions precedent have been satisfied or waived.

Section 9.5. Effect of Amendments and Waivers. Upon the execution of any amendment, waiver or consent pursuant to the provisions of this Section 9, this Agreement or any other Security Document shall be, and be deemed to be, amended and modified in accordance therewith, and the respective rights, duties and obligations of the Issuer, the Lessee, the Collateral Agent and all Secured Parties hereunder and thereunder and under the Secured Obligations shall thereafter be determined, exercised and enforced hereunder and thereunder, subject in all respects to such amendment and waiver, and all the terms and conditions of any such amendment or waiver shall be and be deemed to be part of the terms and conditions hereof or thereof for any and all purposes.

Section 9.6. Amendments to Recorded Documents and Instruments. Upon the written request of the Required Secured Parties, the Collateral Agent will duly execute and deliver such instruments and documents as may become necessary to reflect, in the public records in which any instrument or document has been filed evidencing the Liens granted to the Collateral Agent pursuant to the Security Documents, any amendment to the description of the Collateral by reason of any amendment or restatement of this Agreement or any other Security Document.

SECTION 10. TERMINATION.

(a) *In general*. If (i) all Secured Obligations shall be fully, finally and indefeasibly paid, in cash, (ii) all commitments of the Secured Parties shall have been irrevocably terminated and (iii) all other obligations of the Issuer with respect to the Secured Obligations shall have terminated (other than those which by their express terms survive), then and in that case and without further action by any Person this Agreement shall cease, terminate and become null and void, all Liens in the Collateral in respect of the Secured Obligations shall be released and terminated and thereupon the Collateral Agent shall, upon the written request of the Lessee, on behalf of the Issuer, or any other party to the Security Documents, forthwith (1) execute and deliver proper instruments acknowledging the termination of this Agreement, the other Security Documents, the Liens created pursuant thereto and any related UCC financing statements and any other related filings in public offices and (2) transfer title to and possession of all Collateral to the Issuer. The termination hereof and of the other Security Documents shall be without prejudice to the rights of the Collateral Agent under Section 8.3 to charge and be reimbursed by the Lessee for any expenditures that it may thereafter incur in connection herewith and without prejudice to the rights of the Collateral Agent and any Secured Party under any provisions hereof or in the other Security Documents, the effectiveness of which is therein expressly provided to survive any one or more of the payment of any of the Secured Obligations and the termination hereof, *provided* that, in any event and notwithstanding the survival of such rights, the Liens in and to the Collateral shall be released upon the termination of this Agreement hereof as provided in the first sentence of this Section 10.

(b) *Invalidity*. If all or any part of any payment on account of the Secured Obligations made prior to, or contemporaneously with, a termination of this Agreement shall be invalidated, set aside, declared or found to be void or voidable or required to be repaid to the Issuer, any trustee,

custodian, receiver, conservator, master, liquidator or other Person pursuant to any Bankruptcy law or pursuant to any common law or equitable cause, then, to the extent of such invalidation, set aside, voidness, voidability or required repayment, neither the Secured Obligations nor the Liens hereof shall be deemed to have been paid, satisfied, released or discharged under this Section 10, and, to the extent of such invalidation, set aside, voidness, voidability or required repayment, the Secured Obligations and such Liens shall be immediately and automatically revived without the necessity of any action by the Issuer, the Lessee, the Collateral Agent or any of the Secured Parties, and the Lien hereof shall continue in full force and effect thereafter until all of the Secured Obligations shall have been fully, finally and indefeasibly paid in cash. This Section 10 shall survive termination of this Agreement.

SECTION 11. EVIDENCE OF RIGHTS OF SECURED PARTIES.

Section 11.1. Execution by Secured Parties or Agents. Any request, consent or other instrument required by this Agreement to be signed and executed by any Secured Party may be signed in any number of concurrent writings of substantially similar tenor and may be signed or executed by such Secured Party in person or by agent or agents duly appointed in writing. Proof of the execution of any such request, consent or other instrument or of a writing appointing any such agent shall be sufficient for any purpose hereof and be conclusive in favor of the Collateral Agent or in favor of the Issuer if made in the manner provided in this Section 11.

Section 11.2. Proof of Execution. The fact and date of the execution by any individual of any request, consent or other instrument or writing required by this Agreement, if required, may be proved, as to any Person, by (i) a certificate of another officer of such Person certifying that the individual signing such request, consent or other instrument is an officer of such Person or (ii) the affidavit of a witness of such execution or by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgements of deeds, certifying that the individual signing such request, consent or other instrument acknowledged to him or her the execution thereof in his or her individual capacity or in his or her capacity as an authorized representative of the Person on whose behalf he executed such request, consent or other instrument in writing.

Section 11.3. Secured Party Lists. The Registrar, on behalf of the Issuer, shall furnish to the Collateral Agent (i) within fifteen (15) days of any change in the names, addresses and other information for notices of each Secured Party or the aggregate principal amount of Secured Obligations held by each such Secured Party, notice of such change, and (ii) at such other times as the Collateral Agent may request in writing, in each case, a list of the names, addresses, and other information for notices of each Secured Party and the aggregate principal amount of Secured Obligations held by each such Secured Party, in such form and as of such date as the Collateral Agent may reasonably require. During the continuance of an Event of Default, the Collateral Agent may from time to time request confirmation by the Secured Parties of the foregoing information provided by the Registrar.

SECTION 12. MISCELLANEOUS.

Section 12.1. Communications.

(a) All notices and communications provided for hereunder shall be in writing and sent (i) by electronic mail if the sender on the same day sends a confirming copy of such notice by an internationally recognized overnight delivery service (charges prepaid), or (ii) by registered, express, priority or certified mail with return receipt requested (postage prepaid) or confirmation of receipt, or (iii) by an internationally recognized overnight delivery service (with charges prepaid). Any such notice must be sent:

if to the Issuer, to the following address:

Space Florida
505 Odyssey Way, Suite 300
Exploration Park, Florida 32953
Attention: [_____]
Email: [_____]

with copies to:

[_____]
[_____]
[_____]
Attention: [_____]
Email: [_____]

And copies to the Lessee at the address(es) below

if to the Lessee, to the following addresses:

BAE Systems Jacksonville Ship Repair LLC
[_____]
[_____]
Attention: [_____]
Email: [_____]

With copy to:
Winston & Strawn LLP
200 Park Avenue
New York, New York 10166
Attention: Alan S. Hoffman, Esq.
Email: [_____]

if to the Guarantor, to the following addresses:

BAE Systems plc
6 Carlton Gardens, London, SW1Y 5AD
United Kingdom
Attn: Company Secretary

With a copy to:

Winston & Strawn LLP
200 Park Avenue
New York, New York 10166
Attention: Alan S. Hoffman, Esq.
Email: [_____]

or at such other address as the Issuer, the Lessee or the Guarantor shall have specified to the holder of each Note and the Collateral Agent in writing. Notices under this Section 12.1 will be deemed given only when actually received.

Communications to the Collateral Agent shall be addressed to:

[Collateral Agent
_____
_____
Attention: _____
Telephone: _____
Facsimile: _____
E-mail: _____]

or to such other address as the Collateral Agent shall have furnished in writing to the Issuer, the Lessee and the Secured Parties. Communications to any Secured Party shall be delivered to such Secured Party at the mailing address or email address of such Secured Party set forth in Purchaser Schedule or supplement to this Agreement pursuant to Section 12.9, or as such Secured Party shall otherwise have furnished in writing to the Issuer, the Lessee and the Collateral Agent.

(b) *When Given*. Any communication addressed and delivered as herein provided shall be deemed to be received when actually received at the address of the addressee or when confirmed to have been received by telephone call to the sender. Any communication not so addressed and delivered shall be ineffective.

Section 12.2. Survival. All warranties, representations and covenants contained herein or made in writing by or on behalf of the Issuer in connection herewith or in connection with any Security Document shall survive the execution and delivery hereof and any Secured Obligation; *provided* that such representations and warranties speak only as the date given by the Issuer.

Section 12.3. Successors and Assigns. Whenever any of the parties hereto is referred to, such reference shall be deemed to include the permitted successors and assigns of such party, including all future holders of Secured Obligations, and all the covenants, promises and agreements contained in this Agreement or any other Security Document by or on behalf of the Issuer, the Lessee, the Collateral Agent or the Secured Parties shall bind and inure to the benefit of the respective permitted successors and assigns of such parties whether so expressed or not.

Section 12.4. Benefits of Agreement Restricted to Parties and Secured Parties. Nothing in this Agreement expressed or implied is intended or shall be construed to give to any Person other than the Issuer, the Lessee, the Collateral Agent and the Secured Parties any legal or equitable right, remedy or claim under or in respect hereof or any covenant, condition or provision therein or herein contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the Issuer, the Lessee, the Collateral Agent and the Secured Parties.

Section 12.5. Reproduction of Documents. This Agreement and all documents relating hereto may be reproduced by any Secured Party, the Collateral Agent, the Lessee and the Issuer by any photographic, photostatic, microfilm, micro-card, miniature photographic, digital or other similar process and each Secured Party may destroy any original document so reproduced. Any such reproduction shall be admissible in evidence as the original itself in any judicial or administrative proceeding (whether or not the original is in existence and whether or not such reproduction was made by the producing Person in the regular course of business) and any enlargement, facsimile or further reproduction of such reproduction shall likewise be admissible in evidence.

Section 12.6. Governing Law. THIS AGREEMENT SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, AND THE RIGHTS OF THE PARTIES SHALL BE GOVERNED BY, THE LAW OF THE STATE OF FLORIDA (EXCLUDING CHOICE-OF-LAW PRINCIPLES OF THE LAW OF SUCH STATE THAT WOULD REQUIRE THE APPLICATION OF THE LAWS OF A JURISDICTION OTHER THAN SUCH STATE).

Section 12.7. Counterparts; Electric Contracting. Two or more duplicate originals of this Agreement may be signed by the parties, each of which shall be an original but all of which together shall constitute one and the same instrument. The parties agree to electronic contracting and signatures with respect to this Agreement, the Finance Documents (except for the Notes) and any other documents required to be delivered hereunder (collectively, the "**Note Documents**"). Delivery of an electronic signature to, or a signed copy of, this Agreement and such other Note Documents by email or other electronic transmission shall be fully binding on the parties to the same extent as the delivery of the manually signed originals and shall be admissible into evidence for all purposes. Notwithstanding the foregoing, if any Purchaser shall request (whether directly or through Greenberg Traurig, LLP) manually signed counterpart signatures to any Note Document, the Issuer hereby agrees to deliver, or cause to be delivered, such manually signed counterpart signatures to such Purchaser (or to Greenberg Traurig, LLP on behalf of such Purchaser) within 45 Business Days of such request or such longer period as the requesting Purchaser and the Issuer may agree.

Section 12.8. Partial Invalidity. The unenforceability or invalidity of any provision or provisions of this Agreement shall not render any other provision or provisions contained in this Agreement unenforceable or invalid.

Section 12.9. Joinder. Any transferee of a Note in accordance with Section 14.2 of the Note Purchase Agreement shall be deemed, by its acceptance of any such Note, to have agreed to the terms and conditions of this Agreement, to be bound by the terms hereof and to have all of the rights and benefits granted to a Secured Party herein. Upon the transfer and acceptance of a Note as provided in the previous sentence, such holder, as applicable, shall be deemed a "Secured Party" for all purposes herein.

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each Person who is a customer of such institution.

For a non-individual Person such as a business entity, a charity, a trust or other legal entity the Collateral Agent may ask for documentation reasonably necessary to verify its formation and existence as a legal entity.

Section 12.10. Jurisdiction and Process; Waiver of Jury Trial.

(a) Each of the Issuer, the Lessee and the Collateral Agent irrevocably submits to the non-exclusive jurisdiction of any Florida state or federal court sitting in Duval County, Florida, over any suit, action or proceeding arising out of or relating to this Agreement or the Notes. To the fullest extent permitted by applicable law, each of the Issuer, the Lessee and the Collateral Agent irrevocably waives and agrees not to assert, by way of motion, as a defense or otherwise, any claim that it is not subject to the jurisdiction of any such court, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding brought in any such court and any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

(b) Each of the Issuer, the Lessee and the Collateral Agent consents to process being served by or on behalf of Collateral Agent or any Secured Party in any suit, action or proceeding of the nature referred to in Section 12.10(a) by mailing a copy thereof by registered, priority, express or certified mail (or any substantially similar form of mail), postage prepaid, return receipt requested, in accordance with Section 12.1. Each of the Issuer, the Lessee and the Collateral Agent agrees that such service upon receipt (i) shall be deemed in every respect effective service of process upon it in any such suit, action or proceeding and (ii) shall, to the fullest extent permitted by applicable law, be taken and held to be valid personal service upon and personal delivery to it. Notices hereunder shall be conclusively presumed received as evidenced by a delivery receipt furnished by the United States Postal Service or any reputable commercial delivery service.

(c) Nothing in this Section 12.10 shall affect the right of any Secured Party to serve process in any manner permitted by law, or limit any right that any Secured Party may have to bring proceedings against any of the Issuer, the Lessee or the Collateral Agent in the courts of any

appropriate jurisdiction or to enforce in any lawful manner a judgment obtained in one jurisdiction in any other jurisdiction.

(d) THE PARTIES HERETO HEREBY WAIVE TRIAL BY JURY IN ANY ACTION BROUGHT ON OR WITH RESPECT TO ANY FINANCE DOCUMENT OR ANY OTHER DOCUMENT EXECUTED IN CONNECTION HEREWITH OR THEREWITH.

Section 12.11. Collateral Agent's Jurisdiction for UCC Purposes. The Collateral Agent's jurisdiction for purposes of (i) part 3 of Article 9 of the UCC is the State of Florida and (ii) for purposes of Section 8-110 of the UCC is the State of Florida.

Section 12.12. Timing of Actions. Except as otherwise specifically provided herein, if the date for making any payment or the last day for the performance of any act or the exercise of any right provided in this Agreement shall not be a Business Day, such payment shall be made or act performed or right exercised on the next succeeding Business Day with the same force and effect as if done on the nominal date provided in this Agreement; provided that any payment of principal of or Make-Whole Amount on any Note (including principal due on the Maturity Date of such Note) made on the next succeeding Business Day shall include the additional days elapsed in the computation of interest payable on such next succeeding Business Day.

[REMAINDER OF PAGE INTENTIONALLY BLANK. NEXT PAGE IS SIGNATURE PAGE.]

IN WITNESS WHEREOF, the parties hereto have caused the execution of this Agreement by duly authorized officers of each as of the date of Closing.

ISSUER:

SPACE FLORIDA, an independent special district, a body politic and corporate, and a subdivision of the State of Florida

By _____
Name:
Title:

LESSEE:

BAE SYSTEMS JACKSONVILLE SHIP REPAIR LLC, a Delaware limited liability company

By _____
Name:
Title:

COLLATERAL AGENT:

CITIBANK, N.A., not in its individual capacity, but solely as Collateral Agent

By _____
Name: _____
Title: _____

SECURED PARTY:

[PURCHASER SIGNATURE PAGES]

By: _____
Name:
Title:

EXHIBIT A

FORM OF PAYMENT DIRECTION

Date: _____

Citibank, N.A., as Collateral Agent
_____
_____
Attention: _____
Telephone: _____
Facsimile: _____
E-mail: _____

Space Florida
505 Odyssey Way, Suite 300
Exploration Park, Florida 32953
Attention: [_____]
Email: [_____]

BAE Systems Jacksonville Ship Repair LLC
[_____]
[_____]
Attention: [_____]
Email: [_____]

Reference is made to the Collateral Agency, Security and Account Agreement dated as of [_____] (the "**CASAA**"), by and among SPACE FLORIDA, an independent special district, a body politic and corporate, and a subdivision of the State of Florida (the "**Issuer**"), BAE SYSTEMS JACKSONVILLE SHIP REPAIR LLC, a Delaware limited liability company, in its capacity as lessee under the Equipment Lease (the "**Lessee**"), [COLLATERAL AGENT], a [_____], as collateral agent for the Secured Parties (the "**Collateral Agent**") and the Secured Parties thereto. Capitalized terms used herein but not otherwise defined herein shall have the respective meanings set forth in the CASAA.

The undersigned Secured Party hereby directs the Collateral Agent to withdraw and transfer on _____, 20__(the "**Transfer Date**") from [_____] Account (account number [•]), the amounts and pay to the undersigned payee, in each case as set forth on Schedule A attached hereto.

In support of such direction, the undersigned hereby represents and certifies, as of the date hereof, as follows:

(a) this direction is being delivered to the Collateral Agent prior to the Transfer Date;

(b) the amount next to its name on the signature page below constitutes the principal amount of the Notes owned by such Secured Party;

(c) it is not an Affiliate of the Issuer; and

(d) the amount set forth on Schedule A is due and owing to the undersigned.

[The remainder of this page is intentionally blank. The next page is the signature page.]

IN WITNESS WHEREOF, the undersigned has caused this direction to be executed and delivered as of the day and year first above written.

[NAMES OF REQUIRED SECURED PARTIES]

By:_____
Name: _____
Title _____

Amount of Notes Held: [_____]

SCHEDULE A

Payee	Amount	Payment Instructions

SCHEDULE 1
AMORTIZATION SCHEDULE