

FIRST AMENDMENT TO LOAN AGREEMENT

This First Amendment to Loan Agreement (the "Amendment") is entered into as of the 1st day of September, 2018, among **Branch Banking and Trust Company** as the bank (the "Bank"), the **Pinellas County Industrial Development Authority d/b/a Pinellas County Economic Development Authority**, a public body corporate and politic duly organized and existing under the Constitution and laws of the State of Florida, as issuer (the "Issuer") and the **Nautical Structures Industries, Inc.** a Florida corporation (the "Borrower"), for the purpose of amending the Loan Agreement dated as of June 1, 2011 (the "Agreement") among the Issuer and the Borrower as provided herein. Capitalized terms used herein and not otherwise defined herein shall be as defined in the Agreement.

WHEREAS, the Issuer issued its Pinellas County Industrial Development Authority Industrial Development Revenue Bond (Nautical Structures Industries Project), Series 2011 (the "Bond") on June 29, 2011 which was purchased by the Bank; and

WHEREAS, the Issuer and the Borrower entered into the Agreement, pursuant to which the Issuer made available to the Borrower the proceeds from the sale of the Bond to the Bank; and

WHEREAS, pursuant to Section 8.6 of the Agreement, the terms of the Agreement may be amended with the consents of the parties thereto and the Bank has requested that an opinion of Bond Counsel be delivered which provides that the tax-exempt status of the Bond is not adversely affected by such amendment; and

WHEREAS, the Borrower and the Bank have previously agreed to amend certain terms of the Agreement and now desire to formalize such amendments in this Amendment;

NOW, THEREFORE, in consideration of the mutual agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

SECTION 1. Definitional Amendments to the Agreement.

A. The following definitions are hereby added to Section 1.2 of the Agreement:

"Prepayment Premium" means, with respect to the prepayment, redemption, or purchase in lieu of redemption of the Bond or any portion thereof, an amount equal to 1.00% of the amount prepaid redeemed or purchased. The determination of the amount of the Prepayment Premium due the Bank hereunder shall be made by the Bank in good faith and shall be conclusive and binding upon the Borrower absent manifest error; provided, however, that the Prepayment Premium shall in no event exceed the maximum prepayment compensation permitted by applicable law and the Related Documents shall be construed to give maximum effect to the provisions contained herein.

"Tax-Exempt Fixed Rate: means ____% per annum.

"Taxable Fixed Rate" means ____% per annum.

"2018 Rate Change Date" means September ___, 2018.

The following definitions in Section 1.2 of the Agreement are hereby amended and restated in their entirety to read as follows:

"Amended and Restated Environmental Indemnity Agreement" means the Amended and Restated Environmental Indemnity Agreement dated September ___, 2018 herewith among the Borrower, the Guarantors and the Bank amending and replacing the Environmental Indemnity Agreement dated as of June 1, 2011.

"Amended and Restated Guaranty Agreement" means the Amended and Restated Guaranty Agreement among the Bank, the Borrower and the Guarantors dated as of September ___, 2018, containing certain covenants and agreements related to the Bond and the distribution of the proceeds thereof to the Borrower amending and replacing the Guaranty Agreement dated as of June 1, 2011.

"Amended and Restated Mortgage" means the Amended and Restated Mortgage and Security Agreement dated as of September ___, 2018 from the Borrower to the Bank related to real property in Pinellas County, Florida amending and replacing the Mortgage and Security Agreement dated as of June 1, 2011.

"Amended and Restated Security Agreement" means the Amended and Restated Security Agreement between the Bank and the Borrower dated as of September ___, 2018 amending and replacing the Security Agreement dated as of June 1, 2011.

"Commitment Letter" means the Commitment Letter dated as of September ___, 2018 of the Bank to the Borrower.

"Resolution" means the Resolution adopted by the Issuer on September 13, 2018 authorizing the reissuance of the Bond and the transaction contemplated hereby.

SECTION 2. Representations and Warranties.

A. In order to induce the parties to execute and deliver this Amendment, the Issuer, and the Borrower hereby reaffirms and hereby make each of the representations and warranties (of the Issuer and the Borrower) contained in the Agreement as of the date hereof, and all references to the Agreement therein shall be deemed to also refer to the Agreement, as amended by this Amendment.

B. In addition to the foregoing, the Borrower represents and warrants as follows:

(i) The execution, delivery and performance by the Borrower of this Amendment are within its powers, have been duly authorized by all necessary action and

do not contravene any law or any contractual restriction binding on or affecting the Borrower.

(ii) No authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body not otherwise undertaken is required for the due execution, delivery and performance by the Borrower of this Amendment.

(iii) This Amendment constitutes a legal, valid and binding obligation of the Borrower, enforceable against the Borrower, in accordance with its terms.

(iv) The Borrower agrees to pay the Bank an extension fee of \$7,500.

C. In addition to the foregoing, the Issuer represents and warrants as follows:

(i) The execution, delivery and performance by the Issuer of this Amendment and a Bond numbered R-2 are within its powers, and both have been duly authorized by all necessary action and do not contravene any law or any contractual restriction binding on or affecting the Issuer.

(ii) No authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution, delivery and performance by the Issuer of this Amendment.

(iii) This Amendment constitutes a legal, valid and binding obligation of the Issuer, enforceable against the Issuer, in accordance with its terms.

SECTION 3. Amendments to Agreement.

A. Section 6.1 of the Agreement is hereby amended to replace the second (2nd) paragraph thereof as follows:

The Bond shall bear interest from the June 29, 2011 to the Rate Change Date or the Date of Taxability, whichever occurs first, at the Adjusted Non-BQ LIBOR Rate (calculated on the basis of the number of days elapsed over a 360-day year). The Bond shall bear interest at the Tax-Exempt Fixed Rate from the Rate Change Date, to the Date of Taxability.

B. Section 6.1 of the Agreement is hereby amended to replace the fourth (4th) paragraph thereof as follows:

The Bond shall bear interest at the Taxable Fixed Rate upon a Date of Taxability.

C. Section 6.1 of the Agreement is hereby amended to replace the sixth (6th) paragraph thereof as follows:

If at any time after the date hereof there should be any change in the maximum marginal rate of federal income tax applicable to the taxable income of the Bank, its successors or assigns

("BB&T Tax Rate"), then the Tax-Exempt Fixed Rate in effect hereunder from time to time as herein provided, for so long as there shall not have occurred a Determination of Taxability, shall be adjusted, effective as of the effective date of any such change in the BB&T Tax Rate, by multiplying the Tax-Exempt Fixed Rate by a fraction, the denominator of which is one hundred percent (100%) minus the BB&T Tax Rate in effect upon the date hereof, and the numerator of which is one hundred percent (100%) minus the BB&T Tax Rate after giving effect to such change.

D. Section 6.1 of the Agreement is hereby amended to replace the fourth (4th) paragraph thereof as follows:

Upon the occurrence of a Determination of Taxability, then, from and after the Date of Taxability, the interest rate used to calculate interest on the Bond shall be the Taxable Fixed Rate. After a Determination of Taxability and upon demand of the Bank, the Borrower shall pay from its funds, as obligor under the Issuer's Bond, to the Bank such additional amount as shall be necessary to provide that interest on the Bond shall have been payable at the Taxable Fixed Rate from the Date of Taxability.

E. Section 6.2(a) of the Agreement is hereby amended entirely and replaced as follows:

(a) The Borrower may prepay the Loan accordance herewith.

All prepayments shall be made in immediately available funds and with accrued interest to the date of prepayment and any prepayment of the Note in part shall be applied to unpaid installments of principal in inverse order of maturity or otherwise as consented to by the Bank.

To exercise the option granted in subsection (a) of this Section, the Borrower shall give written notice to the Issuer and the Bank which shall specify therein (i) the date of the intended prepayment of the Note, which shall not be less than 7 nor more than 60 days from the date the notice is mailed and (ii) the principal amount of the Note to be prepaid when given such notice shall be irrevocable by the Borrower.

Each prepayment of the Note shall include the applicable Prepayment Premium. Additionally, any prepayment of the Note shall be (i) in a minimum amount equal to the greater of (x) 10% of the principal balance of the Note at the time of prepayment and (y) \$250,000 and (ii) applied to unpaid installments of principal in inverse order of maturities or otherwise as consented by the Bank.

F. Section 6.2(c) of the Agreement is hereby amended entirely and replaced as follows:

The Bank shall have the right, upon at least 120 days' prior written notice to the Issuer and the Borrower, to require that the Bond be redeemed in full on any date specified in such notice occurring on or after June 29, 2020, on which date the Bond shall be due and payable in full and the Note shall correspondingly be due and payable in full. No Prepayment Premium

shall be due upon any Bank required redemption undertaken in accordance with this Section 6.02(c).

SECTION 4. Covenants. The Issuer and the Borrower hereby reaffirms its agreement to observe and perform each of the respective covenants and obligations of the Issuer and the Borrower contained in the Agreement.

SECTION 5. Counterparts. This Amendment may be executed in multiple counterparts, all of which shall constitute one and the same instrument, each of which shall be deemed to be an original.

SECTION 6. Limited Scope. Except as expressly amended hereby, all other provisions of the Agreement shall remain in full force and effect.

SECTION 7. Conditions to Effectiveness of Amendment. This Amendment shall be effective on September ___, 2018, provided that all of the following conditions have been fulfilled:

A. Delivery by the parties hereto of an executed counterpart of this Amendment and a replacement form of Bond numbered R-2.

B. A Bond Counsel opinion is delivered providing in effect, that the interest on the Bond is excludable from gross income for federal income tax purposes.

C. Delivery by the parties hereto of the Amended and Restated Guaranty Agreement, the Amended and Restated Environmental Indemnity Agreement, the Amended and Restated Mortgage, and the Amended and Restated Security Agreement.

D. All other legal matters pertaining to the execution and delivery of this Amendment shall be satisfactory to the Bank and its counsel.

SECTION 8. Express Consent to Amendment. For avoidance of doubt, for the purposes of Section 8.6 of the Agreement, each of the parties hereto and the Bank hereby expressly consent to the amendments to the Agreement described in Section 1 hereof.

[Remainder of Page Intentionally Left Blank | Signature Page Follows]

IN WITNESS WHEREOF, the Issuer and the Borrower have executed this Amendment by their respective duly authorized representatives, all as of the date first written above.

**PINELLAS COUNTY INDUSTRIAL
DEVELOPMENT AUTHORITY d/b/a PINELLAS
COUNTY ECONOMIC DEVELOPMENT
AUTHORITY**

(SEAL)

By: _____
Name: Kenneth T. Welch
Title: Chairman

Attest:

By: _____
Name: Mike Meidel
Title: Executive Director

NAUTICAL STRUCTURES INDUSTRIES, INC.

By: _____
Name: Robert E. Bolline
Title: President

[Signature Page | First Amendment to Loan Agreement]

Consent as holder of 100% of the Outstanding Bond:

BRANCH BANKING AND TRUST COMPANY

By: _____

Name: Jeff Lampasso

Title: Senior Vice President

[Signature Page | First Amendment to Loan Agreement]

01387551.DOCX