UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

☑ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **June 30, 2021**

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ____ to ____

Commission file number **001-37386**

FORTRESS TRANSPORTATION AND INFRASTRUCTURE INVESTORS LLC

(Exact name of registrant as specified in its charter)

Delaware	**32-0434238**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1345 Avenue of the Americas, 45th Floor	**New York**	**NY**	**10105**
(Address of principal executive offices)			(Zip Code)

(Registrant's telephone number, including area code) **(212) 798-6100**

(Former name, former address and former fiscal year, if changed since last report) **N/A**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class:	Trading Symbol:	Name of exchange on which registered:
Class A common shares, $0.01 par value per share	FTAI	New York Stock Exchange
8.25% Fixed-to-Floating Rate Series A Cumulative Perpetual Redeemable Preferred Shares	FTAI PR A	New York Stock Exchange
8.00% Fixed-to-Floating Rate Series B Cumulative Perpetual Redeemable Preferred Shares	FTAI PR B	New York Stock Exchange
8.25% Fixed-Rate Reset Series C Cumulative Perpetual Redeemable Preferred Shares	FTAI PR C	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☑	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

There were 85,641,314 common shares outstanding representing limited liability company interests at July 26, 2021.

FORWARD-LOOKING STATEMENTS AND RISK FACTORS SUMMARY

This report contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are not statements of historical fact but instead are based on our present beliefs and assumptions and on information currently available to us. You can identify these forward-looking statements by the use of forward-looking words such as “outlook,” “believes,” “expects,” “potential,” “continues,” “may,” “will,” “should,” “could,” “seeks,” “approximately,” “predicts,” “intends,” “plans,” “estimates,” “anticipates,” “target,” “projects,” “contemplates” or the negative version of those words or other comparable words. Any forward-looking statements contained in this report are based upon our historical performance and on our current plans, estimates and expectations in light of information currently available to us. The inclusion of this forward-looking information should not be regarded as a representation by us, that the future plans, estimates or expectations contemplated by us will be achieved.

Such forward-looking statements are subject to various risks and uncertainties and assumptions relating to our operations, financial results, financial condition, business, prospects, growth strategy and liquidity. Accordingly, there are or will be important factors that could cause our actual results to differ materially from those indicated in these statements. The following is a summary of the principal risk factors that make investing in our securities risky and may materially adversely affect our business, financial condition, results of operations and cash flows. This summary should be read in conjunction with the more complete discussion of the risk factors we face, which are set forth in Part II, Item 1A. “Risk Factors” of this report. We believe that these factors include, but are not limited to:

- changes in economic conditions generally and specifically in our industry sectors, and other risks relating to the global economy, including, but not limited to, the ongoing COVID-19 pandemic and other public health crises, and any related responses or actions by businesses and governments;
- reductions in cash flows received from our assets, as well as contractual limitations on the use of our aviation assets to secure debt for borrowed money;
- our ability to take advantage of acquisition opportunities at favorable prices;
- a lack of liquidity surrounding our assets, which could impede our ability to vary our portfolio in an appropriate manner;
- the relative spreads between the yield on the assets we acquire and the cost of financing;
- adverse changes in the financing markets we access affecting our ability to finance our acquisitions;
- customer defaults on their obligations;
- our ability to renew existing contracts and enter into new contracts with existing or potential customers;
- the availability and cost of capital for future acquisitions;
- concentration of a particular type of asset or in a particular sector;
- competition within the aviation, energy and intermodal transport sectors;
- the competitive market for acquisition opportunities;
- risks related to operating through joint ventures, partnerships, consortium arrangements or other collaborations with third parties;
- our ability to successfully integrate acquired businesses;
- obsolescence of our assets or our ability to sell, re-lease or re-charter our assets;
- exposure to uninsurable losses and force majeure events;
- infrastructure operations and maintenance may require substantial capital expenditures;
- the legislative/regulatory environment and exposure to increased economic regulation;
- exposure to the oil and gas industry’s volatile oil and gas prices;
- difficulties in obtaining effective legal redress in jurisdictions in which we operate with less developed legal systems;
- our ability to maintain our exemption from registration under the Investment Company Act of 1940 and the fact that maintaining such exemption imposes limits on our operations;
- our ability to successfully utilize leverage in connection with our investments;
- foreign currency risk and risk management activities;
- effectiveness of our internal control over financial reporting;
- exposure to environmental risks, including natural disasters, increasing environmental legislation and the broader impacts of climate change;
- changes in interest rates and/or credit spreads, as well as the success of any hedging strategy we may undertake in relation to such changes;
- actions taken by national, state, or provincial governments, including nationalization, or the imposition of new taxes, could materially impact the financial performance or value of our assets;
- our dependence on our Manager and its professionals and actual, potential or perceived conflicts of interest in our relationship with our Manager;

- effects of the merger of Fortress Investment Group LLC with affiliates of SoftBank Group Corp.;
- volatility in the market price of our shares;
- the inability to pay dividends to our shareholders in the future; and
- other risks described in the “Risk Factors” section of this report.

These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this report. The forward-looking statements made in this report relate only to events as of the date on which the statements are made. We do not undertake any obligation to publicly update or review any forward-looking statement except as required by law, whether as a result of new information, future developments or otherwise.

If one or more of these or other risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, our actual results may vary materially from what we may have expressed or implied by these forward-looking statements. We caution that you should not place undue reliance on any of our forward-looking statements. Furthermore, new risks and uncertainties arise from time to time, and it is impossible for us to predict those events or how they may affect us.

FORTRESS TRANSPORTATION AND INFRASTRUCTURE INVESTORS LLC

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PART I—FINANCIAL INFORMATION

Item 1. Financial Statements

FORTRESS TRANSPORTATION AND INFRASTRUCTURE INVESTORS LLC
CONSOLIDATED BALANCE SHEETS
(Dollars in thousands, except share and per share data)

	Notes	(Unaudited) June 30, 2021	December 31, 2020
Assets			
Cash and cash equivalents	2	**$ 105,244**	$ 121,703
Restricted cash	2	**38,001**	39,715
Accounts receivable, net		**175,827**	91,691
Leasing equipment, net	4	**1,656,702**	1,635,259
Operating lease right-of-use assets, net	13	**64,541**	62,355
Finance leases, net	5	**13,124**	6,927
Property, plant, and equipment, net	6	**1,014,390**	964,363
Investments	7	**114,493**	146,515
Intangible assets, net	8	**14,488**	18,786
Goodwill		**122,735**	122,735
Other assets	2	**234,401**	177,928
Total assets		**$ 3,553,946**	$ 3,387,977
Liabilities			
Accounts payable and accrued liabilities		**$ 148,367**	$ 113,185
Debt, net	9	**2,127,086**	1,904,762
Maintenance deposits		**119,448**	148,293
Security deposits		**35,663**	37,064
Operating lease liabilities	13	**64,120**	62,001
Other liabilities		**18,249**	23,351
Total liabilities		**$ 2,512,933**	$ 2,288,656
Commitments and contingencies	19		
Equity			
Common shares ($0.01 par value per share; 2,000,000,000 shares authorized; 85,641,314 and 85,617,146 shares issued and outstanding as of June 30, 2021 and December 31, 2020, respectively)		**$ 856**	$ 856
Preferred shares ($0.01 par value per share; 200,000,000 shares authorized; 13,320,000 and 9,120,000 shares issued and outstanding as of June 30, 2021 and December 31, 2020, respectively)		**133**	91
Additional paid in capital		**1,163,748**	1,130,106
Accumulated deficit		**(88,056)**	(28,158)
Accumulated other comprehensive loss		**(49,115)**	(26,237)
Shareholders' equity		**1,027,566**	1,076,658
Non-controlling interest in equity of consolidated subsidiaries		**13,447**	22,663
Total equity		**1,041,013**	1,099,321
Total liabilities and equity		**$ 3,553,946**	$ 3,387,977

See accompanying notes to consolidated financial statements.

FORTRESS TRANSPORTATION AND INFRASTRUCTURE INVESTORS LLC
CONSOLIDATED STATEMENTS OF OPERATIONS *(unaudited)*
(Dollars in thousands, except share and per share data)

	Notes	Three Months Ended June 30,		Six Months Ended June 30,	
		2021	2020	2021	2020
Revenues					
Equipment leasing revenues		**$ 81,571**	$ 79,834	**$ 138,178**	$ 166,283
Infrastructure revenues		**15,344**	14,475	**35,886**	40,866
Total revenues	12	**96,915**	94,309	**174,064**	207,149
Expenses					
Operating expenses		**31,183**	24,572	**56,180**	58,016
General and administrative		**3,655**	4,388	**7,907**	9,051
Acquisition and transaction expenses		**4,399**	3,661	**6,042**	6,855
Management fees and incentive allocation to affiliate	16	**4,113**	4,756	**8,103**	9,522
Depreciation and amortization	4, 6, 8	**47,371**	41,720	**91,906**	83,917
Asset impairment		**89**	10,476	**2,189**	10,476
Interest expense		**37,504**	21,794	**70,494**	44,655
Total expenses		**128,314**	111,367	**242,821**	222,492
Other (expense) income					
Equity in losses of unconsolidated entities	7	**(7,152)**	(3,209)	**(5,778)**	(2,944)
Gain (loss) on sale of assets, net		**3,987**	768	**4,798**	(1,051)
Loss on extinguishment of debt	9	**(3,254)**	—	**(3,254)**	(4,724)
Interest income		**454**	22	**739**	63
Other (expense) income		**(884)**	(1)	**(703)**	32
Total other expense		**(6,849)**	(2,420)	**(4,198)**	(8,624)
Loss from continuing operations before income taxes		**(38,248)**	(19,478)	**(72,955)**	(23,967)
Benefit from income taxes	15	**(1,640)**	(3,750)	**(1,471)**	(3,848)
Net loss from continuing operations		**(36,608)**	(15,728)	**(71,484)**	(20,119)
Net income from discontinued operations, net of income taxes		**—**	—	**—**	1,331
Net loss		**(36,608)**	(15,728)	**(71,484)**	(18,788)
Less: Net loss attributable to non-controlling interests in consolidated subsidiaries		**(6,625)**	(4,112)	**(11,586)**	(8,848)
Less: Dividends on preferred shares		**6,551**	4,079	**11,176**	8,618
Net loss attributable to shareholders		**$ (36,534)**	$ (15,695)	**$ (71,074)**	$ (18,558)
(Loss) earnings per share:	18				
Basic					
Continuing operations		**$ (0.42)**	$ (0.18)	**$ (0.83)**	$ (0.23)
Discontinued operations		**$ —**	$ —	**$ —**	$ 0.02
Diluted					
Continuing operations		**$ (0.42)**	$ (0.18)	**$ (0.83)**	$ (0.23)
Discontinued operations		**$ —**	$ —	**$ —**	$ 0.02
Weighted average shares outstanding:					
Basic		**86,030,652**	86,009,959	**86,029,305**	86,009,029
Diluted		**86,030,652**	86,009,959	**86,029,305**	86,009,029

See accompanying notes to consolidated financial statements.

FORTRESS TRANSPORTATION AND INFRASTRUCTURE INVESTORS LLC
CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME *(unaudited)*
(Dollars in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	**2020**	**2021**	**2020**
Net loss	**$ (36,608)**	$ (15,728)	**$ (71,484)**	$ (18,788)
Other comprehensive loss:				
Other comprehensive loss related to equity method investees, net [(1)]	**(32,832)**	(12,112)	**(22,878)**	(3,354)
Comprehensive loss	**(69,440)**	(27,840)	**(94,362)**	(22,142)
Comprehensive loss attributable to non-controlling interest	**(6,625)**	(4,112)	**(11,586)**	(8,848)
Comprehensive loss attributable to shareholders	**$ (62,815)**	$ (23,728)	**$ (82,776)**	$ (13,294)

[(1)] Net of deferred tax benefit of $(7,118) and $(3,220) for the three months ended June 30, 2021 and 2020, respectively, and $(4,472) and $(894) for the six months ended June 30, 2021 and 2020, respectively.

See accompanying notes to consolidated financial statements.

FORTRESS TRANSPORTATION AND INFRASTRUCTURE INVESTORS LLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY *(unaudited)*
(Dollars in thousands)

	Three and Six Months Ended June 30, 2021						
	Common Shares	Preferred Shares	Additional Paid In Capital	Accumulated Deficit	Accumulated Other Comprehensive (Loss) Income	Non-Controlling Interest in Equity of Consolidated Subsidiaries	Total Equity
Equity - December 31, 2020	$ 856	$ 91	$ 1,130,106	$ (28,158)	$ (26,237)	$ 22,663	$ 1,099,321
Net loss				**(29,915)**		**(4,961)**	**(34,876)**
Other comprehensive income				**—**	**9,954**	**—**	**9,954**
Total comprehensive (loss) income				**(29,915)**	**9,954**	**(4,961)**	**(24,922)**
Settlement of equity-based compensation						**(183)**	**(183)**
Issuance of common shares	**—**		**150**				**150**
Dividends declared - common shares			**(28,383)**				**(28,383)**
Issuance of preferred shares		**42**	**101,138**				**101,180**
Dividends declared - preferred shares			**(4,625)**				**(4,625)**
Equity-based compensation						**1,114**	**1,114**
Equity - March 31, 2021	**$ 856**	**$ 133**	**$ 1,198,386**	**$ (58,073)**	**$ (16,283)**	**$ 18,633**	**$ 1,143,652**
Net loss				**(29,983)**		**(6,625)**	**(36,608)**
Other comprehensive loss				**—**	**(32,832)**	**—**	**(32,832)**
Total comprehensive loss				**(29,983)**	**(32,832)**	**(6,625)**	**(69,440)**
Issuance of common shares	**—**		**305**				**305**
Dividends declared - common shares			**(28,412)**				**(28,412)**
Issuance of preferred shares		**—**	**20**				**20**
Dividends declared - preferred shares			**(6,551)**				**(6,551)**
Equity-based compensation						**1,439**	**1,439**
Equity - June 30, 2021	**$ 856**	**$ 133**	**$ 1,163,748**	**$ (88,056)**	**$ (49,115)**	**$ 13,447**	**$ 1,041,013**

	Three and Six Months Ended June 30, 2020						
	Common Shares	Preferred Shares	Additional Paid In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Non-Controlling Interest in Equity of Consolidated Subsidiaries	Total Equity
Equity - December 31, 2019	$ 849	$ 81	$ 1,110,122	$ 190,453	$ 372	$ 36,980	$ 1,338,857
Net income (loss)				1,676		(4,736)	(3,060)
Other comprehensive income				—	8,758	—	8,758
Total comprehensive income (loss)				1,676	8,758	(4,736)	5,698
Issuance of common shares	2		154				156
Conversion of participating securities			(2)				(2)
Dividends declared - common shares				(28,391)			(28,391)
Issuance costs of preferred shares			(246)				(246)
Dividends declared - preferred shares				(4,539)			(4,539)
Equity-based compensation						291	291
Equity - March 31, 2020	$ 851	$ 81	$ 1,110,028	$ 159,199	$ 9,130	$ 32,535	$ 1,311,824
Net loss				(11,616)		(4,112)	(15,728)
Other comprehensive loss				—	(12,112)	—	(12,112)
Total comprehensive loss				(11,616)	(12,112)	(4,112)	(27,840)
Settlement of equity-based compensation						(42)	(42)
Issuance of common shares	5		150				155
Conversion of participating securities			(5)				(5)
Dividends declared - common shares				(28,391)			(28,391)
Issuance costs of preferred shares			(542)				(542)
Dividends declared - preferred shares				(4,079)			(4,079)
Equity-based compensation						411	411
Equity - June 30, 2020	$ 856	$ 81	$ 1,109,631	$ 115,113	$ (2,982)	$ 28,792	$ 1,251,491

See accompanying notes to consolidated financial statements.

FORTRESS TRANSPORTATION AND INFRASTRUCTURE INVESTORS LLC
CONSOLIDATED STATEMENTS OF CASH FLOWS *(unaudited)*
(Dollars in thousands)

	Six Months Ended June 30,	
	2021	**2020**
Cash flows from operating activities:		
Net loss	**$ (71,484)**	$ (18,788)
Adjustments to reconcile net loss to net cash used in operating activities:		
Equity in losses of unconsolidated entities	**5,778**	2,944
Gain on sale of subsidiaries	**—**	(1,331)
(Gain) loss on sale of assets, net	**(4,798)**	1,051
Security deposits and maintenance claims included in earnings	**(15,413)**	2,951
Loss on extinguishment of debt	**3,254**	4,724
Equity-based compensation	**2,553**	702
Depreciation and amortization	**91,906**	83,917
Asset impairment	**2,189**	10,476
Deferred tax provision	**(1,632)**	(4,506)
Change in fair value of non-hedge derivative	**(6,573)**	181
Amortization of lease intangibles and incentives	**14,905**	13,488
Amortization of deferred financing costs	**4,489**	4,010
Bad debt expense, net	**(733)**	1,761
Other	**(117)**	759
Change in:		
Accounts receivable	**(86,661)**	(24,140)
Other assets	**(44,639)**	6,210
Accounts payable and accrued liabilities	**47,320**	(18,894)
Management fees payable to affiliate	**(631)**	(20,987)
Other liabilities	**(3,637)**	124
Net cash (used in) provided by operating activities	**(63,924)**	44,652
Cash flows from investing activities:		
Investment in unconsolidated entities	**(1,105)**	(2,514)
Principal collections on finance leases	**1,269**	3,320
Acquisition of leasing equipment	**(170,132)**	(206,299)
Acquisition of property, plant and equipment	**(84,134)**	(130,073)
Acquisition of lease intangibles	**(517)**	1,997
Purchase deposits for acquisitions	**(9,180)**	(4,590)
Proceeds from sale of leasing equipment	**57,155**	37,687
Proceeds from deposit on sale of aircraft and engine	**1,425**	—
Return of deposit on sale of engine	**1,010**	2,350
Net cash used in investing activities	**$ (204,209)**	$ (298,122)

See accompanying notes to consolidated financial statements.

FORTRESS TRANSPORTATION AND INFRASTRUCTURE INVESTORS LLC
CONSOLIDATED STATEMENTS OF CASH FLOWS *(unaudited)*
(Dollars in thousands)

	Six Months Ended June 30,	
	2021	**2020**
Cash flows from financing activities:		
Proceeds from debt	**$ 776,100**	$ 458,981
Repayment of debt	**(552,704)**	(275,991)
Payment of deferred financing costs	**(10,653)**	(12,629)
Receipt of security deposits	**1,020**	853
Return of security deposits	**(1,034)**	(3,815)
Receipt of maintenance deposits	**16,255**	18,499
Release of maintenance deposits	**(12,071)**	(9,185)
Proceeds from issuance of preferred shares, net of underwriter's discount and issuance costs	**101,201**	(267)
Purchase of non-controlling interest	**—**	(45)
Settlement of equity-based compensation	**(183)**	—
Cash dividends - common shares	**(56,795)**	(56,782)
Cash dividends - preferred shares	**(11,176)**	(8,618)
Net cash provided by financing activities	**$ 249,960**	$ 111,001
Net decrease in cash and cash equivalents and restricted cash	**(18,173)**	(142,469)
Cash and cash equivalents and restricted cash, beginning of period	**161,418**	242,517
Cash and cash equivalents and restricted cash, end of period	**$ 143,245**	$ 100,048
Supplemental disclosure of non-cash investing and financing activities:		
Acquisition of leasing equipment	**$ 23,299**	$ 25,326
Acquisition of property, plant and equipment	**(891)**	(13,631)
Settled and assumed security deposits	**(1,042)**	(2,545)
Billed, assumed and settled maintenance deposits	**(22,123)**	(20,113)
Non-cash change in equity method investment	**(22,878)**	(3,354)
Issuance of common shares	**455**	304

See accompanying notes to consolidated financial statements.

1. ORGANIZATION

Fortress Transportation and Infrastructure Investors LLC ("we", "us", "our" or the "Company") is a Delaware limited liability company which, through its subsidiary, Fortress Worldwide Transportation and Infrastructure General Partnership (the "Partnership"), owns and leases aviation equipment and also owns and operates (i) a multi-modal crude oil and refined products terminal in Beaumont, Texas ("Jefferson Terminal"), (ii) a deep-water port located along the Delaware River with an underground storage cavern and multiple industrial development opportunities ("Repauno") and (iii) an equity method investment in a multi-modal terminal located along the Ohio River with multiple industrial development opportunities, including a power plant under construction ("Long Ridge"). Additionally, we own and lease offshore energy equipment and shipping containers. We have three reportable segments, (i) Aviation Leasing, (ii) Jefferson Terminal and (iii) Ports and Terminals, which operate in two primary businesses, Equipment Leasing and Infrastructure (see Note 17).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting—The accompanying consolidated financial statements are prepared in accordance with U.S. generally accepted accounting principles ("GAAP") and include the accounts of us and our subsidiaries.

Principles of Consolidation—We consolidate all entities in which we have a controlling financial interest and control over significant operating decisions, as well as variable interest entities ("VIEs") in which we are the primary beneficiary. All significant intercompany transactions and balances have been eliminated. All adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. The ownership interest of other investors in consolidated subsidiaries is recorded as non-controlling interest.

We use the equity method of accounting for investments in entities in which we exercise significant influence but which do not meet the requirements for consolidation. Under the equity method, we record our proportionate share of the underlying net income (loss) of these entities as well as the proportionate interest in adjustments to other comprehensive income (loss).

Use of Estimates—The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Risks and Uncertainties—In the normal course of business, we encounter several significant types of economic risk including credit, market, and capital market risks. Credit risk is the risk of the inability or unwillingness of a lessee, customer, or derivative counterparty to make contractually required payments or to fulfill its other contractual obligations. Market risk reflects the risk of a downturn or volatility in the underlying industry segments in which we operate, which could adversely impact the pricing of the services offered by us or a lessee's or customer's ability to make payments, increase the risk of unscheduled lease terminations and depress lease rates and the value of our leasing equipment or operating assets. Capital market risk is the risk that we are unable to obtain capital at reasonable rates to fund the growth of our business or to refinance existing debt facilities. We, through our subsidiaries, also conduct operations outside of the United States; such international operations are subject to the same risks as those associated with our United States operations as well as additional risks, including unexpected changes in regulatory requirements, heightened risk of political and economic instability, potentially adverse tax consequences and the burden of complying with foreign laws. We do not have significant exposure to foreign currency risk as all of our leasing arrangements and the majority of terminal services revenue are denominated in U.S. dollars.

Variable Interest Entities—The assessment of whether an entity is a VIE and the determination of whether to consolidate a VIE requires judgment. VIEs are defined as entities in which equity investors do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties. A VIE is required to be consolidated by its primary beneficiary, and only by its primary beneficiary, which is defined as the party who has the power to direct the activities of a VIE that most significantly impact its economic performance and who has the obligation to absorb losses or the right to receive benefits from the VIE that could potentially be significant to the VIE.

Delaware River Partners LLC

During 2016, through Delaware River Partners LLC ("DRP"), a consolidated subsidiary, we purchased the assets of Repauno, which consisted primarily of land, a storage cavern, and riparian rights for the acquired land, site improvements and rights. Upon acquisition there were no operational processes that could be applied to these assets that would result in outputs without significant green field development. We currently hold an approximately 98% economic interest, and a 100% voting interest in DRP. DRP is solely reliant on us to finance its activities and therefore is a VIE. We concluded that we were the primary beneficiary; and accordingly, DRP has been presented on a consolidated basis in the accompanying financial statements.

Cash and Cash Equivalents—We consider all highly liquid short-term investments with a maturity of 90 days or less when purchased to be cash equivalents.

Restricted Cash—Restricted cash consists of prepaid interest and principal pursuant to the requirements of certain of our debt agreements (see Note 9) and other qualifying construction projects at Jefferson Terminal.

Inventory—We hold aircraft engine modules, spare parts and used material inventory for trading and to support operations within our Aviation Leasing segment. Aviation inventory is carried at the lower of cost or net realizable value on our balance sheet. We had Aviation inventory of $72.1 million and $58.2 million as of June 30, 2021 and December 31, 2020, respectively, which is included in Other assets in the Consolidated Balance Sheets.

Commodities inventory is carried at the lower of cost or net realizable value on our balance sheet. Commodities are removed from inventory based on the average cost at the time of sale. We had commodities inventory of $11.5 million and $0.1 million as of June 30, 2021 and December 31, 2020, respectively, which is included in Other assets in the Consolidated Balance Sheets.

Deferred Financing Costs—Costs incurred in connection with obtaining long term financing are capitalized and amortized to interest expense over the term of the underlying loans. Unamortized deferred financing costs of $40.4 million and $36.2 million as of June 30, 2021 and December 31, 2020, respectively, are recorded as a component of debt in the Consolidated Balance Sheets.

We also have unamortized deferred revolver fees related to our revolving debt of $0.9 million and $1.6 million as of June 30, 2021 and December 31, 2020, respectively, which are included in Other assets in the Consolidated Balance Sheets.

Amortization expense was $2.2 million and $1.9 million for the three months ended June 30, 2021 and 2020, respectively, and $4.5 million and $4.0 million for the six months ended June 30, 2021 and 2020, respectively, and is included in Interest expense in the Consolidated Statements of Operations.

Revenue Recognition

Equipment Leasing Revenues

Operating Leases—We lease equipment pursuant to operating leases. Operating leases with fixed rentals and step rentals are recognized on a straight-line basis over the term of the lease, assuming no renewals. Revenue is not recognized when collection is not reasonably assured. When collectability is not reasonably assured, the customer is placed on non-accrual status and revenue is recognized when cash payments are received.

Generally, under our aircraft lease and engine agreements, the lessee is required to make periodic maintenance payments calculated based on the lessee's utilization of the leased asset or at the end of the lease. Typically, under our aircraft lease agreements, the lessee is responsible for maintenance, repairs and other operating expenses throughout the term of the lease. These periodic maintenance payments accumulate over the term of the lease to fund major maintenance events, and we are contractually obligated to return maintenance payments to the lessee up to the cost of maintenance events paid by the lessee. In the event the total cost of maintenance events over the term of a lease is less than the cumulative maintenance payments, we are not required to return any unused or excess maintenance payments to the lessee.

Maintenance payments received for which we expect to repay to the lessee are presented as Maintenance Deposits in our Consolidated Balance Sheets. All excess maintenance payments received that we do not expect to repay to the lessee are recorded as Maintenance revenues. Estimates in recognizing revenue include mean time between removal, projected costs for engine maintenance and forecasted utilization of aircraft which are affected by historical usage patterns and overall industry, market and economic conditions. Significant changes to these estimates could have a material effect on the amount of revenue recognized in the period.

For purchase and lease back transactions, we account for the transaction as a single arrangement. We allocate the consideration paid based on the relative fair value of the aircraft and lease. The fair value of the lease may include a lease premium or discount.

In April 2020, the FASB Staff issued a question-and-answer document (the "Q&A") regarding accounting for lease concessions related to the effects of the COVID-19 pandemic. The Q&A permits an entity to elect to forgo the evaluation of the enforceable rights and obligations of a lease contract required under ASC 842, *Leases*, as long as the total rent payments after the lease concessions are substantially the same, or less than, the total rent payments in the existing lease. The impact of the COVID-19 related lease concessions granted above did not have a material impact on our results of operations during the six months ended June 30, 2021.

Finance Leases—From time to time we enter into finance lease arrangements that include a lessee obligation to purchase the leased equipment at the end of the lease term, a bargain purchase option, or provides for minimum lease payments with a present value that equals or exceeds substantially all of the fair value of the leased equipment at the date of lease inception. Net investment in finance leases represents the minimum lease payments due from lessee, net of unearned income. The lease payments are segregated into principal and interest components similar to a loan. Unearned income is recognized on an effective interest method over the lease term and is recorded as finance lease income. The principal component of the lease payment is reflected as a reduction to the net investment in finance leases. Revenue is not recognized when collection is not reasonably assured. When collectability is not reasonably assured, the customer is placed on non-accrual status and revenue is recognized when cash payments are received.

Infrastructure Revenues

Terminal Services Revenues—Terminal services are provided to customers for the receipt and redelivery of various commodities. These revenues are recognized over time, i.e., as the services are rendered and the customer simultaneously receives and consumes the benefit over time.

Lease Income—Lease income consists of rental income from tenants for storage space. Lease income is recognized on a straight-line basis over the term of the relevant lease agreement.

Crude Marketing Revenues—Crude marketing revenues consist of marketing revenue related to Canadian crude oil. The revenues are recognized over time, i.e., as the services are rendered and the customer simultaneously receives and consumes the benefit over time.

Other Revenue—Other revenue primarily consists of revenue related to the handling, storage and sale of raw materials. Other revenue consists of two performance obligations: handling and storage of raw materials. The revenues are recognized over time, i.e., as the services are rendered and the customer simultaneously receives and consumes the benefit over time.

Additionally, other revenue consists of revenue related to derivative trading activities. See Commodity Derivatives below for additional information.

Payment terms for Infrastructure Revenues are generally short term in nature.

Leasing Arrangements—At contract inception, we evaluate whether an arrangement is or contains a lease for which we are the lessee (that is, arrangements which provide us with the right to control a physical asset for a period of time). Operating lease right-of-use ("ROU") assets and lease liabilities are recognized in Operating lease right-of-use assets, net and Operating lease liabilities in our Consolidated Balance Sheets, respectively. Finance lease ROU assets are recognized in Property, plant and equipment, net and lease liabilities are recognized in Other liabilities in our Consolidated Balance Sheets.

All lease liabilities are measured at the present value of the unpaid lease payments, discounted using our incremental borrowing rate based on the information available at commencement date of the lease. ROU assets, for both operating and finance leases, are initially measured based on the lease liability, adjusted for prepaid rent and lease incentives. ROU assets are subsequently measured at the carrying amount of the lease liability adjusted for prepaid or accrued lease payments and lease incentives. The finance lease ROU assets are subsequently amortized using the straight-line method.

Operating lease expenses are recognized on a straight-line basis over the lease term. With respect to finance leases, amortization of the ROU asset is presented separately from interest expense related to the finance lease liability. Variable lease payments, which are primarily based on usage, are recognized when the associated activity occurs.

We have elected to combine lease and non-lease components for all lease contracts where we are the lessee. Additionally, for arrangements with lease terms of 12 months or less, we do not recognize ROU assets, and lease liabilities and lease payments are recognized on a straight-line basis over the lease term with variable lease payments recognized in the period in which the obligation is incurred.

Concentration of Credit Risk—We are subject to concentrations of credit risk with respect to amounts due from customers on our finance leases and operating leases. We attempt to limit our credit risk by performing ongoing credit evaluations and, when deemed necessary, enter into collateral arrangements. During both the three months ended June 30, 2021 and 2020, one customer in the Aviation Leasing segment accounted for approximately 10% of total revenue. During the six months ended June 30, 2021, one customer in the Aviation Leasing segment accounted for approximately 11% of total revenue. During the six months ended June 30, 2020, one customer in the Jefferson Terminal segment and one customer in the Aviation Leasing segment each accounted for approximately 11% of total revenue.

As of June 30, 2021, there were two customers in the Aviation Leasing segment that represented 32% and 10% of total accounts receivable, net and two customers in the Jefferson Terminal segment that each represented 12% of total accounts receivable, net. As of December 31, 2020, accounts receivable from two customers in the Aviation Leasing segment represented 40% and 15% of total accounts receivable, net.

We maintain cash and restricted cash balances, which generally exceed federally insured limits, and subject us to credit risk, in high credit quality financial institutions. We monitor the financial condition of these institutions and have not experienced any losses associated with these accounts.

Allowance for Doubtful Accounts—We determine the allowance for doubtful accounts based on our assessment of the collectability of our receivables on a customer-by-customer basis. The allowance for doubtful accounts was $3.8 million and $4.6 million as of June 30, 2021 and December 31, 2020, respectively. There was a bad debt reversal of $0.2 million and bad debt expense of $1.1 million for the three months ended June 30, 2021 and 2020, respectively, and a bad debt reversal of $0.7 million and bad debt expense of $1.8 million for the six months ended June 30, 2021 and 2020, respectively, and is included in Operating expenses in the Consolidated Statements of Operations.

Comprehensive Income (Loss)—Comprehensive income (loss) is defined as the change in equity of a business enterprise during a period from transactions and other events and circumstances, excluding those resulting from investments by and distributions to owners. Our comprehensive income (loss) represents net income (loss), as presented in the Consolidated Statements of Operations, adjusted for fair value changes related to other comprehensive income (loss) related to our equity method investees.

Derivative Financial Instruments

Electricity Derivatives—Through our equity method investment in Long Ridge, we enter into derivative contracts as part of a risk management program to mitigate price risk associated with certain electricity price exposures. We primarily use swap derivative contracts, which are agreements to buy or sell a quantity of electricity at a predetermined future date and at a predetermined price.

Cash Flow Hedges

Certain of these derivative instruments are designated and qualify as cash flow hedges. Our share of the derivative's gain or loss is reported as Other comprehensive income (loss) related to equity method investees in our Consolidated Statements of Comprehensive (Loss) Income and recorded in Accumulated other comprehensive (loss) income in our Consolidated Balance Sheets.

Derivatives Not Designated As Hedging Instruments

Certain of these derivative instruments are not designated as hedging instruments for accounting purposes. The change in fair value of these contracts is recognized in Equity in earnings (losses) in unconsolidated entities in the Consolidated Statements of Operations. The cash flow impact of derivative contracts that are not designated as hedging instruments is recognized in Equity in earnings (losses) in unconsolidated entities in our Consolidated Statements of Cash Flows.

Commodity Derivatives—We also enter into short-term and long-term crude forward contracts. Gains and losses related to our crude sales and purchase derivatives are recorded on a gross basis and are included in Crude marketing revenues and Operating expenses, respectively, in our Consolidated Statements of Operations. The cash flow impact of these derivatives is recognized in Change in fair value of non-hedge derivatives in our Consolidated Statements of Cash Flows.

Additionally, depending on market conditions, we enter into short-term forward purchase and sales contracts for butane. Gains and losses related to our butane derivatives are recorded on a net basis and are included in Other revenue in our Consolidated Statements of Operations, as these contracts are considered part of central operating activities. The cash flow impact of these derivatives is recognized in Change in fair value of non-hedge derivatives in our Consolidated Statements of Cash Flows.

See Note 11 for additional details related to our commodity derivatives.

Some of our derivatives are used for speculative purposes. We record all derivative assets and liabilities on a gross basis at fair value, which are included in Other assets and Other liabilities, respectively, in our Consolidated Balance Sheets.

Other Assets—Other assets is primarily comprised of lease incentives of $46.3 million and $55.1 million, purchase deposits of $9.3 million and $6.1 million, prepaid expenses of $24.7 million and $10.1 million, notes receivable of $6.4 million and $0.7 million, maintenance right assets of $17.1 million and $6.4 million and aircraft engine modules, spare parts and used material inventory of $72.1 million and $58.2 million as of June 30, 2021 and December 31, 2020, respectively.

Dividends—Dividends are recorded if and when declared by the Board of Directors. For both the three and six months ended June 30, 2021 and 2020, the Board of Directors declared cash dividends of $0.33 and $0.66 per common share, respectively.

Additionally, in the quarter ended June 30, 2021, the Board of Directors declared cash dividends on the Series A Preferred Shares, Series B Preferred Shares and Series C Preferred Shares of $0.52, $0.50 and $0.46 per share, respectively.

Recent Accounting Pronouncements—In March 2020 and January 2021, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting* and ASU 2021-01, *Reference Rate Reform: Scope*, respectively. Together, the ASU's temporarily simplify the accounting for contract modifications, including hedging relationships, due to the transition from LIBOR and other interbank offered rates to alternative reference interest rates. For example, entities can elect not to remeasure the contracts at the modification date or reassess a previous accounting determination if certain conditions are met. Additionally, entities can elect to continue applying hedge accounting for hedging relationships affected by reference rate reform if certain conditions are met. The new standard was effective upon issuance and generally can be applied to applicable contract modifications through December 31, 2022. Adoption did not have a material impact on our consolidated financial statements.

(Dollars in tables in thousands, unless otherwise noted)

In December 2019, the FASB issued ASU 2019-12, *Simplifying the Accounting for Income Taxes (Topic 740)*. This standard simplifies the accounting for income taxes by eliminating certain exceptions to the guidance in ASC 740 related to the approach for intraperiod tax allocation, the methodology for calculating income taxes in an interim period and the recognition of deferred tax liabilities for outside basis differences. The standard also simplifies aspects of the accounting for franchise taxes and enacted changes in tax laws or rates and clarifies the accounting for transactions that result in a step-up in the tax basis of goodwill. The standard is effective for public companies for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2020 and early adoption is permitted. We adopted this guidance in the first quarter of 2021, which did not have a material impact on our consolidated financial statements.

Unadopted Accounting Pronouncements—In July 2021, the FASB issued ASU 2021-05, *Leases (Topic 842): Lessors—Certain Leases with Variable Lease Payments*. This ASU requires lessors to classify and account for a lease with variable lease payments that do not depend on a reference index or a rate as an operating lease if (i) the lease would have been classified as a sales-type lease or a direct financing lease under Topic 842 and (ii) the lessor would have otherwise recognized a day-one loss. This standard is effective for all reporting periods beginning after December 15, 2021. We are currently assessing the impact this guidance may have on our consolidated financial statements.

3. DISCONTINUED OPERATIONS

In December 2019, we completed the sale of substantially all of our railroad business ("CMQR"), which was previously reported as our Railroad segment. Under ASC 205-20, this disposition met the criteria to be reported as discontinued operations. Accordingly, the results of operations of CMQR have been reported as discontinued operations for all periods presented. During the six months ended June 30, 2020, we recognized a gain on sale of $1.3 million which is reported in Net income from discontinued operations, net of income taxes in the Consolidated Statements of Operations. There were no non-cash items or capital expenditures during the six months ended June 30, 2020.

4. LEASING EQUIPMENT, NET

Leasing equipment, net is summarized as follows:

	June 30, 2021	December 31, 2020
Leasing equipment	**$ 2,082,733**	$ 2,042,404
Less: accumulated depreciation	**(426,031)**	(407,145)
Leasing equipment, net	**$ 1,656,702**	$ 1,635,259

During the six months ended June 30, 2021, we evaluated our leasing equipment portfolio and identified certain assets with indicators of impairment, including, but not limited to, the redelivery of unserviceable leasing equipment and a decline in market values due to the ongoing COVID-19 pandemic for leasing equipment we have decided to sell. For these assets, we performed a recoverability assessment at the individual asset level and determined that the carrying amounts exceeded the estimated future undiscounted net cash flows and these assets were impaired. To determine fair value, we used both a market approach, using quoted market prices for the same or similar assets, and an income approach, using discounted cash flows and an estimated discount rate. As a result, we adjusted the carrying value of these assets to fair value and recognized transactional impairment charges of $2.2 million, net of redelivery compensation.

The following table presents information related to our acquisitions and dispositions of aviation leasing equipment during the six months ended June 30, 2021:

Acquisitions:	
Aircraft	9
Engines	32
Dispositions:	
Aircraft	3
Engines	20

(Dollars in tables in thousands, unless otherwise noted)

Depreciation expense for leasing equipment is summarized as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Depreciation expense for leasing equipment	**$ 35,899**	$ 34,293	**$ 70,594**	$ 69,017

5. FINANCE LEASES, NET

Finance leases, net are summarized as follows:

	June 30, 2021	December 31, 2020
Finance leases	**$ 15,708**	$ 9,389
Unearned revenue	**(2,584)**	(2,462)
Finance leases, net	**$ 13,124**	$ 6,927

During the six months ended June 30, 2021, we entered into 52-month sales-type lease arrangements for four airframes.

6. PROPERTY, PLANT AND EQUIPMENT, NET

Property, plant and equipment, net is summarized as follows:

	June 30, 2021	December 31, 2020
Land, site improvements and rights	**$ 59,334**	$ 52,047
Construction in progress	**108,698**	425,261
Buildings and improvements	**6,268**	4,491
Terminal machinery and equipment	**927,371**	557,788
Track and track related assets	**8,400**	2,349
Railroad equipment	**5,598**	5,560
Computer hardware and software	**5,159**	5,101
Furniture and fixtures	**3,092**	2,449
Other	**6,533**	5,870
	1,130,453	1,060,916
Less: accumulated depreciation	**(116,063)**	(96,553)
Property, plant and equipment, net	**$ 1,014,390**	$ 964,363

During the six months ended June 30, 2021, we placed additional assets into service and also added property, plant and equipment of $69.5 million, both of which primarily consist of terminal machinery and equipment placed in service or under development at Jefferson Terminal and Repauno.

Depreciation expense for property, plant and equipment is summarized as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Depreciation expense	**$ 10,583**	$ 6,538	**$ 19,535**	$ 13,123

(Dollars in tables in thousands, unless otherwise noted)

7. INVESTMENTS

The following table presents the ownership interests and carrying values of our investments:

	Investment	Ownership Percentage	Carrying Value	
			June 30, 2021	December 31, 2020
Advanced Engine Repair JV	Equity method	25%	**$ 22,039**	$ 22,721
Intermodal Finance I, Ltd.	Equity method	51%	**32**	—
Long Ridge Terminal LLC	Equity method	50%	**91,167**	122,539
FYX Trust Holdco LLC	Equity	14%	**1,255**	1,255
Investments			**$ 114,493**	$ 146,515

We did not recognize any other-than-temporary impairments for the three and six months ended June 30, 2021 or 2020.

The following table presents our proportionate share of equity in income (losses):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Advanced Engine Repair JV	**$ (341)**	$ (594)	**$ (681)**	$ (1,185)
Intermodal Finance I, Ltd.	**204**	(33)	**376**	(83)
Long Ridge Terminal LLC	**(7,015)**	(2,582)	**(5,473)**	(1,676)
Total	**$ (7,152)**	$ (3,209)	**$ (5,778)**	$ (2,944)

Equity Method Investments

Long Ridge Terminal LLC

In December 2019, Ohio River Shareholder LLC ("ORP") contributed its equity interests in Long Ridge into Long Ridge Terminal LLC and sold a 49.9% interest (the "Long Ridge Transaction") for $150 million in cash, plus an earn out. We no longer have a controlling interest in Long Ridge but still maintain significant influence through our retained interest and, therefore, now account for this investment in accordance with the equity method. Following the sale we deconsolidated ORP, which held the assets of Long Ridge.

The following table presents a summarized statement of operations:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Total revenue	**$ 8,849**	$ 5,169	**$ 17,270**	$ 9,907
Total expenses	**(11,074)**	(8,483)	**(19,417)**	(14,858)
Other (loss) income	**(11,776)**	(1,840)	**(8,777)**	1,605
Net loss	**$ (14,001)**	$ (5,154)	**$ (10,924)**	$ (3,346)

Advanced Engine Repair JV

In December 2016, we invested $15 million for a 25% interest in an advanced engine repair joint venture. We focus on developing new costs savings programs for engine repairs. We exercise significant influence over this investment and account for this investment as an equity method investment.

In August 2019, we expanded the scope of our joint venture and invested an additional $13.5 million and maintained a 25% interest.

Equity Investments

FYX Trust Holdco LLC

In July 2020, we invested $1.3 million for a 14% interest in an operating company that provides roadside assistance services for the intermodal and over-the-road trucking industries. FYX Trust Holdco LLC ("FYX") has developed a mobile and web-based application that connects fleet managers, owner-operators, and drivers with repair vendors to efficiently and reliably quote, dispatch, monitor, and bill roadside repair services.

(Dollars in tables in thousands, unless otherwise noted)

8. INTANGIBLE ASSETS AND LIABILITIES, NET

Intangible assets and liabilities, net are summarized as follows:

	June 30, 2021		
	Aviation Leasing	**Jefferson Terminal**	**Total**
Intangible assets			
Acquired favorable lease intangibles	**$ 35,865**	**$ —**	**$ 35,865**
Less: Accumulated amortization	**(32,629)**	**—**	**(32,629)**
Acquired favorable lease intangibles, net	**3,236**	**—**	**3,236**
Customer relationships	**—**	**35,513**	**35,513**
Less: Accumulated amortization	**—**	**(24,261)**	**(24,261)**
Acquired customer relationships, net	**—**	**11,252**	**11,252**
Total intangible assets, net	**$ 3,236**	**$ 11,252**	**$ 14,488**
Intangible liabilities			
Acquired unfavorable lease intangibles	**$ 7,148**	**$ —**	**$ 7,148**
Less: Accumulated amortization	**(5,688)**	**—**	**(5,688)**
Acquired unfavorable lease intangibles, net	**$ 1,460**	**$ —**	**$ 1,460**

	December 31, 2020		
	Aviation Leasing	**Jefferson Terminal**	**Total**
Intangible assets			
Acquired favorable lease intangibles	$ 35,349	$ —	$ 35,349
Less: Accumulated amortization	(29,591)	—	(29,591)
Acquired favorable lease intangibles, net	5,758	—	5,758
Customer relationships	—	35,513	35,513
Less: Accumulated amortization	—	(22,485)	(22,485)
Acquired customer relationships, net	—	13,028	13,028
Total intangible assets, net	$ 5,758	$ 13,028	$ 18,786
Intangible liabilities			
Acquired unfavorable lease intangibles	$ 7,151	$ —	$ 7,151
Less: Accumulated amortization	(4,604)	—	(4,604)
Acquired unfavorable lease intangibles, net	$ 2,547	$ —	$ 2,547

Intangible liabilities relate to unfavorable lease intangibles and are included as a component of Other liabilities in the Consolidated Balance Sheets.

(Dollars in tables in thousands, unless otherwise noted)

Amortization of intangible assets and liabilities is as follows:

	Classification in Consolidated Statements of Operations	Three Months Ended June 30,		Six Months Ended June 30,	
		2021	2020	2021	2020
Lease intangibles	Equipment leasing revenues	**$ 1,198**	$ 931	**$ 1,950**	$ 2,063
Customer relationships	Depreciation and amortization	**889**	889	**1,777**	1,777
Total		**$ 2,087**	$ 1,820	**$ 3,727**	$ 3,840

As of June 30, 2021, estimated net annual amortization of intangibles is as follows:

Remainder of 2021	$ 3,082
2022	4,362
2023	3,349
2024	2,235
2025	—
Thereafter	—
Total	**$ 13,028**

(Dollars in tables in thousands, unless otherwise noted)

9. DEBT, NET

Our debt, net is summarized as follows:

	June 30, 2021			December 31, 2020
	Outstanding Borrowings	**Stated Interest Rate**	**Maturity Date**	**Outstanding Borrowings**
Loans payable				
Revolving Credit Facility [1]	**$ 100,000**	(i) Base Rate + 2.00%; or (ii) Adjusted Eurodollar Rate + 3.00%	1/31/2022	$ —
DRP Revolver [2]	**25,000**	(i) Base Rate + 1.50%; or (ii) Base Rate + 2.50% (Eurodollar)	11/5/2021	25,000
EB-5 Loan Agreement	**26,100**	5.75%	1/25/2026	—
Total loans payable	**151,100**			25,000
Bonds payable				
Series 2020 Bonds	**263,980**	(i) Tax Exempt Series 2020A Bonds: 3.625% (ii) Tax Exempt Series 2020A Bonds: 4.00% (iii) Taxable Series 2020B Bonds: 6.00%	(i) 1/1/2035 (ii) 1/1/2050 (iii) 1/1/2025	263,980
Senior Notes due 2022 [3]	**—**	6.75%	3/15/2022	399,331
Senior Notes due 2025 [4]	**852,440**	6.50%	10/1/2025	852,673
Senior Notes due 2027	**400,000**	9.75%	8/1/2027	400,000
Senior Notes due 2028	**500,000**	5.50%	5/1/2028	—
Total bonds payable	**2,016,420**			1,915,984
Debt	**2,167,520**			1,940,984
Less: Debt issuance costs	**(40,434)**			(36,222)
Total debt, net	**$ 2,127,086**			$ 1,904,762
Total debt due within one year	**$ 125,000**			$ 25,000

[1] Requires a quarterly commitment fee at a rate of 0.50% on the average daily unused portion, as well as customary letter of credit fees and agency fees.

[2] Requires a quarterly commitment fee at a rate of 0.875% on the average daily unused portion, as well as customary letter of credit fees and agency fees.

[3] Includes an unamortized discount of $2,230 and an unamortized premium of $1,561 at December 31, 2020.

[4] Includes an unamortized discount of $3,913 and $4,303 at June 30, 2021 and December 31, 2020, respectively, and an unamortized premium of $6,353 and $6,976 at June 30, 2021 and December 31, 2020, respectively.

***EB-5 Loan Agreement*—**On January 25, 2021, Jefferson entered into a non-recourse loan agreement under the U.S. Citizenship and Immigration Services EB-5 Program ("EB-5 Loan Agreement") to pay for the development, construction and acquisition of certain facilities at Jefferson Terminal. The maximum aggregate principal amount available under the EB-5 Loan Agreement is $61.2 million, of which $26.1 million is available under the first tranche and $35.1 million is available under the second tranche. The loans mature in 5 years from the funding of each individual tranche with an option to extend the maturity for both tranches by two one-year periods. If the option to extend the maturity is exercised, the interest rate will increase to 6.25% from 5.75% for the extension period.

***Senior Notes due 2028*—**On April 12, 2021, we issued $500 million aggregate principal amount of senior unsecured notes due 2028 (the "Senior Notes due 2028"). The Senior Notes due 2028 bear interest at a rate of 5.50% per annum, payable semi-annually in arrears on May 1 and November 1 of each year, commencing on November 1, 2021.

We used a portion of the proceeds to redeem in full the Senior Notes due 2022 (see below), and used the remaining net proceeds for general corporate purposes, including the funding of acquisitions and investments, including aviation investments.

***Senior Notes due 2022*—**On May 7, 2021, we redeemed in full the Senior Notes due 2022, which totaled $400 million aggregate principal plus accrued and unpaid interest, and recognized a loss on extinguishment of debt of $3.3 million.

We were in compliance with all debt covenants as of June 30, 2021.

(Dollars in tables in thousands, unless otherwise noted)

10. FAIR VALUE MEASUREMENTS

Fair value measurements and disclosures require the use of valuation techniques to measure fair value that maximize the use of observable inputs and minimize use of unobservable inputs. These inputs are prioritized as follows:

- Level 1: Observable inputs such as quoted prices in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities or market corroborated inputs.
- Level 3: Unobservable inputs for which there is little or no market data and which require us to develop our own assumptions about how market participants price the asset or liability.

The valuation techniques that may be used to measure fair value are as follows:

- Market approach—Uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.
- Income approach—Uses valuation techniques to convert future amounts to a single present amount based on current market expectations about those future amounts.
- Cost approach—Based on the amount that currently would be required to replace the service capacity of an asset (replacement cost).

The following tables set forth our financial assets measured at fair value on a recurring basis as of June 30, 2021 and December 31, 2020, by level within the fair value hierarchy. Assets measured at fair value are classified in their entirety based on the lowest level of input that is significant to their fair value measurement.

	Fair Value as of June 30, 2021	Fair Value Measurements Using Fair Value Hierarchy as of June 30, 2021			
	Total	Level 1	Level 2	Level 3	Valuation Technique
Assets					
Cash and cash equivalents	**$ 105,244**	**$ 105,244**	**$ —**	**$ —**	Market
Restricted cash	**38,001**	**38,001**	**—**	**—**	Market
Derivative assets	**6,573**	**—**	**6,573**	**—**	Income
Total assets	**$ 149,818**	**$ 143,245**	**$ 6,573**	**$ —**	

	Fair Value as of December 31, 2020	Fair Value Measurements Using Fair Value Hierarchy as of December 31, 2020			
	Total	Level 1	Level 2	Level 3	Valuation Technique
Assets					
Cash and cash equivalents	$ 121,703	$ 121,703	$ —	$ —	Market
Restricted cash	39,715	39,715	—	—	Market
Total	$ 161,418	$ 161,418	$ —	$ —	

Our cash and cash equivalents and restricted cash consist largely of demand deposit accounts with maturities of 90 days or less when purchased that are considered to be highly liquid. These instruments are valued using inputs observable in active markets for identical instruments and are therefore classified as Level 1 within the fair value hierarchy.

Except as discussed below, our financial instruments other than cash and cash equivalents and restricted cash consist principally of accounts receivable, accounts payable and accrued liabilities, loans payable, bonds payable, security deposits, maintenance deposits and management fees payable, whose fair values approximate their carrying values based on an evaluation of pricing data, vendor quotes, and historical trading activity or due to their short maturity profiles.

The fair value of our bonds and notes payable reported as debt, net in the Consolidated Balance Sheets are presented in the table below:

	June 30, 2021	December 31, 2020
Series A 2020 Bonds [1]	**$ 191,327**	$ 186,306
Series B 2020 Bonds [1]	**82,018**	79,723
Senior Notes due 2022	**—**	403,536
Senior Notes due 2025	**883,652**	888,701
Senior Notes due 2027	**463,552**	460,340
Senior Notes due 2028	**521,405**	—

[1] Fair value is based upon market prices for similar municipal securities.

The fair value of all other items reported as debt, net in the Consolidated Balance Sheet approximate their carrying values due to their bearing market rates of interest and are classified as Level 2 within the fair value hierarchy.

We measure the fair value of certain assets and liabilities on a non-recurring basis when GAAP requires the application of fair value, including events or changes in circumstances that indicate that the carrying amounts of assets may not be recoverable. Assets subject to these measurements include goodwill, intangible assets, property, plant and equipment and leasing equipment. We record such assets at fair value at acquisition or when it is determined the carrying value may not be recoverable. Fair value measurements for assets subject to impairment tests are based on an income approach which uses Level 3 inputs, which include our assumptions as to future cash flows from operation of the underlying businesses and the leasing and eventual sale of assets.

11. DERIVATIVE FINANCIAL INSTRUMENTS

Commodity Derivatives

Crude Oil

Depending on market conditions, we source crude oil from producers in Canada, arranging logistics to Jefferson Terminal and marketing crude oil to third parties. We exited this strategy in the fourth quarter of 2019. These crude oil forward purchase and sales contracts are not designated in hedging relationships.

Butane

Depending on market conditions, Repauno enters into forward purchase and sales contracts for butane. These derivatives are short-term in nature and are used for trading purposes.

The following table presents information related to our butane derivative contracts:

	June 30, 2021	December 31, 2020
Notional Amount *(BBL in thousands)*	**2,418**	N/A
Fair Value of Assets [1]	**$ 6,573**	$ —
Term	**2 to 9 months**	N/A

[1] Included in Other assets in the Consolidated Balance Sheets.

The following table presents a summary of the changes in fair value for all Level 3 derivatives:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Beginning Balance	**$ —**	$ —	**$ —**	$ 181
Net losses recognized in earnings	**—**	—	**—**	(181)
Ending Balance	**$ —**	$ —	**$ —**	$ —

There were no transfers into or out of Level 3 during the periods presented.

(Dollars in tables in thousands, unless otherwise noted)

12. REVENUES

We disaggregate our revenue from contracts with customers by products and services provided for each of our segments, as we believe it best depicts the nature, amount, timing and uncertainty of our revenue. Revenues attributed to our Equipment Leasing business unit are within the scope of ASC 842, while revenues attributed to our Infrastructure business unit are within the scope of ASC 606, unless otherwise noted. Under the provisions of ASC 842, we have elected to exclude sales and other similar taxes from lease payments in arrangements where we are a lessor.

	Three Months Ended June 30, 2021				
	Equipment Leasing	Infrastructure			
	Aviation Leasing	Jefferson Terminal	Ports and Terminals	Corporate and Other	Total
Equipment leasing revenues					
Lease income	**$ 40,208**	**$ —**	**$ —**	**$ 2,694**	**$ 42,902**
Maintenance revenue	**32,003**	**—**	**—**	**—**	**32,003**
Finance lease income	**443**	**—**	**—**	**—**	**443**
Other revenue	**5,789**	**—**	**—**	**434**	**6,223**
Total equipment leasing revenues	**78,443**	**—**	**—**	**3,128**	**81,571**
Infrastructure revenues					
Lease income	**—**	**432**	**—**	**—**	**432**
Terminal services revenues	**—**	**11,095**	**25**	**—**	**11,120**
Crude marketing revenues	**—**	**—**	**—**	**—**	**—**
Other revenue	**—**	**—**	**2,319**	**1,473**	**3,792**
Total infrastructure revenues	**—**	**11,527**	**2,344**	**1,473**	**15,344**
Total revenues	**$ 78,443**	**$ 11,527**	**$ 2,344**	**$ 4,601**	**$ 96,915**

	Three Months Ended June 30, 2020				
	Equipment Leasing	Infrastructure			
	Aviation Leasing	Jefferson Terminal	Ports and Terminals	Corporate and Other	Total
Equipment leasing revenues					
Lease income	$ 42,505	$ —	$ —	$ 2,129	$ 44,634
Maintenance revenue	27,105	—	—	—	27,105
Finance lease income	413	—	—	—	413
Other revenue	5,236	—	—	2,446	7,682
Total equipment leasing revenues	75,259	—	—	4,575	79,834
Infrastructure revenues					
Lease income	—	287	—	—	287
Terminal services revenues	—	12,794	—	—	12,794
Crude marketing revenues	—	—	—	—	—
Other revenue	—	—	—	1,394	1,394
Total infrastructure revenues	—	13,081	—	1,394	14,475
Total revenues	$ 75,259	$ 13,081	$ —	$ 5,969	$ 94,309

(Dollars in tables in thousands, unless otherwise noted)

	Six Months Ended June 30, 2021				
	Equipment Leasing	Infrastructure			
	Aviation Leasing	Jefferson Terminal	Ports and Terminals	Corporate and Other	Total
Equipment leasing revenues					
Lease income	**$ 79,997**	**$ —**	**$ —**	**$ 3,132**	**$ 83,129**
Maintenance revenue	**47,511**	**—**	**—**	**—**	**47,511**
Finance lease income	**846**	**—**	**—**	**—**	**846**
Other revenue	**6,190**	**—**	**—**	**502**	**6,692**
Total equipment leasing revenues	**134,544**	**—**	**—**	**3,634**	**138,178**
Infrastructure revenues					
Lease income	**—**	**862**	**—**	**—**	**862**
Terminal services revenues	**—**	**21,384**	**157**	**—**	**21,541**
Crude marketing revenues	—	—	—	—	—
Other revenue	**—**	**—**	**10,283**	**3,200**	**13,483**
Total infrastructure revenues	**—**	**22,246**	**10,440**	**3,200**	**35,886**
Total revenues	**$ 134,544**	**$ 22,246**	**$ 10,440**	**$ 6,834**	**$ 174,064**

	Six Months Ended June 30, 2020				
	Equipment Leasing	Infrastructure			
	Aviation Leasing	Jefferson Terminal	Ports and Terminals	Corporate and Other	Total
Equipment leasing revenues					
Lease income	$ 89,446	$ —	$ —	$ 5,001	$ 94,447
Maintenance revenue	59,100	—	—	—	59,100
Finance lease income	842	—	—	—	842
Other revenue	8,863	—	—	3,031	11,894
Total equipment leasing revenues	158,251	—	—	8,032	166,283
Infrastructure revenues					
Lease income	—	407	—	—	407
Terminal services revenues	—	29,205	—	—	29,205
Crude marketing revenues	—	8,210	—	—	8,210
Other revenue	—	—	314	2,730	3,044
Total infrastructure revenues	—	37,822	314	2,730	40,866
Total revenues	$ 158,251	$ 37,822	$ 314	$ 10,762	$ 207,149

Presented below are the contracted minimum future annual revenues to be received under existing operating and finance leases across several market sectors as of June 30, 2021:

	Operating Leases	Finance Leases
Remainder of 2021	$ 84,604	$ 800
2022	117,598	1,215
2023	79,543	478
2024	52,762	86
2025	37,685	5
Thereafter	23,405	—
Total	**$ 395,597**	**$ 2,584**

(Dollars in tables in thousands, unless otherwise noted)

13. LEASES

We have commitments as lessees under lease arrangements primarily for real estate, equipment and vehicles. Our leases have remaining lease terms ranging from approximately five months to 41 years.

The following table presents lease related costs:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	**2020**	**2021**	**2020**
Operating lease expense	**$ 1,188**	$ 1,229	**$ 2,447**	$ 2,364
Short-term lease expense	**329**	160	**580**	450
Variable lease expense	**426**	264	**637**	1,104
Total lease expense	**$ 1,943**	$ 1,653	**$ 3,664**	$ 3,918

The following table presents information related to our operating leases as of and for the six months ended June 30, 2021:

Right-of-use assets, net	$ 64,541
Lease liabilities	64,120
Weighted average remaining lease term	38.3 years
Weighted average incremental borrowing rate	6.1 %
Cash paid for amounts included in the measurement of operating lease liabilities	$ 2,434

The following table presents future minimum lease payments under non-cancellable operating leases as of June 30, 2021:

Remainder of 2021	$ 2,645
2022	5,143
2023	5,254
2024	5,004
2025	4,852
Thereafter	145,874
Total undiscounted lease payments	**168,772**
Less: Imputed interest	104,652
Total lease liabilities	**$ 64,120**

During the six months ended June 30, 2021, we entered into a new lease for real estate, which had a ROU asset value of $2.7 million and a lease term of approximately five years at commencement.

14. EQUITY-BASED COMPENSATION

In 2015, we established a Nonqualified Stock Option and Incentive Award Plan (“Incentive Plan”) which provides for the ability to grant equity compensation awards in the form of stock options, stock appreciation rights, restricted stock, and performance awards to eligible employees, consultants, directors, and other individuals who provide services to us, each as determined by the Compensation Committee of the Board of Directors.

As of June 30, 2021, the Incentive Plan provides for the issuance of up to 29.8 million shares. We account for equity-based compensation expense in accordance with ASC 718 *Compensation-Stock Compensation* and is reported within operating expenses and general and administrative in the Consolidated Statements of Operations.

(Dollars in tables in thousands, unless otherwise noted)

The Consolidated Statements of Operations includes the following expense related to our stock-based compensation arrangements:

	Three Months Ended June 30,		Six Months Ended June 30,		Remaining Expense To Be Recognized, If All Vesting Conditions Are Met	Weighted Average Remaining Contractual Term (in years)
	2021	2020	2021	2020		
Restricted Shares	**$ 1,270**	$ 215	**$ 2,111**	$ 430	**$ 5,466**	**1.5**
Common Units	**169**	196	**442**	272	**1,411**	**1.3**
Total	**$ 1,439**	$ 411	**$ 2,553**	$ 702	**$ 6,877**	

During the six months ended June 30, 2021, FIG LLC (the "Manager"), an affiliate of Fortress Investment Group LLC, transferred 25,998 of its options to certain of the Manager's employees.

Options

In connection with our March 2021 offering of preferred shares (see Note 18), we granted options to the Manager related to 355,932 common shares at an exercise price of $29.50, which had a grant date fair value of $3.7 million. The assumptions used in valuing the options were: a 1.70% risk-free rate, a 3.16% dividend yield, a 45.60% volatility and a ten-year term.

Common Units

During the six months ended June 30, 2021, we issued 1,052,632 common units of our subsidiary that had a grant date fair value of $1.2 million and vest over three years. These awards are subject to continued employment, and the compensation expense is recognized ratably over the vesting periods. The fair value of these awards was based on the fair value of the operating subsidiary on the grant date, which was estimated using a discounted cash flow analysis that requires the application of discount factors and terminal multiples to projected cash flows. Discount factors and terminal multiples were based on market-based inputs and transactions, as available at the measurement date.

Restricted Shares

During the six months ended June 30, 2021, we issued restricted shares of our subsidiary that had a grant date fair value of $5.3 million and vest over three years. These awards are subject to continued employment, and the compensation expense is recognized ratably over the vesting periods. The fair value of these awards was based on the fair value of the operating subsidiary on the grant date, which was estimated using a discounted cash flow analysis that requires the application of discount factors and terminal multiples to projected cash flows. Discount factors and terminal multiples were based on market-based inputs and transactions, as available at the measurement date.

15. INCOME TAXES

The current and deferred components of the income tax benefit included in the Consolidated Statements of Operations are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Current:				
Federal	**$ 37**	$ 31	**$ 56**	$ 68
State and local	**90**	83	**161**	251
Foreign	**(64)**	252	**(56)**	322
Total current provision	**63**	366	**161**	641
Deferred:				
Federal	**(1,622)**	(597)	**(1,467)**	(878)
State and local	**—**	—	**—**	—
Foreign	**(81)**	(3,519)	**(165)**	(3,611)
Total deferred benefit	**(1,703)**	(4,116)	**(1,632)**	(4,489)
Benefit from income taxes	**$ (1,640)**	$ (3,750)	**$ (1,471)**	$ (3,848)

We are taxed as a flow-through entity for U.S. income tax purposes and our taxable income or loss generated is the responsibility of our owners. Taxable income or loss generated by our corporate subsidiaries is subject to U.S. federal, state and foreign corporate income tax in locations where they conduct business.

(Dollars in tables in thousands, unless otherwise noted)

Our effective tax rate differs from the U.S. federal tax rate of 21% primarily due to a significant portion of our income not being subject to U.S. corporate tax rates, or being deemed to be foreign sourced and thus either not taxable or taxable at effectively lower tax rates.

As of and for the six months ended June 30, 2021, we had not established a liability for uncertain tax positions as no such positions existed. In general, our tax returns and the tax returns of our corporate subsidiaries are subject to U.S. federal, state, local and foreign income tax examinations by tax authorities. Generally, we are not subject to examination by taxing authorities for tax years prior to 2017. We do not believe that it is reasonably possible that the total amount of unrecognized tax benefits will significantly change within 12 months of the reporting date of June 30, 2021.

16. MANAGEMENT AGREEMENT AND AFFILIATE TRANSACTIONS

The Manager is paid annual fees in exchange for advising us on various aspects of our business, formulating our investment strategies, arranging for the acquisition and disposition of assets, arranging for financing, monitoring performance, and managing our day-to-day operations, inclusive of all costs incidental thereto. In addition, the Manager may be reimbursed for various expenses incurred by the Manager on our behalf, including the costs of legal, accounting and other administrative activities. Additionally, we have entered into certain incentive allocation arrangements with Master GP, which owns approximately 0.05% of the Partnership and is the general partner of the Partnership.

The Manager is entitled to a management fee, incentive allocations (comprised of income incentive allocation and capital gains incentive allocation, defined below) and reimbursement of certain expenses. The management fee is determined by taking the average value of total equity (excluding non-controlling interests) determined on a consolidated basis in accordance with GAAP at the end of the two most recently completed months multiplied by an annual rate of 1.50% and is payable monthly in arrears in cash.

The income incentive allocation is calculated and distributable quarterly in arrears based on the pre-incentive allocation net income for the immediately preceding calendar quarter (the “Income Incentive Allocation”). For this purpose, pre-incentive allocation net income means, with respect to a calendar quarter, net income attributable to shareholders during such quarter calculated in accordance with GAAP excluding our pro rata share of (1) realized or unrealized gains and losses, and (2) certain non-cash or one-time items, and (3) any other adjustments as may be approved by our independent directors. Pre-incentive allocation net income does not include any Income Incentive Allocation or Capital Gains Incentive Allocation (described below) paid to the Master GP during the relevant quarter.

One of our subsidiaries allocates and distributes to the Master GP an Income Incentive Allocation with respect to its pre-incentive allocation net income in each calendar quarter as follows: (1) no Income Incentive Allocation in any calendar quarter in which pre-incentive allocation net income, expressed as a rate of return on the average value of our net equity capital (excluding non-controlling interests) at the end of the two most recently completed calendar quarters, does not exceed 2% for such quarter (8% annualized); (2) 100% of pre-incentive allocation net income with respect to that portion of such pre-incentive allocation net income, if any, that is equal to or exceeds 2% but does not exceed 2.2223% for such quarter; and (3) 10% of the amount of pre-incentive allocation net income, if any, that exceeds 2.2223% for such quarter. These calculations will be prorated for any period of less than three months.

Capital Gains Incentive Allocation is calculated and distributable in arrears as of the end of each calendar year and is equal to 10% of our pro rata share of cumulative realized gains from the date of the IPO through the end of the applicable calendar year, net of our pro rata share of cumulative realized or unrealized losses, the cumulative non-cash portion of equity-based compensation expenses and all realized gains upon which prior performance-based Capital Gains Incentive Allocation payments were made to the Master GP.

The following table summarizes the management fees, income incentive allocation and capital gains incentive allocation:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	**2020**	**2021**	**2020**
Management fees	**$ 4,113**	$ 4,756	**$ 8,103**	$ 9,522
Income incentive allocation	**—**	—	**—**	—
Capital gains incentive allocation	**—**	—	**—**	—
Total	**$ 4,113**	$ 4,756	**$ 8,103**	$ 9,522

(Dollars in tables in thousands, unless otherwise noted)

We pay all of our operating expenses, except those specifically required to be borne by the Manager under the Management Agreement. The expenses required to be paid by us include, but are not limited to, issuance and transaction costs incident to the acquisition, disposition and financing of our assets, legal and auditing fees and expenses, the compensation and expenses of our independent directors, the costs associated with the establishment and maintenance of any credit facilities and other indebtedness of ours (including commitment fees, legal fees, closing costs, etc.), expenses associated with other securities offerings of ours, costs and expenses incurred in contracting with third parties (including affiliates of the Manager), the costs of printing and mailing proxies and reports to our shareholders, costs incurred by the Manager or its affiliates for travel on our behalf, costs associated with any computer software or hardware that is used for us, costs to obtain liability insurance to indemnify our directors and officers and the compensation and expenses of our transfer agent.

We pay or reimburse the Manager and its affiliates for performing certain legal, accounting, due diligence tasks and other services that outside professionals or outside consultants otherwise would perform, provided that such costs and reimbursements are no greater than those which would be paid to outside professionals or consultants. The Manager is responsible for all of its other costs incident to the performance of its duties under the Management Agreement, including compensation of the Manager's employees, rent for facilities and other "overhead" expenses; we do not reimburse the Manager for these expenses.

The following table summarizes our reimbursements to the Manager:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	**2020**	**2021**	**2020**
Classification in the Consolidated Statements of Operations:				
General and administrative	**$ 1,978**	$ 2,128	**$ 4,211**	$ 4,390
Acquisition and transaction expenses	**554**	523	**971**	1,047
Total	**$ 2,532**	$ 2,651	**$ 5,182**	$ 5,437

If we terminate the Management Agreement, we will generally be required to pay the Manager a termination fee. The termination fee is equal to the amount of the management fee during the 12 months immediately preceding the date of the termination. In addition, an Incentive Allocation Fair Value Amount will be distributable to the Master GP if the Master GP is removed due to the termination of the Management Agreement in certain specified circumstances. The Incentive Allocation Fair Value Amount is an amount equal to the Income Incentive Allocation and the Capital Gains Incentive Allocation that would be paid to the Master GP if our assets were sold for cash at their then current fair market value (as determined by an appraisal, taking into account, among other things, the expected future value of the underlying investments).

Upon the successful completion of an offering of our common shares or other equity securities (including securities issued as consideration in an acquisition), we grant the Manager options to purchase common shares in an amount equal to 10% of the number of common shares being sold in the offering (or if the issuance relates to equity securities other than our common shares, options to purchase a number of common shares equal to 10% of the gross capital raised in the equity issuance divided by the fair market value of a common share as of the date of issuance), with an exercise price equal to the offering price per share paid by the public or other ultimate purchaser or attributed to such securities in connection with an acquisition (or the fair market value of a common share as of the date of the equity issuance if it relates to equity securities other than our common shares). Any ultimate purchaser of common shares for which such options are granted may be an affiliate of Fortress.

The following table summarizes amounts due to the Manager, which are included within accounts payable and accrued liabilities in the Consolidated Balance Sheets:

	June 30, 2021	December 31, 2020
Accrued management fees	**$ 1,349**	$ 1,461
Other payables	**799**	1,317

As of June 30, 2021 and December 31, 2020, there were no receivables from the Manager.

Other Affiliate Transactions

As of June 30, 2021 and December 31, 2020 an affiliate of our Manager owns an approximately 20% interest in Jefferson Terminal which has been accounted for as a component of non-controlling interest in consolidated subsidiaries in the consolidated financial statements. The carrying amount of this non-controlling interest at June 30, 2021 and December 31, 2020 was $5.6 million and $17.2 million, respectively.

(Dollars in tables in thousands, unless otherwise noted)

The following table presents the amount of this non-controlling interest share of net loss:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Non-controlling interest share of net loss	**$ 6,538**	$ 4,020	**$ 11,554**	$ 8,681

On June 21, 2018, we, through a wholly owned subsidiary, completed a private offering with several third parties (the "Holders") to tender their approximately 20% stake in Jefferson Terminal. We increased our majority interest in Jefferson Terminal in exchange for Class B Units of another wholly owned subsidiary, which provide the right to convert such Class B Units to a fixed amount of our shares, equivalent to approximately 1.9 million shares, at a Holder's request. We have the option to satisfy any exchange request by delivering either common shares or cash. The Holders are entitled to receive distributions equivalent to the distributions paid to our shareholders. This transaction resulted in a purchase of non-controlling interest shares. See Note 18 for details related to conversions during the period.

In July 2020, we purchased a 14% interest in FYX from an affiliate of our Manager, which retained a non-controlling interest in FYX subsequent to the transaction. Additionally, other investors in FYX are also affiliates of our Manager. See Note 7 for additional information related to FYX.

During the six months ended June 30, 2021, we granted options to the Manager in connection with the offering of the Series C Preferred Shares (as defined in Note 18). See Notes 14 and 18 for additional information.

On May 4, 2021, the Company received a promissory note from Long Ridge Terminal LLC, an affiliate, in exchange for a loan in the principal amount of $5.8 million. The note bears interest at a rate of 10% per annum, with a maturity date of December 31, 2021. The total principal amount plus all accrued and unpaid interest will be due and payable on the maturity date. Interest income for the three and six months ended June 30, 2021 was $0.1 million.

17. SEGMENT INFORMATION

Our reportable segments represent strategic business units comprised of investments in different types of transportation and infrastructure assets. We have three reportable segments which operate in the Equipment Leasing and Infrastructure businesses across several market sectors. Our reportable segments are (i) Aviation Leasing, (ii) Jefferson Terminal and (iii) Ports and Terminals. The Aviation Leasing segment consists of aircraft and aircraft engines held for lease and are typically held long-term. The Jefferson Terminal segment consists of a multi-modal crude oil and refined products terminal and other related assets. The Ports and Terminals segment consists of Repauno, which is a 1,630-acre deep-water port located along the Delaware River with an underground storage cavern and multiple industrial development opportunities, and an equity method investment in Long Ridge, which is a 1,660-acre multi-modal port located along the Ohio River with rail, dock, and multiple industrial development opportunities, including a power plant under construction.

Corporate and Other primarily consists of debt, unallocated company level general and administrative expenses, and management fees. Additionally, Corporate and Other includes (i) offshore energy related assets, which consist of vessels and equipment that support offshore oil and gas drilling and production which are typically subject to operating leases, (ii) an investment in an unconsolidated entity engaged in the acquisition and leasing of shipping containers and (iii) railroad assets retained after the December 2019 sale, which consist of equipment that support a railcar cleaning business.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies; however, financial information presented by segment includes the impact of intercompany eliminations. We evaluate investment performance for each reportable segment primarily based on net income attributable to shareholders and Adjusted EBITDA.

Adjusted EBITDA is defined as net income (loss) attributable to shareholders from continuing operations, adjusted (a) to exclude the impact of provision for (benefit from) income taxes, equity-based compensation expense, acquisition and transaction expenses, losses on the modification or extinguishment of debt and capital lease obligations, changes in fair value of non-hedge derivative instruments, asset impairment charges, incentive allocations, depreciation and amortization expense, and interest expense, (b) to include the impact of our pro-rata share of Adjusted EBITDA from unconsolidated entities, and (c) to exclude the impact of equity in earnings (losses) of unconsolidated entities and the non-controlling share of Adjusted EBITDA.

We believe that net income (loss) attributable to shareholders, as defined by GAAP, is the most appropriate earnings measurement with which to reconcile Adjusted EBITDA. Adjusted EBITDA should not be considered as an alternative to net income (loss) attributable to shareholders as determined in accordance with GAAP.

(Dollars in tables in thousands, unless otherwise noted)

The following tables set forth certain information for each reportable segment:

I. For the Three Months Ended June 30, 2021

	Three Months Ended June 30, 2021				
	Equipment Leasing	Infrastructure			
	Aviation Leasing	Jefferson Terminal	Ports and Terminals	Corporate and Other	Total
Revenues					
Equipment leasing revenues	$ 78,443	$ —	$ —	$ 3,128	$ 81,571
Infrastructure revenues	—	11,527	2,344	1,473	15,344
Total revenues	78,443	11,527	2,344	4,601	96,915
Expenses					
Operating expenses	9,145	11,777	3,828	6,433	31,183
General and administrative	—	—	—	3,655	3,655
Acquisition and transaction expenses	836	—	—	3,563	4,399
Management fees and incentive allocation to affiliate	—	—	—	4,113	4,113
Depreciation and amortization	33,732	9,315	2,216	2,108	47,371
Asset impairment	89	—	—	—	89
Interest expense	—	3,213	295	33,996	37,504
Total expenses	43,802	24,305	6,339	53,868	128,314
Other (expense) income					
Equity in (losses) earnings of unconsolidated entities	(341)	—	(7,015)	204	(7,152)
Gain on sale of assets, net	3,971	—	16	—	3,987
Loss on extinguishment of debt	—	—	—	(3,254)	(3,254)
Interest income	357	—	91	6	454
Other (expense) income	—	(886)	—	2	(884)
Total other income (expense)	3,987	(886)	(6,908)	(3,042)	(6,849)
Income (loss) from continuing operations before income taxes	38,628	(13,664)	(10,903)	(52,309)	(38,248)
(Benefit from) provision for income taxes	(4)	59	(1,621)	(74)	(1,640)
Net income (loss) from continuing operations	38,632	(13,723)	(9,282)	(52,235)	(36,608)
Less: Net loss attributable to non-controlling interests in consolidated subsidiaries	—	(6,538)	(87)	—	(6,625)
Less: Dividends on preferred shares	—	—	—	6,551	6,551
Net income (loss) from continuing operations attributable to shareholders	$ 38,632	$ (7,185)	$ (9,195)	$ (58,786)	$ (36,534)

(Dollars in tables in thousands, unless otherwise noted)

The following table sets forth a reconciliation of Adjusted EBITDA to net loss attributable to shareholders from continuing operations:

	Three Months Ended June 30, 2021				
	Equipment Leasing	Infrastructure			
	Aviation Leasing	Jefferson Terminal	Ports and Terminals	Corporate and Other	Total
Adjusted EBITDA	$ 80,137	$ 3,555	$ 376	$ (16,114)	$ 67,954
Add: Non-controlling share of Adjusted EBITDA					3,257
Add: Equity in losses of unconsolidated entities					(7,152)
Less: Pro-rata share of Adjusted EBITDA from unconsolidated entities					11
Less: Interest expense					(37,504)
Less: Depreciation and amortization expense					(54,168)
Less: Incentive allocations					—
Less: Asset impairment charges					(89)
Less: Changes in fair value of non-hedge derivative instruments					(1,391)
Less: Losses on the modification or extinguishment of debt and capital lease obligations					(3,254)
Less: Acquisition and transaction expenses					(4,399)
Less: Equity-based compensation expense					(1,439)
Less: Provision for income taxes					1,640
Net loss attributable to shareholders from continuing operations					$ (36,534)

Summary information with respect to our geographic sources of revenue, based on location of customer, is as follows:

	Three Months Ended June 30, 2021				
	Equipment Leasing	Infrastructure			
	Aviation Leasing	Jefferson Terminal	Ports and Terminals	Corporate and Other	Total
Revenues					
Africa	$ 235	$ —	$ —	$ —	$ 235
Asia	32,479	—	—	3,128	35,607
Europe	30,662	—	—	—	30,662
North America	13,358	11,527	2,344	1,473	28,702
South America	1,709	—	—	—	1,709
Total	$ 78,443	$ 11,527	$ 2,344	$ 4,601	$ 96,915

(Dollars in tables in thousands, unless otherwise noted)

II. For the Six Months Ended June 30, 2021

	Six Months Ended June 30, 2021				
	Equipment Leasing	Infrastructure			
	Aviation Leasing	Jefferson Terminal	Ports and Terminals	Corporate and Other	Total
Revenues					
Equipment leasing revenues	$ 134,544	$ —	$ —	$ 3,634	$ 138,178
Infrastructure revenues	—	22,246	10,440	3,200	35,886
Total revenues	134,544	22,246	10,440	6,834	174,064
Expenses					
Operating expenses	13,395	23,498	6,930	12,357	56,180
General and administrative	—	—	—	7,907	7,907
Acquisition and transaction expenses	2,032	—	—	4,010	6,042
Management fees and incentive allocation to affiliate	—	—	—	8,103	8,103
Depreciation and amortization	66,295	17,033	4,427	4,151	91,906
Asset impairment	2,189	—	—	—	2,189
Interest expense	—	4,416	574	65,504	70,494
Total expenses	83,911	44,947	11,931	102,032	242,821
Other income (expense)					
Equity in (losses) earnings of unconsolidated entities	(681)	—	(5,473)	376	(5,778)
Gain on sale of assets, net	4,782	—	16	—	4,798
Loss on extinguishment of debt	—	—	—	(3,254)	(3,254)
Interest income	624	—	91	24	739
Other (expense) income	—	(705)	—	2	(703)
Total other income (expense)	4,725	(705)	(5,366)	(2,852)	(4,198)
Income (loss) from continuing operations before income taxes	55,358	(23,406)	(6,857)	(98,050)	(72,955)
(Benefit from) provision for income taxes	(46)	116	(1,467)	(74)	(1,471)
Net income (loss) from continuing operations	55,404	(23,522)	(5,390)	(97,976)	(71,484)
Less: Net loss attributable to non-controlling interests in consolidated subsidiaries	—	(11,554)	(32)	—	(11,586)
Less: Dividends on preferred shares	—	—	—	11,176	11,176
Net income (loss) from continuing operations attributable to shareholders	$ 55,404	$ (11,968)	$ (5,358)	$ (109,152)	$ (71,074)

(Dollars in tables in thousands, unless otherwise noted)

The following table sets forth a reconciliation of Adjusted EBITDA to net loss attributable to shareholders from continuing operations:

	Six Months Ended June 30, 2021				
	Equipment Leasing	Infrastructure			
	Aviation Leasing	Jefferson Terminal	Ports and Terminals	Corporate and Other	Total
Adjusted EBITDA	$ 140,866	$ 6,383	$ 508	$ (32,649)	$ 115,108
Add: Non-controlling share of Adjusted EBITDA					5,286
Add: Equity in losses of unconsolidated entities					(5,778)
Less: Pro-rata share of Adjusted EBITDA from unconsolidated entities					(2,391)
Less: Interest expense					(70,494)
Less: Depreciation and amortization expense					(106,811)
Less: Incentive allocations					—
Less: Asset impairment charges					(2,189)
Less: Changes in fair value of non-hedge derivative instruments					6,573
Less: Losses on the modification or extinguishment of debt and capital lease obligations					(3,254)
Less: Acquisition and transaction expenses					(6,042)
Less: Equity-based compensation expense					(2,553)
Less: Provision for income taxes					1,471
Net loss attributable to shareholders from continuing operations					$ (71,074)

Summary information with respect to our geographic sources of revenue, based on location of customer, is as follows:

	Six Months Ended June 30, 2021				
	Equipment Leasing	Infrastructure			
	Aviation Leasing	Jefferson Terminal	Ports and Terminals	Corporate and Other	Total
Revenues					
Africa	$ 235	$ —	$ —	$ —	$ 235
Asia	57,503	—	—	3,634	61,137
Europe	53,401	—	—	—	53,401
North America	20,950	22,246	10,440	3,200	56,836
South America	2,455	—	—	—	2,455
Total	$ 134,544	$ 22,246	$ 10,440	$ 6,834	$ 174,064

(Dollars in tables in thousands, unless otherwise noted)

III. For the Three Months Ended June 30, 2020

	Three Months Ended June 30, 2020				
	Equipment Leasing	Infrastructure			
	Aviation Leasing	Jefferson Terminal	Ports and Terminals	Corporate and Other	Total
Revenues					
Equipment leasing revenues	$ 75,259	$ —	$ —	$ 4,575	$ 79,834
Infrastructure revenues	—	13,081	—	1,394	14,475
Total revenues	75,259	13,081	—	5,969	94,309
Expenses					
Operating expenses	4,577	12,290	1,875	5,830	24,572
General and administrative	—	—	—	4,388	4,388
Acquisition and transaction expenses	2,061	—	19	1,581	3,661
Management fees and incentive allocation to affiliate	—	—	—	4,756	4,756
Depreciation and amortization	32,203	7,160	378	1,979	41,720
Asset impairment	10,476	—	—	—	10,476
Interest expense	—	2,310	354	19,130	21,794
Total expenses	49,317	21,760	2,626	37,664	111,367
Other income (expense)					
Equity in losses of unconsolidated entities	(594)	—	(2,582)	(33)	(3,209)
Gain (loss) on sale of assets, net	775	(7)	—	—	768
Interest income	17	—	—	5	22
Other expense	—	(1)	—	—	(1)
Total other income (expense)	198	(8)	(2,582)	(28)	(2,420)
Income (loss) from continuing operations before income taxes	26,140	(8,687)	(5,208)	(31,723)	(19,478)
(Benefit from) provision for income taxes	(3,427)	74	(597)	200	(3,750)
Net income (loss) from continuing operations	29,567	(8,761)	(4,611)	(31,923)	(15,728)
Less: Net loss attributable to non-controlling interests in consolidated subsidiaries	—	(4,020)	(92)	—	(4,112)
Less: Dividends on preferred shares	—	—	—	4,079	4,079
Net income (loss) from continuing operations attributable to shareholders	$ 29,567	$ (4,741)	$ (4,519)	$ (36,002)	$ (15,695)

(Dollars in tables in thousands, unless otherwise noted)

The following table sets forth a reconciliation of Adjusted EBITDA to net loss attributable to shareholders from continuing operations:

	Three Months Ended June 30, 2020				
	Equipment Leasing	Infrastructure			
	Aviation Leasing	Jefferson Terminal	Ports and Terminals	Corporate and Other	Total
Adjusted EBITDA	$ 77,501	$ 2,968	$ (885)	$ (13,112)	$ 66,472
Add: Non-controlling share of Adjusted EBITDA					2,101
Add: Equity in losses of unconsolidated entities					(3,209)
Less: Pro-rata share of Adjusted EBITDA from unconsolidated entities					(126)
Less: Interest expense					(21,794)
Less: Depreciation and amortization expense					(48,341)
Less: Incentive allocations					—
Less: Asset impairment charges					(10,476)
Less: Changes in fair value of non-hedge derivative instruments					—
Less: Losses on the modification or extinguishment of debt and capital lease obligations					—
Less: Acquisition and transaction expenses					(3,661)
Less: Equity-based compensation expense					(411)
Less: Benefit from income taxes					3,750
Net loss attributable to shareholders from continuing operations					$ (15,695)

Summary information with respect to our geographic sources of revenue, based on location of customer, is as follows:

	Three Months Ended June 30, 2020				
	Equipment Leasing	Infrastructure			
	Aviation Leasing	Jefferson Terminal	Ports and Terminals	Corporate and Other	Total
Revenues					
Africa	$ 1,319	$ —	$ —	$ —	$ 1,319
Asia	31,732	—	—	4,575	36,307
Europe	31,287	—	—	—	31,287
North America	9,931	13,081	—	1,394	24,406
South America	990	—	—	—	990
Total	$ 75,259	$ 13,081	$ —	$ 5,969	$ 94,309

(Dollars in tables in thousands, unless otherwise noted)

IV. For the Six Months Ended June 30, 2020

	Six Months Ended June 30, 2020				
	Equipment Leasing	Infrastructure			
	Aviation Leasing	Jefferson Terminal	Ports and Terminals	Corporate and Other	Total
Revenues					
Equipment leasing revenues	$ 158,251	$ —	$ —	$ 8,032	$ 166,283
Infrastructure revenues	—	37,822	314	2,730	40,866
Total revenues	158,251	37,822	314	10,762	207,149
Expenses					
Operating expenses	8,648	34,233	3,875	11,260	58,016
General and administrative	—	—	—	9,051	9,051
Acquisition and transaction expenses	4,785	—	801	1,269	6,855
Management fees and incentive allocation to affiliate	—	—	—	9,522	9,522
Depreciation and amortization	64,834	14,386	754	3,943	83,917
Asset impairment	10,476	—	—	—	10,476
Interest expense	—	5,738	747	38,170	44,655
Total expenses	88,743	54,357	6,177	73,215	222,492
Other income (expense)					
Equity in losses of unconsolidated entities	(1,185)	—	(1,676)	(83)	(2,944)
Loss on sale of assets, net	(1,044)	(7)	—	—	(1,051)
Loss on extinguishment of debt	—	(4,724)	—	—	(4,724)
Interest income	29	22	—	12	63
Other income	—	32	—	—	32
Total other expense	(2,200)	(4,677)	(1,676)	(71)	(8,624)
Income (loss) from continuing operations before income taxes	67,308	(21,212)	(7,539)	(62,524)	(23,967)
(Benefit from) provision for income taxes	(3,382)	209	(878)	203	(3,848)
Net income (loss) from continuing operations	70,690	(21,421)	(6,661)	(62,727)	(20,119)
Less: Net loss attributable to non-controlling interests in consolidated subsidiaries	—	(8,681)	(167)	—	(8,848)
Less: Dividends on preferred shares	—	—	—	8,618	8,618
Net income (loss) from continuing operations attributable to shareholders	$ 70,690	$ (12,740)	$ (6,494)	$ (71,345)	$ (19,889)

(Dollars in tables in thousands, unless otherwise noted)

The following table sets forth a reconciliation of Adjusted EBITDA to net loss attributable to shareholders from continuing operations:

	Six Months Ended June 30, 2020				
	Equipment Leasing	Infrastructure			
	Aviation Leasing	Jefferson Terminal	Ports and Terminals	Corporate and Other	Total
Adjusted EBITDA	$ 160,891	$ 7,537	$ (2,201)	$ (27,760)	$ 138,467
Add: Non-controlling share of Adjusted EBITDA					5,451
Add: Equity in losses of unconsolidated entities					(2,944)
Less: Pro-rata share of Adjusted EBITDA from unconsolidated entities					287
Less: Interest expense					(44,655)
Less: Depreciation and amortization expense					(97,405)
Less: Incentive allocations					—
Less: Asset impairment charges					(10,476)
Less: Changes in fair value of non-hedge derivative instruments					(181)
Less: Losses on the modification or extinguishment of debt and capital lease obligations					(4,724)
Less: Acquisition and transaction expenses					(6,855)
Less: Equity-based compensation expense					(702)
Less: Benefit from income taxes					3,848
Net loss attributable to shareholders from continuing operations					$ (19,889)

Summary information with respect to our geographic sources of revenue, based on location of customer, is as follows:

	Six Months Ended June 30, 2020				
	Equipment Leasing	Infrastructure			
	Aviation Leasing	Jefferson Terminal	Ports and Terminals	Corporate and Other	Total
Revenues					
Africa	$ 8,473	$ —	$ —	$ —	$ 8,473
Asia	58,277	—	—	8,032	66,309
Europe	70,859	—	—	—	70,859
North America	18,069	37,822	314	2,730	58,935
South America	2,573	—	—	—	2,573
Total	$ 158,251	$ 37,822	$ 314	$ 10,762	$ 207,149

(Dollars in tables in thousands, unless otherwise noted)

V. Balance Sheet and Location of Long-Lived Assets

The following tables sets forth summarized balance sheet information and the geographic location of property, plant and equipment and leasing equipment, net:

	June 30, 2021				
	Equipment Leasing	Infrastructure			
	Aviation Leasing	Jefferson Terminal	Ports and Terminals	Corporate and Other	Total
Total assets	**$ 1,783,011**	**$ 1,078,163**	**$ 428,528**	**$ 264,244**	**$ 3,553,946**
Debt, net	**—**	**279,082**	**25,000**	**1,823,004**	**2,127,086**
Total liabilities	**189,738**	**423,695**	**38,816**	**1,860,684**	**2,512,933**
Non-controlling interests in equity of consolidated subsidiaries	**—**	**11,226**	**1,697**	**524**	**13,447**
Total equity	**1,593,273**	**654,468**	**389,712**	**(1,596,440)**	**1,041,013**
Total liabilities and equity	**$ 1,783,011**	**$ 1,078,163**	**$ 428,528**	**$ 264,244**	**$ 3,553,946**

	June 30, 2021				
	Equipment Leasing	Infrastructure			
	Aviation Leasing	Jefferson Terminal	Ports and Terminals	Corporate and Other	Total
Property, plant and equipment and leasing equipment, net					
Asia	**$ 398,602**	**$ —**	**$ —**	**$ 63,054**	**$ 461,656**
Europe	**799,826**	**—**	**—**	**—**	**799,826**
North America	**188,382**	**735,341**	**278,753**	**114,714**	**1,317,190**
South America	**92,420**	**—**	**—**	**—**	**92,420**
Total	**$ 1,479,230**	**$ 735,341**	**$ 278,753**	**$ 177,768**	**$ 2,671,092**

	December 31, 2020				
	Equipment Leasing	Infrastructure			
	Aviation Leasing	Jefferson Terminal	Ports and Terminals	Corporate and Other	Total
Total assets	$ 1,704,205	$ 989,928	$ 400,217	$ 293,627	$ 3,387,977
Debt, net	—	253,473	25,000	1,626,289	1,904,762
Total liabilities	219,692	365,629	38,242	1,665,093	2,288,656
Non-controlling interests in equity of consolidated subsidiaries	—	20,785	1,354	524	22,663
Total equity	1,484,513	624,299	361,975	(1,371,466)	1,099,321
Total liabilities and equity	$ 1,704,205	$ 989,928	$ 400,217	$ 293,627	$ 3,387,977

	December 31, 2020				
	Equipment Leasing	Infrastructure			
	Aviation Leasing	Jefferson Terminal	Ports and Terminals	Corporate and Other	Total
Property, plant and equipment and leasing equipment, net					
Asia	$ 445,566	$ —	$ —	$ 56,702	$ 502,268
Europe	774,300	—	—	—	774,300
North America	208,190	702,393	269,680	117,782	1,298,045
South America	25,009	—	—	—	25,009
Total	$ 1,453,065	$ 702,393	$ 269,680	$ 174,484	$ 2,599,622

18. EARNINGS PER SHARE AND EQUITY

Basic earnings per common share ("EPS") is calculated by dividing net income attributable to shareholders by the weighted average number of common shares outstanding, plus any participating securities. Diluted EPS is calculated by dividing net income attributable to shareholders by the weighted average number of common shares outstanding, plus any participating securities and potentially dilutive securities. Potentially dilutive securities are calculated using the treasury stock method.

The calculation of basic and diluted EPS is presented below:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands, except share and per share data)	2021	2020	2021	2020
Net loss from continuing operations	**$ (36,608)**	$ (15,728)	**$ (71,484)**	$ (20,119)
Net income from discontinued operations, net of income taxes	**—**	—	**—**	1,331
Net loss	**(36,608)**	(15,728)	**(71,484)**	(18,788)
Less: Net loss attributable to non-controlling interests in consolidated subsidiaries	**(6,625)**	(4,112)	**(11,586)**	(8,848)
Less: Dividends on preferred shares	**6,551**	4,079	**11,176**	8,618
Net loss attributable to shareholders	**$ (36,534)**	$ (15,695)	**$ (71,074)**	$ (18,558)
Weighted Average Common Shares Outstanding - Basic [1]	**86,030,652**	86,009,959	**86,029,305**	86,009,029
Weighted Average Common Shares Outstanding - Diluted [1]	**86,030,652**	86,009,959	**86,029,305**	86,009,029
Basic				
Continuing operations	**$ (0.42)**	$ (0.18)	**$ (0.83)**	$ (0.23)
Discontinued operations	**$ —**	$ —	**$ —**	$ 0.02
Diluted				
Continuing operations	**$ (0.42)**	$ (0.18)	**$ (0.83)**	$ (0.23)
Discontinued operations	**$ —**	$ —	**$ —**	$ 0.02

[1] Three and six months ended June 30, 2021 and 2020 includes participating securities which can be converted into a fixed amount of our shares.

For the three months ended June 30, 2021 and 2020, 964,696 and 0 shares, respectively, and for the six months ended June 30, 2021 and 2020, 890,300 and 0 shares, respectively, have been excluded from the calculation of Diluted EPS because the impact would be anti-dilutive.

During the six months ended June 30, 2021, we issued 17,155 common shares to certain directors as compensation.

During the six months ended June 30, 2021, certain holders of Class B Units (see Note 16) converted 9,470 Class B Units in exchange for 7,013 common shares.

Preferred Shares

In March 2021, in a public offering, we issued 4,200,000 shares of 8.25% Fixed-Rate Reset Series C Cumulative Perpetual Redeemable Preferred Shares ("Series C Preferred Shares"), par value $0.01 per share, with a liquidation preference of $25.00 per share for net proceeds of approximately $101.2 million. See Note 14 for information related to options issued to the Manager in connection with such offering.

19. COMMITMENTS AND CONTINGENCIES

In the normal course of business we, and our subsidiaries, may be involved in various claims, legal proceedings, or may enter into contracts that contain a variety of representations and warranties and which provide general indemnifications. Within our offshore energy business, a lessee did not fulfill its obligation under its charter arrangement, therefore we are pursuing rights afforded to us under the charter and the range of potential losses against the obligation is $0.0 million to $3.3 million. Our maximum exposure under other arrangements is unknown as no additional claims have been made. We believe the risk of loss in connection with such arrangements is remote.

We have also entered into an arrangement with our non-controlling interest holder of Repauno, as part of the initial acquisition, whereby the non-controlling interest holder may receive additional payments contingent upon the achievement of certain conditions, not to exceed $15.0 million. We will account for such amounts when and if such conditions are achieved. The contingency related to $5.0 million of the total $15.0 million was resolved during the six months ended June 30, 2021. The $5.0 million payment was recorded as a payable and included in the cost of the asset acquisition.

Jefferson entered into a two-year pipeline capacity agreement for a recently completed pipeline. Under the agreement, which took effect in the second quarter of 2021, Jefferson is obligated to pay fixed marketing fees over the two-year agreement, which totals a minimum of $10.2 million per year.

20. SUBSEQUENT EVENTS

Transtar Acquisition

As previously announced, on June 7, 2021, Percy Acquisitions LLC, an indirect subsidiary of ours, entered into a purchase agreement with United States Steel Corporation (the "Seller"), to purchase 100% of the equity interests of the Seller's wholly owned short-line railroad subsidiary, Transtar, LLC from the Seller, for a cash purchase price of $640 million, subject to certain customary adjustments set forth in the purchase agreement. This transaction closed on July 28, 2021.

In connection with this acquisition, we entered into a senior unsecured bridge term loan facility (the "Bridge Facility") in an aggregate principal amount of $650 million in order to finance the transaction and pay fees and expenses related thereto. The Bridge Facility matures in one year and bears interest at the Adjusted Eurodollar Rate (determined in accordance with the credit agreement) plus 5.50% per annum (the "Initial Margin") for the first three-month period. The Initial Margin will increase by an additional 50 basis points at the end of each three-month period thereafter until maturity.

Due to the timing of the acquisition, the initial accounting for the acquisition is incomplete. As such, we are not able to disclose certain information relating to the acquisition, including the preliminary fair value of assets acquired and liabilities assumed. We expect to complete the initial accounting for the acquisition during the third quarter of 2021.

Dividends

On July 28, 2021, our Board of Directors declared a cash dividend on our common shares and eligible participating securities of $0.33 per share for the quarter ended June 30, 2021, payable on August 30, 2021 to the holders of record on August 16, 2021.

Additionally, on July 28, 2021, our Board of Directors also declared cash dividends on the Series A Preferred Shares, Series B Preferred Shares and Series C Preferred Shares of $0.52, $0.50 and $0.52 per share, respectively, payable on September 15, 2021 to the holders of record on September 1, 2021.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is intended to help you understand Fortress Transportation and Infrastructure Investors LLC (the "Company," "we," "our" or "us"). Our MD&A should be read in conjunction with our unaudited consolidated financial statements and the accompanying notes, and with Part II, Item 1A, "Risk Factors" included elsewhere in this Quarterly Report on Form 10-Q.

Overview

We own and acquire high quality infrastructure and related equipment that is essential for the transportation of goods and people globally. We target assets that, on a combined basis, generate strong cash flows with potential for earnings growth and asset appreciation. We believe that there is a large number of acquisition opportunities in our markets and that our Manager's expertise and business and financing relationships, together with our access to capital, will allow us to take advantage of these opportunities. We are externally managed by FIG LLC (the "Manager"), an affiliate of Fortress Investment Group LLC ("Fortress"), which has a dedicated team of experienced professionals focused on the acquisition of transportation and infrastructure assets since 2002. As of June 30, 2021, we had total consolidated assets of $3.6 billion and total equity of $1.0 billion.

Impact of COVID-19

Due to the outbreak of COVID-19, we have taken measures to protect the health and safety of our employees, including having employees work remotely, where possible. Market conditions due to the outbreak of COVID-19 resulted in asset impairment charges and a decline in our equipment leasing revenues during the six months ended June 30, 2021. A number of our lessees continue to experience increased financial stress due to the significant decline in travel demand, particularly as various regions experience spikes in COVID-19 cases. A number of these lessees have been placed on non-accrual status as of June 30, 2021; however, we believe our overall portfolio exposure is limited by maintenance reserves and security deposits which are secured against lessee defaults. The value of these deposits was $155.1 million as of June 30, 2021. The extent of the impact of the COVID-19 pandemic on our operational and financial performance will depend on future developments, including the duration, severity and spread of the pandemic, as well as additional waves of COVID-19 infections and the ultimate impact of related restrictions imposed by the U.S. and international governments, all of which remain uncertain. For additional detail, see Liquidity and Capital Resources and Part II, Item 1A. Risk Factors—"The COVID-19 pandemic has severely disrupted the global economy and may have, and the emergence of similar crises could have, material adverse effects on our business, results of operations or financial condition."

Operating Segments

Our operations consist of two primary strategic business units – Infrastructure and Equipment Leasing. Our Infrastructure Business acquires long-lived assets that provide mission-critical services or functions to transportation networks and typically have high barriers to entry. We target or develop operating businesses with strong margins, stable cash flows and upside from earnings growth and asset appreciation driven by increased use and inflation. Our Equipment Leasing Business acquires assets that are designed to carry cargo or people or provide functionality to transportation infrastructure. Transportation equipment assets are typically long-lived, moveable and leased by us on either operating leases or finance leases to companies that provide transportation services. Our leases generally provide for long-term contractual cash flow with high cash-on-cash yields and include structural protections to mitigate credit risk.

Our reportable segments are comprised of interests in different types of infrastructure and equipment leasing assets. We currently conduct our business through the following three reportable segments: (i) Aviation Leasing, which is within the Equipment Leasing Business, and (ii) Jefferson Terminal and (iii) Ports and Terminals, which together comprise our Infrastructure Business. The Aviation Leasing segment consists of aircraft and aircraft engines held for lease and are typically held long-term. The Jefferson Terminal segment consists of a multi-modal crude and refined products terminal and other related assets which were acquired in 2014. The Ports and Terminals segment consists of Repauno, acquired in 2016, a 1,630-acre deep-water port located along the Delaware River with an underground storage cavern and multiple industrial development opportunities. Additionally, Ports and Terminals includes an equity method investment ("Long Ridge"), which is a 1,660-acre multi-modal port located along the Ohio River with rail, dock, and multiple industrial development opportunities, including a power plant under construction.

Corporate and Other primarily consists of debt, unallocated corporate general and administrative expenses, and management fees. Additionally, Corporate and Other includes (i) offshore energy related assets which consist of vessels and equipment that support offshore oil and gas activities and are typically subject to operating leases, (ii) an investment in an unconsolidated entity engaged in the leasing of shipping containers and (iii) railroad assets retained after the December 2019 sale, which consists of equipment that support a railcar cleaning business.

Our reportable segments are comprised of investments in different types of transportation infrastructure and equipment. Each segment requires different investment strategies. The accounting policies of the segments are the same as those described in the summary of significant accounting policies; however, financial information presented by segment includes the impact of intercompany eliminations.

Our Manager

On December 27, 2017, SoftBank Group Corp. (“SoftBank”) completed its acquisition of Fortress (the “SoftBank Merger”). In connection with the Softbank Merger, Fortress operates within SoftBank as an independent business headquartered in New York.

Results of Operations

Adjusted EBITDA (Non-GAAP)

The chief operating decision maker (“CODM”) utilizes Adjusted EBITDA as the key performance measure. This performance measure provides the CODM with the information necessary to assess operational performance, as well as make resource and allocation decisions. We believe Adjusted EBITDA is a useful metric for investors and analysts for similar purposes of assessing our operational performance.

Adjusted EBITDA is defined as net income (loss) attributable to shareholders from continuing operations, adjusted (a) to exclude the impact of provision for (benefit from) income taxes, equity-based compensation expense, acquisition and transaction expenses, losses on the modification or extinguishment of debt and capital lease obligations, changes in fair value of non-hedge derivative instruments, asset impairment charges, incentive allocations, depreciation and amortization expense, and interest expense, (b) to include the impact of our pro-rata share of Adjusted EBITDA from unconsolidated entities, and (c) to exclude the impact of equity in earnings (losses) of unconsolidated entities and the non-controlling share of Adjusted EBITDA.

Comparison of the three and six months ended June 30, 2021 and 2020

The following table presents our consolidated results of operations:

(in thousands)	Three Months Ended June 30, 2021	2020	Change	Six Months Ended June 30, 2021	2020	Change
Revenues						
Equipment leasing revenues						
Lease income	**$ 42,902**	$ 44,634	$ (1,732)	**$ 83,129**	$ 94,447	$ (11,318)
Maintenance revenue	**32,003**	27,105	4,898	**47,511**	59,100	(11,589)
Finance lease income	**443**	413	30	**846**	842	4
Other revenue	**6,223**	7,682	(1,459)	**6,692**	11,894	(5,202)
Total equipment leasing revenues	**81,571**	79,834	1,737	**138,178**	166,283	(28,105)
Infrastructure revenues						
Lease income	**432**	287	145	**862**	407	455
Terminal services revenues	**11,120**	12,794	(1,674)	**21,541**	29,205	(7,664)
Crude marketing revenues	**—**	—	—	**—**	8,210	(8,210)
Other revenue	**3,792**	1,394	2,398	**13,483**	3,044	10,439
Total infrastructure revenues	**15,344**	14,475	869	**35,886**	40,866	(4,980)
Total revenues	**96,915**	94,309	2,606	**174,064**	207,149	(33,085)
Expenses						
Operating expenses	**31,183**	24,572	6,611	**56,180**	58,016	(1,836)
General and administrative	**3,655**	4,388	(733)	**7,907**	9,051	(1,144)
Acquisition and transaction expenses	**4,399**	3,661	738	**6,042**	6,855	(813)
Management fees and incentive allocation to affiliate	**4,113**	4,756	(643)	**8,103**	9,522	(1,419)
Depreciation and amortization	**47,371**	41,720	5,651	**91,906**	83,917	7,989
Asset impairment	**89**	10,476	(10,387)	**2,189**	10,476	(8,287)
Interest expense	**37,504**	21,794	15,710	**70,494**	44,655	25,839
Total expenses	**128,314**	111,367	16,947	**242,821**	222,492	20,329
Other (expense) income						
Equity in losses of unconsolidated entities	**(7,152)**	(3,209)	(3,943)	**(5,778)**	(2,944)	(2,834)
Gain (loss) on sale of assets, net	**3,987**	768	3,219	**4,798**	(1,051)	5,849
Loss on extinguishment of debt	**(3,254)**	—	(3,254)	**(3,254)**	(4,724)	1,470
Interest income	**454**	22	432	**739**	63	676
Other (expense) income	**(884)**	(1)	(883)	**(703)**	32	(735)
Total other expense	**(6,849)**	(2,420)	(4,429)	**(4,198)**	(8,624)	4,426
Loss from continuing operations before income taxes	**(38,248)**	(19,478)	(18,770)	**(72,955)**	(23,967)	(48,988)
Benefit from income taxes	**(1,640)**	(3,750)	2,110	**(1,471)**	(3,848)	2,377
Net loss from continued operations	**(36,608)**	(15,728)	(20,880)	**(71,484)**	(20,119)	(51,365)
Net income from discontinued operations, net of income taxes	**—**	—	—	**—**	1,331	(1,331)
Net loss	**(36,608)**	(15,728)	(20,880)	**(71,484)**	(18,788)	(52,696)
Less: Net loss attributable to non-controlling interest in consolidated subsidiaries	**(6,625)**	(4,112)	(2,513)	**(11,586)**	(8,848)	(2,738)
Less: Dividends on preferred shares	**6,551**	4,079	2,472	**11,176**	8,618	2,558
Net loss attributable to shareholders	**$ (36,534)**	$ (15,695)	$ (20,839)	**$ (71,074)**	$ (18,558)	$ (52,516)

The following table sets forth a reconciliation of net loss attributable to shareholders from continuing operations to Adjusted EBITDA:

(in thousands)	Three Months Ended June 30, 2021	2020	Change	Six Months Ended June 30, 2021	2020	Change
Net loss attributable to shareholders from continuing operations	**$ (36,534)**	$ (15,695)	$ (20,839)	**$ (71,074)**	$ (19,889)	$ (51,185)
Add: Benefit from income taxes	**(1,640)**	(3,750)	2,110	**(1,471)**	(3,848)	2,377
Add: Equity-based compensation expense	**1,439**	411	1,028	**2,553**	702	1,851
Add: Acquisition and transaction expenses	**4,399**	3,661	738	**6,042**	6,855	(813)
Add: Losses on the modification or extinguishment of debt and capital lease obligations	**3,254**	—	3,254	**3,254**	4,724	(1,470)
Add: Changes in fair value of non-hedge derivative instruments	**1,391**	—	1,391	**(6,573)**	181	(6,754)
Add: Asset impairment charges	**89**	10,476	(10,387)	**2,189**	10,476	(8,287)
Add: Incentive allocations	**—**	—	—	**—**	—	—
Add: Depreciation and amortization expense [1]	**54,168**	48,341	5,827	**106,811**	97,405	9,406
Add: Interest expense	**37,504**	21,794	15,710	**70,494**	44,655	25,839
Add: Pro-rata share of Adjusted EBITDA from unconsolidated entities [2]	**(11)**	126	(137)	**2,391**	(287)	2,678
Less: Equity in losses of unconsolidated entities	**7,152**	3,209	3,943	**5,778**	2,944	2,834
Less: Non-controlling share of Adjusted EBITDA [3]	**(3,257)**	(2,101)	(1,156)	**(5,286)**	(5,451)	165
Adjusted EBITDA (non-GAAP)	**$ 67,954**	$ 66,472	$ 1,482	**$ 115,108**	$ 138,467	$ (23,359)

[1] Includes the following items for the three months ended June 30, 2021 and 2020: (i) depreciation and amortization expense of $47,371 and $41,720, (ii) lease intangible amortization of $1,198 and $931 and (iii) amortization for lease incentives of $5,599 and $5,690, respectively. Includes the following items for the six months ended June 30, 2021 and 2020: (i) depreciation and amortization expense of $91,906 and $83,917, (ii) lease intangible amortization of $1,950 and $2,063 and (iii) amortization for lease incentives of $12,955 and $11,425, respectively.

[2] Includes the following items for the three months ended June 30, 2021 and 2020: (i) net loss of $(7,353) and $(3,226), (ii) interest expense of $340 and $446, (iii) depreciation and amortization expense of $1,900 and $1,446, (iv) acquisition and transaction expenses of $0 and $531, (v) changes in fair value of non-hedge derivative instruments of $5,078 and $929 and (vi) asset impairment of $24 and $0, respectively. Includes the following items for the six months ended June 30, 2021 and 2020: (i) net loss of $(6,173) and $(3,003), (ii) interest expense of $527 and $481, (iii) depreciation and amortization expense of $3,812 and $2,408, (iv) acquisition and transaction expenses of $0 and $612, (v) changes in fair value of non-hedge derivative instruments of $4,201 and $(785) and (vi) asset impairment of $24 and $0, respectively.

[3] Includes the following items for the three months ended June 30, 2021 and 2020: (i) equity-based compensation of $292 and $52, (ii) provision for income taxes of $13 and $15, (iii) interest expense of $732 and $512, (iv) depreciation and amortization expense of $2,172 and $1,522 and (v) changes in fair value of non-hedge derivative instruments of $48 and $0, respectively. Includes the following items for the six months ended June 30, 2021 and 2020: (i) equity based compensation of $490 and $99, (ii) provision for income taxes of $26 and $43, (iii) interest expense of $1,013 and $1,231, (iv) depreciation and amortization expense of $3,983 and $3,048, (v) changes in fair value of non-hedge derivative instruments of $(226) and $38 and (vi) loss on extinguishment of debt of $0 and $992, respectively.

Revenues

Comparison of the three months ended June 30, 2021 and 2020

Total revenues increased $2.6 million primarily due to higher revenues of $3.2 million in the Aviation Leasing segment and $2.3 million in the Ports and Terminals segment, partially offset by lower revenues of $1.6 million in the Jefferson Terminal segment and $1.4 million in Corporate and Other.

Equipment Leasing

Lease income decreased $1.7 million, primarily due to an increase in aircraft redelivered and an increase in the number of customers placed on non-accrual status, partially offset by an increase in the number of aircraft and engines placed on lease.

Maintenance revenue increased $4.9 million, primarily due to an increase in the number of engines placed on lease and higher aircraft and engine utilization, partially offset by a decrease in the recognition of maintenance deposits due to the early redelivery of aircraft.

Other revenue decreased $1.5 million, which primarily reflects (i) a decrease of $2.0 million in the offshore energy business primarily due to one of our vessels being on hire longer in 2020 compared to 2021, partially offset by (ii) an increase of $0.6 million in the Aviation Leasing segment primarily due to an increase in engine parts sales, partially offset by lower end-of-lease redelivery compensation.

Infrastructure

Terminal services revenues decreased $1.7 million which primarily reflects lower volumes at Jefferson Terminal due to lower global oil demand related to COVID-19.

Other revenue increased $2.4 million, primarily due to operations commencing at the LPG facility at Repauno.

Comparison of the six months ended June 30, 2021 and 2020

Total revenues decreased $33.1 million, primarily due to lower revenues of $23.7 million in the Aviation Leasing segment, $15.6 million in the Jefferson Terminal segment and $3.9 million in Corporate and Other, partially offset by higher revenues of $10.1 million in the Ports and Terminals segment.

Equipment Leasing

Lease income decreased $11.3 million, primarily due to an increase in aircraft redelivered and an increase in the number of customers placed on non-accrual status, partially offset by an increase in the number of aircraft and engines placed on lease.

Maintenance revenue decreased $11.6 million, primarily due to an increase in aircraft and engines redelivered and a decrease in the recognition of maintenance deposits due to the early redelivery of aircraft, partially offset by an increase in aircraft and engine utilization and an increase in the number of engines placed on lease.

Other revenue decreased $5.2 million, primarily due to (i) a decrease of $2.7 million in the Aviation Leasing segment primarily due to lower end-of-lease redelivery compensation and the settlement of an engine loss during the six months ended June 30, 2020, partially offset by an increase in engine parts sales and (ii) a decrease of $2.5 million in the offshore energy business primarily due to one of our vessels being on hire longer in 2020 compared to 2021.

Infrastructure

Crude marketing revenues decreased $8.2 million due to Jefferson Terminal exiting the crude marketing strategy in the fourth quarter of 2019.

Terminal services revenues decreased $7.7 million which primarily reflects lower volumes at Jefferson Terminal due to lower global oil demand related to COVID-19.

Other revenue increased $10.4 million, primarily due to (i) an unrealized gain of $6.6 million recorded on butane forward purchase and sale contracts at Repauno and (ii) operations commencing at the LPG facility at Repauno.

Expenses

Comparison of the three months ended June 30, 2021 and 2020

Total expenses increased $16.9 million, primarily due to higher (i) interest expense, (ii) operating expenses and (iii) depreciation and amortization, partially offset by lower (iv) asset impairment charges.

Interest expense increased $15.7 million, primarily due to:

- an increase of $14.9 million in Corporate and Other which reflects an increase in the average outstanding debt of approximately $652.1 million due to increases in (i) the Senior Notes due 2028 of $500.0 million, (ii) the Senior Notes due 2025 of $407.1 million and (iii) the Senior Notes due 2027 of $400.0 million, partially offset by decreases in (iv) the Senior Notes due 2022 of $565.0 million, which was redeemed in full in May 2021 and (v) the Revolving Credit Facility (as defined below in Liquidity and Capital Resources) of $90.0 million; and
- an increase of $0.9 million at Jefferson Terminal due to the EB-5 Loan Agreement which commenced in January 2021.

Operating expenses increased $6.6 million which primarily reflects:

- an increase of approximately $4.0 million in costs associated with the sale of inventory in the Aviation Leasing segment;
- an increase of $1.0 million in compensation and benefits primarily in the Ports and Terminals segment and Corporate and Other; and
- an increase of $0.8 million in repairs and maintenance in our offshore energy business.

Depreciation and amortization increased $5.7 million primarily due to assets placed into service at Repauno and Jefferson Terminal and additional assets acquired in the Aviation Leasing segment.

Asset impairment decreased $10.4 million due to higher impairment charges in 2020 compared to 2021 in the Aviation Leasing segment.

Comparison of the six months ended June 30, 2021 and 2020

Total expenses increased $20.3 million, primarily due to higher (i) interest expense and (ii) depreciation and amortization, partially offset by lower (iii) asset impairment charges, (iv) operating expenses and (v) management fees and incentive allocation to affiliate.

Interest expense increased $25.8 million, primarily due to:

- an increase of $27.3 million in Corporate and Other which reflects an increase in the average outstanding debt of approximately $586.8 million due to increases in (i) the Senior Notes due 2025 of $407.3 million, (ii) the Senior Notes due 2027 of $400.0 million and (iii) the Senior Notes due 2028 of $250.0 million, partially offset by decreases in (iv) the Senior Notes due 2022 of $431.9 million, which was redeemed in full in May 2021, (v) the Revolving Credit Facility of $26.7 million and (vi) the FTAI Pride Credit Agreement of $12.0 million, which was repaid in full in March 2020; and
- a decrease of $1.3 million at Jefferson Terminal due to (i) a debt refinancing in the first quarter of 2020 which lowered their average interest rate, partially offset by (ii) the EB-5 Loan Agreement which commenced in January 2021.

Depreciation and amortization increased $8.0 million primarily due to assets placed into service at Repauno and Jefferson Terminal and additional assets acquired in the Aviation Leasing segment.

Asset impairment decreased $8.3 million due to higher impairment charges in 2020 compared to 2021 in the Aviation Leasing segment.

Operating expenses decreased $1.8 million which primarily reflects:

- a decrease in cost of sales of $8.2 million primarily due to Jefferson Terminal exiting the crude marketing strategy in the fourth quarter of 2019; and
- a decrease in bad debt expense of $2.5 million primarily in the Aviation Leasing segment; partially offset by
- an increase of approximately $4.0 million in costs associated with the sale of inventory in the Aviation Leasing segment;
- an increase in repairs and maintenance of $1.9 million primarily in our offshore energy business; and
- an increase of $1.8 million in compensation and benefits primarily in the Ports and Terminals segment and Corporate and Other.

Management fees and incentive allocation to affiliate decreased $1.4 million, which reflects a decrease in the base management fee as our average total equity is lower in 2021 compared to 2020.

Other expense

Total other expense increased $4.4 million during the three months ended June 30, 2021, which primarily reflects (i) an increase of $3.9 million in equity in losses of unconsolidated entities primarily due to unrealized losses on power swaps at Long Ridge and (ii) a loss on extinguishment of debt of $3.3 million related to the redemption of the Senior Notes due 2022, partially offset by (iii) an increase of $3.2 million in gain on sale of assets, net in the Aviation Leasing segment.

Total other expense decreased $4.4 million during the six months ended June 30, 2021, which primarily reflects (i) an increase of $5.8 million in gain on sale of assets, net in the Aviation Leasing segment and (ii) a net decrease in loss on extinguishment of debt of $1.5 million, partially offset by (iii) an increase of $2.8 million in equity in losses in unconsolidated entities primarily due to unrealized losses on power swaps at Long Ridge.

Net loss from continuing operations

Net loss from continuing operations increased $20.9 million and $51.4 million during the three and six months ended June 30, 2021, respectively, primarily due to the changes noted above.

Adjusted EBITDA (Non-GAAP)

Adjusted EBITDA increased $1.5 million and decreased $23.4 million during the three and six months ended June 30, 2021, respectively, primarily due to the changes noted above.

Aviation Leasing Segment

As of June 30, 2021, in our Aviation Leasing segment, we own and manage 284 aviation assets, consisting of 77 commercial aircraft and 207 engines.

As of June 30, 2021, 68 of our commercial aircraft and 134 of our engines were leased to operators or other third parties. Aviation assets currently off lease are either undergoing repair and/or maintenance, being prepared to go on lease or held in short term storage awaiting a future lease. Our aviation equipment was approximately 74% utilized during the three months ended June 30, 2021, based on the percent of days on-lease in the quarter weighted by the monthly average equity value of our aviation leasing equipment, excluding airframes. Our aircraft currently have a weighted average remaining lease term of 36 months, and our engines currently on-lease have an average remaining lease term of 18 months. The table below provides additional information on the assets in our Aviation Leasing segment:

Aviation Assets	Widebody	Narrowbody	Total
Aircraft			
Assets at January 1, 2021	**15**	**63**	**78**
Purchases	—	9	9
Sales	(3)	—	(3)
Transfers	—	(7)	(7)
Assets at June 30, 2021	**12**	**65**	**77**
Engines			
Assets at January 1, 2021	**88**	**98**	**186**
Purchases	6	26	32
Sales	(12)	(8)	(20)
Transfers	—	9	9
Assets at June 30, 2021	**82**	**125**	**207**

The following table presents our results of operations:

(in thousands)	Three Months Ended June 30, 2021	Three Months Ended June 30, 2020	Change	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020	Change
Revenues						
Equipment leasing revenues						
Lease income	**$ 40,208**	$ 42,505	$ (2,297)	**$ 79,997**	$ 89,446	$ (9,449)
Maintenance revenue	**32,003**	27,105	4,898	**47,511**	59,100	(11,589)
Finance lease income	**443**	413	30	**846**	842	4
Other revenue	**5,789**	5,236	553	**6,190**	8,863	(2,673)
Total revenues	**78,443**	75,259	3,184	**134,544**	158,251	(23,707)
Expenses						
Operating expenses	**9,145**	4,577	4,568	**13,395**	8,648	4,747
Acquisition and transaction expenses	**836**	2,061	(1,225)	**2,032**	4,785	(2,753)
Depreciation and amortization	**33,732**	32,203	1,529	**66,295**	64,834	1,461
Asset impairment	**89**	10,476	(10,387)	**2,189**	10,476	(8,287)
Total expenses	**43,802**	49,317	(5,515)	**83,911**	88,743	(4,832)
Other income (expense)						
Equity in losses of unconsolidated entities	**(341)**	(594)	253	**(681)**	(1,185)	504
Gain (loss) on sale of assets, net	**3,971**	775	3,196	**4,782**	(1,044)	5,826
Interest income	**357**	17	340	**624**	29	595
Total other income (expense)	**3,987**	198	3,789	**4,725**	(2,200)	6,925
Income before income taxes	**38,628**	26,140	12,488	**55,358**	67,308	(11,950)
Benefit from income taxes	**(4)**	(3,427)	3,423	**(46)**	(3,382)	3,336
Net income	**38,632**	29,567	9,065	**55,404**	70,690	(15,286)
Less: Net loss attributable to non-controlling interest in consolidated subsidiaries	**—**	—	—	**—**	—	—
Net income attributable to shareholders	**$ 38,632**	$ 29,567	$ 9,065	**$ 55,404**	$ 70,690	$ (15,286)

The following table sets forth a reconciliation of net income attributable to shareholders to Adjusted EBITDA:

	Three Months Ended June 30,			Six Months Ended June 30,		
(in thousands)	2021	2020	Change	2021	2020	Change
Net income attributable to shareholders	**$ 38,632**	$ 29,567	$ 9,065	**$ 55,404**	$ 70,690	$ (15,286)
Add: Benefit from income taxes	**(4)**	(3,427)	3,423	**(46)**	(3,382)	3,336
Add: Equity-based compensation expense	**—**	—	—	**—**	—	—
Add: Acquisition and transaction expenses	**836**	2,061	(1,225)	**2,032**	4,785	(2,753)
Add: Losses on the modification or extinguishment of debt and capital lease obligations	**—**	—	—	**—**	—	—
Add: Changes in fair value of non-hedge derivative instruments	**—**	—	—	**—**	—	—
Add: Asset impairment charges	**89**	10,476	(10,387)	**2,189**	10,476	(8,287)
Add: Incentive allocations	**—**	—	—	—	—	—
Add: Depreciation and amortization expense [1]	**40,529**	38,824	1,705	**81,200**	78,322	2,878
Add: Interest expense	**—**	—	—	**—**	—	—
Add: Pro-rata share of Adjusted EBITDA from unconsolidated entities [2]	**(286)**	(594)	308	**(594)**	(1,185)	591
Less: Equity in losses of unconsolidated entities	**341**	594	(253)	**681**	1,185	(504)
Less: Non-controlling share of Adjusted EBITDA	**—**	—	—	**—**	—	—
Adjusted EBITDA (non-GAAP)	**$ 80,137**	$ 77,501	$ 2,636	**$ 140,866**	$ 160,891	$ (20,025)

[1] Includes the following items for the three months ended June 30, 2021 and 2020: (i) depreciation expense of $33,732 and $32,203, (ii) lease intangible amortization of $1,198 and $931 and (iii) amortization for lease incentives of $5,599 and $5,690, respectively. Includes the following items for the six months ended June 30, 2021 and 2020: (i) depreciation expense of $66,295 and $64,834, (ii) lease intangible amortization of $1,950 and $2,063 and (iii) amortization for lease incentives of $12,955 and $11,425, respectively.

[2] Includes the following items for the three months ended June 30, 2021 and 2020: (i) net loss of $(341) and $(594) and (ii) depreciation and amortization of $55 and $0, respectively. Includes the following items for the six months ended June 30, 2021 and 2020: (i) net loss of $(681) and $(1,185) and (ii) depreciation and amortization of $87 and $0, respectively.

Revenues

Comparison of the three months ended June 30, 2021 and 2020

Total revenue increased $3.2 million driven by higher maintenance revenue and other revenue, partially offset by lower lease income.

- Maintenance revenue increased $4.9 million primarily due to an increase in the number of engines placed on lease and higher aircraft and engine utilization, partially offset by a decrease in the recognition of maintenance deposits due to the early redelivery of aircraft.
- Other revenue increased $0.6 million primarily due to an increase in engine parts sales, partially offset by lower end-of-lease redelivery compensation.
- Lease income decreased $2.3 million primarily due to an increase in aircraft redelivered and an increase in the number of customers placed on non-accrual status, partially offset by an increase in the number of aircraft and engines placed on lease.

Comparison of the six months ended June 30, 2021 and 2020

Total revenue decreased $23.7 million driven by lower lease income, maintenance revenue and other revenue.

- Maintenance revenue decreased $11.6 million primarily due to an increase in aircraft and engines redelivered and a decrease in the recognition of maintenance deposits due to the early redelivery of aircraft, partially offset by an increase in aircraft and engine utilization and an increase in the number of engines placed on lease.
- Lease income decreased $9.4 million primarily due to an increase in aircraft redelivered and an increase in the number of customers placed on non-accrual status, partially offset by an increase in the number of aircraft and engines placed on lease.
- Other revenue decreased $2.7 million primarily due to lower end-of-lease redelivery compensation and the settlement of an engine loss during the six months ended June 30, 2020, partially offset by an increase in engine parts sales.

Expenses

Comparison of the three months ended June 30, 2021 and 2020

Total expenses decreased $5.5 million, primarily due to a decrease in asset impairment and acquisition and transaction expenses, partially offset by an increase in operating expenses and depreciation and amortization expense.

- Asset impairment decreased $10.4 million for the adjustment of the carrying value of leasing equipment to fair value, net of redelivery compensation. See Note 4 to the consolidated financial statements for additional information.
- Acquisition and transaction expense decreased $1.2 million driven by lower compensation and related costs associated with the acquisition of aviation leasing equipment.
- Operating expenses increased $4.6 million primarily as a result of an increase in costs associated with the sale of engine parts, shipping and storage fees, professional fees and other operating expenses, partially offset by a decrease in bad debt expense.
- Depreciation and amortization expense increased $1.5 million driven by an increase in the number of assets owned and on lease, partially offset by an increase in the number of aircraft redelivered and parted out into our engine leasing pool.

Comparison of the six months ended June 30, 2021 and 2020

Total expenses decreased $4.8 million, primarily due to a decrease in asset impairment and acquisition and transaction expenses, partially offset by an increase in operating expenses and depreciation and amortization expense.

- Asset impairment decreased $8.3 million for the adjustment of the carrying value of leasing equipment to fair value, net of redelivery compensation. See Note 4 to the consolidated financial statements for additional information.
- Acquisition and transaction expense decreased $2.8 million driven by lower compensation and related costs associated with the acquisition of aviation leasing equipment.
- Operating expenses increased $4.7 million primarily as a result of an increase in costs associated with the sale of engine parts, shipping and storage fees, professional fees and other operating expenses, partially offset by a decrease in bad debt expense.
- Depreciation and amortization expense increased driven $1.5 million by an increase in the number of assets owned and on lease, partially offset by an increase in the number of aircraft redelivered and parted out into our engine leasing pool.

Other income (expense)

Total other income increased $3.8 million during the three months ended June 30, 2021, primarily due to an increase of $3.2 million in gain on the sale of leasing equipment in 2021, an increase of $0.3 million in interest income and a decrease of $0.3 million in Aviation Leasing's proportionate share of the unconsolidated entities' net loss.

Total other income increased $6.9 million during the six months ended June 30, 2021, primarily due to an increase of $5.8 million in gain on the sale of leasing equipment in 2021, an increase of $0.6 million in interest income and a decrease of $0.5 million in Aviation Leasing's proportionate share of the unconsolidated entities' net loss.

Adjusted EBITDA (Non-GAAP)

Adjusted EBITDA decreased $2.6 million and $20.0 million during the three and six months ended June 30, 2021, respectively, primarily due to the changes noted above.

Jefferson Terminal Segment

The following table presents our results of operations:

(in thousands)	Three Months Ended June 30, 2021	2020	Change	Six Months Ended June 30, 2021	2020	Change
Infrastructure revenues						
Lease income	**$ 432**	$ 287	$ 145	**$ 862**	$ 407	$ 455
Terminal services revenues	**11,095**	12,794	(1,699)	**21,384**	29,205	(7,821)
Crude marketing revenues	**—**	—	—	**—**	8,210	(8,210)
Total infrastructure revenues	11,527	13,081	(1,554)	**22,246**	37,822	(15,576)
Total revenues	**11,527**	13,081	(1,554)	**22,246**	37,822	(15,576)
Expenses						
Operating expenses	**11,777**	12,290	(513)	**23,498**	34,233	(10,735)
Depreciation and amortization	**9,315**	7,160	2,155	**17,033**	14,386	2,647
Interest expense	**3,213**	2,310	903	**4,416**	5,738	(1,322)
Total expenses	**24,305**	21,760	2,545	**44,947**	54,357	(9,410)
Other (expense) income						
Loss on sale of assets, net	**—**	(7)	7	**—**	(7)	7
Loss on extinguishment of debt	**—**	—	—	**—**	(4,724)	4,724
Interest income	**—**	—	—	**—**	22	(22)
Other (expense) income	**(886)**	(1)	(885)	**(705)**	32	(737)
Total other expense	**(886)**	(8)	(878)	**(705)**	(4,677)	3,972
Loss before income taxes	**(13,664)**	(8,687)	(4,977)	**(23,406)**	(21,212)	(2,194)
Provision for income taxes	**59**	74	(15)	**116**	209	(93)
Net loss	**(13,723)**	(8,761)	(4,962)	**(23,522)**	(21,421)	(2,101)
Less: Net loss attributable to non-controlling interest in consolidated subsidiaries	**(6,538)**	(4,020)	(2,518)	**(11,554)**	(8,681)	(2,873)
Net loss attributable to shareholders	**$ (7,185)**	$ (4,741)	$ (2,444)	**$ (11,968)**	$ (12,740)	$ 772

The following table sets forth a reconciliation of net loss attributable to shareholders to Adjusted EBITDA:

	Three Months Ended June 30,			Six Months Ended June 30,		
(in thousands)	2021	2020	Change	2021	2020	Change
Net loss attributable to shareholders	**$ (7,185)**	$ (4,741)	$ (2,444)	**$ (11,968)**	$ (12,740)	$ 772
Add: Provision for income taxes	**59**	74	(15)	**116**	209	(93)
Add: Equity-based compensation expense	**1,270**	214	1,056	**2,111**	429	1,682
Add: Acquisition and transaction expenses	**—**	—	—	**—**	—	—
Add: Losses on the modification or extinguishment of debt and capital lease obligations	**—**	—	—	**—**	4,724	(4,724)
Add: Changes in fair value of non-hedge derivative instruments	**—**	—	—	**—**	181	(181)
Add: Asset impairment charges	**—**	—	—	**—**	—	—
Add: Incentive allocations	**—**	—	—	**—**	—	—
Add: Depreciation and amortization expense	**9,315**	7,160	2,155	**17,033**	14,386	2,647
Add: Interest expense	**3,213**	2,310	903	**4,416**	5,738	(1,322)
Add: Pro-rata share of Adjusted EBITDA from unconsolidated entities	**—**	—	—	**—**	—	—
Less: Equity in earnings of unconsolidated entities	**—**	—	—	**—**	—	—
Less: Non-controlling share of Adjusted EBITDA [(1)]	**(3,117)**	(2,049)	(1,068)	**(5,325)**	(5,390)	65
Adjusted EBITDA (non-GAAP)	**$ 3,555**	$ 2,968	$ 587	**$ 6,383**	$ 7,537	$ (1,154)

[(1)] Includes the following items for the three months ended June 30, 2021 and 2020: (i) equity-based compensation of $286 and $45, (ii) provision for income taxes of $13 and $15, (iii) interest expense of $722 and $485 and (iv) depreciation and amortization expense of $2,096 and $1,504, respectively. Includes the following items for the six months ended June 30, 2021 and 2020: (i) equity-based compensation of $475 and $90, (ii) provision for income taxes of $26 and $43, (iii) interest expense of $993 and $1,205, (iv) changes in fair value of non-hedge derivative instruments of $0 and $38, (v) depreciation and amortization expense of $3,831 and $3,022 and (vi) loss on extinguishment of debt of $0 and $992, respectively.

Revenues

Total revenues decreased $1.6 million during the three months ended June 30, 2021, primarily due to a decrease in terminal services revenue of $1.7 million which primarily reflects lower volumes due to lower global oil demand related to COVID-19.

Total revenues decreased $15.6 million during the six months ended June 30, 2021, primarily due to decreases in (i) crude marketing revenues of $8.2 million due to Jefferson Terminal exiting the crude marketing strategy in the fourth quarter of 2019 and (ii) terminal services revenue of $7.8 million which primarily reflects lower volumes due to lower global oil demand related to COVID-19.

Expenses

Total expenses increased $2.5 million during the three months ended June 30, 2021, which reflects:

- an increase in depreciation and amortization of $2.2 million due to additional assets being placed into service; and
- an increase in interest expense of $0.9 million primarily due to the EB-5 Loan Agreement which commenced in January 2021.

Total expenses decreased $9.4 million during the six months ended June 30, 2021, which reflects:

- a decrease in operating expenses of $10.7 million, primarily due to (i) Jefferson Terminal exiting the crude marketing strategy in the fourth quarter of 2019 and (ii) a decrease in facility operations expense due to lower volumes;
- a decrease in interest expense of $1.3 million due to a debt refinancing in the first quarter of 2020 which lowered the average interest rate, partially offset by the EB-5 Loan Agreement which commenced in January 2021; and
- an increase in depreciation and amortization of $2.6 million due to additional assets being placed into service.

Other expense

Total other expense increased $0.9 million during the three months ended June 30, 2021, primarily due to losses related to crude oil forward transactions.

Total other expense decreased $4.0 million during the six months ended June 30, 2021, which primarily reflects a loss on extinguishment of debt of $4.7 million in 2020, partially offset by losses related to crude oil forward transactions.

Adjusted EBITDA (Non-GAAP)

Adjusted EBITDA increased $0.6 million and decreased $1.2 million during the three and six months ended June 30, 2021, respectively, primarily due to the changes noted above.

Ports and Terminals

The following table presents our results of operations:

	Three Months Ended June 30,			Six Months Ended June 30,		
(in thousands)	**2021**	**2020**	**Change**	**2021**	**2020**	**Change**
Infrastructure revenues						
Terminal services revenues	**$ 25**	$ —	$ 25	**$ 157**	$ —	$ 157
Other revenue	**2,319**	—	2,319	**10,283**	314	9,969
Total revenues	**2,344**	—	2,344	**10,440**	314	10,126
Expenses						
Operating expenses	**3,828**	1,875	1,953	**6,930**	3,875	3,055
Acquisition and transaction expenses	**—**	19	(19)	**—**	801	(801)
Depreciation and amortization	**2,216**	378	1,838	**4,427**	754	3,673
Interest expense	**295**	354	(59)	**574**	747	(173)
Total expenses	**6,339**	2,626	3,713	**11,931**	6,177	5,754
Other (expense) income						
Equity in losses of unconsolidated entities	**(7,015)**	(2,582)	(4,433)	**(5,473)**	(1,676)	(3,797)
Gain on sale of equipment, net	**16**	—	16	**16**	—	16
Interest income	**91**	—	91	**91**	—	91
Total other expense	**(6,908)**	(2,582)	(4,326)	**(5,366)**	(1,676)	(3,690)
Loss before income taxes	**(10,903)**	(5,208)	(5,695)	**(6,857)**	(7,539)	682
Benefit from income taxes	**(1,621)**	(597)	(1,024)	**(1,467)**	(878)	(589)
Net loss	**(9,282)**	(4,611)	(4,671)	**(5,390)**	(6,661)	1,271
Less: Net loss attributable to non-controlling interest in consolidated subsidiaries	**(87)**	(92)	5	**(32)**	(167)	135
Net loss attributable to shareholders	**$ (9,195)**	$ (4,519)	$ (4,676)	**$ (5,358)**	$ (6,494)	$ 1,136

The following table sets forth a reconciliation of net loss attributable to shareholders to Adjusted EBITDA:

	Three Months Ended June 30,			Six Months Ended June 30,		
(in thousands)	2021	2020	Change	2021	2020	Change
Net loss attributable to shareholders	**$ (9,195)**	$ (4,519)	$ (4,676)	**$ (5,358)**	$ (6,494)	$ 1,136
Add: Benefit from income taxes	**(1,621)**	(597)	(1,024)	**(1,467)**	(878)	(589)
Add: Equity-based compensation expense	**169**	197	(28)	**442**	273	169
Add: Acquisition and transaction expenses	**—**	19	(19)	**—**	801	(801)
Add: Losses on the modification or extinguishment of debt and capital lease obligations	**—**	—	—	**—**	—	—
Add: Changes in fair value of non-hedge derivative instruments	**1,391**	—	1,391	**(6,573)**	—	(6,573)
Add: Asset impairment charges	**—**	—	—	**—**	—	—
Add: Incentive allocations	**—**	—	—	**—**	—	—
Add: Depreciation and amortization expense	**2,216**	378	1,838	**4,427**	754	3,673
Add: Interest expense	**295**	354	(59)	**574**	747	(173)
Add: Pro-rata share of Adjusted EBITDA from unconsolidated entities [(1)]	**246**	753	(507)	**2,951**	981	1,970
Less: Equity in losses of unconsolidated entities	**7,015**	2,582	4,433	**5,473**	1,676	3,797
Less: Non-controlling share of Adjusted EBITDA [(2)]	**(140)**	(52)	(88)	**39**	(61)	100
Adjusted EBITDA (non-GAAP)	**$ 376**	$ (885)	$ 1,261	**$ 508**	$ (2,201)	$ 2,709

[(1)] Includes the following items for the three months ended June 30, 2021 and 2020: (i) net loss of $(7,015) and $(2,570), (ii) interest expense of $314 and $417, (iii) depreciation and amortization expense of $1,845 and $1,446, (iv) acquisition and transaction expenses of $0 and $531, (v) changes in fair value of non-hedge derivative instruments of $5,078 and $929 and (vi) asset impairment of $24 and $0, respectively. Includes the following items for the six months ended June 30, 2021 and 2020: (i) net loss of $(5,473) and $(1,676), (ii) interest expense of $474 and $422, (iii) depreciation and amortization expense of $3,725 and $2,408, (iv) acquisition and transaction expenses of $0 and $612, (v) changes in fair value of non-hedge derivative instruments of $4,201 and $(785) and (vi) asset impairment of $24 and $0, respectively.

[(2)] Includes the following items for the three months ended June 30, 2021 and 2020: (i) equity-based compensation of $6 and $7, (ii) interest expense of $10 and $27, (iii) depreciation and amortization expense of $76 and $18 and (iv) changes in fair value of non-hedge derivative instruments of $48 and $0, respectively. Includes the following items for the six months ended June 30, 2021 and 2020: (i) equity-based compensation of $15 and $9, (ii) interest expense of $20 and $26, (iii) depreciation and amortization expense of $152 and $26 and (iv) changes in fair value of non-hedge derivative instruments of $(226) and $0, respectively.

Revenues

Total revenue increased $2.3 million during the three months ended June 30, 2021, primarily due to operations commencing at the LPG facility at Repauno.

Total revenue increased $10.1 million during the six months ended June 30, 2021, primarily due to (i) an unrealized gain of $6.6 million recorded on butane forward purchase and sale contracts at Repauno and (ii) operations commencing at the LPG facility at Repauno.

Expenses

Total expenses increased $3.7 million during the three months ended June 30, 2021 which reflects (i) higher operating expenses of $2.0 million due to increased activity at Repauno and (ii) higher depreciation and amortization of $1.8 million due to operations commencing at the LPG facility and additional assets placed into service at Repauno.

Total expenses increased $5.8 million during the six months ended June 30, 2021 which reflects (i) higher operating expenses of $3.1 million due to increased activity at Repauno and (ii) higher depreciation and amortization of $3.7 million due to operations commencing at the LPG facility and additional assets placed into service at Repauno, partially offset by (iii) lower acquisition and transaction expense of $0.8 million at Long Ridge due to lower professional fees.

Other expense

Total other expense increased $4.3 million and $3.7 million during the three and six months ended June 30, 2021, respectively, which reflects an increase in equity in losses primarily due to unrealized losses on power swaps at Long Ridge.

Adjusted EBITDA (Non-GAAP)

Adjusted EBITDA increased $1.3 million and $2.7 million during the three and six months ended June 30, 2021, respectively, primarily due to the changes noted above.

Corporate and Other

The following table presents our results of operations:

(in thousands)	Three Months Ended June 30, 2021	2020	Change	Six Months Ended June 30, 2021	2020	Change
Revenues						
Equipment leasing revenues						
Lease income	**$ 2,694**	$ 2,129	$ 565	**$ 3,132**	$ 5,001	$ (1,869)
Other revenue	**434**	2,446	(2,012)	**502**	3,031	(2,529)
Total equipment leasing revenues	**3,128**	4,575	(1,447)	**3,634**	8,032	(4,398)
Infrastructure revenues						
Other revenue	**1,473**	1,394	79	**3,200**	2,730	470
Total infrastructure revenues	**1,473**	1,394	79	**3,200**	2,730	470
Total revenues	**4,601**	5,969	(1,368)	**6,834**	10,762	(3,928)
Expenses						
Operating expenses	**6,433**	5,830	603	**12,357**	11,260	1,097
General and administrative	**3,655**	4,388	(733)	**7,907**	9,051	(1,144)
Acquisition and transaction expenses	**3,563**	1,581	1,982	**4,010**	1,269	2,741
Management fees and incentive allocation to affiliate	**4,113**	4,756	(643)	**8,103**	9,522	(1,419)
Depreciation and amortization	**2,108**	1,979	129	**4,151**	3,943	208
Interest expense	**33,996**	19,130	14,866	**65,504**	38,170	27,334
Total expenses	**53,868**	37,664	16,204	**102,032**	73,215	28,817
Other (expense) income						
Equity in earnings (losses) of unconsolidated entities	**204**	(33)	237	**376**	(83)	459
Loss on extinguishment of debt	**(3,254)**	—	(3,254)	**(3,254)**	—	(3,254)
Interest income	**6**	5	1	**24**	12	12
Other income	**2**	—	2	**2**	—	2
Total other expense	**(3,042)**	(28)	(3,014)	**(2,852)**	(71)	(2,781)
Loss before income taxes	**(52,309)**	(31,723)	(20,586)	**(98,050)**	(62,524)	(35,526)
(Benefit from) provision for income taxes	**(74)**	200	(274)	**(74)**	203	(277)
Net loss	**(52,235)**	(31,923)	(20,312)	**(97,976)**	(62,727)	(35,249)
Less: Net loss attributable to non-controlling interest in consolidated subsidiaries	**—**	—	—	**—**	—	—
Less: Dividends on preferred shares	**6,551**	4,079	2,472	**11,176**	8,618	2,558
Net loss attributable to shareholders	**$ (58,786)**	$ (36,002)	$ (22,784)	**$ (109,152)**	$ (71,345)	$ (37,807)

The following table sets forth a reconciliation of net loss attributable to shareholders to Adjusted EBITDA:

(in thousands)	Three Months Ended June 30, 2021	2020	Change	Six Months Ended June 30, 2021	2020	Change
Net loss attributable to shareholders	**$ (58,786)**	$ (36,002)	$ (22,784)	**$ (109,152)**	$ (71,345)	$ (37,807)
Add: (Benefit from) provision for income taxes	**(74)**	200	(274)	**(74)**	203	(277)
Add: Equity-based compensation expense	**—**	—	—	**—**	—	—
Add: Acquisition and transaction expenses	**3,563**	1,581	1,982	**4,010**	1,269	2,741
Add: Losses on the modification or extinguishment of debt and capital lease obligations	**3,254**	—	3,254	**3,254**	—	3,254
Add: Changes in fair value of non-hedge derivative instruments	**—**	—	—	**—**	—	—
Add: Asset impairment charges	**—**	—	—	**—**	—	—
Add: Incentive allocations	**—**	—	—	**—**	—	—
Add: Depreciation and amortization expense	**2,108**	1,979	129	**4,151**	3,943	208
Add: Interest expense	**33,996**	19,130	14,866	**65,504**	38,170	27,334
Add: Pro-rata share of Adjusted EBITDA from unconsolidated entities [(1)]	**29**	(33)	62	**34**	(83)	117
Less: Equity in (earnings) losses of unconsolidated entities	**(204)**	33	(237)	**(376)**	83	(459)
Less: Non-controlling share of Adjusted EBITDA	**—**	—	—	**—**	—	—
Adjusted EBITDA (non-GAAP)	**$ (16,114)**	$ (13,112)	$ (3,002)	**$ (32,649)**	$ (27,760)	$ (4,889)

[(1)] Includes the following items for the three months ended June 30, 2021 and 2020: (i) net income (loss) of $3 and $(62) and (ii) interest expense of $26 and $29, respectively. Includes the following items for the six months ended June 30, 2021 and 2020: (i) net loss of $(19) and $(142) and (ii) interest expense of $53 and $59, respectively.

Revenues

Total revenues decreased $1.4 million during the three months ended June 30, 2021, primarily due to one of our vessels being on hire longer in 2020 compared to 2021 in the offshore energy business.

Total revenues decreased $3.9 million during the six months ended June 30, 2021, primarily due to (i) a decrease of $4.4 million in the offshore energy business primarily due to one of our vessels being on hire longer in 2020 compared to 2021, partially offset by (ii) an increase of $0.5 million in our railcar cleaning business due to higher volumes.

Expenses

Comparison of the three months ended June 30, 2021 and 2020

Total expenses increased $16.2 million primarily due to higher (i) interest expense and (ii) acquisition and transaction expense, partially offset by lower (iii) general and administrative expense.

Interest expense increased $14.9 million, which reflects an increase in the average outstanding debt of approximately $652.1 million due to increases in (i) the Senior Notes due 2028 of $500.0 million, (ii) the Senior Notes due 2025 of $407.1 million and (iii) the Senior Notes due 2027 of $400.0 million, partially offset by decreases in (iv) the Senior Notes due 2022 of $565.0 million, which was redeemed in full in May 2021 and (v) the Revolving Credit Facility (as defined below in Liquidity and Capital Resources) of $90.0 million.

Acquisition and transaction expense increased $2.0 million, primarily due to higher professional fees.

General and administrative expense decreased $0.7 million, primarily due to lower professional fees.

Comparison of the six months ended June 30, 2021 and 2020

Total expenses increased $28.8 million primarily due to higher (i) interest expense and (ii) acquisition and transaction expense, partially offset by lower (iii) management fees and incentive allocation to affiliate and (iv) general and administrative expense.

Interest expense increased $27.3 million, which reflects an increase in the average outstanding debt of approximately $586.8 million due to increases in (i) the Senior Notes due 2025 of $407.3 million, (ii) the Senior Notes due 2027 of $400.0 million and (iii) the Senior Notes due 2028 of $250.0 million, partially offset by decreases in (iv) the Senior Notes due 2022 of $431.9 million, which was redeemed in full in May 2021, (v) the Revolving Credit Facility of $26.7 million and (vi) the FTAI Pride Credit Agreement of $12.0 million, which was repaid in full in March 2020.

Acquisition and transaction expense increased $2.7 million, primarily due to higher professional fees.

Management fees and incentive allocation to affiliate decreased $1.4 million, which reflects a decrease in the base management fee as our average total equity is lower in 2021 compared to 2020.

General and administrative expense decreased $1.1 million, primarily due to lower professional fees.

Other expense

Total other expense increased $3.0 million and $2.8 million during the three and six months ended June 30, 2021, respectively, primarily due to a loss on extinguishment of debt of $3.3 million related to the redemption of the Senior Notes due 2022 in May 2021.

Adjusted EBITDA (Non-GAAP)

Adjusted EBITDA decreased $3.0 million and $4.9 million during the three and six months ended June 30, 2021, respectively, primarily due to the changes noted above.

Liquidity and Capital Resources

In April 2021, we issued $500 million aggregate principal amount of senior unsecured notes due 2028 (see Note 20 to the consolidated financial statements). On May 7, 2021, we used a portion of the net proceeds to redeem in full the Senior Notes due 2022, which totaled $400 million aggregate principal plus accrued and unpaid interest.

In June 2017, we entered in a revolving credit facility (the “Revolving Credit Facility”). In July 2021, we drew down an additional $50 million under the Revolving Credit Facility. Following the drawdown, we have additional borrowing capacity of $100 million under the Revolving Credit Facility.

In July 2021, we entered into a senior unsecured bridge term loan facility (the “Bridge Facility”) in an aggregate principal amount of $650 million in order to finance the acquisition of Transtar, LLC, which closed on July 28, 2021. The Bridge Facility matures in one year and bears interest at the Adjusted Eurodollar Rate (determined in accordance with the credit agreement) plus 5.50% per annum (the “Initial Margin”) for the first three-month period. The Initial Margin will increase by an additional 50 basis points at the end of each three-month period thereafter until maturity. During the third quarter of 2021 we plan to raise debt and/or equity to refinance the Bridge Facility.

We believe we have sufficient liquidity to satisfy our cash needs, however, we continue to evaluate and take action, as necessary, to preserve adequate liquidity and ensure that our business can continue to operate during these uncertain times. This includes limiting discretionary spending across the organization and re-prioritizing our capital projects amid the COVID-19 pandemic.

Our principal uses of liquidity have been and continue to be (i) acquisitions of transportation infrastructure and equipment, (ii) dividends to our shareholders and holders of eligible participating securities, (iii) expenses associated with our operating activities, and (iv) debt service obligations associated with our investments.

- Cash used for the purpose of making investments was $265.1 million and $341.5 million during the six months ended June 30, 2021 and 2020, respectively.
- Dividends to shareholders and holders of eligible participating securities were $68.0 million and $65.4 million during the six months ended June 30, 2021 and 2020, respectively.
- Uses of liquidity associated with our operating expenses are captured on a net basis in our cash flows from operating activities. Uses of liquidity associated with our debt obligations are captured in our cash flows from financing activities.

Our principal sources of liquidity to fund these uses have been and continue to be (i) revenues from our transportation infrastructure and equipment assets (including finance lease collections and maintenance reserve collections) net of operating expenses, (ii) proceeds from borrowings or the issuance of securities and (iii) proceeds from asset sales.

- Cash flows (used in) provided from operating activities, plus the principal collections on finance leases and maintenance reserve collections were $(46.4) million and $66.5 million during the six months ended June 30, 2021 and 2020, respectively.
- During the six months ended June 30, 2021, additional borrowings were obtained in connection with the (i) Senior Notes due 2028 of $500.0 million, (ii) Revolving Credit Facility of $250.0 million and (iii) EB-5 Loan Agreement of $26.1 million. We made total principal repayments of $552.7 million relating to the Senior Notes due 2022 and Revolving Credit Facility. During the six months ended June 30, 2020, additional borrowings were obtained in connection with the (i) Series 2020 Bonds of $264.0 million and (ii) Revolving Credit Facility of $195.0 million. We made total principal repayments of $276.0 million relating to the Series 2016 Bonds, Series 2012 Bonds, Jefferson Revolver and FTAI Pride Credit Agreement.
- Proceeds from the sale of assets were $57.2 million and $37.7 million during the six months ended June 30, 2021 and 2020, respectively.
- Proceeds from the issuance of preferred shares, net of underwriter’s discount and issuance costs were $101.2 million during the six months ended June 30, 2021.

We are currently evaluating several potential Infrastructure and Equipment Leasing transactions, which could occur within the next 12 months. However, as of the date of this filing, other than the acquisition of Transtar, LLC, none of these transactions or negotiations are definitive or included within our planned liquidity needs. We cannot assure if or when any such transaction will be consummated or the terms of any such transaction.

Historical Cash Flow

Comparison of the six months ended June 30, 2021 and 2020

The following table compares the historical cash flow for the six months ended June 30, 2021 and 2020:

	Six Months Ended June 30,	
(in thousands)	**2021**	**2020**
Cash Flow Data:		
Net cash (used in) provided by operating activities	**$ (63,924)**	$ 44,652
Net cash used in investing activities	**(204,209)**	(298,122)
Net cash provided by financing activities	**249,960**	111,001

Net cash used in operating activities increased $108.6 million, which primarily reflects (i) an increase in our net loss of $52.7 million primarily due to lower revenues and higher interest expense and (ii) changes in working capital of $30.6 million.

Net cash used in investing activities decreased $93.9 million, primarily due to (i) a decrease in acquisitions of property, plant and equipment of $45.9 million, (ii) a decrease in acquisitions of leasing equipment of $36.2 million and (ii) lower proceeds from the sale of leasing equipment of $19.5 million.

Net cash provided by financing activities increased $139.0 million, primarily due to (i) an increase in proceeds from debt of $317.1 million, (ii) an increase in proceeds from the issuance of preferred shares of $101.5 million, partially offset by (iii) an increase in repayments of debt of $276.7 million.

We use Funds Available for Distribution ("FAD") in evaluating our ability to meet our stated dividend policy. FAD is not a financial measure in accordance with GAAP. The GAAP measure most directly comparable to FAD is net cash provided by operating activities. We believe FAD is a useful metric for investors and analysts for similar purposes.

We define FAD as: net cash provided by operating activities plus principal collections on finance leases, proceeds from sale of assets, and return of capital distributions from unconsolidated entities, less required payments on debt obligations and capital distributions to non-controlling interest, and excludes changes in working capital. The following table sets forth a reconciliation of Net Cash (Used in) Provided by Operating Activities to FAD:

	Six Months Ended June 30,	
(in thousands)	**2021**	**2020**
Net Cash (Used in) Provided by Operating Activities	**$ (63,924)**	$ 44,652
Add: Principal Collections on Finance Leases	**1,269**	3,320
Add: Proceeds from Sale of Assets	**57,155**	37,687
Add: Return of Capital Distributions from Unconsolidated Entities	**—**	—
Less: Required Payments on Debt Obligations [(1)]	**—**	—
Less: Capital Distributions to Non-Controlling Interest	**—**	—
Exclude: Changes in Working Capital	**88,248**	57,687
Funds Available for Distribution (FAD)	**$ 82,748**	$ 143,346

[(1)] Required payments on debt obligations for the six months ended June 30, 2021 exclude repayments of $402,704 for the Senior Notes due 2022 and $150,000 for the Revolving Credit Facility and for the six months ended June 30, 2020 exclude repayments of $144,200 for the Series 2016 Bonds, $50,262 for the Jefferson Revolver, $45,520 for the Series 2012 Bonds and $36,009 for the FTAI Pride Credit Agreement.

Limitations

FAD is subject to a number of limitations and assumptions and there can be no assurance that we will generate FAD sufficient to meet our intended dividends. FAD has material limitations as a liquidity measure because such measure excludes items that are required elements of our net cash provided by operating activities as described below. FAD should not be considered in isolation nor as a substitute for analysis of our results of operations under GAAP, and it is not the only metric that should be considered in evaluating our ability to meet our stated dividend policy. Specifically:

- FAD does not include equity capital called from our existing limited partners, proceeds from any debt issuance or future equity offering, historical cash and cash equivalents and expected investments in our operations.
- FAD does not give pro forma effect to prior acquisitions, certain of which cannot be quantified.

- While FAD reflects the cash inflows from sale of certain assets, FAD does not reflect the cash outflows to acquire assets as we rely on alternative sources of liquidity to fund such purchases.
- FAD does not reflect expenditures related to capital expenditures, acquisitions and other investments as we have multiple sources of liquidity and intend to fund these expenditures with future incurrences of indebtedness, additional capital contributions and/or future issuances of equity.
- FAD does not reflect any maintenance capital expenditures necessary to maintain the same level of cash generation from our capital investments.
- FAD does not reflect changes in working capital balances as management believes that changes in working capital are primarily driven by short term timing differences, which are not meaningful to our distribution decisions.
- Management has significant discretion to make distributions, and we are not bound by any contractual provision that requires us to use cash for distributions.

If such factors were included in FAD, there can be no assurance that the results would be consistent with our presentation of FAD.

Debt Obligations

Refer to Note 9 of the Consolidated Financial Statements for additional information.

Contractual Obligations

The following table summarizes our future obligations, by period due, as of June 30, 2021, under our various contractual obligations and commitments. We had no off-balance sheet arrangements as of June 30, 2021.

(in thousands)	Remainder of 2021	2022	2023	2024	2025	Thereafter	Total
Series 2020 Bonds	$ —	$ —	$ —	$ —	$ 79,060	$ 184,920	$ 263,980
DRP Revolver	25,000	—	—	—	—	—	25,000
EB-5 Loan Agreement	—	—	—	—	—	26,100	26,100
Revolving Credit Facility	—	100,000	—	—	—	—	100,000
Senior Notes due 2025	—	—	—	—	850,000	—	850,000
Senior Notes due 2027	—	—	—	—	—	400,000	400,000
Senior Notes due 2028	—	—	—	—	—	500,000	500,000
Total principal payments on loans and bonds payable	25,000	100,000	—	—	929,060	1,111,020	2,165,080
Total estimated interest payments [1]	67,878	135,457	135,190	135,190	120,280	235,576	829,571
Third-party obligations [2]	5,152	10,220	3,220	—	—	—	18,592
Operating lease obligations	2,645	5,143	5,254	5,004	4,852	145,874	168,772
	75,675	150,820	143,664	140,194	125,132	381,450	1,016,935
Total contractual obligations	**$ 100,675**	**$ 250,820**	**$ 143,664**	**$ 140,194**	**$ 1,054,192**	**$ 1,492,470**	**$ 3,182,015**

[1] Estimated interest rates as of June 30, 2021.

[2] Relates to a two-year pipeline capacity agreement at Jefferson Terminal.

We expect to meet our future short-term liquidity requirements through cash on hand, unused borrowing capacity or future financings and net cash provided by our current operations. We expect that our operating subsidiaries will generate sufficient cash flow to cover operating expenses and the payment of principal and interest on our indebtedness as they become due. We may elect to meet certain long-term liquidity requirements or to continue to pursue strategic opportunities through utilizing cash on hand, cash generated from our current operations and the issuance of securities in the future. Management believes adequate capital and borrowings are available from various sources to fund our commitments to the extent required.

Application of Critical Accounting Policies

Goodwill—Goodwill includes the excess of the purchase price over the fair value of the net tangible and intangible assets associated with the acquisition of Jefferson Terminal. The carrying amount of goodwill was approximately $122.7 million as of both June 30, 2021 and December 31, 2020.

We review the carrying values of goodwill at least annually to assess impairment since these assets are not amortized. An annual impairment review is conducted as of October 1st of each year. Additionally, we review the carrying value of goodwill whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. The determination of fair value involves significant management judgment.

For an annual goodwill impairment assessment, an optional qualitative analysis may be performed. If the option is not elected or if it is more likely than not that the fair value of a reporting unit is less than its carrying amount, then a quantitative impairment test is performed to identify potential goodwill impairment and measure an impairment loss. A qualitative analysis was not elected for the year ended December 31, 2020.

Beginning in 2020, we adopted new guidance regarding the testing and recognition of a goodwill impairment which prior to 2020 required two steps. A goodwill impairment assessment compares the fair value of a respective reporting unit with its carrying amount, including goodwill. The estimate of fair value of the respective reporting unit is based on the best information available as of the date of assessment, which primarily incorporates certain factors including our assumptions about operating results, business plans, income projections, anticipated future cash flows and market data. If the estimated fair value of the reporting unit is less than the carrying amount, a goodwill impairment is recorded to the extent of any goodwill recorded in the reporting unit.

We estimate the fair value of the reporting units using an income approach, specifically a discounted cash flow analysis. This analysis requires us to make significant assumptions and estimates about the extent and timing of future cash flows (including forecasted revenue growth rates and EBITDA margins), capital expenditures and discount rates. The estimates and assumptions used consider historical performance if indicative of future performance, and are consistent with the assumptions used in determining future profit plans for the reporting units.

Although we believe the estimates of fair value are reasonable, the determination of certain valuation inputs is subject to management's judgment. Changes in these inputs, including as a result of events beyond our control, could materially affect the results of the impairment review. If the forecasted cash flows of the Jefferson Terminal reporting unit or other key inputs are negatively revised in the future, the estimated fair value of the Jefferson Terminal reporting unit could be adversely impacted, potentially leading to an impairment in the future that could materially affect our operating results. The Jefferson Terminal segment forecasted revenue is dependent on the ramp up of volumes under current and expected future contracts for storage of heavy and light crude and refined products during 2021 and beyond subject to obtaining rail capacity for crude, expansion of refined product distribution to Mexico and movements in future oil spreads. Jefferson Terminal was designed to reach a storage capacity of 21.7 million barrels, and 4.4 million of storage, or approximately 20.3% of capacity, is currently operational. If the Company strategy changes from planned capacity downward due to an inability to source contracts or expand volumes, the fair value of the reporting units would be negatively affected, which could lead to an impairment. The expansion of refineries in the Beaumont/Port Arthur area, as well as growing crude oil production in the U.S. and Canada, are expected to result in increased demand for storage on the U.S. Gulf Coast. Although we do not have significant direct exposure to volatility of crude oil prices, changes in crude oil pricing that effect long term refining planned output could impact Jefferson Terminal operations. Other assumptions utilized in our annual impairment analysis that are significant in determination of the fair value of the reporting unit include the discount rate utilized in our discounted cash flow analysis of 13.5% and our terminal growth rate of 2%.

Furthermore, both inbound and outbound pipelines projects are becoming fully operational early in 2021 to and from the Jefferson Terminal and will affect our forecasted growth and therefore our estimated fair value. We expect the Jefferson Terminal segment to continue to generate positive Adjusted EBITDA during 2021. Although certain of our anticipated contracts or expected volumes from existing contracts for Jefferson Terminal have been delayed, we continue to believe our projected revenues are achievable. Further delays in executing these contracts or achieving our projections could adversely affect the fair value of the reporting unit. The impact of the COVID-19 global pandemic during 2020 certainly negatively affected refining volumes and therefore Jefferson Terminal crude throughput but we anticipate the impact to normalize over 2021 and ramp back to normal levels by 2022. Furthermore, we anticipate strengthening macroeconomic demand for storage and the increasing spread between Western Canadian Crude and Western Texas Intermediate as Canadian crude pipeline apportionment increases and our pipeline connections become fully operational during 2021, we remain positive for the outlook of Jefferson Terminal's earnings potential.

There was no impairment of goodwill for the year ended December 31, 2020.

Recent Accounting Pronouncements

See Note 2 to our Consolidated Financial Statements for recent accounting pronouncements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Market risk represents the risk of changes in value of a financial instrument, caused by fluctuations in interest rates and foreign exchange rates. Changes in these factors could cause fluctuations in our results of operations and cash flows. We are exposed to the market risks described below.

Interest Rate Risk

Interest rate risk is the exposure to loss resulting from changes in the level of interest rates and the spread between different interest rates. Interest rate risk is highly sensitive to many factors, including the U.S. government's monetary and tax policies, global economic factors and other factors beyond our control. We are exposed to changes in the level of interest rates and to changes in the relationship or spread between interest rates. Our primary interest rate exposure relates to our term loan arrangements.

LIBOR and other indices which are deemed "benchmarks" are the subject of recent national, international, and other regulatory guidance and proposals for reform. On March 5, 2021, the IBA Benchmark Administration confirmed its intention to cease publication of (i) one week and two month USD LIBOR settings after December 31, 2021 and (ii) the remaining USD LIBOR settings after June 30, 2023. We currently have agreements that are indexed to LIBOR and are monitoring related reform proposals and evaluating the related risks; however, it is not possible to predict the effects of any of these developments, and any future initiatives to regulate, reform or change the manner of administration of LIBOR could result in adverse consequences to the rate of interest payable and receivable on, market value of and market liquidity for LIBOR-based financial instruments.

Our borrowing agreements generally require payments based on a variable interest rate index, such as LIBOR. Therefore, to the extent our borrowing costs are not fixed, increases in interest rates may reduce our net income by increasing the cost of our debt without any corresponding increase in rents or cash flow from our finance leases. We may elect to manage our exposure to interest rate movements through the use of interest rate derivatives (interest rate swaps and caps).

The following discussion about the potential effects of changes in interest rates is based on a sensitivity analysis, which models the effects of hypothetical interest rate shifts on our financial condition and results of operations. Although we believe a sensitivity analysis provides the most meaningful analysis permitted by the rules and regulations of the SEC, it is constrained by several factors, including the necessity to conduct the analysis based on a single point in time and by the inability to include the extraordinarily complex market reactions that normally would arise from the market shifts modeled. Although the following results of a sensitivity analysis for changes in interest rates may have some limited use as a benchmark, they should not be viewed as a forecast. This forward-looking disclosure also is selective in nature and addresses only the potential interest expense impacts on our financial instruments and, in particular, does not address the mark-to-market impact on our interest rate derivatives. It also does not include a variety of other potential factors that could affect our business as a result of changes in interest rates. In addition, the following discussion does not take into account our Series A preferred shares, on which distributions currently accrue interest at a fixed rate but will accrue interest at a floating rate based on three-month LIBOR plus a spread from and after September 15, 2024.

As of June 30, 2021, assuming we do not hedge our exposure to interest rate fluctuations related to our outstanding floating rate debt, a hypothetical 100-basis point increase/decrease in our variable interest rate on our borrowings would result in an increase of approximately $0.6 million or a decrease of approximately $0.1 million in interest expense over the next 12 months.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

As of the end of the period covered by this report, an evaluation was carried out under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act")). Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective as of and for the period covered by this report.

Internal Control over Financial Reporting

There have not been any changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the fiscal quarter to which this report relates that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

We are and may become involved in legal proceedings, including but not limited to regulatory investigations and inquiries, in the ordinary course of our business. Although we are unable to predict with certainty the eventual outcome of any litigation, regulatory investigation or inquiry, in the opinion of management, we do not expect our current and any threatened legal proceedings to have a material adverse effect on our business, financial position or results of operations. Given the inherent unpredictability of these types of proceedings, however, it is possible that future adverse outcomes could have a material adverse effect on our financial results.

Item 1A. Risk Factors

You should carefully consider the following risks and other information in this Form 10-Q in evaluating us and our shares. Any of the following risks, as well as additional risks and uncertainties not currently known to us or that we currently deem immaterial, could materially and adversely affect our results of operations or financial condition. The risk factors generally have been separated into the following categories: risks related to our business, risks related to our Manager, risks related to taxation, risks related to our common shares and general risks. However, these categories do overlap and should not be considered exclusive.

Risks Related to Our Business

The COVID-19 pandemic has severely disrupted the global economy and may have, and the emergence of similar crises could have, material adverse effects on our business, results of operations or financial condition.

In recent years, the outbreaks of certain highly contagious diseases have increased the risk of a pandemic resulting in economic disruptions. In particular, the ongoing COVID-19 pandemic has led to severe disruptions in the market and the global, U.S. and regional economies that may continue for a prolonged duration and trigger a recession or a period of economic slowdown. In response, various governmental bodies and private enterprises have implemented numerous measures to mitigate the outbreak, such as travel bans and restrictions, quarantines, shelter-in-place orders and shutdowns. The COVID-19 outbreak continues to be dynamic and evolving, including a resurgence of COVID-19 cases in certain geographies, and its ultimate scope, duration, effects and the availability of vaccines remain uncertain.

We expect that this pandemic, and any future epidemic or pandemic crises, could result in direct and indirect adverse effects on our industry and customers, which in turn may impact our business, results of operations and financial condition. Effects of the current pandemic include, or may include, among others:

- deterioration of worldwide, regional or national economic conditions and activity, which could further reduce or prolong the recent significant declines in energy prices, or adversely affect global demand for crude oil and petroleum products, demand for our services, and time charter and spot rates;
- disruptions to our operations as a result of the potential health impact, such as the availability and efficacy of vaccines, on our employees and crew, and on the workforces of our customers and business partners;
- disruptions to our business from, or additional costs related to, new regulations, directives or practices implemented in response to the pandemic, such as travel restrictions, increased inspection regimes, hygiene measures (such as quarantining and physical distancing) or increased implementation of remote working arrangements;
- a lack of air travel demand or an inability of airlines to operate to or from certain regions could impact demand for air travel and the financial health of certain airlines, including our lessees;
- potential delays in the loading and discharging of cargo on or from our vessels, and any related off hire due to quarantines, worker health or regulations, which in turn could disrupt our operations and result in a reduction of revenue;
- potential shortages or a lack of access to required spare parts for our vessels, or potential delays in any repairs to, scheduled or unscheduled maintenance or modifications;
- potential delays in vessel inspections and related certifications by class societies, customers or government agencies;
- potential reduced cash flows and financial condition, including potential liquidity constraints;
- reduced access to capital, including the ability to refinance any existing obligations, as a result of any credit tightening generally or due to continued declines in global financial markets, including to the prices of publicly-traded securities of us, our peers and of listed companies generally; and
- potential deterioration in the financial condition and prospects of our customers, joint venture partners or business partners, or attempts by customers or third parties to invoke force majeure contractual clauses as a result of delays or other disruptions.

Although disruption and effects from the COVID-19 pandemic may be temporary, given the dynamic nature of these circumstances, the duration of any business disruption and the related financial impact to us is uncertain at this time and could materially affect our business, results of operations and financial condition. The ongoing impact of COVID-19 also heightens many of the other risks described in this report, including those relating to our target returns, liquidity and asset values.

Uncertainty relating to macroeconomic conditions may reduce the demand for our assets, result in non-performance of contracts by our lessees or charterers, limit our ability to obtain additional capital to finance new investments, or have other unforeseen negative effects.

Uncertainty and negative trends in general economic conditions in the United States and abroad, including significant tightening of credit markets and commodity price volatility, historically have created difficult operating environments for owners and operators in the transportation industry. Many factors, including factors that are beyond our control, may impact our operating results or financial condition and/or affect the lessees and charterers that form our customer base. For some years, the world has experienced weakened economic conditions and volatility following adverse changes in global capital markets. Excess supply in oil and gas markets can put significant downward pressure on prices for these commodities, and may affect demand for assets used in production, refining and transportation of oil and gas. In the past, a significant decline in oil prices has led to lower offshore exploration and production budgets worldwide. These conditions have resulted in significant contraction, deleveraging

and reduced liquidity in the credit markets. A number of governments have implemented, or are considering implementing, a broad variety of governmental actions or new regulations for the financial markets. In addition, limitations on the availability of capital, higher costs of capital for financing expenditures or the desire to preserve liquidity, may cause our current or prospective customers to make reductions in future capital budgets and spending.

Further, demand for our assets is related to passenger and cargo traffic growth, which in turn is dependent on general business and economic conditions. Global economic downturns could have an adverse impact on passenger and cargo traffic levels and consequently our lessees' and charterers' business, which may in turn result in a significant reduction in revenues, earnings and cash flows, difficulties accessing capital and a deterioration in the value of our assets. We may also become exposed to increased credit risk from our customers and third parties who have obligations to us, which could result in increased non-performance of contracts by our lessees or charterers and adversely impact our business, prospects, financial condition, results of operations and cash flows.

The industries in which we operate have experienced periods of oversupply during which lease rates and asset values have declined, particularly during the most recent economic downturn, and any future oversupply could materially adversely affect our results of operations and cash flows.

The oversupply of a specific asset is likely to depress the lease or charter rates for and the value of that type of asset and result in decreased utilization of our assets, and the industries in which we operate have experienced periods of oversupply during which rates and asset values have declined, particularly during the most recent economic downturn. Factors that could lead to such oversupply include, without limitation:

- general demand for the type of assets that we purchase;
- general macroeconomic conditions, including market prices for commodities that our assets may serve;
- geopolitical events, including war, prolonged armed conflict and acts of terrorism;
- outbreaks of communicable diseases and natural disasters;
- governmental regulation;
- interest rates;
- the availability of credit;
- restructurings and bankruptcies of companies in the industries in which we operate, including our customers;
- manufacturer production levels and technological innovation;
- manufacturers merging or exiting the industry or ceasing to produce certain asset types;
- retirement and obsolescence of the assets that we own;
- increases in supply levels of assets in the market due to the sale or merging of operating lessors; and
- reintroduction of previously unused or dormant assets into the industries in which we operate.

These and other related factors are generally outside of our control and could lead to persistence of, or increase in, the oversupply of the types of assets that we acquire or decreased utilization of our assets, either of which could materially adversely affect our results of operations and cash flow. In addition, lessees may redeliver our assets to locations where there is oversupply, which may lead to additional repositioning costs for us if we move them to areas with higher demand. Positioning expenses vary depending on geographic location, distance, freight rates and other factors, and may not be fully covered by drop-off charges collected from the last lessees of the equipment or pick-up charges paid by the new lessees. Positioning expenses can be significant if a large portion of our assets are returned to locations with weak demand, which could materially adversely affect our business, prospects, financial condition, results of operations and cash flow.

There can be no assurance that any target returns will be achieved.

Our target returns for assets are targets only and are not forecasts of future profits. We develop target returns based on our Manager's assessment of appropriate expectations for returns on assets and the ability of our Manager to enhance the return generated by those assets through active management. There can be no assurance that these assessments and expectations will be achieved and failure to achieve any or all of them may materially adversely impact our ability to achieve any target return with respect to any or all of our assets.

In addition, our target returns are based on estimates and assumptions regarding a number of other factors, including, without limitation, holding periods, the absence of material adverse events affecting specific investments (which could include, without limitation, natural disasters, terrorism, social unrest or civil disturbances), general and local economic and market conditions, changes in law, taxation, regulation or governmental policies and changes in the political approach to transportation investment, either generally or in specific countries in which we may invest or seek to invest. Many of these factors, as well as the other risks described elsewhere in this report, are beyond our control and all could adversely affect our ability to achieve a target return with respect to an asset. Further, target returns are targets for the return generated by specific assets and not by us. Numerous factors could prevent us from achieving similar returns, notwithstanding the performance of individual assets, including, without limitation, taxation and fees payable by us or our operating subsidiaries, including fees and incentive allocation payable to our Manager.

There can be no assurance that the returns generated by any of our assets will meet our target returns, or any other level of return, or that we will achieve or successfully implement our asset acquisition objectives, and failure to achieve the target return in respect of any of our assets could, among other things, have a material adverse effect on our business, prospects, financial condition, results of operations and cash flow. Further, even if the returns generated by individual assets meet target returns, there can be no assurance that the returns generated by other existing or future assets would do so, and the historical performance of the assets in our existing portfolio should not be considered as indicative of future results with respect to any assets.

Contractual defaults may adversely affect our business, prospects, financial condition, results of operations and cash flows by decreasing revenues and increasing storage, positioning, collection, recovery and lost equipment expenses.

The success of our business depends in large part on the success of the operators in the sectors in which we participate. Cash flows from our assets are substantially impacted by our ability to collect compensation and other amounts to be paid in respect of such assets from the customers with whom we enter into leases, charters or other contractual arrangements. Inherent in the nature of the leases, charters and other arrangements for the use of such assets is the risk that we may not receive, or may experience delay in realizing, such amounts to be paid. While we target the entry into contracts with credit-worthy counterparties, no assurance can be given that such counterparties will perform their obligations during the term of the leases, charters or other contractual arrangements. In addition, when counterparties default, we may fail to recover all of our assets, and the assets we do recover may be returned in damaged condition or to locations where we will not be able to efficiently lease, charter or sell them. In most cases, we maintain, or require our lessees to maintain, certain insurances to cover the risk of damages or loss of our assets. However, these insurance policies may not be sufficient to protect us against a loss.

Depending on the specific sector, the risk of contractual defaults may be elevated due to excess capacity as a result of oversupply during the most recent economic downturn. We lease assets to our customers pursuant to fixed-price contracts, and our customers then seek to utilize those assets to transport goods and provide services. If the price at which our customers receive for their transportation services decreases as a result of an oversupply in the marketplace, then our customers may be forced to reduce their prices in order to attract business (which may have an adverse effect on their ability to meet their contractual lease obligations to us), or may seek to renegotiate or terminate their contractual lease arrangements with us to pursue a lower-priced opportunity with another lessor, which may have a direct, adverse effect on us. See “-The industries in which we operate have experienced periods of oversupply during which lease rates and asset values have declined, particularly during the most recent economic downturn, and any future oversupply could materially adversely affect our results of operations and cash flows.” Any default by a material customer would have a significant impact on our profitability at the time the customer defaulted, which could materially adversely affect our operating results and growth prospects. In addition, some of our counterparties may reside in jurisdictions with legal and regulatory regimes that make it difficult and costly to enforce such counterparties’ obligations.

If we acquire a high concentration of a particular type of asset, or concentrate our investments in a particular sector, our business, prospects, financial condition, results of operations and cash flows could be adversely affected by changes in market demand or problems specific to that asset or sector.

If we acquire a high concentration of a particular asset, or concentrate our investments in a particular sector, our business and financial results could be adversely affected by sector-specific or asset-specific factors. For example, if a particular sector experiences difficulties such as increased competition or oversupply, the operators we rely on as a lessor may be adversely affected and consequently our business and financial results may be similarly affected. If we acquire a high concentration of a particular asset and the market demand for a particular asset declines, it is redesigned or replaced by its manufacturer or it experiences design or technical problems, the value and rates relating to such asset may decline, and we may be unable to lease or charter such asset on favorable terms, if at all. Any decrease in the value and rates of our assets may have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

We operate in highly competitive markets.

The business of acquiring transportation and transportation-related infrastructure assets is highly competitive. Market competition for opportunities includes traditional transportation and infrastructure companies, commercial and investment banks, as well as a growing number of non-traditional participants, such as hedge funds, private equity funds and other private investors, including Fortress-related entities. Some of these competitors may have access to greater amounts of capital and/or to capital that may be committed for longer periods of time or may have different return thresholds than us, and thus these competitors may have certain advantages not shared by us. In addition, competitors may have incurred, or may in the future incur, leverage to finance their debt investments at levels or on terms more favorable than those available to us. Strong competition for investment opportunities could result in fewer such opportunities for us, as certain of these competitors have established and are establishing investment vehicles that target the same types of assets that we intend to purchase.

In addition, some of our competitors may have longer operating histories, greater financial resources and lower costs of capital than us, and consequently, may be able to compete more effectively in one or more of our target markets. We likely will not always be able to compete successfully with our competitors and competitive pressures or other factors may also result in significant price competition, particularly during industry downturns, which could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

Certain liens may arise on our assets.

Certain of our assets are currently subject to liens under separate financing arrangements entered into by certain subsidiaries in connection with acquisitions of assets. In the event of a default under such arrangements by the applicable subsidiary, the lenders thereunder would be permitted to take possession of or sell such assets. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations-Liquidity and Capital Resources.” In addition, our currently owned assets and assets that we purchase in the future may be subject to other liens based on the industry practices relating to such assets. Until they are discharged, these liens could impair our ability to repossess, re-lease or sell our assets, and to the extent our lessees or charterers do not comply with their obligations to discharge any liens on the applicable assets, we may find it necessary to pay the claims secured by such liens in order to repossess such assets. Such payments could materially adversely affect our operating results and growth prospects.

The values of our assets may fluctuate due to various factors.

The fair market values of our assets may decrease or increase depending on a number of factors, including the prevailing level of charter or lease rates from time to time, general economic and market conditions affecting our target markets, type and age of assets, supply and demand for assets, competition, new governmental or other regulations and technological advances, all of which could impact our profitability and our ability to lease, charter, develop, operate, or sell such assets. In addition, our assets depreciate as they age and may generate lower revenues and cash flows. We must be able to replace such older, depreciated assets with newer assets, or our ability to maintain or increase our revenues and cash flows will decline. In addition, if we dispose of an asset for a price that is less than the depreciated book value of the asset on our balance sheet or if we determine that an asset’s value has been impaired, we will recognize a related charge in our consolidated statement of operations and such charge could be material.

We may not generate a sufficient amount of cash or generate sufficient free cash flow to fund our operations or repay our indebtedness.

Our ability to make payments on our indebtedness as required depends on our ability to generate cash flow in the future. This ability, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control. If we do not generate sufficient free cash flow to satisfy our debt obligations, including interest payments and the payment of principal at maturity, we may have to undertake alternative financing plans, such as refinancing or restructuring our debt, selling assets, reducing or delaying capital investments or seeking to raise additional capital. We cannot provide assurance that any refinancing would be possible, that any assets could be sold, or, if sold, of the timeliness and amount of proceeds realized from those sales, that additional financing could be obtained on acceptable terms, if at all, or that additional financing would be permitted under the terms of our various debt instruments then in effect. Furthermore, our ability to refinance would depend upon the condition of the finance and credit markets. Our inability to generate sufficient free cash flow to satisfy our debt obligations, or to refinance our obligations on commercially reasonable terms or on a timely basis, would materially affect our business, financial condition and results of operations.

We may acquire operating businesses, including businesses whose operations are not fully matured and stabilized. These businesses may be subject to significant operating and development risks, including increased competition, cost overruns and delays, and difficulties in obtaining approvals or financing. These factors could materially affect our business, financial condition, liquidity and results of operations.

We have acquired, and may in the future acquire, operating businesses, including businesses whose operations are not fully matured and stabilized (including, but not limited to, our businesses within the Jefferson Terminal and Ports and Terminals segments). While we have deep experience in the construction and operation of these companies, we are nevertheless subject to significant risks and contingencies of an operating business, and these risks are greater where the operations of such businesses are not fully matured and stabilized. Key factors that may affect our operating businesses include, but are not limited to:

- competition from market participants;
- general economic and/or industry trends, including pricing for the products or services offered by our operating businesses;
- the issuance and/or continued availability of necessary permits, licenses, approvals and agreements from governmental agencies and third parties as are required to construct and operate such businesses;
- changes or deficiencies in the design or construction of development projects;
- unforeseen engineering, environmental or geological problems;
- potential increases in construction and operating costs due to changes in the cost and availability of fuel, power, materials and supplies;
- the availability and cost of skilled labor and equipment;
- our ability to enter into additional satisfactory agreements with contractors and to maintain good relationships with these contractors in order to construct development projects within our expected cost parameters and time frame, and the ability of those contractors to perform their obligations under the contracts and to maintain their creditworthiness;
- potential liability for injury or casualty losses which are not covered by insurance;

- potential opposition from non-governmental organizations, environmental groups, local or other groups which may delay or prevent development activities;
- local and economic conditions;
- changes in legal requirements; and
- force majeure events, including catastrophes and adverse weather conditions.

Any of these factors could materially affect our business, financial condition, liquidity and results of operations.

Our use of joint ventures or partnerships, and our Manager's outsourcing of certain functions, may present unforeseen obstacles or costs.

We have acquired and may in the future acquire interests in certain assets in cooperation with third-party partners or co-investors through jointly-owned acquisition vehicles, joint ventures or other structures. In these co-investment situations, our ability to control the management of such assets depends upon the nature and terms of the joint arrangements with such partners and our relative ownership stake in the asset, each of which will be determined by negotiation at the time of the investment and the determination of which is subject to the discretion of our Manager. Depending on our Manager's perception of the relative risks and rewards of a particular asset, our Manager may elect to acquire interests in structures that afford relatively little or no operational and/or management control to us. Such arrangements present risks not present with wholly-owned assets, such as the possibility that a co-investor becomes bankrupt, develops business interests or goals that conflict with our interests and goals in respect of the assets, all of which could materially adversely affect our business, prospects, financial condition, results of operations and cash flows.

In addition, our Manager expects to utilize third-party contractors to perform services and functions related to the operation and leasing of our assets. These functions may include billing, collections, recovery and asset monitoring. Because we and our Manager do not directly control these third parties, there can be no assurance that the services they provide will be delivered at a level commensurate with our expectations, or at all. The failure of any such third-party contractors to perform in accordance with our expectations could materially adversely affect our business, prospects, financial condition, results of operations and cash flows.

We are subject to the risks and costs of obsolescence of our assets.

Technological and other improvements expose us to the risk that certain of our assets may become technologically or commercially obsolete. For example, in our Aviation Leasing segment, as manufacturers introduce technological innovations and new types of aircraft, some of our assets could become less desirable to potential lessees. Such technological innovations may increase the rate of obsolescence of existing aircraft faster than currently anticipated by us. In addition, the imposition of increased regulation regarding stringent noise or emissions restrictions may make some of our aircraft less desirable and less valuable in the marketplace. In our offshore energy business, development and construction of new, sophisticated, high-specification assets could cause our assets to become less desirable to potential charterers, and insurance rates may also increase with the age of a vessel, making older vessels less desirable to potential charterers. Any of these risks may adversely affect our ability to lease, charter or sell our assets on favorable terms, if at all, which could materially adversely affect our operating results and growth prospects.

The North American rail sector is a highly regulated industry and increased costs of compliance with, or liability for violation of, existing or future laws, regulations and other requirements could significantly increase our operational costs of doing business, thereby adversely affecting our profitability.

The rail sector is subject to extensive laws, regulations and other requirements including, but not limited to, those relating to the environment, safety, rates and charges, service obligations, employment, labor, immigration, minimum wages and overtime pay, health care and benefits, working conditions, public accessibility and other requirements. These laws and regulations are enforced by U.S. federal agencies including the U.S. Environmental Protection Agency, the U.S. Department of Transportation (DOT), the Occupational Safety and Health Act (OSHA), the U.S. Federal Railroad Administration (FRA), and the U.S. Surface Transportation Board (STB), as well as numerous other state, provincial, local and federal agencies. Ongoing compliance with, or a violation of, these laws, regulations and other requirements could have a material adverse effect on our business, financial condition and results of operations.

We believe that our rail operations are in substantial compliance with applicable laws and regulations. However, these laws and regulations, and the interpretation or enforcement thereof, are subject to frequent change and varying interpretation by regulatory authorities, and we are unable to predict the ongoing cost to us of complying with these laws and regulations or the future impact of these laws and regulations on our operations. In addition, from time to time we are subject to inspections and investigations by various regulators. Violation of environmental or other laws, regulations and permits can result in the imposition of significant administrative, civil and criminal penalties, injunctions and construction bans or delays.

Legislation passed by the U.S. Congress or Canadian Parliament or new regulations issued by federal agencies can significantly affect the revenues, costs and profitability of our business. For instance, more recently proposed bills such as the “Rail Shipper Fairness Act of 2017,” or competitive access proposals under consideration by the STB, if adopted, could increase government involvement in railroad pricing, service and operations and significantly change the federal regulatory framework of the railroad industry. Several of the changes under consideration could have a significant negative impact on the Company’s ability to determine prices for rail services, meet service standards and could force a reduction in capital spending. Statutes imposing price constraints or affecting rail-to-rail competition could adversely affect the Company’s profitability.

Under various U.S. and Canadian federal, state, provincial and local environmental requirements, as the owner or operator of terminals or other facilities, we may be liable for the costs of removal or remediation of contamination at or from our existing locations, whether we knew of, or were responsible for, the presence of such contamination. The failure to timely report and properly remediate contamination may subject us to liability to third parties and may adversely affect our ability to sell or rent our property or to borrow money using our property as collateral. Additionally, we may be liable for the costs of remediating third-party sites where hazardous substances from our operations have been transported for treatment or disposal, regardless of whether we own or operate that site. In the future, we may incur substantial expenditures for investigation or remediation of contamination that has not yet been discovered at our current or former locations or locations that we may acquire.

A discharge of hydrocarbons or hazardous substances into the environment associated with operating our rail assets could subject us to substantial expense, including the cost to recover the materials spilled, restore the affected natural resources, pay fines and penalties, and natural resource damages and claims made by employees, neighboring landowners, government authorities and other third parties, including for personal injury and property damage. We may experience future catastrophic sudden or gradual releases into the environment from our facilities or discover historical releases that were previously unidentified or not assessed. Although our inspection and testing programs are designed to prevent, detect and address any such releases promptly, the liabilities incurred due to any future releases into the environment from our assets, have the potential to substantially affect our business. Such events could also subject us to media and public scrutiny that could have a negative effect on our operations and also on the value of our common shares.

Our business could be adversely affected if service on the railroads is interrupted or if more stringent regulations are adopted regarding railcar design or the transportation of crude oil by rail.

As a result of hydraulic fracturing and other improvements in extraction technologies, there has been a substantial increase in the volume of crude oil and liquid hydrocarbons produced and transported in North America, and a geographic shift in that production versus historical production. The increase in volume and shift in geography has resulted in increased pipeline congestion and a corresponding growth in crude oil being transported by rail from Canada and across the U.S. High-profile accidents involving crude-oil-carrying trains in Quebec, North Dakota and Virginia, and more recently in Saskatchewan, West Virginia and Illinois, have raised concerns about derailments and the environmental and safety risks associated with crude oil transport by rail and the associated risks arising from railcar design. In Canada, the transport of hazardous products is receiving greater scrutiny which could impact our customers and our business.

In May 2015, the DOT issued new production standards and operational controls for rail tank cars used in “High-Hazard Flammable Trains” (i.e., trains carrying commodities such as ethanol, crude oil and other flammable liquids). Similar standards have been adopted in Canada. The new standard applies for all cars manufactured after October 1, 2015, and existing tank cars must be retrofitted within the next three to eight years. The applicable operational controls include reduced speed restrictions, and maximum lengths on trains carrying these materials. Retrofitting our tank cars will be required under these new standards to the extent we elect to move certain flammable liquids in the future. While we may be able to pass some of these costs on to our customers, there may be costs that we cannot pass on to them. We continue to monitor the railcar regulatory landscape and remain in close contact with railcar suppliers and other industry stakeholders to stay informed of railcar regulation rulemaking developments. It is unclear how these regulations will impact the crude-by-rail industry, and any such impact would depend on a number of factors that are outside of our control. If, for example, overall volume of crude-by-rail decreases, or if we do not have access to a sufficient number of compliant cars to transport required volumes under our existing contracts, our operations may be negatively affected. This may lead to a decrease in revenues and other consequences.

The adoption of additional federal, state, provincial or local laws or regulations, including any voluntary measures by the rail industry regarding railcar design or crude oil and liquid hydrocarbon rail transport activities, or efforts by local communities to restrict or limit rail traffic involving crude oil, could affect our business by increasing compliance costs and decreasing demand for our services, which could adversely affect our financial position and cash flows. Moreover, any disruptions in the operations of railroads, including those due to shortages of railcars, weather-related problems, flooding, drought, accidents, mechanical difficulties, strikes, lockouts or bottlenecks, could adversely impact our customers’ ability to move their product and, as a result, could affect our business.

Our assets are exposed to unplanned interruptions caused by catastrophic events outside of our control which may disrupt our business and cause damage or losses that may not be adequately covered by insurance.

The operations of transportation and infrastructure projects are exposed to unplanned interruptions caused by significant catastrophic events, such as hurricanes, cyclones, earthquakes, landslides, floods, explosions, fires, derailments, major plant breakdowns, pipeline or electricity line ruptures or other disasters. Operational disruption, as well as supply disruption, and increased government oversight could adversely impact the cash flows available from these assets. In addition, the cost of repairing or replacing damaged assets could be considerable. Repeated or prolonged interruption may result in temporary or permanent loss of customers, substantial litigation or penalties for regulatory or contractual non-compliance, and any loss from such events may not be recoverable under relevant insurance policies. Although we believe that we are adequately insured against these types of events, either indirectly through our lessees or charterers or through our own insurance policies, no assurance can be given that the occurrence of any such event will not materially adversely affect us. In addition, if a lessee or charterer is not obligated to maintain sufficient insurance, we may incur the costs of additional insurance coverage during the related lease or charter. We can give no assurance that such insurance will be available at commercially reasonable rates, if at all.

Our assets generally require routine maintenance, and we may be exposed to unforeseen maintenance costs.

We may be exposed to unforeseen maintenance costs for our assets associated with a lessee's or charterer's failure to properly maintain the asset. We enter into leases and charters with respect to some of our assets pursuant to which the lessees are primarily responsible for many obligations, which generally include complying with all governmental requirements applicable to the lessee or charterer, including operational, maintenance, government agency oversight, registration requirements and other applicable directives. Failure of a lessee or charterer to perform required maintenance during the term of a lease or charter could result in a decrease in value of an asset, an inability to re-lease or charter an asset at favorable rates, if at all, or a potential inability to utilize an asset. Maintenance failures would also likely require us to incur maintenance and modification costs upon the termination of the applicable lease or charter; such costs to restore the asset to an acceptable condition prior to re-leasing, charter or sale could be substantial. Any failure by our lessees or charterers to meet their obligations to perform required scheduled maintenance or our inability to maintain our assets could materially adversely affect our business, prospects, financial condition, results of operations and cash flows.

Some of our customers operate in highly regulated industries and changes in laws or regulations, including laws with respect to international trade, may adversely affect our ability to lease, charter or sell our assets.

Some of our customers operate in highly regulated industries such as aviation and offshore energy. A number of our contractual arrangements-for example, our leasing aircraft engines or offshore energy equipment to third-party operators-require the operator (our customer) to obtain specific governmental or regulatory licenses, consents or approvals. These include consents for certain payments under such arrangements and for the export, import or re-export of the related assets. Failure by our customers or, in certain circumstances, by us, to obtain certain licenses and approvals could negatively affect our ability to conduct our business. In addition, the shipment of goods, services and technology across international borders subjects the operation of our assets to international trade laws and regulations. Moreover, many countries, including the United States, control the export and re-export of certain goods, services and technology and impose related export recordkeeping and reporting obligations. Governments also may impose economic sanctions against certain countries, persons and other entities that may restrict or prohibit transactions involving such countries, persons and entities. If any such regulations or sanctions affect the asset operators that are our customers, our business, prospects, financial condition, results of operations and cash flows may be materially adversely affected.

Certain of our assets are subject to purchase options held by the charterer or lessee of the asset which, if exercised, could reduce the size of our asset base and our future revenues.

We have granted purchase options to the charterers and lessees of certain of our assets. The market values of these assets may change from time to time depending on a number of factors, such as general economic and market conditions affecting the industries in which we operate, competition, cost of construction, governmental or other regulations, technological changes and prevailing levels of charter or lease rates from time to time. The purchase price under a purchase option may be less than the asset's market value at the time the option may be exercised. In addition, we may not be able to obtain a replacement asset for the price at which the asset is sold. In such cases, our business, prospects, financial condition, results of operations and cash flows may be materially adversely affected.

The profitability of our offshore energy assets may be impacted by the profitability of the offshore oil and gas industry generally, which is significantly affected by, among other things, volatile oil and gas prices.

Demand for assets in the offshore energy business and our ability to secure charter contracts for our assets at favorable charter rates following expiry or termination of existing charters will depend, among other things, on the level of activity in the offshore oil and gas industry. The offshore oil and gas industry is cyclical and volatile, and demand for oil-service assets depends on, among other things, the level of development and activity in oil and gas exploration, as well as the identification and development of oil and gas reserves and production in offshore areas worldwide. The availability of high quality oil and gas prospects, exploration success, relative production costs, the stage of reservoir development, political concerns and regulatory requirements all affect the level of activity for charterers of oil-service vessels. Accordingly, oil and gas prices and market expectations of potential changes in these prices significantly affect the level of activity and demand for oil-service assets. Oil and gas prices can be extremely volatile and are affected by numerous factors beyond our control, such as: worldwide demand for oil and gas; costs of exploring, developing, producing and delivering oil and gas; expectations regarding future energy prices; the ability of the Organization of Petroleum Exporting Countries ("OPEC") to set and maintain production levels and impact pricing; the level of production in non-OPEC countries; governmental regulations and policies regarding development of oil and gas reserves; local and international political, economic and weather conditions; domestic and foreign tax or trade policies; political and military conflicts in oil-producing and other countries; and the development and exploration of alternative fuels. Any reduction in the demand for our assets due to these or other factors could materially adversely affect our operating results and growth prospects.

We may not be able to renew or obtain new or favorable charters or leases, which could adversely affect our business, prospects, financial condition, results of operations and cash flows.

Our operating leases are subject to greater residual risk than direct finance leases because we will own the assets at the expiration of an operating lease term and we may be unable to renew existing charters or leases at favorable rates, or at all, or sell the leased or chartered assets, and the residual value of the asset may be lower than anticipated. In addition, our ability to renew existing charters or leases or obtain new charters or leases will also depend on prevailing market conditions, and upon expiration of the contracts governing the leasing or charter of the applicable assets, we may be exposed to increased volatility in terms of rates and contract provisions. For example, we do not currently have long-term charters for our construction support vessel and our ROV support vessel. Likewise, our customers may reduce their activity levels or seek to terminate or renegotiate their charters or leases with us. If we are not able to renew or obtain new charters or leases in direct continuation, or if new charters or leases are entered into at rates substantially below the existing rates or on terms otherwise less favorable compared to existing contractual terms, or if we are unable to sell assets for which we are unable to obtain new contracts or leases, our business, prospects, financial condition, results of operations and cash flows could be materially adversely affected.

Litigation to enforce our contracts and recover our assets has inherent uncertainties that are increased by the location of our assets in jurisdictions that have less developed legal systems.

While some of our contractual arrangements are governed by New York law and provide for the non-exclusive jurisdiction of the courts located in the state of New York, our ability to enforce our counterparties' obligations under such contractual arrangements is subject to applicable laws in the jurisdiction in which enforcement is sought. While some of our existing assets are used in specific jurisdictions, transportation and transportation-related infrastructure assets by their nature generally move throughout multiple jurisdictions in the ordinary course of business. As a result, it is not possible to predict, with any degree of certainty, the jurisdictions in which enforcement proceedings may be commenced. Litigation and enforcement proceedings have inherent uncertainties in any jurisdiction and are expensive. These uncertainties are enhanced in countries that have less developed legal systems where the interpretation of laws and regulations is not consistent, may be influenced by factors other than legal merits and may be cumbersome, time-consuming and even more expensive. For example, repossession from defaulting lessees may be difficult and more expensive in jurisdictions whose laws do not confer the same security interests and rights to creditors and lessors as those in the United States and where the legal system is not as well developed. As a result, the remedies available and the relative success and expedience of collection and enforcement proceedings with respect to the owned assets in various jurisdictions cannot be predicted. To the extent more of our business shifts to areas outside of the United States and Europe, such as Asia and the Middle East, it may become more difficult and expensive to enforce our rights and recover our assets.

Our international operations involve additional risks, which could adversely affect our business, prospects, financial condition, results of operations and cash flows.

We and our customers operate in various regions throughout the world. As a result, we may, directly or indirectly, be exposed to political and other uncertainties, including risks of:

- terrorist acts, armed hostilities, war and civil disturbances;
- acts of piracy;
- potential cybersecurity attacks;
- significant governmental influence over many aspects of local economies;
- seizure, nationalization or expropriation of property or equipment;
- repudiation, nullification, modification or renegotiation of contracts;
- limitations on insurance coverage, such as war risk coverage, in certain areas;
- political unrest;

- foreign and U.S. monetary policy and foreign currency fluctuations and devaluations;
- the inability to repatriate income or capital;
- complications associated with repairing and replacing equipment in remote locations;
- import-export quotas, wage and price controls, imposition of trade barriers;
- U.S. and foreign sanctions or trade embargoes;
- restrictions on the transfer of funds into or out of countries in which we operate;
- compliance with U.S. Treasury sanctions regulations restricting doing business with certain nations or specially designated nationals;
- regulatory or financial requirements to comply with foreign bureaucratic actions;
- compliance with applicable anti-corruption laws and regulations;
- changing taxation policies, including confiscatory taxation;
- other forms of government regulation and economic conditions that are beyond our control; and
- governmental corruption.

Any of these or other risks could adversely impact our customers' international operations which could materially adversely impact our operating results and growth opportunities.

We may make acquisitions in emerging markets throughout the world, and investments in emerging markets are subject to greater risks than developed markets and could adversely affect our business, prospects, financial condition, results of operations and cash flows.

To the extent that we acquire assets in emerging markets-which we may do throughout the world-additional risks may be encountered that could adversely affect our business. Emerging market countries have less developed economies and infrastructure and are often more vulnerable to economic and geopolitical challenges and may experience significant fluctuations in gross domestic product, interest rates and currency exchange rates, as well as civil disturbances, government instability, nationalization and expropriation of private assets and the imposition of taxes or other charges by government authorities. In addition, the currencies in which investments are denominated may be unstable, may be subject to significant depreciation and may not be freely convertible or may be subject to the imposition of other monetary or fiscal controls and restrictions.

Emerging markets are still in relatively early stages of their development and accordingly may not be highly or efficiently regulated. Moreover, emerging markets tend to be shallower and less liquid than more established markets which may adversely affect our ability to realize profits from our assets in emerging markets when we desire to do so or receive what we perceive to be their fair value in the event of a realization. In some cases, a market for realizing profits from an investment may not exist locally. In addition, issuers based in emerging markets are not generally subject to uniform accounting and financial reporting standards, practices and requirements comparable to those applicable to issuers based in more developed countries, thereby potentially increasing the risk of fraud and other deceptive practices. Settlement of transactions may be subject to greater delay and administrative uncertainties than in developed markets and less complete and reliable financial and other information may be available to investors in emerging markets than in developed markets. In addition, economic instability in emerging markets could adversely affect the value of our assets subject to leases or charters in such countries, or the ability of our lessees or charters, which operate in these markets, to meet their contractual obligations. As a result, lessees or charterers that operate in emerging market countries may be more likely to default under their contractual obligations than those that operate in developed countries. Liquidity and volatility limitations in these markets may also adversely affect our ability to dispose of our assets at the best price available or in a timely manner.

As we have and may continue to acquire assets located in emerging markets throughout the world, we may be exposed to any one or a combination of these risks, which could adversely affect our operating results.

We are actively evaluating potential acquisitions of assets and operating companies in other transportation and infrastructure sectors which could result in additional risks and uncertainties for our business and unexpected regulatory compliance costs.

While our existing portfolio consists of assets in the aviation, energy, intermodal transport and rail sectors, we are actively evaluating potential acquisitions of assets and operating companies in other sectors of the transportation and transportation-related infrastructure and equipment markets and we plan to be flexible as other attractive opportunities arise over time. To the extent we make acquisitions in other sectors, we will face numerous risks and uncertainties, including risks associated with the required investment of capital and other resources and with combining or integrating operational and management systems and controls. Entry into certain lines of business may subject us to new laws and regulations and may lead to increased litigation and regulatory risk. Many types of transportation assets, including certain rail, airport and seaport assets, are subject to registration requirements by U.S. governmental agencies, as well as foreign governments if such assets are to be used outside of the United States. Failing to register the assets, or losing such registration, could result in substantial penalties, forced liquidation of the assets and/or the inability to operate and, if applicable, lease the assets. We may need to incur significant costs to comply with the laws and regulations applicable to any such new acquisition. The failure to comply with these laws and regulations could cause us to incur significant costs, fines or penalties or require the assets to be removed from service for a period of time resulting in reduced income from these assets. In addition, if our acquisitions in other sectors produce insufficient revenues, or produce investment losses, or if we are unable to efficiently manage our expanded operations, our results of operations will be adversely affected, and our reputation and business may be harmed.

The agreements governing our indebtedness place restrictions on us and our subsidiaries, reducing operational flexibility and creating default risks.

The agreements governing our indebtedness, including, but not limited to, the indenture governing our Senior Notes and the revolving credit facility entered into on June 16, 2017 (“Revolving Credit Facility”), contain covenants that place restrictions on us and our subsidiaries. The indentures governing our Senior Notes and the Revolving Credit Facility restrict among other things, our and certain of our subsidiaries’ ability to:

- merge, consolidate or transfer all, or substantially all, of our assets;
- incur additional debt or issue preferred shares;
- make certain investments or acquisitions;
- create liens on our or our subsidiaries’ assets;
- sell assets;
- make distributions on or repurchase our shares;
- enter into transactions with affiliates; and
- create dividend restrictions and other payment restrictions that affect our subsidiaries.

These covenants could impair our ability to grow our business, take advantage of attractive business opportunities or successfully compete. A breach of any of these covenants could result in an event of default. Cross-default provisions in our debt agreements could cause an event of default under one debt agreement to trigger an event of default under our other debt agreements. Upon the occurrence of an event of default under any of our debt agreements, the lenders or holders thereof could elect to declare all outstanding debt under such agreements to be immediately due and payable.

Terrorist attacks could negatively impact our operations and our profitability and may expose us to liability and reputational damage.

Terrorist attacks may negatively affect our operations. Such attacks have contributed to economic instability in the United States and elsewhere, and further acts of terrorism, violence or war could similarly affect world trade and the industries in which we and our customers operate. In addition, terrorist attacks or hostilities may directly impact airports or aircraft, ports where our containers and vessels travel, or our physical facilities or those of our customers. In addition, it is also possible that our assets could be involved in a terrorist attack. The consequences of any terrorist attacks or hostilities are unpredictable, and we may not be able to foresee events that could have a material adverse effect on our operations. Although our lease and charter agreements generally require the counterparties to indemnify us against all damages arising out of the use of our assets, and we carry insurance to potentially offset any costs in the event that our customer indemnifications prove to be insufficient, our insurance does not cover certain types of terrorist attacks, and we may not be fully protected from liability or the reputational damage that could arise from a terrorist attack which utilizes our assets.

Our leases and charters require payments in U.S. dollars, but many of our customers operate in other currencies; if foreign currencies devalue against the U.S. dollar, our lessees or charterers may be unable to meet their payment obligations to us in a timely manner.

Our current leases and charters require that payments be made in U.S. dollars. If the currency that our lessees or charterers typically use in operating their businesses devalues against the U.S. dollar, our lessees or charterers could encounter difficulties in making payments to us in U.S. dollars. Furthermore, many foreign countries have currency and exchange laws regulating international payments that may impede or prevent payments from being paid to us in U.S. dollars. Future leases or charters may provide for payments to be made in euros or other foreign currencies. Any change in the currency exchange rate that reduces the amount of U.S. dollars obtained by us upon conversion of future lease payments denominated in euros or other

foreign currencies, may, if not appropriately hedged by us, have a material adverse effect on us and increase the volatility of our earnings.

Our inability to obtain sufficient capital would constrain our ability to grow our portfolio and to increase our revenues.

Our business is capital intensive, and we have used and may continue to employ leverage to finance our operations. Accordingly, our ability to successfully execute our business strategy and maintain our operations depends on the availability and cost of debt and equity capital. Additionally, our ability to borrow against our assets is dependent, in part, on the appraised value of such assets. If the appraised value of such assets declines, we may be required to reduce the principal outstanding under our debt facilities or otherwise be unable to incur new borrowings.

We can give no assurance that the capital we need will be available to us on favorable terms, or at all. Our inability to obtain sufficient capital, or to renew or expand our credit facilities, could result in increased funding costs and would limit our ability to:

- meet the terms and maturities of our existing and future debt facilities;
- purchase new assets or refinance existing assets;
- fund our working capital needs and maintain adequate liquidity; and
- finance other growth initiatives.

In addition, we conduct our operations so that neither we nor any of our subsidiaries are required to register as an investment company under the Investment Company Act of 1940 (the "Investment Company Act"). As such, certain forms of financing such as finance leases may not be available to us. Please see "-If we are deemed an investment company under the Investment Company Act, it could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows."

The effects of various environmental regulations may negatively affect the industries in which we operate which could have a material adverse effect on our financial condition, results of operations and cash flows.

We are subject to federal, state, local and foreign laws and regulations relating to the protection of the environment, including those governing the discharge of pollutants to air and water, the management and disposal of hazardous substances and wastes, the cleanup of contaminated sites and noise and emission levels. Under some environmental laws in the United States and certain other countries, strict liability may be imposed on the owners or operators of assets, which could render us liable for environmental and natural resource damages without regard to negligence or fault on our part. We could incur substantial costs, including cleanup costs, fines and third-party claims for property or natural resource damage and personal injury, as a result of violations of or liabilities under environmental laws and regulations in connection with our or our lessee's or charterer's current or historical operations, any of which could have a material adverse effect on our results of operations and financial condition. While we typically maintain liability insurance coverage and typically require our lessees to provide us with indemnity against certain losses, the insurance coverage is subject to large deductibles, limits on maximum coverage and significant exclusions and may not be sufficient or available to protect against any or all liabilities and such indemnities may not cover or be sufficient to protect us against losses arising from environmental damage. In addition, changes to environmental standards or regulations in the industries in which we operate could limit the economic life of the assets we acquire or reduce their value, and also require us to make significant additional investments in order to maintain compliance, which would negatively impact our cash flows and results of operations.

Our Repauno site and Long Ridge property are subject to environmental laws and regulations that may expose us to significant costs and liabilities.

Our Repauno site is subject to ongoing environmental investigation and remediation by the former owner of the property related to historic industrial operations. The former owner is responsible for completion of this work, and we benefit from a related indemnity and insurance policy. If the former owner fails to fulfill its investigation and remediation, or indemnity obligations and the related insurance, which are subject to limits and conditions, fail to cover our costs, we could incur losses. Redevelopment of the property in those areas undergoing investigation and remediation must await state environmental agency confirmation that no further investigation or remediation is required before redevelopment activities can occur in such areas of the property. Therefore, any delay in the former owner's completion of the environmental work or receipt of related approvals in an area of the property could delay our redevelopment activities. In addition, once received, permits and approvals may be subject to litigation, and projects may be delayed or approvals reversed or modified in litigation. If there is a delay in obtaining any required regulatory approval, it could delay projects and cause us to incur costs.

In connection with our acquisition of Long Ridge, the former owner of the property is obligated to perform certain post-closing demolition activities, remove specified containers, equipment and structures and conduct investigation, removal, cleanup and decontamination related thereto. In addition, the former owner is responsible for ongoing environmental remediation related to historic industrial operations on and off Long Ridge. Pursuant to an order issued by the Ohio Environmental Protection Agency ("Ohio EPA"), the former owner is responsible for completing the removal and off-site disposal of electrolytic pots associated with the former use of Long Ridge as an aluminum reduction plant. In addition, Long Ridge is located adjacent to the former Ormet Corporation Superfund site (the "Ormet site"), which is owned and operated by the former owner of Long Ridge. Pursuant to an order with the United States Environmental Protection Agency ("U.S. EPA"), the former owner is obligated to pump groundwater that has been impacted by the adjacent Ormet site beneath our site and discharge it to the Ohio River and monitor the groundwater annually. Long Ridge is also subject to an environmental covenant related to the adjacent Ormet site that, inter alia,

restricts the use of groundwater beneath our site and requires U.S. EPA consent for activities on Long Ridge that could disrupt the groundwater monitoring or pumping. The former owner is contractually obligated to complete its regulatory obligations on Long Ridge and we benefit from a related indemnity and insurance policy. If the former owner fails to fulfill its demolition, removal, investigation, remediation, monitoring, or indemnity obligations, and if the related insurance, which is subject to limits and conditions, fails to cover our costs, we could incur losses. Redevelopment of the property in those areas undergoing investigation and remediation pursuant to the Ohio EPA order must await state environmental agency confirmation that no further investigation or remediation is required before redevelopment activities can occur in such area of the property. Therefore, any delay in the former owner's completion of the environmental work or receipt of related approvals or consents from Ohio EPA or U.S. EPA could delay our redevelopment activities.

In addition, a portion of Long Ridge is proposed for redevelopment as a combined cycle gas-fired electric generating facility. Although environmental investigations in that portion of the property have not identified material impacts to soils or groundwater that reasonably would be expected to prevent or delay redevelopment, impacted materials could be encountered during construction that require special handling and/or result in delays to the project. In addition, the construction of an electric generating plant will require environmental permits and approvals from federal, state and local environmental agencies. Once received, permits and approvals may be subject to litigation, and projects may be delayed or approvals reversed or modified in litigation. If there is a delay in obtaining any required regulatory approval, it could delay projects and cause us to incur costs.

Moreover, new, stricter environmental laws, regulations or enforcement policies, including those imposed in response to climate change, could be implemented that significantly increase our compliance costs, or require us to adopt more costly methods of operation. If we are not able to transform Repauno or Long Ridge into hubs for industrial and energy development in a timely manner, their future prospects could be materially and adversely affected, which may have a material adverse effect on our business, operating results and financial condition.

The expected discontinuation of the LIBOR benchmark interest rate may have an impact on our business.

On July 27, 2017, the U.K. Financial Conduct Authority (the "FCA"), which regulates LIBOR, announced that it will no longer persuade or compel banks to submit rates for the calculation of LIBOR rates after 2021. As a result, LIBOR may be discontinued after 2021. The FCA and the submitting LIBOR banks have indicated they will support the LIBOR indices through 2021 to allow for an orderly transition to an alternative reference rate. Financial services regulators and industry groups are evaluating the phase-out of LIBOR and the development of alternate reference rate indices or reference rates. On November 30, 2020, ICE Benchmark Administration, or the IBA, the administrator of LIBOR, with the support of the United States Federal Reserve and the FCA, announced plans to consult on ceasing publication of LIBOR on December 31, 2021, for only the one-week and two-month LIBOR tenors, and on June 30, 2023, for all other LIBOR tenors. The U.S. Federal Reserve concurrently issued a statement advising banks to stop new LIBOR issuances by the end of 2021. On March 5, 2021, the IBA Benchmark Administration confirmed its intention to cease publication of (i) one week and two month USD LIBOR settings after December 31, 2021 and (ii) the remaining USD LIBOR settings after June 30, 2023.

In the United States, the Alternative Reference Rate Committee ("ARRC"), a group of diverse private-market participants assembled by the Federal Reserve Board and the Federal Reserve Bank of New York, was tasked with identifying alternative reference rates to replace LIBOR. The Secured Overnight Finance Rate ("SOFR") has emerged as the ARRC's preferred alternative rate for LIBOR. SOFR is a broad measure of the cost of borrowing cash overnight collateralized by Treasury securities in the repurchase agreement market. At this time, it is not possible to predict how markets will respond to SOFR or other alternative reference rates as the transition away from LIBOR is anticipated to be gradual over the coming years.

As of June 30, 2021, we had $125.0 million of total debt outstanding under facilities with interest rates based on floating-rate indices. We cannot predict what reference rate would be agreed upon or what the impact of any such replacement rate would be to our interest expense. Potential changes to the underlying floating-rate indices and reference rates may have an adverse impact on our agreements indexed to LIBOR and could have a negative impact on our profitability and cash flows.

A cyberattack that bypasses our information technology, or IT, security systems or the IT security systems of our third-party providers, causing an IT security breach, may lead to a disruption of our IT systems and the loss of business information which may hinder our ability to conduct our business effectively and may result in lost revenues and additional costs.

Parts of our business depend on the secure operation of our IT systems and the IT systems of our third-party providers to manage, process, store, and transmit information associated with aircraft leasing. We have, from time to time, experienced threats to our data and systems, including malware and computer virus attacks. A cyberattack that bypasses our IT security systems or the IT security systems of our third-party providers, causing an IT security breach, could adversely impact our daily operations and lead to the loss of sensitive information, including our own proprietary information and that of our customers, suppliers and employees. Such losses could harm our reputation and result in competitive disadvantages, litigation, regulatory enforcement actions, lost revenues, additional costs and liabilities. While we devote substantial resources to maintaining adequate levels of cyber-security, our resources and technical sophistication may not be adequate to prevent all types of cyberattacks.

If we are deemed an "investment company" under the Investment Company Act, it could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

We conduct our operations so that neither we nor any of our subsidiaries are required to register as an investment company under the Investment Company Act. Section 3(a)(1)(A) of the Investment Company Act defines an investment company as any issuer that is or holds itself out as being engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting or trading in securities. Section 3(a)(1)(C) of the Investment Company Act defines an investment company as any issuer that is engaged or proposes to engage in the business of investing, reinvesting, owning, holding or trading in securities and owns or proposes to acquire investment securities having a value exceeding 40% of the value of the issuer's total assets (exclusive of U.S. government securities and cash items) on an unconsolidated basis. Excluded from the term "investment securities," among other things, are U.S. government securities and securities issued by majority-owned subsidiaries that are not themselves investment companies and are not relying on the exception from the definition of investment company for certain privately-offered investment vehicles set forth in Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act.

We are a holding company that is not an investment company because we are engaged in the business of holding securities of our wholly-owned and majority-owned subsidiaries, which are engaged in transportation and related businesses which lease assets pursuant to operating leases and finance leases. The Investment Company Act may limit our and our subsidiaries' ability to enter into financing leases and engage in other types of financial activity because less than 40% of the value of our and our subsidiaries' total assets (exclusive of U.S. government securities and cash items) on an unconsolidated basis can consist of "investment securities."

If we or any of our subsidiaries were required to register as an investment company under the Investment Company Act, the registered entity would become subject to substantial regulation that would significantly change our operations, and we would not be able to conduct our business as described in this report. We have not obtained a formal determination from the SEC as to our status under the Investment Company Act and, consequently, any violation of the Investment Company Act would subject us to material adverse consequences.

Risks Related to Our Acquisition of Transtar, LLC

Our acquisition of Transtar, LLC ("Transtar") may not achieve its intended results and we may be unable to successfully integrate the operations of Transtar.

On July 28, 2021, we completed our previously announced acquisition of 100% of the equity interests of Transtar (the "Transtar Acquisition"), a wholly-owned short-line railroad subsidiary of United States Steel Corporation (the "Seller"). Transtar is comprised of six short-line freight railroads, including two that connect to Seller's largest production facilities in North America: the Gary Railway Company, Indiana; The Lake Terminal Railroad Company, Ohio; Union Railroad Company LLC, Pennsylvania; Fairfield Southern Company Inc., Alabama; Delray Connecting Railroad Company, Michigan; and the Texas & Northern Railroad Company, Texas. We are subject to certain risks relating to the Transtar Acquisition, which could have a material adverse effect on our business, results of operations and financial condition. Such risks may include, but are not limited to:

- failure to successfully integrate Transtar in a manner that permits us to realize the anticipated benefits of the acquisition;
- difficulties and delays integrating Transtar's personnel, operations and systems and retaining key employees;
- higher than anticipated costs incurred in connection with the integration of the business and operations of Transtar;
- challenges in operating and managing rail lines across geographically disparate regions;
- disruptions to our ongoing business and diversions of our management's attention caused by transition or integration activities involving Transtar;
- challenges with implementing adequate and appropriate controls, procedures and policies in Transtar's business;
- Transtar's dependence on the Seller as its primary customer;
- difficulties expanding our customer base;
- difficulties arising from Transtar's dependence on the Seller to provide a variety of necessary transition services to Transtar and any failure by the Seller to adequately provide such services;
- assumption of pre-existing contractual relationships of Transtar that we may not have otherwise entered into, the termination or modification of which may be costly or disruptive to our business;
- incurring debt to finance the Transtar Acquisition, which increased our debt service requirements, expense and leverage;
- any potential litigation arising from the transaction; and
- other risks described in Part II, Item 1A, "Risk Factors" of this Quarterly Report on Form 10-Q.

The successful integration of a new business also depends on our ability to manage the new business, realize forecasted synergies and full value from the combined business. Our business, results of operations, financial condition and cash flows could be materially adversely affected if we are unable to successfully integrate Transtar.

Risks Related to Our Manager

We are dependent on our Manager and other key personnel at Fortress and may not find suitable replacements if our Manager terminates the Management Agreement or if other key personnel depart.

Our officers and other individuals who perform services for us (other than Aviation, Jefferson, Repauno and Long Ridge employees) are employees of our Manager or other Fortress entities. We are completely reliant on our Manager, which has significant discretion as to the implementation of our operating policies and strategies, to conduct our business. We are subject to the risk that our Manager will terminate the Management Agreement and that we will not be able to find a suitable replacement for our Manager in a timely manner, at a reasonable cost, or at all. Furthermore, we are dependent on the services of certain key employees of our Manager and certain key employees of Fortress entities whose compensation is partially or entirely dependent upon the amount of management fees earned by our Manager or the incentive allocations distributed to the General Partner and whose continued service is not guaranteed, and the loss of such personnel or services could materially adversely affect our operations. We do not have key man insurance for any of the personnel of the Manager or other Fortress entities that are key to us. An inability to find a suitable replacement for any departing employee of our Manager or Fortress entities on a timely basis could materially adversely affect our ability to operate and grow our business.

In addition, our Manager may assign our Management Agreement to an entity whose business and operations are managed or supervised by Mr. Wesley R. Edens, who is a principal, Co-Chief Executive Officer and a member of the board of directors of Fortress, an affiliate of our Manager, and a member of the management committee of Fortress since co-founding Fortress in May 1998. In the event of any such assignment to a non-affiliate of Fortress, the functions currently performed by our Manager's current personnel may be performed by others. We can give you no assurance that such personnel would manage our operations in the same manner as our Manager currently does, and the failure by the personnel of any such entity to acquire assets generating attractive risk-adjusted returns could have a material adverse effect on our business, financial condition, results of operations and cash flows.

On December 27, 2017, SoftBank announced that it completed the SoftBank Merger. In connection with the SoftBank Merger, Fortress operates within SoftBank as an independent business headquartered in New York. There can be no assurance that the SoftBank Merger will not have an impact on us or our relationship with the Manager.

There are conflicts of interest in our relationship with our Manager.

Our Management Agreement, the Partnership Agreement and our operating agreement were negotiated prior to our IPO and among affiliated parties, and their terms, including fees payable, may not be as favorable to us as if they had been negotiated after our IPO with an unaffiliated third-party.

There are conflicts of interest inherent in our relationship with our Manager insofar as our Manager and its affiliates - including investment funds, private investment funds, or businesses managed by our Manager, including Seacastle Inc., Florida East Coast Industries, LLC ("FECI") and FYX - invest in transportation and transportation-related infrastructure assets and whose investment objectives overlap with our asset acquisition objectives. Certain opportunities appropriate for us may also be appropriate for one or more of these other investment vehicles. Certain members of our board of directors and employees of our Manager who are our officers also serve as officers and/or directors of these other entities. For example, we have some of the same directors and officers as Seacastle Inc and FYX. Although we have the same Manager, we may compete with entities affiliated with our Manager or Fortress, including Seacastle Inc., FECI and FYX, for certain target assets. From time to time, affiliates of Fortress focus on investments in assets with a similar profile as our target assets that we may seek to acquire. These affiliates may have meaningful purchasing capacity, which may change over time depending upon a variety of factors, including, but not limited to, available equity capital and debt financing, market conditions and cash on hand. Fortress has multiple existing and planned funds focused on investing in one or more of our target sectors, each with significant current or expected capital commitments. We have previously purchased and may in the future purchase assets from these funds, and have previously co-invested and may in the future co-invest with these funds in transportation and transportation-related infrastructure assets. Fortress funds generally have a fee structure similar to ours, but the fees actually paid will vary depending on the size, terms and performance of each fund.

Our Management Agreement generally does not limit or restrict our Manager or its affiliates from engaging in any business or managing other pooled investment vehicles that invest in assets that meet our asset acquisition objectives. Our Manager intends to engage in additional transportation and infrastructure related management and other investment opportunities in the future, which may compete with us for investments or result in a change in our current investment strategy. In addition, our operating agreement provides that if Fortress or an affiliate or any of their officers, directors or employees acquire knowledge of a potential transaction that could be a corporate opportunity, they have no duty, to the fullest extent permitted by law, to offer such corporate opportunity to us, our shareholders or our affiliates. In the event that any of our directors and officers who is also a director, officer or employee of Fortress or its affiliates acquires knowledge of a corporate opportunity or is offered a corporate opportunity, provided that this knowledge was not acquired solely in such person's capacity as a director or officer of FTAI and such person acts in good faith, then to the fullest extent permitted by law such person is deemed to have fully satisfied such person's fiduciary duties owed to us and is not liable to us if Fortress or its affiliates pursues or acquires the corporate opportunity or if such person did not present the corporate opportunity to us.

The ability of our Manager and its officers and employees to engage in other business activities, subject to the terms of our Management Agreement, may reduce the amount of time our Manager, its officers or other employees spend managing us. In addition, we may engage (subject to our strategy) in material transactions with our Manager or another entity managed by our

Manager or one of its affiliates, including Seacastle Inc., FECI and FYX, which may include, but are not limited to, certain acquisitions, financing arrangements, purchases of debt, co-investments, consumer loans, servicing advances and other assets that present an actual, potential or perceived conflict of interest. Our board of directors adopted a policy regarding the approval of any "related person transactions" pursuant to which certain of the material transactions described above may require disclosure to, and approval by, the independent members of our board of directors. Actual, potential or perceived conflicts have given, and may in the future give, rise to investor dissatisfaction, litigation or regulatory inquiries or enforcement actions. Appropriately dealing with conflicts of interest is complex and difficult, and our reputation could be damaged if we fail, or appear to fail, to deal appropriately with one or more potential, actual or perceived conflicts of interest. Regulatory scrutiny of, or litigation in connection with, conflicts of interest could have a material adverse effect on our reputation, which could materially adversely affect our business in a number of ways, including causing an inability to raise additional funds, a reluctance of counterparties to do business with us, a decrease in the prices of our equity securities and a resulting increased risk of litigation and regulatory enforcement actions.

The structure of our Manager's and the General Partner's compensation arrangements may have unintended consequences for us. We have agreed to pay our Manager a management fee and the General Partner is entitled to receive incentive allocations from Holdco that are each based on different measures of performance. Consequently, there may be conflicts in the incentives of our Manager to generate attractive risk-adjusted returns for us. In addition, because the General Partner and our Manager are both affiliates of Fortress, the Income Incentive Allocation paid to the General Partner may cause our Manager to place undue emphasis on the maximization of earnings, including through the use of leverage, at the expense of other objectives, such as preservation of capital, to achieve higher incentive allocations. Investments with higher yield potential are generally riskier or more speculative than investments with lower yield potential. This could result in increased risk to the value of our portfolio of assets and our common shares.

Our directors have approved a broad asset acquisition strategy for our Manager and do not approve each acquisition we make at the direction of our Manager. In addition, we may change our strategy without a shareholder vote, which may result in our acquiring assets that are different, riskier or less profitable than our current assets.

Our Manager is authorized to follow a broad asset acquisition strategy. We may pursue other types of acquisitions as market conditions evolve. Our Manager makes decisions about our investments in accordance with broad investment guidelines adopted by our board of directors. Accordingly, we may, without a shareholder vote, change our target sectors and acquire a variety of assets that differ from, and are possibly riskier than, our current asset portfolio. Consequently, our Manager has great latitude in determining the types and categories of assets it may decide are proper investments for us, including the latitude to invest in types and categories of assets that may differ from those in our existing portfolio. Our directors will periodically review our strategy and our portfolio of assets. However, our board does not review or pre-approve each proposed acquisition or our related financing arrangements. In addition, in conducting periodic reviews, the directors rely primarily on information provided to them by our Manager. Furthermore, transactions entered into by our Manager may be difficult or impossible to reverse by the time they are reviewed by the directors even if the transactions contravene the terms of the Management Agreement. In addition, we may change our asset acquisition strategy, including our target asset classes, without a shareholder vote.

Our asset acquisition strategy may evolve in light of existing market conditions and investment opportunities, and this evolution may involve additional risks depending upon the nature of the assets we target and our ability to finance such assets on a short or long-term basis. Opportunities that present unattractive risk-return profiles relative to other available opportunities under particular market conditions may become relatively attractive under changed market conditions and changes in market conditions may therefore result in changes in the assets we target. Decisions to make acquisitions in new asset categories present risks that may be difficult for us to adequately assess and could therefore reduce or eliminate our ability to pay dividends on our common shares or have adverse effects on our liquidity or financial condition. A change in our asset acquisition strategy may also increase our exposure to interest rate, foreign currency or credit market fluctuations. In addition, a change in our asset acquisition strategy may increase our use of non-match-funded financing, increase the guarantee obligations we agree to incur or increase the number of transactions we enter into with affiliates. Our failure to accurately assess the risks inherent in new asset categories or the financing risks associated with such assets could adversely affect our results of operations and our financial condition.

Our Manager will not be liable to us for any acts or omissions performed in accordance with the Management Agreement, including with respect to the performance of our assets.

Pursuant to our Management Agreement, our Manager will not assume any responsibility other than to render the services called for thereunder in good faith and will not be responsible for any action of our board of directors in following or declining to follow its advice or recommendations. Our Manager, its members, managers, officers, employees, sub-advisers and any other person controlling or Manager, will not be liable to us or any of our subsidiaries, to our board of directors, or our or any subsidiary's shareholders or partners for any acts or omissions by our Manager, its members, managers, officers, employees, sub-advisers and any other person controlling or Manager, except liability to us, our shareholders, directors, officers and employees and persons controlling us, by reason of acts constituting bad faith, willful misconduct, gross negligence or reckless disregard of our Manager's duties under our Management Agreement. We will, to the full extent lawful, reimburse, indemnify and hold our Manager, its members, managers, officers and employees, sub-advisers and each other person, if any, controlling our Manager harmless of and from any and all expenses, losses, damages, liabilities, demands, charges and claims of any nature whatsoever (including attorneys' fees) in respect of or arising from any acts or omissions of an indemnified party made in good faith in the performance of our Manager's duties under our Management Agreement and not constituting such indemnified party's bad faith, willful misconduct, gross negligence or reckless disregard of our Manager's duties under our Management Agreement.

Our Manager's due diligence of potential asset acquisitions or other transactions may not identify all pertinent risks, which could materially affect our business, financial condition, liquidity and results of operations.

Our Manager intends to conduct due diligence with respect to each asset acquisition opportunity or other transaction it pursues. It is possible, however, that our Manager's due diligence processes will not uncover all relevant facts, particularly with respect to any assets we acquire from third parties. In these cases, our Manager may be given limited access to information about the asset and will rely on information provided by the seller of the asset. In addition, if asset acquisition opportunities are scarce, the process for selecting bidders is competitive, or the timeframe in which we are required to complete diligence is short, our ability to conduct a due diligence investigation may be limited, and we would be required to make decisions based upon a less thorough diligence process than would otherwise be the case. Accordingly, transactions that initially appear to be viable may prove not to be over time, due to the limitations of the due diligence process or other factors.

Risks Related to Taxation

Shareholders may be subject to U.S. federal income tax on their share of our taxable income, regardless of whether they receive any cash dividends from us.

So long as we would not be required to register as an investment company under the Investment Company Act of 1940 if we were a U.S. Corporation and 90% of our gross income for each taxable year constitutes "qualifying income" within the meaning of the Internal Revenue Code of 1986, as amended (the "Code"), on a continuing basis, FTAI will be treated, for U.S. federal income tax purposes, as a partnership and not as an association or publicly traded partnership taxable as a corporation. Holders of our common shares may be subject to U.S. federal, state, local and possibly, in some cases, non-U.S. income taxation on their allocable share of our items of income, gain, loss, deduction and credit (including our allocable share of those items of Holdco or any other entity in which we invest that is treated as a partnership or is otherwise subject to tax on a flow through basis) for each of our taxable years ending with or within their taxable year, regardless of whether they receive cash dividends from us. Such shareholders may not receive cash dividends equal to their allocable share of our net taxable income or even the tax liability that results from that income.

We may hold or acquire certain investments through entities classified as CFCs or PFICs for U.S. federal income tax purposes.

Many of our investments are in non-U.S. corporations or are held through non-U.S. subsidiaries that are classified as corporations for U.S. federal income tax purposes. Some of these foreign entities may be classified as controlled foreign corporations ("CFCs") or passive foreign investment companies ("PFICs") (each as defined in the Code). Shareholders subject to U.S. federal income tax may experience adverse U.S. federal income tax consequences related to the indirect ownership of CFC or PFIC shares. For example, such shareholders may be required to take into account U.S. taxable income with respect to such CFCs or PFICs without a corresponding receipt of cash from us. In addition, under the CFC rules, certain capital gains are treated as ordinary dividend income and shareholders could be subject to income inclusions in respect of the "global intangible low-taxed income" of the CFC. Treasury regulations have been proposed that, if finalized, will generally have the effect of limiting certain adverse consequences of the CFC rules to shareholders treated for U.S. federal income tax purposes as owning indirectly or constructively (including through other partnerships) stock possessing 10% or more of the voting power or value of such CFCs. Taxpayers are permitted to rely, and we intend to rely, on such proposed regulations.

Under the PFIC rules, indirect ownership of PFIC shares by U.S. persons generally gives rise to materially adverse U.S. federal income tax consequences, which may be mitigated by electing to treat the PFIC as a qualified electing fund ("QEF"). We currently anticipate using commercially reasonable efforts to make such an election (a "QEF Election") with respect to each PFIC in which we hold a material interest, directly or indirectly, in the first year during which we hold shares in such entity. As a result, U.S. holders of our common shares will generally be subject to tax on a current basis on their respective shares of each such PFIC's undistributed ordinary earnings and net capital gains for each year in which the entity is a PFIC, regardless of whether such holders receive a corresponding distribution of cash from us. In certain cases, however, we may be unable to make a QEF Election with respect to a PFIC because, for example, we are unable to obtain the necessary information. In such event, U.S. holders of our common shares will be subject to imputed interest charges and other disadvantageous tax treatment with respect

to certain “excess distributions” from the PFIC and gain realized upon the direct or indirect sale of the PFIC (including through the sale our common shares).

Prospective investors should consult their tax advisors regarding the potential impact of the rules regarding CFCs and PFICs before investing in our shares.

Certain tax consequences of the ownership of our preferred shares, including treatment of distributions as guaranteed payments for the use of capital, are uncertain.

The tax treatment of distributions on our preferred shares is uncertain. We intend to treat the holders of our preferred shares as partners for tax purposes and we intend to treat distributions on the shares as guaranteed payments for the use of capital that will generally be taxable to the holders of our preferred shares as ordinary income. Although a holder of our preferred shares will recognize taxable income from the accrual of such a guaranteed payment (even in the absence of a contemporaneous cash distribution), we anticipate accruing and making the guaranteed payment distributions quarterly. Except in the case of any loss recognized in connection with our liquidation, holders of our preferred shares are generally not anticipated to share in our items of income, gain, loss or deduction, nor are they anticipated to be allocated any share of our nonrecourse liabilities. If our preferred shares were treated as indebtedness for tax purposes, rather than as guaranteed payments for the use of capital, distributions likely would be treated as payments of interest by us to the holders of our preferred shares. Finally, if holders of our preferred shares were entitled to an allocation of income from FTAI, the risk factors applicable to holders of common shares would generally apply.

U.S. tax reform could adversely affect us and our shareholders.

The Tax Cuts and Jobs Act (the “TCJA”), which is generally effective for taxable years beginning after December 31, 2017, amended the Code in a manner that significantly changed the taxation of individuals and business entities, including with respect to the taxation of offshore earnings and the deductibility of interest. In some cases, there is still uncertainty around the scope and application of the TCJA that may be addressed in future guidance issued by the U.S. Department of Treasury and the IRS. Some of the changes could adversely affect our business and financial condition and the value of our shares. The Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”), which was enacted on March 27, 2020, temporarily modifies some provisions of the TCJA.

Prospective investors should consult their tax advisors about the TCJA and its potential impact before investing in our shares.

Under the TCJA, shareholders that are not U.S. persons could be subject to U.S. federal income tax, including a 10% withholding tax, on the disposition of our shares.

If the Internal Revenue Service (the “IRS”) were to determine that we, Holdco, or any other entity in which we invest that is subject to tax on a flow-through basis, is engaged in a U.S. trade or business for U.S. federal income tax purposes, any gain recognized by a foreign transferor on the sale, exchange or other disposition of our shares would generally be treated as “effectively connected” with such trade or business to the extent it does not exceed the effectively connected gain that would be allocable to the transferor if we sold all of our assets at their fair market value as of the date of the transferor’s disposition. Under the TCJA, any such gain that is treated as effectively connected will generally be subject to U.S. federal income tax. In addition, the transferee of the shares or the applicable withholding agent would be required to deduct and withhold a tax equal to 10% of the amount realized by the transferor on the disposition, which would include an allocable portion of our liabilities and would therefore generally exceed the amount of transferred cash received by transferor in the disposition, unless the transferor provides an IRS Form W-9 or an affidavit stating the transferor’s taxpayer identification number and that the transferor is not a foreign person. If the transferee fails to properly withhold such tax, we would be required to deduct and withhold from distributions to the transferee a tax in an amount equal to the amount the transferee failed to withhold, plus interest. Although we do not believe that we are currently engaged in a U.S. trade or business (directly or indirectly through pass-through subsidiaries), we are not required to manage our operations in a manner that is intended to avoid the conduct of a U.S. trade or business.

The withholding requirements with respect to the disposition of an interest in a publicly traded partnership are currently suspended and will remain suspended until Treasury regulations are promulgated or other relevant authoritative guidance is issued. Future guidance on the implementation of these requirements will be applicable on a prospective basis.

Tax gain or loss on a sale or other disposition of our common shares could be more or less than expected.

If a sale of our common shares by a shareholder is taxable in the United States, the shareholder will recognize gain or loss equal to the difference between the amount realized by such shareholder in the sale and such shareholder’s adjusted tax basis in those shares. A shareholder’s adjusted tax basis in the shares at the time of sale will generally be lower than the shareholder’s original tax basis in the shares to the extent that prior distributions to such shareholder exceed the total taxable income allocated to such shareholder. A shareholder may therefore recognize a gain in a sale of our common shares if the shares are sold at a price that is less than their original cost. A portion of the amount realized, whether or not representing gain, may be treated as ordinary income to such shareholder.

Our ability to make distributions depends on our receiving sufficient cash distributions from our subsidiaries, and we cannot assure our shareholders that we will be able to make cash distributions to them in amounts that are sufficient to fund their tax liabilities.

Our subsidiaries may be subject to local taxes in each of the relevant territories and jurisdictions in which they operate, including taxes on income, profits or gains and withholding taxes. As a result, our funds available for distribution are indirectly reduced by such taxes, and the post-tax return to our shareholders is similarly reduced by such taxes.

In general, a shareholder that is subject to U.S. federal income tax must include in income its allocable share of FTAI's items of income, gain, loss, deduction, and credit (including, so long as FTAI is treated as a partnership for U.S. federal income tax purposes, FTAI's allocable share of those items of Holdco and any pass-through subsidiaries of Holdco) for each of our taxable years ending with or within such shareholder's taxable year. However, the cash distributed to a shareholder may not be sufficient to pay the full amount of such shareholder's tax liability in respect of its investment in us, because each shareholder's tax liability depends on such shareholder's particular tax situation and the tax treatment of our underlying activities or assets.

If we are treated as a corporation for U.S. federal income tax purposes, the value of the shares could be adversely affected.

We have not requested, and do not plan to request, a ruling from the IRS on our treatment as a partnership for U.S. federal income tax purposes, or on any other matter affecting us. As of the date of the consummation of our initial public offering, under then current law and assuming full compliance with the terms of our operating agreement (and other relevant documents) and based upon factual statements and representations made by us, our outside counsel opined that we will be treated as a partnership, and not as an association or a publicly traded partnership taxable as a corporation for U.S. federal income tax purposes. However, opinions of counsel are not binding upon the IRS or any court, and the IRS may challenge this conclusion and a court may sustain such a challenge. The factual representations made by us upon which our outside counsel relied relate to our organization, operation, assets, activities, income, and present and future conduct of our operations. In general, if an entity that would otherwise be classified as a partnership for U.S. federal income tax purposes is a "publicly traded partnership" (as defined in the Code) it will be nonetheless treated as a corporation for U.S. federal income tax purposes, unless the exception described below, and upon which we intend to rely, applies. A publicly traded partnership will, however, be treated as a partnership, and not as a corporation for U.S. federal income tax purposes, so long as 90% or more of its gross income for each taxable year constitutes "qualifying income" within the meaning of the Code and it is not required to register as an investment company under the Investment Company Act of 1940. We refer to this exception as the "Qualifying Income Exception."

Qualifying income generally includes dividends, interest, capital gains from the sale or other disposition of stocks and securities and certain other forms of investment income. We believe that our return from investments will include interest, dividends, capital gains and other types of qualifying income, but no assurance can be given as to the types of income that will be earned in any given year.

If we fail to satisfy the Qualifying Income Exception, we would be required to pay U.S. federal income tax at regular corporate rates on our income. Although the TCJA reduced regular corporate rates from 35% to 21%, our failure to qualify as a partnership for U.S. federal income tax purposes could nevertheless adversely affect our business, operating results and financial condition. In addition, we would likely be liable for state and local income and/or franchise taxes on our income. Finally, distributions of cash to shareholders would constitute qualified dividend income taxable to such shareholders to the extent of our earnings and profits and would not be deductible by us. Taxation of us as a publicly traded partnership taxable as a corporation could result in a material adverse effect on our cash flow and the after-tax returns for shareholders and thus could result in a substantial reduction in the value of our shares.

Shareholders that are not U.S. persons should also anticipate being required to file U.S. tax returns and may be required to pay U.S. tax solely on account of owning our shares.

In light of our intended investment activities, we may be, or may become, engaged in a U.S. trade or business for U.S. federal income tax purposes (directly or indirectly through pass-through subsidiaries), in which case some portion of our income would be treated as effectively connected income with respect to non-U.S. persons. Moreover, we anticipate that, in the future, we will sell interests in U.S. real holding property corporations (each a "USRPHC") and therefore be deemed to be engaged in a U.S. trade or business at such time. If we were to realize gain from the sale or other disposition of a U.S. real property interest (including a USRPHC) or were otherwise engaged in a U.S. trade or business, non-U.S. persons holding our common shares generally would be required to file U.S. federal income tax returns and would be subject to U.S. federal withholding tax on their allocable share of the effectively connected income on gain at the highest marginal U.S. federal income tax rates applicable to ordinary income. Likewise, non-U.S. persons holding our preferred shares, by virtue of receiving guaranteed payments, may be required to file U.S. federal income tax returns and may be subject to U.S. federal withholding tax on their guaranteed payments, irrespective of our operations or investments. In both cases, non-U.S. persons that are corporations may also be subject to a branch profits tax on their allocable share of such income. Non-U.S. persons should anticipate being required to file U.S. tax returns and may be required to pay U.S. tax solely on account of owning our shares. Non-U.S. shareholders are urged to consult their tax advisors regarding the tax consequences of an investment in our shares.

Non-U.S. persons that hold (or are deemed to hold) more than 5% of any class of our shares (or held, or were deemed to hold, more than 5% of any class of our shares) may be subject to U.S. federal income tax upon the disposition of some or all their shares.

If a non-U.S. person held more than 5% of any class of our shares at any time during the 5-year period preceding such non-U.S. person's disposition of such shares, and we were considered a USRPHC (determined as if we were a U.S. corporation) at any time during such 5-year period because of our current or previous ownership of U.S. real property interests above a certain threshold, such non-U.S. person may be subject to U.S. tax on such disposition of such shares (and may have a U.S. tax return filing obligation).

Tax-exempt shareholders may face certain adverse U.S. tax consequences from owning our shares.

We are not required to manage our operations in a manner that would minimize the likelihood of generating income that would constitute "unrelated business taxable income" ("UBTI") to the extent allocated to a tax-exempt shareholder. Although we expect to invest through subsidiaries that are treated as corporations for U.S. federal income tax purposes and such corporate investments would generally not result in an allocation of UBTI to a shareholder on account of the activities of those subsidiaries, we may not invest through corporate subsidiaries in all cases. Moreover, UBTI also includes income attributable to debt-financed property and we are not prohibited from incurring debt to finance our investments, including investments in subsidiaries. Furthermore, we are not prohibited from being (or causing a subsidiary to be) a guarantor of loans made to a subsidiary. If we (or certain of our subsidiaries) were treated as the borrower for U.S. tax purposes on account of those guarantees, some or all of our investments could be considered debt-financed property. In addition, the treatment of guaranteed payments for the use of capital to tax-exempt investors is not certain, and so distributions on our preferred shares may be treated as UBTI for federal income tax purposes, irrespective of our operations or the structure of our investments. The potential for income to be characterized as UBTI could make our shares an unsuitable investment for a tax-exempt entity. Tax-exempt shareholders are urged to consult their tax advisors regarding the tax consequences of an investment in our shares.

If substantially all of the U.S. source rental income derived from aircraft or ships used to transport passengers or cargo in international traffic ("U.S. source international transport rental income") of any of our non-U.S. corporate subsidiaries is attributable to activities of personnel based in the United States, such subsidiary could be subject to U.S. federal income tax on a net income basis at regular tax rates, rather than at a rate of 4% on gross income, which would adversely affect our business and result in decreased funds available for distribution to our shareholders.

We believe that the U.S. source international transport rental income of our non-U.S. subsidiaries generally will be subject to U.S. federal income tax, on a gross-income basis at a rate not in excess of 4%. If any of our non-U.S. subsidiaries that is treated as a corporation for U.S. federal income tax purposes did not comply with certain administrative guidelines of the IRS, such that 90% or more of such subsidiary's U.S. source international transport rental income were attributable to the activities of personnel based in the United States (in the case of bareboat leases) or from "regularly scheduled transportation" as defined in such administrative guidelines (in the case of time-charter leases), such subsidiary's U.S. source rental income would be treated as income effectively connected with a trade or business in the United States. In such case, such subsidiary's U.S. source international transport rental income would be subject to U.S. federal income tax at a maximum rate of 21% for taxable years beginning after December 31, 2017. In addition, such subsidiary would be subject to the U.S. federal branch profits tax on its effectively connected earnings and profits at a rate of 30%. The imposition of such taxes would adversely affect our business and would result in decreased funds available for distribution to our shareholders.

The ability of our corporate subsidiaries to utilize net operating losses ("NOLs") to offset their future taxable income may become limited.

Certain of our corporate subsidiaries have significant NOLs, and any limitation on their use could materially affect our profitability. Such a limitation could occur if our corporate subsidiaries were to experience an "ownership change" as defined under Section 382 of the Code. The rules for determining ownership changes are complex, and changes in the ownership of our shares could cause an ownership change in one or more of our corporate subsidiaries. Sales of our shares by our shareholders, as well as future issuances of our shares, could contribute to a potential ownership change in our corporate subsidiaries.

Our subsidiaries may become subject to unanticipated tax liabilities that may have a material adverse effect on our results of operations.

Some of our subsidiaries are subject to income, withholding or other taxes in certain non-U.S. jurisdictions by reason of their jurisdiction of incorporation, activities and operations, where their assets are used or where the lessees of their assets (or others in possession of their assets) are located, and it is also possible that taxing authorities in any such jurisdictions could assert that our subsidiaries are subject to greater taxation than we currently anticipate. Further, the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting ("BEPS") recently entered into force among the jurisdictions that ratified it. The implementation of BEPS prevention measures could result in a higher effective tax rate on our worldwide earnings by, for example, reducing the tax deductions or otherwise increasing the taxable income of our subsidiaries. In addition, a portion of certain of our non-U.S. corporate subsidiaries' income is treated as effectively connected with a U.S. trade or business and is accordingly subject to U.S. federal income tax. It is possible that the IRS could assert that a greater portion of any such non-U.S. subsidiaries' income is effectively connected income that should be subject to U.S. federal income tax.

Our structure involves complex provisions of U.S. federal income tax law for which no clear precedent or authority may be available. Our structure also is subject to potential legislative, judicial or administrative change and differing interpretations, possibly on a retroactive basis.

The U.S. federal income tax treatment of our shareholders depends in some instances on determinations of fact and interpretations of complex provisions of U.S. federal income tax law for which no clear precedent or authority may be available. The U.S. federal income tax treatment of our shareholders may also be modified by administrative, legislative or judicial interpretation at any time, possibly on a retroactive basis, and any such action may affect our investments and commitments that were previously made, and could adversely affect the value of our shares or cause us to change the way we conduct our business.

Our organizational documents and agreements permit the board of directors to modify our operating agreement from time to time, without the consent of shareholders, in order to address certain changes in Treasury regulations, legislation or interpretation. In some circumstances, such revisions could have a material adverse impact on some or all shareholders. Moreover, we will apply certain assumptions and conventions in an attempt to comply with applicable rules and to report income, gain, deduction, loss and credit to shareholders in a manner that reflects such shareholders' beneficial ownership of partnership items, taking into account variation in ownership interests during each taxable year because of trading activity. However, these assumptions and conventions may not be in compliance with all aspects of applicable tax requirements. It is possible that the IRS will assert successfully that the conventions and assumptions used by us do not satisfy the technical requirements of the Code and/or Treasury regulations and could require that items of income, gain, deduction, loss or credit, including interest deductions, be adjusted, reallocated, or disallowed, in a manner that adversely affects shareholders.

We could incur a significant tax liability if the IRS successfully asserts that the "anti-stapling" rules apply to our investments in our non-U.S. and U.S. subsidiaries, which would adversely affect our business and result in decreased funds available for distribution to our shareholders.

If we were subject to the "anti-stapling" rules of Section 269B of the Code, we would incur a significant tax liability as a result of owning more than 50% of the value of both U.S. and non-U.S. corporate subsidiaries, whose equity interests constitute "stapled interests" that may only be transferred together. If the "anti-stapling" rules applied, our non-U.S. corporate subsidiaries that are treated as corporations for U.S. federal income tax purposes would be treated as U.S. corporations, which would cause those entities to be subject to U.S. federal corporate income tax on their worldwide income. Because we intend to separately manage and operate our non-U.S. and U.S. corporate subsidiaries and structure their business activities in a manner that would allow us to dispose of such subsidiaries separately, we do not expect that the "anti-stapling" rules will apply. However, there can be no assurance that the IRS would not successfully assert a contrary position, which would adversely affect our business and result in decreased funds available for distribution to our shareholders.

Because we cannot match transferors and transferees of our shares, we have therefore adopted certain income tax accounting positions that may not conform with all aspects of applicable tax requirements. The IRS may challenge this treatment, which could adversely affect the value of our shares.

Because we cannot match transferors and transferees of our shares, we have adopted depreciation, amortization and other tax accounting positions that may not conform with all aspects of existing Treasury regulations. A successful IRS challenge to those positions could adversely affect the amount of tax benefits available to our shareholders. It also could affect the timing of these tax benefits or the amount of gain on the sale of our common shares and could have a negative impact on the value of our common shares or result in audits of and adjustments to our shareholders' tax returns.

We generally allocate items of income, gain, loss and deduction using a monthly or other convention, whereby any such items we recognize in a given month are allocated to our shareholders as of a specified date of such month. As a result, if a shareholder transfers its common shares, it might be allocated income, gain, loss and deduction realized by us after the date of the transfer. Similarly, if a shareholder acquires additional common shares, it might be allocated income, gain, loss, and deduction realized by us prior to its ownership of such common shares. Consequently, our shareholders may recognize income in excess of cash distributions received from us, and any income so included by a shareholder would increase the basis such shareholder has in its common shares and would offset any gain (or increase the amount of loss) realized by such shareholder on a subsequent disposition of its common shares.

Rules regarding U.S. federal income tax liability arising from IRS audits could adversely affect our shareholders.

For taxable years beginning on or after January 1, 2018, we will be liable for U.S. federal income tax liability arising from an IRS audit, unless certain alternative methods are available and we elect to use them. It is possible that certain shareholders or we may be liable for taxes attributable to adjustments to our taxable income with respect to tax years that closed before such shareholders owned our shares. Accordingly, these rules may adversely affect certain shareholders in certain cases. This differs from the rules that apply for taxable years beginning before January 1, 2018, which generally provide that tax adjustments only affect the persons who were shareholders in the tax year in which the item was reported on our tax return. The manner in which these rules apply is uncertain and in many respects depends on the promulgation of future regulations or other guidance by the U.S. Treasury Department or the IRS.

Risks Related to Our Shares

The market price and trading volume of our common and preferred shares may be volatile, which could result in rapid and substantial losses for our shareholders.

The market price of our common and preferred shares may be highly volatile and could be subject to wide fluctuations. In addition, the trading volume in our common and preferred shares may fluctuate and cause significant price variations to occur. If the market price of our common or preferred shares declines significantly, you may be unable to resell your shares at or above your purchase price, if at all. The market price of our common and preferred shares may fluctuate or decline significantly in the future. Some of the factors that could negatively affect our share price or result in fluctuations in the price or trading volume of our shares include:

- a shift in our investor base;
- our quarterly or annual earnings, or those of other comparable companies;
- actual or anticipated fluctuations in our operating results;
- changes in accounting standards, policies, guidance, interpretations or principles;
- announcements by us or our competitors of significant investments, acquisitions or dispositions;
- the failure of securities analysts to cover our common shares;
- changes in earnings estimates by securities analysts or our ability to meet those estimates;
- the operating and share price performance of other comparable companies;
- prevailing interest rates or rates of return being paid by other comparable companies and the market for securities similar to our preferred shares;
- additional issuances of preferred shares;
- whether we we declare distributions on our preferred shares;
- overall market fluctuations;
- general economic conditions; and
- developments in the markets and market sectors in which we participate.

Stock markets in the United States have experienced extreme price and volume fluctuations. Market fluctuations, as well as general political and economic conditions, such as acts of terrorism, prolonged economic uncertainty, a recession or interest rate or currency rate fluctuations, could adversely affect the market price of our common and preferred shares.

We are required by Section 404 of the Sarbanes-Oxley Act to evaluate the effectiveness of our internal controls, and the outcome of that effort may adversely affect our results of operations, financial condition and liquidity. Because we are no longer an emerging growth company, we are subject to heightened disclosure obligations, which may impact our share price.

As a public company, we are required to comply with Section 404 (“Section 404”) of the Sarbanes-Oxley Act. Section 404 requires that we evaluate the effectiveness of our internal control over financial reporting at the end of each fiscal year and to include a management report assessing the effectiveness of our internal controls over financial reporting in our Annual Report on Form 10-K for that fiscal year. Section 404 also requires an independent registered public accounting firm to attest to, and report on, management’s assessment of our internal controls over financial reporting. Because we ceased to be an emerging growth company at the end of 2017, we were required to have our independent registered public accounting firm attest to the effectiveness of our internal controls in our Annual Reports on Form 10-K starting with the fiscal year ended December 31, 2018, and will be required to do so going forward. The outcome of our review and the report of our independent registered public accounting firm may adversely affect our results of operations, financial condition and liquidity. During the course of our review, we may identify control deficiencies of varying degrees of severity, and we may incur significant costs to remediate those deficiencies or otherwise improve our internal controls. As a public company, we are required to report control deficiencies that constitute a “material weakness” in our internal control over financial reporting. If we discover a material weakness in our internal control over financial reporting, our share price could decline and our ability to raise capital could be impaired.

Your percentage ownership in us may be diluted in the future.

Your percentage ownership in FTAI may be diluted in the future because of equity awards granted and may be granted to our Manager pursuant to the Management Agreement and the Incentive Plan. Since 2015, we granted our Manager an option to acquire 2,574,624 common shares in connection with equity offerings. In the future, upon the successful completion of additional offerings of our common shares or other equity securities (including securities issued as consideration in an acquisition), we will grant to our Manager options to purchase common shares in an amount equal to 10% of the number of common shares being sold in such offerings (or if the issuance relates to equity securities other than our common shares, options to purchase a number of common shares equal to 10% of the gross capital raised in the equity issuance divided by the fair market value of a common share as of the date of the issuance), with an exercise price equal to the offering price per share paid by the public or other ultimate purchaser or attributed to such securities in connection with an acquisition (or the fair market value of a common share as of the date of the equity issuance if it relates to equity securities other than our common shares), and any such offering or the exercise of the option in connection with such offering would cause dilution.

Our board of directors has adopted the Incentive Plan, which provides for the grant of equity-based awards, including restricted shares, stock options, stock appreciation rights, performance awards, restricted share units, tandem awards and other equity-based and non-equity based awards, in each case to our Manager, to the directors, officers, employees, service providers, consultants and advisors of our Manager who perform services for us, and to our directors, officers, employees, service providers, consultants and advisors. We have initially reserved 30,000,000 common shares for issuance under the Incentive Plan. As of June 30, 2021, rights relating to 2,599,624 of our common shares were outstanding under the Incentive Plan. In the future on the date of any equity issuance by us during the ten-year term of the Incentive Plan (including in respect of securities issued as consideration in an acquisition), the maximum number of shares available for issuance under the Plan will be increased to include an additional number of common shares equal to ten percent (10%) of either (i) the total number of common shares newly issued by us in such equity issuance or (ii) if such equity issuance relates to equity securities other than our common shares, a number of our common shares equal to 10% of (A) the gross capital raised in an equity issuance of equity securities other than common shares during the ten-year term of the Incentive Plan, divided by (B) the fair market value of a common share as of the date of such equity issuance.

Sales or issuances of our common shares could adversely affect the market price of our common shares.

Sales of substantial amounts of our common shares in the public market, or the perception that such sales might occur, could adversely affect the market price of our common shares. The issuance of our common shares in connection with property, portfolio or business acquisitions or the exercise of outstanding options or otherwise could also have an adverse effect on the market price of our common shares.

The incurrence or issuance of debt, which ranks senior to our common shares upon our liquidation, and future issuances of equity or equity-related securities, which would dilute the holdings of our existing common shareholders and may be senior to our common shares for the purposes of making distributions, periodically or upon liquidation, may negatively affect the market price of our common shares.

We have incurred and may in the future incur or issue debt or issue equity or equity-related securities to finance our operations, acquisitions or investments. Upon our liquidation, lenders and holders of our debt and holders of our preferred shares (if any) would receive a distribution of our available assets before common shareholders. Any future incurrence or issuance of debt would increase our interest cost and could adversely affect our results of operations and cash flows. We are not required to offer any additional equity securities to existing common shareholders on a preemptive basis. Therefore, additional issuances of common shares, directly or through convertible or exchangeable securities (including limited partnership interests in our operating partnership), warrants or options, will dilute the holdings of our existing common shareholders and such issuances, or the perception of such issuances, may reduce the market price of our common shares. Any preferred shares issued by us would likely have a preference on distribution payments, periodically or upon liquidation, which could eliminate or otherwise limit our ability to make distributions to common shareholders. Because our decision to incur or issue debt or issue equity or equity-related securities in the future will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing, nature or success of our future capital raising efforts. Thus, common shareholders bear the risk that our future incurrence or issuance of debt or issuance of equity or equity-related securities will adversely affect the market price of our common shares.

Our determination of how much leverage to use to finance our acquisitions may adversely affect our return on our assets and may reduce funds available for distribution.

We utilize leverage to finance many of our asset acquisitions, which entitles certain lenders to cash flows prior to retaining a return on our assets. While our Manager targets using only what we believe to be reasonable leverage, our strategy does not limit the amount of leverage we may incur with respect to any specific asset. The return we are able to earn on our assets and funds available for distribution to our shareholders may be significantly reduced due to changes in market conditions, which may cause the cost of our financing to increase relative to the income that can be derived from our assets.

While we currently intend to pay regular quarterly dividends to our shareholders, we may change our dividend policy at any time.

Although we currently intend to pay regular quarterly dividends to holders of our common shares, we may change our dividend policy at any time. Our net cash provided by operating activities has been less than the amount of distributions to our shareholders. The declaration and payment of dividends to holders of our common shares will be at the discretion of our board of directors in accordance with applicable law after taking into account various factors, including actual results of operations, liquidity and financial condition, net cash provided by operating activities, restrictions imposed by applicable law, our taxable income, our operating expenses and other factors our board of directors deem relevant. Our long term goal is to maintain a payout ratio of between 50-60% of funds available for distribution, with remaining amounts used primarily to fund our future acquisitions and opportunities. There can be no assurance that we will continue to pay dividends in amounts or on a basis consistent with prior distributions to our investors, if at all. Because we are a holding company and have no direct operations, we will only be able to pay dividends from our available cash on hand and any funds we receive from our subsidiaries and our ability to receive distributions from our subsidiaries may be limited by the financing agreements to which they are subject. In addition, pursuant to the Partnership Agreement, the General Partner will be entitled to receive incentive allocations before any amounts are distributed by us based both on our consolidated net income and capital gains income in each fiscal quarter and for each fiscal year, respectively. Furthermore, the terms of our Series A preferred shares generally prevent us from declaring or paying

dividends on or repurchasing our common shares or other junior capital unless all accrued distributions on such preferred shares have been paid in full.

Anti-takeover provisions in our operating agreement and Delaware law could delay or prevent a change in control.

Provisions in our operating agreement may make it more difficult and expensive for a third party to acquire control of us even if a change of control would be beneficial to the interests of our shareholders. For example, our operating agreement provides for a staggered board, requires advance notice for proposals by shareholders and nominations, places limitations on convening shareholder meetings, and authorizes the issuance of preferred shares that could be issued by our board of directors to thwart a takeover attempt. In addition, certain provisions of Delaware law may delay or prevent a transaction that could cause a change in our control. The market price of our shares could be adversely affected to the extent that provisions of our operating agreement discourage potential takeover attempts that our shareholders may favor.

There are certain provisions in our operating agreement regarding exculpation and indemnification of our officers and directors that differ from the Delaware General Corporation Law (the "DGCL") in a manner that may be less protective of the interests of our shareholders.

Our operating agreement provides that to the fullest extent permitted by applicable law our directors or officers will not be liable to us. Under the DGCL, a director or officer would be liable to us for (i) breach of duty of loyalty to us or our shareholders, (ii) intentional misconduct or knowing violations of the law that are not done in good faith, (iii) improper redemption of shares or declaration of dividend, or (iv) a transaction from which the director derived an improper personal benefit. In addition, our operating agreement provides that we indemnify our directors and officers for acts or omissions to the fullest extent provided by law. Under the DGCL, a corporation can only indemnify directors and officers for acts or omissions if the director or officer acted in good faith, in a manner he reasonably believed to be in the best interests of the corporation, and, in criminal action, if the officer or director had no reasonable cause to believe his conduct was unlawful. Accordingly, our operating agreement may be less protective of the interests of our shareholders, when compared to the DGCL, insofar as it relates to the exculpation and indemnification of our officers and directors.

As a public company, we will incur additional costs and face increased demands on our management.

As a relatively new public company with shares listed on the NYSE, we need to comply with an extensive body of regulations that did not apply to us previously, including certain provisions of the Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, regulations of the SEC and requirements of the NYSE. These rules and regulations increase our legal and financial compliance costs and make some activities more time-consuming and costly. For example, as a result of becoming a public company, we have independent directors and board committees. In addition, we may continue to incur additional costs associated with maintaining directors' and officers' liability insurance and with the termination of our status as an emerging growth company as of the end of 2017. Because we are no longer an emerging growth company, we are subject to the independent auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act and enhanced disclosure obligations regarding executive compensation in our periodic reports and proxy statements. We are currently evaluating and monitoring developments with respect to these rules, which may impose additional costs on us and have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

If securities or industry analysts do not publish research or reports about our business, or if they downgrade their recommendations regarding our common shares, our share price and trading volume could decline.

The trading market for our common shares are influenced by the research and reports that industry or securities analysts publish about us or our business. If any of the analysts who cover us downgrades our common units or publishes inaccurate or unfavorable research about our business, our common share price may decline. If analysts cease coverage of us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause our common share price or trading volume to decline and our common shares to be less liquid.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

	Exhibit No.	Description
	2.1	Agreement and Plan of Merger, dated as of November 19, 2019, by and among Soo Line Corporation, Black Bear Acquisition LLC, Railroad Acquisition Holdings LLC and Fortress Worldwide Transportation and Infrastructure General Partnership (incorporated by reference to Exhibit 2.1 of the Company's Current Report on Form 8-K, filed January 6, 2020).
	3.1	Certificate of Formation (incorporated by reference to Exhibit 3.1 of Amendment No. 4 to the Company's Registration Statement on Form S-1, filed on April 30, 2015).
	3.2	Fourth Amended and Restated Limited Liability Company Agreement of Fortress Transportation and Infrastructure Investors LLC, dated as of March 25, 2021 (incorporated by reference to Exhibit 3.2 to Fortress Transportation and Infrastructure Investors LLC's Form 8-A, filed March 25, 2021).
	3.3	Share Designation with respect to the 8.25% Fixed-to-Floating Series A Cumulative Perpetual Redeemable Preferred Shares, dated as of September 12, 2019 (included as part of Exhibit 3.2).
	3.4	Share Designation with respect to the 8.00% Fixed-to-Floating Series B Cumulative Perpetual Redeemable Preferred Shares, dated as of November 27, 2019 (included as part of Exhibit 3.2).
	3.5	Share Designation with respect to the 8.25% Fixed-Rate Reset Series C Cumulative Perpetual Redeemable Preferred Shares, dated as of March 25, 2021 (included as part of Exhibit 3.2).
	4.1	Indenture, dated March 15, 2017, between Fortress Transportation and Infrastructure Investors LLC and U.S. Bank National Association, as trustee, relating to the Company's 6.75% senior unsecured notes due 2022 (incorporated by reference to Exhibit 4.1 of the Company's Current Report on Form 8-K, filed on March 15, 2017).
	4.2	Form of global note representing the Company's 6.75% senior unsecured notes due 2022 (included in Exhibit 4.1).
	4.3	First Supplemental Indenture, dated June 8, 2017, between Fortress Transportation and Infrastructure Investors LLC and U.S. Bank National Association, as trustee, relating to the Company's 6.75% senior unsecured notes due 2022 (incorporated by reference to Exhibit 4.3 of the Company's Annual Report on Form 10-K, filed on March 1, 2018).
	4.4	Second Supplemental Indenture, dated August 23, 2017, between Fortress Transportation and Infrastructure Investors LLC and U.S. Bank National Association, as trustee, relating to the Company's 6.75% senior unsecured notes due 2022 (incorporated by reference to Exhibit 4.1 of the Company's Current Report on Form 8-K, filed on August 23, 2017).
	4.5	Third Supplemental Indenture, dated December 20, 2017, between Fortress Transportation and Infrastructure LLC and U.S. Bank National Association, as trustee, relating to the Company's 6.75% senior unsecured notes due 2022 (incorporated by reference to Exhibit 4.1 of the Company's Current Report on Form 8-K filed on December 20, 2017).
	4.6	Fourth Supplemental Indenture, dated May 31, 2018, between Fortress Transportation and Infrastructure Investors LLC and U.S. Bank National Association, as trustee, relating to the Company's 6.75% senior unsecured notes due 2022 (incorporated by reference to Exhibit 4.1 of the Company's Current Report on Form 8-K, filed May 31, 2018).
	4.7	Fifth Supplemental Indenture, dated February 8, 2019, between Fortress Transportation and Infrastructure Investors LLC and U.S. Bank National Association, as trustee, relating to the Company's 6.75% senior unsecured notes due 2022 (incorporated by reference to Exhibit 4.1 of the Company's Current Report on Form 8-K, filed February 8, 2019).
	4.8	Indenture, dated September 18, 2018, between Fortress Transportation and Infrastructure Investors LLC and U.S. Bank National Association, as trustee, relating to the Company's 6.50% senior unsecured notes due 2025 (incorporated by reference to Exhibit 4.1 of the Company's Current Report on Form 8-K, filed on September 18, 2018).
	4.9	Form of global note representing the Company's 6.50% senior unsecured notes due 2025 (included in Exhibit 4.8).
	4.10	First Supplemental Indenture, dated May 21, 2019, between Fortress Transportation and Infrastructure Investors LLC and U.S. Bank National Association, as trustee, relating to the Company's 6.50% senior unsecured notes due 2025 (incorporated by reference to Exhibit 4.1 of the Company's Current Report on Form 8-K, filed on May 21, 2019).
	4.11	Second Supplemental Indenture, dated December 23, 2020, between Fortress Transportation and Infrastructure Investors LLC and U.S. Bank National Association, as trustee, relating to the Company's 6.50% senior unsecured notes due 2025 (incorporated by reference to Exhibit 4.1 of the Company's Current Report on Form 8-K, filed on December 23, 2020).
	4.12	Indenture, dated April 12, 2021, between Fortress Transportation and Infrastructure Investors LLC and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.1 to Fortress Transportation and Infrastructure Investors LLC's Form 8-K, filed April 12, 2021).
	4.13	Form of global note representing the Company's 5.50% senior unsecured notes due 2028 (included in Exhibit 4.12).
	4.14	Form of certificate representing the 8.25% Fixed-to-Floating Rate Series A Cumulative Perpetual Redeemable Preferred Shares of Fortress Transportation and Infrastructure Investors LLC (incorporated by reference to Exhibit 4.1 of the Company's Form 8-A, filed September 12, 2019).
	4.15	Form of certificate representing the 8.00% Fixed-to-Floating Rate Series B Cumulative Perpetual Redeemable Preferred Shares of Fortress Transportation and Infrastructure Investors LLC (incorporated by reference to Exhibit 4.1 to the Company's Form 8-A, filed November 27, 2019).
	4.16	Form of certificate representing the 8.25% Fixed-Rate Reset Series C Cumulative Perpetual Redeemable Preferred Shares of Fortress Transportation and Infrastructure Investors LLC (incorporated by reference to Exhibit 4.1 to Fortress Transportation and Infrastructure Investors LLC's Form 8-A, filed March 25, 2021).
	4.17	Description of Securities Registered under Section 12 of the Exchange Act (incorporated by reference to Exhibit 4.13 to the Company's Form 10-K, filed February 28, 2020).
	10.1	Fourth Amended and Restated Partnership Agreement of Fortress Worldwide Transportation and Infrastructure General Partnership (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K, filed on May 21, 2015).
†	10.2	Management and Advisory Agreement, dated as of May 20, 2015, between Fortress Transportation and Infrastructure Investors LLC and FIG LLC (incorporated by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K, filed on May 21, 2015).

	Exhibit No.	Description
†	10.3	Registration Rights Agreement, dated as of May 20, 2015, among Fortress Transportation and Infrastructure Investors LLC, FIG LLC and Fortress Transportation and Infrastructure Master GP LLC (incorporated by reference to Exhibit 10.3 of the Company's Current Report on Form 8-K, filed on May 21, 2015).
†	10.4	Fortress Transportation and Infrastructure Investors LLC Nonqualified Stock Option and Incentive Award Plan (incorporated by reference to Exhibit 10.4 of the Company's Current Report on Form 8-K, filed on May 21, 2015).
	10.5	Form of director and officer indemnification agreement of Fortress Transportation and Infrastructure Investors LLC (incorporated by reference to Exhibit 10.5 of Amendment No. 4 to the Company's Registration Statement on Form S-1, filed April 30, 2015).
	10.6	Credit Agreement, dated June 16, 2017, among Fortress Transportation and Infrastructure Investors LLC, as Borrower, the lenders and issuing banks from time to time party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K, filed on June 22, 2017).
	10.7	Credit Agreement Amendment No. 1, dated as of August 2, 2018, among Fortress Transportation and Infrastructure Investors LLC, as borrower, Fortress Worldwide Transportation and Infrastructure General Partnership, the lenders and issuing banks from time to time party thereto and JPMorgan Chase Bank, N.A., as administrative agent (incorporated by reference to Exhibit 10.15 of the Company's Quarterly Report on Form 10-Q, filed on August 3, 2018).
	10.8	Credit Agreement Amendment No. 2 dated as of February 8, 2019, among Fortress Transportation and Infrastructure Investors LLC, as borrower, Fortress Worldwide Transportation and Infrastructure General Partnership, as grantor, JPMorgan Chase Bank, N.A., Morgan Stanley Senior Funding, Inc. and Barclays Bank PLC, as lenders and issuing banks, and JPMorgan Chase Bank, N.A., as Administrative Agent (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K, filed on February 11, 2019).
	10.9	Credit Agreement Amendment No. 3 dated as of August 6, 2019, among Fortress Transportation and Infrastructure Investors LLC, as borrower, Fortress Worldwide Transportation and Infrastructure General Partnership, as grantor, JPMorgan Chase Bank, N.A., Morgan Stanley Senior Funding, Inc. and Barclays Bank PLC, as lenders and issuing banks, and JPMorgan Chase Bank, N.A., as administrative agent (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K, filed on August 9, 2019).
	10.10	Credit Agreement Amendment No. 4 dated as of May 11, 2020, among Fortress Transportation and Infrastructure Investors LLC, as borrower, Fortress Worldwide Transportation and Infrastructure General Partnership, as grantor, JPMorgan Chase Bank, N.A., Morgan Stanley Senior Funding, Inc. and Barclays Bank PLC, as lenders and issuing banks, and JPMorgan Chase Bank, N.A., as administrative agent (incorporated by reference to Exhibit 10.10 of the Company's Quarterly Report on Form 10-Q, filed on July 31, 2020).
*	10.11	Engineering, Procuring and Construction Agreement dated as of February 15, 2019, between Long Ridge Energy Generation LLC and Kiewit Power Constructors Co. (incorporated by reference to Exhibit 10.17 of the Company's Quarterly Report on Form 10-Q, filed on May 3, 2019).
*	10.12	Purchase and Sale of Power Generation Equipment and Related Services Agreement dated as of February 15, 2019, between Long Ridge Energy Generation LLC and General Electric Company (incorporated by reference to Exhibit 10.18 of the Company's Quarterly Report on Form 10-Q, filed on May 3, 2019).
	10.13	First Lien Credit Agreement dated as of February 15, 2019, among Ohio River PP Holdco LLC, Ohio Gasco LLC, Long Ridge Energy Generation LLC, the lenders and issuing banks from time to time party thereto, and Cortland Capital Market Services LLC, as administrative agent (incorporated by reference to Exhibit 10.19 of the Company's Quarterly Report on Form 10-Q, filed on May 3, 2019).
	10.14	Second Lien Credit Agreement dated as of February 15, 2019, among Ohio River PP Holdco LLC, Ohio Gasco LLC, Long Ridge Energy Generation LLC, the lenders from time to time party thereto, and Cortland Capital Market Services LLC, as administrative agent (incorporated by reference to Exhibit 10.20 of the Company's Quarterly Report on Form 10-Q, filed on May 3, 2019).
†	10.15	Form of Award Agreement under the Fortress Transportation and Infrastructure Investors Nonqualified Stock Option and Incentive Award Plan (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K, filed on January 17, 2018).
	10.16	Credit Agreement, dated as of February 11, 2020, among Jefferson 2020 Bond Borrower LLC, as the borrower and Fortress Transportation and Infrastructure Investors LLC, acting through one or more affiliates, as the lender (incorporated by reference to Exhibit 10.15 of the Company's Quarterly Report on Form 10-Q, filed on May 1, 2020).
	10.17	Senior Loan Agreement, dated as of February 1, 2020, between Port of Beaumont Navigation District of Jefferson County, Texas, as issuer and Jefferson 2020 Bond Borrower LLC, as borrower (incorporated by reference to Exhibit 10.16 of the Company's Quarterly Report on Form 10-Q, filed on May 1, 2020).
	10.18	Deed of Trust, Security Agreement, Financing Statement and Fixture Filing, dated February 1, 2020, from Jefferson 2020 Bond Borrower LLC, as grantor, and Jefferson 2020 Bond Lessee LLC, as grantor, to Ken N. Whitlow, as Deed of Trust Trustee for the benefit of Deutsche Bank National Trust Company, as beneficiary (incorporated by reference to Exhibit 10.17 of the Company's Quarterly Report on Form 10-Q, filed on May 1, 2020).
	10.19	Amended and Restated Lease and Development Agreement, effective as of January 1, 2020, by and between Port of Beaumont Navigation District of Jefferson County, Texas, as lessor, and Jefferson 2020 Bond Lessee LLC, as lessee (incorporated by reference to Exhibit 10.18 of the Company's Quarterly Report on Form 10-Q, filed on May 1, 2020).
	10.20	Membership Interest Purchase Agreement, dated June 7, 2021, by and between United States Steel Corporation and Percy Acquisition LLC (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K, filed on June 8, 2021).
	10.21	Credit Agreement, dated July 28, 2021, among Fortress Transportation and Infrastructure Investors LLC, the guarantors from time to time party thereto, the lenders from time to time party thereto and Morgan Stanley Senior Funding, Inc., as administrative agent.
	10.22	Railway Services Agreement, dated July 28, 2021, by and among United States Steel Corporation, Transtar, LLC, Delray Connecting Railroad Company, Fairfield Southern Company, Inc., Gary Railway Company, Lake Terminal Railroad Company, Texas & Northern Railroad Company and Union Railroad Company, LLC.

Exhibit No.	Description
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	The following financial information from the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2021, formatted in iXBRL (Inline Extensible Business Reporting Language): (i) Consolidated Balance Sheets; (ii) Consolidated Statements of Operations; (iii) Consolidated Statements of Comprehensive Income (Loss); (iv) Consolidated Statements of Changes in Equity; (v) Consolidated Statements of Cash Flows; and (vi) Notes to Consolidated Financial Statements.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

† *Management contracts and compensatory plans or arrangements.*

* *Portions of this exhibit have been omitted.*

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized:

FORTRESS TRANSPORTATION AND INFRASTRUCTURE INVESTORS LLC

By:	/s/ Joseph P. Adams, Jr. Joseph P. Adams, Jr. Chairman and Chief Executive Officer	Date:	July 29, 2021
By:	/s/ Scott Christopher Scott Christopher Chief Financial Officer	Date:	July 29, 2021
By:	/s/ Eun Nam Eun Nam Chief Accounting Officer	Date:	July 29, 2021

Exhibit 10.21

Execution Version

CREDIT AGREEMENT

among

FORTRESS TRANSPORTATION AND INFRASTRUCTURE INVESTORS LLC,

as the Borrower,

The Guarantors
from time to time party hereto,

The Several Lenders
from time to time party hereto

and

MORGAN STANLEY SENIOR FUNDING, INC.,
as Administrative Agent,

Dated as of July 28, 2021

MORGAN STANLEY SENIOR FUNDING, INC.
and
BARCLAYS BANK PLC,

as Joint Lead Arrangers and Joint Bookrunners

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SCHEDULES:

EXHIBITS:

CREDIT AGREEMENT, dated as of July 28, 2021 among FORTRESS TRANSPORTATION AND INFRASTRUCTURE INVESTORS LLC, a Delaware limited liability company (together with any successor thereto, the "Borrower"), the Guarantors from time to time party hereto, the several banks and other financial institutions or entities from time to time party hereto (the "Lenders") and MORGAN STANLEY SENIOR FUNDING, INC. ("Morgan Stanley"), as administrative agent (in such capacity, together with any successor appointed in accordance with Section 8.6, the "Administrative Agent").

W I T N E S S E T H:

WHEREAS, capitalized terms used in these recitals and not otherwise defined shall have the respective meanings set forth for such terms in Section 1.1;

WHEREAS, in connection with that certain Membership Interest Purchase Agreement, dated as of June 7, 2021 (including the schedules, exhibits and disclosure letters thereto, the "Acquisition Agreement"), between Percy Acquisition LLC, an indirect wholly-owned subsidiary of the Borrower (the "Buyer"), and United States Steel Corporation (the "Seller") relating to the purchase and sale of 100% of the equity interests of Transtar, LLC, a Delaware limited liability company (the "Target"), pursuant to the Acquisition Agreement;

WHEREAS, in connection with the foregoing, the Borrower has requested that the Lenders extend credit in the form of Bridge Loans to the Borrower in an aggregate principal amount of $650,000,000 (the "Bridge Facility") on the Closing Date;

WHEREAS, the Borrower shall use the proceeds of the Bridge Loans, together with cash on hand, to (i) fund the Acquisition and (ii) to pay certain fees and expenses incurred in connection with or in anticipation of the foregoing, in each case, on the Closing Date; and

WHEREAS, the Lenders are willing to make available to the Borrower the Bridge Loans described herein upon the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and mutual agreements contained herein, the parties hereto agree as follows:

SECTION 1. DEFINITIONS

Section 1.1 Defined Terms. As used in this Agreement, the terms listed in this Section 1.1 shall have the respective meanings set forth in this Section 1.1.

"Accounting Change": as defined in Section 9.15 hereto.

"Acquired Indebtedness": with respect to any specified Person,

(1) Indebtedness of any other Person existing at the time such other Person is consolidated with, amalgamated or merged with or into or became a Subsidiary of such specified Person (other than as a result of a Division), including Indebtedness incurred in connection with, or in contemplation of, such other Person consolidating with, amalgamating or merging with or into or becoming a Subsidiary of such specified Person (other than as a result of a Division); and

(2) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person.

"Acquisition": the acquisition by Buyer of the Target pursuant to the Acquisition Agreement.

"Acquisition Agreement": as defined in the recitals hereto.

"Adjusted Eurodollar Rate": for any Interest Period, an interest rate *per annum* (rounded upwards, if necessary, to the next 1/16 of 1%) equal to (a) the LIBO Rate for such Interest Period multiplied by (b) the Statutory Reserve Rate. For the avoidance of doubt, if the Adjusted Eurodollar Rate shall be less than 0.50%, such rate shall be deemed to be 0.50% for purposes of this Agreement.

"Administrative Agent": as defined in the preamble hereto.

"Affected Financial Institution": (a) any EEA Financial Institution or (b) any UK Financial Institution.

"Affiliate": as to any Person, any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise.

"Affiliate Transaction": as defined in Section 6.5(a) hereto.

"Affiliated Lender": any (a) Non-Debt Fund Affiliate, (b) the Borrower and/or (c) any Subsidiary of the Borrower.

"Affiliated Lender Assignment and Acceptance": an agreement substantially in the form of Exhibit C-2.

"Agent": the Administrative Agent and any other Person appointed under the Loan Documents to serve in an agent or similar capacity.

"Agent Parties": as defined in Section 9.2 hereto.

"Aggregate Amounts Due": as defined in Section 2.14 hereto.

"Agreement": this Credit Agreement.

"Agreement Currency": as defined in Section 9.17(b) hereto.

"Anti-Money Laundering Laws": as defined in Section 3.22(a) hereto.

"Applicable Creditor": as defined in Section 9.17(b) hereto.

"Applicable Margin": (x) with respect to any Eurodollar Rate Loan, (1) 5.50% per annum for the first period of three months commencing on the Closing Date, (2) 6.00% per annum for the second period of three months commencing thereafter, (3) 6.50% per annum for the third period of three months commencing thereafter and (4) 7.00% per annum for the fourth period of three months commencing thereafter to, but excluding, the Bridge Loan Maturity Date and (y) with respect to any Base Rate Loans, (1) 4.50% per annum for the first period of three months commencing on the Closing Date, (2) 5.00% per annum for the second period of three months commencing thereafter, (3) 5.50% per annum for the third period of three months commencing thereafter and (4) 6.00% per annum for the fourth period of three months commencing thereafter to, but excluding, the Bridge Loan Maturity Date.

"Arrangers": Morgan Stanley and Barclays Bank PLC, each in its capacity as a joint lead arranger and joint bookrunner.

"Asset Sale":

(1) the sale, conveyance, transfer or other disposition, whether in a single transaction or a series of related transactions, of property or assets (including by way of a sale and leaseback) of the Borrower or any Restricted Subsidiary (each referred to in this definition as a "disposition"); or

(2) the issuance or sale of Equity Interests of any Restricted Subsidiary, whether in a single transaction or a series of related transactions (other than preferred stock of Restricted Subsidiaries issued in compliance with Section 6.3 or the issuance of directors' qualifying shares and shares issued to foreign nationals as required by applicable law);

in each case, other than:

(1) a disposition of Cash Equivalents, or dispositions of any surplus, obsolete, unnecessary, unsuitable, damaged or worn-out assets in the ordinary course of business, or dispositions of abandoned, lost, destroyed or stolen assets or assets no longer used, useful or economically practicable to maintain, or any disposition of inventory or goods held for sale in the ordinary course of business;

(2) the disposition of all or substantially all the assets of the Borrower in a manner permitted under Section 6.9 or any disposition that constitutes a Change of Control pursuant to this Agreement;

(3) the making of any Restricted Payment or Permitted Investment that is permitted to be made, and is made, under Section 6.1;

(4) any issuance or sale of Equity Interests of the Borrower;

(5) any disposition of assets or issuance or sale of Equity Interests of any Restricted Subsidiary in any transaction or series of transactions with an aggregate Fair Market Value of less than $10,000,000;

(6) any disposition of property or assets or issuance of securities by a Restricted Subsidiary to the Borrower or by the Borrower or a Restricted Subsidiary to a Restricted Subsidiary;

(7) to the extent allowable under Section 1031 of the Code, any exchange of like property (excluding any boot thereon) for use in a Similar Business;

(8) the lease, assignment, sub-lease or license of any assets or real or personal property, including the sale of assets to lease customers upon termination of any of the foregoing pursuant to the terms thereof, in each case in the ordinary course of business;

(9) the sale or lease of aircraft, engines, spare parts or similar assets, or Capital Stock of any entity, the principal assets of which consist primarily of the foregoing, in the ordinary course of business;

(10) any sale of Equity Interests in, or Indebtedness or other securities of, an Unrestricted Subsidiary;

(11) foreclosures, condemnations or any similar actions on assets;

(12) (i) any disposition of Securitization Assets in connection with any Qualified Securitization Financing and (ii) the sale or discount of accounts receivable arising (x) in connection with the Credit Facilities or (y) in the ordinary course of business in connection with the compromise or collection thereof or in bankruptcy or similar proceedings;

(13) the surrender or waiver of contract rights or the settlement, release or surrender of contract, tort or other claims of any kind, in each case, in the ordinary course of business;

(14) the creation of a Lien permitted under this Agreement;

(15) the licensing or sub-licensing of Intellectual Property and software or other general intangibles in the ordinary course of business;

(16) the unwinding of any Hedging Obligations;

(17) sales, transfers and other dispositions of Investments in joint ventures to the extent required by, or made pursuant to, customary buy/sell arrangements between the joint venture parties set forth in joint venture arrangements and similar binding arrangements;

(18) any financing transaction with respect to property built or acquired by the Borrower or any Restricted Subsidiary after the Closing Date, including sale leasebacks and asset securitizations permitted by this Agreement; and

(19) any sale of Equity Interests in Borr Drilling Limited (formerly, Magni Drilling Limited).

"Asset Sale Offer": as defined in Section 6.4(b)(1) hereto.

"Assignee": as defined in Section 9.6(c) hereto.

"Assignment and Acceptance": an agreement substantially in the form of Exhibit C-1 (or, in the case of an assignment to an Affiliated Lender, an Affiliated Lender Assignment and Acceptance).

"Assignor": as defined in Section 9.6(c) hereto.

"Available Tenor": as of any date of determination and with respect to the then-current Benchmark, as applicable, (x) if the then-current Benchmark is a term rate, any tenor for such Benchmark that is or may be used for determining the length of an Interest Period or (y) otherwise, any payment period for interest calculated with reference to such Benchmark, as applicable, pursuant to this Agreement as of such date.

"Bail-In Action": the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

"Bail-In Legislation": (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, rule, regulation or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

"Bankruptcy Event": with respect to any Person, that such Person has become the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business appointed for it, or, in the good faith determination of the Administrative Agent, has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in, any such proceeding or appointment; *provided* that a Bankruptcy Event shall not result solely by virtue of any ownership interest, or the acquisition of any ownership interest, in such Person by a Governmental Authority; *provided*, *however*, that such ownership interest does not result in or provide such Person with immunity from the jurisdiction of courts within the United States of America or from the enforcement of judgments or writs of attachment on its assets or permit such Person (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any agreements made by such Person.

"Bankruptcy Law": Title 11, U.S. Code or any similar federal or state law for the relief of debtors as amended from time to time.

"Base Rate": for any day, a rate *per annum* equal to the greatest of (a) the Prime Rate in effect on such day and (b) the NYFRB Rate in effect on such day plus ½ of 1%. Any change in the Base Rate due to a change in the Prime Rate or the NYFRB Rate shall be effective from and including the effective date of such change in the Prime Rate or the NYFRB Rate, respectively. For the avoidance of doubt, if the Base Rate shall be less than 0.50% per annum, such rate shall be deemed to be 0.50% per annum for purposes of this Agreement.

"Base Rate Loans": Bridge Loans for which the applicable rate of interest is based on the Base Rate.

"Benchmark": initially, LIBO Rate; *provided* that if a replacement of the Benchmark has occurred pursuant to Section 2.15(a), then "Benchmark" means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate. Any reference to "Benchmark" shall include, as applicable, the published component used in the calculation thereof.

"Benchmark Replacement": for any Available Tenor:

(1) For purposes of clause (a)(i) of Section 2.15, the first alternative set forth below that can be determined by the Administrative Agent:

(a) the sum of: Term SOFR and (ii) 0.11448% (11.448 basis points) for an Available Tenor of one-month's duration, 0.26161% (26.161 basis points) for an Available Tenor of three-months' duration, and 0.42826% (42.826 basis points) for an Available Tenor of six-months' duration, or

(b) the sum of: (i) Daily Simple SOFR and (ii) the spread adjustment selected or recommended by the Relevant Governmental Body for the replacement of the tenor of LIBO Rate with a SOFR-based rate having approximately the same length as the interest payment period specified in clause (a)(i) of Section 2.15; and

(2) For purposes of clause (a)(ii) of Section 2.15, the sum of (a) the alternate benchmark rate and (b) an adjustment (which may be a positive or negative value or zero), in each case, that has been selected by the Administrative Agent and the Borrower as the replacement for such Available Tenor of such Benchmark giving due consideration to any evolving or then-prevailing market convention, including any applicable recommendations made by the Relevant Governmental Body, for Dollar-denominated syndicated credit facilities at such time;

provided that, if the Benchmark Replacement as determined pursuant to clause (1) or (2) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.

"Benchmark Replacement Conforming Changes": with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Base Rate", the definition of "Business Day", the definition of "Interest Period", timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Administrative Agent decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of such Benchmark Replacement exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

"Benchmark Transition Event": with respect to any then-current Benchmark other than LIBO Rate, the occurrence of a public statement or publication of information by or on behalf of the administrator of the then-current Benchmark, the regulatory supervisor for the administrator of such Benchmark, the Board, the NYFRB, an insolvency official with jurisdiction over the administrator for such Benchmark, a resolution authority with jurisdiction over the administrator for such Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark, announcing or stating that (a) such administrator has ceased or will cease on a specified date to provide all Available Tenors of such Benchmark, permanently or indefinitely, *provided* that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark or (b) all Available Tenors of such Benchmark are or will no longer be representative of the underlying market and economic reality that such Benchmark is intended to measure and that representativeness will not be restored.

"Beneficial Ownership Certification": a certification regarding beneficial ownership as required by the Beneficial Ownership Regulation.

"Beneficial Ownership Regulation": 31 C.F.R. § 1010.230.

"BHC Act Affiliate": an "affiliate" (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

"Board": the Board of Governors of the Federal Reserve System of the United States (or any successor).

"Board of Directors": (1) with respect to any corporation, the board of directors or managers, as applicable, of the corporation, or any duly authorized committee thereof; (2) with respect to any partnership, the board of directors or other governing body of the general partner of the partnership or any duly authorized committee thereof; and (3) with respect to any other Person, the board or any duly authorized committee of such Person serving a similar function. Whenever any provision requires any action or determination to be made by, or any approval of, a Board of Directors, such action, determination or approval shall be deemed to have been taken or made if approved by a majority of the directors on any such Board of Directors (whether or not such action or approval is taken as part of a formal board meeting or as a formal board approval).

"Borrower": as defined in the preamble hereto.

"Borrower Materials": as defined in Section 9.2 hereto.

"Borrower Obligations": the collective reference to the unpaid principal of and interest on the Loans, and all other obligations and liabilities of the Borrower (including interest accruing at the then applicable rate provided herein after the maturity of the Loans and interest, fees and expenses accruing after the filing of any petition in

bankruptcy (or which, but for the filing of such petition, would be accruing), or the commencement of any insolvency, reorganization or like case or proceeding, relating to the Borrower, whether or not a claim for post-filing or post-petition interest, fees or expenses is allowed or allowable in such case or proceeding) to any Agent or any Lender, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which arise under, out of, or in connection with, this Agreement, any Guarantee Agreement or the other Loan Documents or any other document made, delivered or given in connection therewith, in each case whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses or otherwise.

"Bridge Loan": as defined in Section 2.1(a).

"Bridge Loan Facility": as defined in the recitals hereto.

"Bridge Loan Maturity Date" shall mean July 27, 2022.

"Business Day": (a) any day excluding Saturday, Sunday and any day which is a legal holiday under the laws of the State of New York or is a day on which banking institutions located in such state are authorized or required by law or other governmental action to close and (b) with respect to all notices, determinations, fundings and payments in connection with the Adjusted Eurodollar Rate, the term "Business Day" means any day which is a Business Day described in clause (a) and which is also a day for trading by and between banks in Dollar deposits in the London interbank market.

"Calculation Date": as defined in the definition of "Fixed Charge Coverage Ratio."

"Capital Markets Debt": any debt securities represented by bonds, debentures or notes (other than (i) a Qualified Securitization Financing, (ii) a debt issuance guaranteed by an export credit agency (including the Export-Import Bank of the United States of America) or (iii) any Jefferson Project Indebtedness or any obligations with respect thereof), in each case, issued in the capital markets by the Borrower or any Subsidiary, whether issued in a public offering or private placement, including pursuant to Section 4(a)(2) of the Securities Act or Rule 144A, Regulation S or Regulation D under the Securities Act.

"Capital Stock":

(1) in the case of a corporation, corporate stock;

(2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;

(3) in the case of a partnership, limited liability company or business trust, partnership, membership or beneficial interests (whether general or limited) or shares in the capital of a company; and

(4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person (but excluding from the foregoing any debt securities convertible into Capital Stock, whether or not such debt securities include any right of participation with Capital Stock).

"Capitalized Lease Obligations": an obligation that is required to be classified and accounted for as a capital lease for financial reporting purposes in accordance with GAAP, and the amount of Indebtedness represented by such obligation shall be, at the time any determination thereof is to be made, the amount of the liability in respect of a capital lease that would at such time be required to be capitalized and reflected as a liability on a balance sheet (excluding the footnotes thereto) in accordance with GAAP, and the stated maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be

prepaid or terminated by the lessee without payment of a penalty; *provided* that leases that are required to be classified and accounted for as capital leases in accordance with GAAP solely because of the duration of the term of the lease or the fact that the present value of the minimum lease payments of the equipment subject to such lease exceeds 90.0% of the Fair Market Value of such equipment shall not be deemed to be Capitalized Lease Obligations.

"Cash Equivalents":

(1) United States dollars;

(2) pounds sterling;

(3) (a) euro, or any national currency of any participating member state in the European Union;

(b) Canadian dollars;

(c) Australian dollars; or

(d) in the case of any Foreign Subsidiary that is a Restricted Subsidiary, such local currencies held by them from time to time in the ordinary course of business;

(4) securities issued or directly and fully and unconditionally guaranteed or insured by the United States of America or Canadian government or any agency or instrumentality thereof the securities of which are unconditionally guaranteed as a full faith and credit obligation of such government with maturities of 24 months or less from the date of acquisition;

(5) certificates of deposit, time deposits and eurodollar time deposits with maturities of 24 months or less from the date of acquisition, bankers' acceptances with maturities not exceeding 24 months and overnight bank deposits, in each case with any commercial bank having capital and surplus in excess of $500,000,000;

(6) repurchase obligations for underlying securities of the types described in clauses (4) and (5) of this definition entered into with any financial institution meeting the qualifications specified in clause (5) of this definition;

(7) commercial paper rated at least P-2 by Moody's or at least A-2 by S&P and in each case maturing within 24 months after the date of creation thereof;

(8) investment funds investing 95% of their assets in securities of the types described in clauses (1) through (7) of this definition;

(9) readily marketable direct obligations issued by any state of the United States of America or any political subdivision thereof or any Province of Canada having one of the two highest rating categories obtainable from either Moody's or S&P with maturities of 24 months or less from the date of acquisition; and

(10) Indebtedness or preferred stock issued by Persons with a rating of "A" or higher from S&P or "A2" or higher from Moody's with maturities of 24 months or less from the date of acquisition.

Notwithstanding the foregoing, Cash Equivalents shall include amounts denominated in currencies other than those set forth in clauses (1) through (3) of this definition; *provided* that such amounts are converted into any

currency listed in clauses (1) through (3) of this definition as promptly as practicable and in any event within ten Business Days following the receipt of such amounts.

"Change in Law": the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; *provided* that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law," regardless of the date enacted, adopted or issued.

"Change of Control":

(1) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), other than one or more Permitted Holders, is or becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of shares representing more than 50.0% of the voting power of the Borrower's Voting Stock; or

(2) (a) all or substantially all the assets of the Borrower and the Restricted Subsidiaries, taken as a whole, are sold or otherwise transferred to any Person other than a Wholly-Owned Restricted Subsidiary or one or more Permitted Holders or (b) the Borrower consolidates, amalgamates or merges with or into another Person or any Person consolidates, amalgamates or merges with or into the Borrower, in either case under this clause (2), in one transaction or a series of related transactions in which immediately after the consummation thereof Persons beneficially owning (as defined in Rules 13d-3 and 13d-5 under the Exchange Act) Voting Stock representing in the aggregate a majority of the total voting power of the Voting Stock of the Borrower immediately prior to such consummation do not beneficially own (as defined in Rules 13d-3 and 13d-5 under the Exchange Act) Voting Stock representing a majority of the total voting power of the Voting Stock of the Borrower, or the applicable surviving or transferee Person; *provided* that this clause (2) shall not apply (i) in the case where immediately after the consummation of the transactions Permitted Holders beneficially own Voting Stock representing in the aggregate a majority of the total voting power of the Borrower, or the applicable surviving or transferee Person, or (ii) to any consolidation, amalgamation or merger of the Borrower with or into (x) a corporation, limited liability company or partnership or (y) a wholly-owned subsidiary of a corporation, limited liability company or partnership that, in either case, immediately following the transaction or series of transactions, has no Person or group (other than Permitted Holders), which beneficially owns Voting Stock representing 50.0% or more of the voting power of the total outstanding Voting Stock of such entity and, in the case of clause (y), the parent of such wholly-owned subsidiary guarantees the Borrower Obligations.

For purposes of this definition, any direct or indirect holding company of the Borrower shall not itself be considered a "person" or "group" for purposes of clause (1) of this definition; *provided* that no "person" or "group" (other than the Permitted Holders) beneficially owns, directly or indirectly, more than 50.0% of the total voting power of the Voting Stock of such holding company.

"Closing Date": July 28, 2021.

"Code": the Internal Revenue Code of 1986, as amended.

"Commitment": the commitment of a Lender to make or otherwise fund a Bridge Loan and "Commitments" means such commitments of all Lenders in the aggregate. The amount of each Lender's Commitment is set forth on Schedule 1.1. The aggregate amount of the Commitments as of the Closing Date is $650,000,000.

"Commonly Controlled Entity": an entity, whether or not incorporated, that is under common control with the Borrower within the meaning of Section 4001(a)(14) of ERISA or is part of a group that includes the Borrower and that is treated as a single employer under Section 414(b), (c), (m) or (o) of the Code.

"Compliance Certificate": a certificate duly executed by a Responsible Officer of the Borrower, substantially in the form of Exhibit A.

"Connection Income Taxes": Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

"Consolidated Depreciation and Amortization Expense": with respect to any Person for any period, the total amount of depreciation and amortization expense, including any amortization of deferred financing fees, amortization in relation to terminated Hedging Obligations and amortization of lease discounts and premiums and lease incentives, but excluding any items which are classified as Consolidated Interest Expense in accordance with GAAP, of such Person and its Restricted Subsidiaries for such period on a consolidated basis and otherwise determined in accordance with GAAP.

"Consolidated Interest Expense": with respect to any Person for any period, the sum, without duplication, of:

(1) consolidated interest expense of such Person and its Restricted Subsidiaries for such period, to the extent such expense was deducted in computing Consolidated Net Income (including (i) amortization of original issue discount resulting from the issuance of Indebtedness at less than par, (ii) non-cash interest payments (but excluding any non-cash interest expense attributable to the movement in the mark to market valuation of or hedge ineffectiveness expenses of Hedging Obligations or other derivative instruments pursuant to Financial Accounting Standards Board Statement No. 133 —"Accounting for Derivative Instruments and Hedging Activities"), and (iii) all commissions, discounts and other fees and charges owed with respect to letters of credit or relating to any Qualified Securitization Financing; and *excluding* (i) non-cash interest expense attributable to the amortization of gains or losses resulting from the termination prior to the Closing Date of Hedging Obligations, (ii) the interest component of Capitalized Lease Obligations and net payments, if any, pursuant to interest rate Hedging Obligations, (iii) amortization of deferred financing fees, debt issuance costs, commissions, fees and expenses and any expensing of other financing fees (including any expense resulting from bridge, commitment and other financing fees), (iv) amortization of fair value debt discounts and (v) any expense resulting from the application of debt modification accounting or, if applicable, purchase accounting in connection with any acquisition), and

(2) consolidated capitalized interest of such Person and its Restricted Subsidiaries for such period, whether paid or accrued, *less*

(3) interest income for such period.

"Consolidated Net Income": with respect to any Person for any period, the aggregate of the Net Income, of such Person and its Restricted Subsidiaries for such period, on a consolidated basis, and otherwise determined in accordance with GAAP; *provided* that:

(1) any net after tax extraordinary, non-recurring or unusual gains or losses, including sales or other dispositions of assets under a Securitization Financing other than in the ordinary course of business (less all fees and expenses relating thereto) or expenses (including relating to severance, relocation and new product introductions) shall be excluded;

(2) the Net Income for such period shall not include the cumulative effect of a change in accounting principles during such period;

(3) any net after-tax income (loss) from disposed or discontinued operations and any net after-tax gains or losses on disposal of disposed or discontinued operations (including operations disposed of during such period whether or not such operations were classified as discontinued) shall be excluded;

(4) any net after-tax gains or losses (less all fees and expenses relating thereto) attributable to asset dispositions other than in the ordinary course of business, as determined in good faith by such Person, shall be excluded;

(5) the Net Income for such period of any Person that is not a Subsidiary, or is an Unrestricted Subsidiary, or that is accounted for by the equity method of accounting, shall be excluded; *provided*, *however*, that Consolidated Net Income of the Borrower shall be increased by the amount of dividends or distributions or other payments that are actually paid in cash (or to the extent converted into cash) to the referent Person or a Restricted Subsidiary thereof in respect of such period;

(6) solely for the purpose of determining the amount available for Restricted Payments under Section 6.1(a)(3)(A) the Net Income for such period of any Restricted Subsidiary shall be excluded to the extent that the declaration or payment of dividends or similar distributions by that Restricted Subsidiary of its Net Income is not at the date of determination wholly permitted without any prior governmental approval (which has not been obtained) or, directly or indirectly, by the operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule, or governmental regulation applicable to that Restricted Subsidiary or its shareholders, unless such restriction with respect to the payment of dividends or in similar distributions has been legally waived; *provided*, *however*, that Consolidated Net Income of the Borrower will be increased by the amount of dividends or other distributions or other payments actually paid in cash (or to the extent converted into cash) to the Borrower or a Restricted Subsidiary thereof in respect of such period, to the extent not already included therein;

(7) the effects of adjustments resulting from the application of recapitalization accounting or purchase accounting in relation to any acquisition that is consummated after the Closing Date or the amortization or write-off of any amounts thereof, net of taxes, shall be excluded;

(8) any net after-tax loss from the early extinguishment of Indebtedness or Hedging Obligations or other derivative instruments shall be excluded;

(9) any net after-tax impairment charge or asset write-off pursuant to Financial Accounting Standards Board Statement No. 142 and No. 144 and the amortization of intangibles arising pursuant to No. 141 shall be excluded;

(10) any net after-tax gain (loss) arising from changes in the fair value of derivatives shall be excluded;

(11) any net after-tax valuation allowance against a deferred tax asset shall be excluded;

(12) amortization of (i) fair value lease premiums and discounts, (ii) lease incentives, (iii) fair value debt discounts, and (iv) debt discounts in respect of Indebtedness issued prior to the Closing Date shall be excluded;

(13) any restoration to income of any contingency reserve of an extraordinary, nonrecurring or unusual nature, except to the extent that provision for such reserve was made out of Consolidated Net Income accrued at any time following the Closing Date shall be excluded;

(14) any net after-tax effect of accretion of accrued interest on discounted liabilities shall be excluded;

(15) any non-cash tax expense pursuant to reversals of deferred tax assets shall be excluded; and

(16) any net after-tax effect of non-cash compensation expense recorded from grants of stock appreciation or similar rights, stock options or other rights to officers, directors or employees shall be excluded.

In addition, to the extent not already included in the Consolidated Net Income of such Person and its Restricted Subsidiaries, notwithstanding anything to the contrary in the foregoing, Consolidated Net Income shall include the amount of proceeds received from business interruption insurance and reimbursements of any expenses and charges that are covered by indemnification or other reimbursement provisions in connection with any Permitted Investment or any sale, conveyance, transfer or other disposition of assets permitted under this Agreement.

Notwithstanding the foregoing, for the purpose of Section 6.1 only (other than Section 6.1(a)(3)(D) thereof), there shall be excluded from Consolidated Net Income any income arising from any sale or other disposition of Restricted Investments made by the Borrower and the Restricted Subsidiaries, any repurchases and redemptions of Restricted Investments from the Borrower and the Restricted Subsidiaries, any repayments of loans and advances which constitute Restricted Investments by the Borrower or any Restricted Subsidiary, any sale of the stock of an Unrestricted Subsidiary or any distribution or dividend from an Unrestricted Subsidiary, in each case only to the extent such amounts increase the amount of Restricted Payments permitted under Section 6.1 pursuant to Section 6.1(a)(3)(D) thereof.

"Contingent Obligations": with respect to any Person, any obligation of such Person guaranteeing any leases, dividends or other obligations that do not constitute Indebtedness ("primary obligations") of any other Person (the "primary obligor") in any manner, whether directly or indirectly, including any obligation of such Person, whether or not contingent:

(1) to purchase any such primary obligation or any property constituting direct or indirect security therefor;

(2) to advance or supply funds:

(A) for the purchase or payment of any such primary obligation, or

(B) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; or

(3) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation against loss in respect thereof.

"Continuation Date": the effective date of a continuation or conversion, as the case may be, as set forth in the applicable Continuation Notice.

"Continuation Notice": a Continuation Notice substantially in the form of Exhibit G-2.

"Contractual Obligation": as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its Property is bound.

"Control Investment Affiliate": as to any Person, any other Person that (a) directly or indirectly, is in control of, is controlled by, or is under common control with, such Person and (b) exists primarily for the purpose of making equity or debt investments in one or more companies. For purposes of this definition, "control" of a Person means the power, directly or indirectly, to direct or cause the direction of the management and policies of such Person, whether by contract or otherwise.

"Corresponding Tenor": with respect to a Benchmark Replacement means a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the applicable Interest Period with respect to the LIBO Rate.

"Covered Party": as defined in Section 9.22 hereto.

"Covered Entity": any of the following:

(i) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);

(ii) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or

(iii) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

"Credit Facilities": one or more debt facilities, indentures or commercial paper facilities providing for revolving credit loans, term loans, notes, debentures, receivables financing (including through the sale of receivables to such lenders or to special purpose entities formed to borrow from such lenders against receivables), letters of credit or other long-term indebtedness, including any guarantees, collateral documents, mortgages, instruments and agreements executed in connection therewith, and any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings thereof and any indentures or credit facilities or commercial paper facilities with banks or other institutional lenders or investors that replace, refund or refinance any part of the loans, notes, other credit facilities or commitments thereunder, including any such replacement, refunding or refinancing facility or indenture that increases the amount borrowable thereunder or alters the maturity thereof. For purposes of Section 6.7, any Jefferson Project Indebtedness shall be deemed not to be a "Credit Facility."

"Credit Party": the Administrative Agent and each Lender.

"Daily Simple SOFR": for any day, SOFR, with the conventions for this rate (which will include a lookback) being established by the Administrative Agent in accordance with the conventions for this rate recommended by the Relevant Governmental Body for determining "Daily Simple SOFR" for syndicated business loans; *provided*, that if the Administrative Agent decides that any such convention is not administratively feasible for the Administrative Agent, then the Administrative Agent may establish another convention in its reasonable discretion.

"Debt Fund Affiliate": any Affiliate of the Borrower, Fortress or a Permitted Investor (other than a natural person, the Borrower or any of its Subsidiaries) that is a bona fide debt fund or investment vehicle that is primarily engaged in, or advises (or whose general partner or manager advises (as appropriate)) funds or other investment vehicles that are primarily engaged in, making, purchasing, holding or otherwise investing in commercial loans, bonds and similar extensions of credit or securities in the ordinary course and with respect to which no personnel making investment decisions in respect of such affiliate are engaged in making investment decisions with respect to the equity investment in the Borrower and its Subsidiaries.

"Debt to Total Capitalization Ratio": as of any date of determination, the ratio of (x) total Indebtedness of the Borrower and the Restricted Subsidiaries to (y) the sum of (i) total Indebtedness of the Borrower and the Restricted Subsidiaries and (ii) total equity of the Borrower and the Restricted Subsidiaries, in each case, on a consolidated basis as reflected on the most recently available quarterly balance sheet of the Borrower prepared in accordance with GAAP immediately preceding the date on which such event for which such calculation is being made shall occur, in each case, with such *pro forma* adjustments as are appropriate and consistent with the *pro forma* adjustment provisions set forth in the definition of "Fixed Charge Coverage Ratio."

"Debtor Relief Laws": the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, examinership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

"Default": any of the events or conditions specified in Section 7.1, whether or not any requirement for the giving of notice, the lapse of time, or both, has been satisfied.

"Defaulting Lender": any Lender that:

(a) has failed, within two Business Days of the date required to be funded or paid, (i) to fund any portion of its Bridge Loans or (ii) to pay to any Credit Party any other amount required to be paid by it hereunder, unless, in the case of clause (i) above, such Lender notifies the Administrative Agent in writing that such failure is the result of such Lender's good faith determination that a condition precedent to funding (specifically identified in such writing, including, if applicable, by reference to a specific Default) has not been satisfied,

(b) has notified the Borrower or any Credit Party in writing, or has made a public statement to the effect, that it does not intend or expect to comply with any of its funding obligations under this Agreement (unless such writing or public statement indicates that such position is based on such Lender's good-faith determination that a condition precedent (specifically identified in such writing, including, if applicable, by reference to a specific Default) to funding a Bridge Loan cannot be satisfied) or generally under other agreements in which it commits to extend credit,

(c) has failed, within three Business Days after request by a Credit Party made in good faith to provide a certification in writing from an authorized officer of such Lender that it will comply with its obligations to fund prospective Bridge Loans, *provided* that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon such Credit Party's receipt of such certification in form and substance satisfactory to it and the Administrative Agent, or

(d) has, or has a direct or indirect parent company that has, become the subject of a Bankruptcy Event or Bail-In Action.

Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above shall be conclusive and binding absent manifest error, and such Lender shall be

deemed to be a Defaulting Lender (subject to Section 2.19) upon delivery of written notice of such determination to the Borrower and each other Lender.

"Default Right": the meaning assigned to that term in, and interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

"Demand Failure Event": as defined in the Fee Letter.

"Demand Notes": the issued debt securities of the Borrower issued pursuant to the Fee Letter.

"Description of Exchange Notes": the description of exchange notes attached hereto as Exhibit I (with such changes therein as the Borrower may request and the Administrative Agent may approve, such approval not to be unreasonably withheld, conditioned or delayed).

"Designated Non-cash Consideration": the Fair Market Value of noncash consideration received by the Borrower or a Restricted Subsidiary in connection with an Asset Sale that is so designated as Designated Non-cash Consideration pursuant to an Officers' Certificate, setting forth the basis of such valuation, executed by a senior vice president or the principal financial officer of the Borrower, less the amount of cash or Cash Equivalents received in connection with a subsequent sale of such Designated Non-cash Consideration.

"Designated Preferred Stock": preferred stock of the Borrower that is issued after March 15, 2017 for cash and is designated as Designated Preferred Stock, the cash proceeds of which are contributed to the capital of the Borrower and excluded from the calculation set forth in Section 6.1(a)(3).

"Disposition": with respect to any Property, any sale, lease, license, sale and leaseback, assignment, conveyance, transfer, exchange or other disposition thereof (or the granting of any option or other right to do any of the foregoing), including any sale, assignment, transfer or other disposal (and whether effected pursuant to a Division or otherwise), with or without recourse, of any notes or accounts receivable or any rights and claims associated therewith; and the terms "Dispose" and "Disposed of" shall have correlative meanings.

"Disqualified Institution" means (a) certain Persons previously identified by name in writing by the Borrower to the Arrangers on or prior to the Closing Date, (b) any Person that is a competitor of the Borrower and/or any of its Subsidiaries that in either case has been identified by name in writing by the Borrower to the Administrative Agent and (c) any Affiliate of any Person described in (a) or (b) above (other than a Debt Fund Affiliate of any Person described in clause (b) above) identified by name in writing by the Borrower to the Administrative Agent or that is clearly identifiable as an Affiliate of a Person described in clause (a) or (b) above solely on the basis of such Affiliate's name; *provided* that no such written notice or identification shall apply retroactively to disqualify any Person that has previously acquired an assignment or participation interest in the Bridge Loans or Commitments that were effective prior to the effective date of such designation.

"Disqualified Stock": with respect to any Person, any Capital Stock of such Person which, by its terms, or by the terms of any security into which it is convertible or for which it is putable or exchangeable, or upon the happening of any event, matures or is mandatorily redeemable, other than as a result of a change of control or asset sale, pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof, other than as a result of a change of control or asset sale, in whole or in part, in each case prior to the date 91 days after the Extended Term Loan Maturity Date; *provided* that if such Capital Stock is issued to any plan for the benefit of employees of the Borrower or its Subsidiaries or by any such plan to such employees, such Capital Stock shall not constitute Disqualified Stock solely because it may be required to be repurchased by the Borrower or its Subsidiaries in order to satisfy applicable statutory or regulatory obligations.

"Dividing Person": as defined in the definition of "Division."

"Division": the division of the assets, liabilities and/or obligations of a Person (the "Dividing Person") among two or more Persons (whether pursuant to a "plan of division" or similar arrangement), which may or may not include the Dividing Person and pursuant to which the Dividing Person may or may not survive.

"Dollars" and "$": dollars in lawful currency of the United States of America.

"DTC": The Depository Trust Company or any successor securities clearing agency.

"Early Opt-in Effective Date": with respect to any Early Opt-in Election, the sixth (6^{th}) Business Day after the date notice of such Early Opt-in Election is provided to the Lenders, so long as the Administrative Agent has not received, by 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Early Opt-in Election is provided to the Lenders, written notice of objection to such Early Opt-in Election from Lenders comprising the Required Lenders.

"Early Opt-in Election": the occurrence of:

(1) a notification by the Administrative Agent to (or the request by the Borrower to the Administrative Agent to notify) each of the other parties hereto that at least five currently outstanding Dollar-denominated syndicated credit facilities at such time contain (as a result of amendment or as originally executed) a SOFR-based rate (including SOFR, a term SOFR or any other rate based upon SOFR) as a benchmark rate (and such syndicated credit facilities are identified in such notice and are publicly available for review), and

(2) the joint election by the Administrative Agent and the Borrower to trigger a fallback from LIBO Rate and the provision by the Administrative Agent of written notice of such election to the Lenders.

"EBITDA": with respect to any Person for any period, the Consolidated Net Income of such Person for such period, *plus* (without duplication):

(1) collections of the principal portion of any direct finance leases; *plus*

(2) provision for taxes based on income or profits, *plus* franchise or similar taxes, of such Person for such period deducted in computing Consolidated Net Income; *plus*

(3) Consolidated Interest Expense (and other components of Fixed Charges to the extent changes in GAAP after the Closing Date result in such components reducing Consolidated Net Income) of such Person for such period to the extent the same was deducted in calculating such Consolidated Net Income, including any noncash interest charges calculated in accordance with GAAP; *plus*

(4) Consolidated Depreciation and Amortization Expense of such Person for such period to the extent such depreciation and amortization were deducted in computing Consolidated Net Income; *plus*

(5) any fees, expenses or charges, or any amortization thereof, related to any Equity Offering, Permitted Investment, acquisition, disposition, recapitalization or Indebtedness permitted to be incurred by this Agreement (whether or not successful) or any repayment of Indebtedness, including such fees, expenses or charges related to the offering of the Notes, and deducted in computing Consolidated Net Income, and including, in each case, any such transaction consummated prior to the Closing Date and any such transaction undertaken but not completed, and any charges or non-recurring costs incurred during such period as a result of any such transaction; *plus*

(6) any loss (or minus any gain) related to the disposition of assets; *plus*

(7) the amount of any restructuring charge or reserve deducted in such period in computing Consolidated Net Income, including any one-time costs incurred in connection with acquisitions after the Closing Date; *plus*

(8) any other non-cash charges reducing Consolidated Net Income for such period, excluding any such charge that represents an accrual or reserve for a cash expenditure for a future period; *plus*

(9) the amount of any non-controlling interest expense deducted in calculating Consolidated Net Income (less the amount of any cash dividends paid to the holders of such minority interests); *plus*

(10) expenses related to the implementation of new accounting pronouncements and other regulatory requirements; *plus*

(11) any net loss (or minus any gain) resulting from currency exchange risk Hedging Obligations; *plus*

(12) foreign exchange loss (or minus any gain) on debt; *plus*

(13) Securitization Fees and the amount of loss on sale of Securitization Assets and related assets to a Securitization Subsidiary in connection with a Qualified Securitization Financing, to the extent deducted in determining Consolidated Net Income; *less*

(15) non-cash items increasing Consolidated Net Income of such Person for such period, excluding any items which represent the reversal of any accrual of, or cash reserve for, anticipated cash charges in any prior period; *plus*

(15) any other extraordinary, non-recurring or unusual losses (or minus any other extraordinary, non-recurring or unusual gain); *plus*

(16) other recurring cash revenue received;

all as determined on a consolidated basis for such Person and its Restricted Subsidiaries in accordance with GAAP.

"EEA Financial Institution": (a) any institution established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition or (c) any institution established in an EEA Member Country which is a subsidiary of an institution described in clause (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"EEA Member Country": (a) any of the member states of the European Union, (b) Iceland, (c) Liechtenstein and (d) Norway.

"EEA Resolution Authority": any public administrative authority or any Person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"Electronic Signature": an electronic sound, symbol, or process attached to, or associated with, a contract or other record and adopted by a person with the intent to sign, authenticate or accept such contract or record.

"Environment": ambient air, indoor air, surface water, drinking water, groundwater, land surface, subsurface strata, sediments and natural resources such as wetlands, flora and fauna.

"Environmental Claim": any investigation, notice, notice of violation, claim, action, suit, proceeding, demand, abatement order, or other order or directive (conditional or otherwise), by any Governmental Authority or any other Person, arising (a) pursuant to or in connection with any actual or alleged violation of any Environmental Law; (b) in connection with the presence, Release of, or exposure to, any Hazardous Materials; or (c) in connection with any actual or alleged damage, injury, threat, or harm to the Environment.

"Environmental Laws": any and all Laws regulating, relating to or imposing liability or standards of conduct concerning pollution, protection or regulation of the Environment or human health or safety in connection with exposure to Hazardous Materials, as has been, is now, or may at any time hereafter be, in effect and including the common law insofar as it relates to any of the foregoing.

"Environmental Permits": any and all Permits required under, or issued pursuant to, any Environmental Law and including the common law insofar as it relates to any of the foregoing.

"Equity Interests": Capital Stock and all warrants, options or other rights to acquire Capital Stock, but excluding any debt security that is convertible into, or exchangeable for, Capital Stock.

"Equity Offering": any public or private sale of common shares or preferred shares of the Borrower (excluding Disqualified Stock), other than:

(1) public offerings with respect to the Borrower's common shares registered on Form S-8; and

(2) any sales to the Borrower or any of its Subsidiaries.

"ERISA": the Employee Retirement Income Security Act of 1974, amended, and the rules and regulations promulgated thereunder.

"Erroneous Payment": as defined in Section 8.10(a) hereto.

"Erroneous Payment Deficiency Assignment": as defined in Section 8.10(d) hereto.

"Erroneous Payment Impacted Loans": as defined in Section 8.10(d) hereto.

"Erroneous Payment Return Deficiency": as defined in Section 8.10(d) hereto.

"Erroneous Payment Subrogation Rights": as defined in Section 8.10(d) hereto.

"EU Bail-In Legislation Schedule": the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor Person), as in effect from time to time.

"Eurodollar Rate Loan": a Bridge Loan bearing interest at a rate determined by reference to the Adjusted Eurodollar Rate.

"Event of Default": any of the events or conditions specified in Section 7.1(a); *provided* that any requirement for the giving of notice, the lapse of time, or both, has been satisfied.

"Exchange Act": the Securities Exchange Act of 1934, and the rules and regulations of the SEC promulgated thereunder.

"Exchange Date": as defined in Section 10.2(a) hereto.

"Exchange Notes": (a) senior notes due on the Extended Term Loan Maturity Date, to be issued in connection with an exchange of the Extended Term Loans under the Exchange Notes Indenture on or after the date of such exchange and (b) any modification, replacement, refinancing, refunding, renewal or extension thereof.

"Exchange Notes Indenture": an indenture in a form substantially consistent with that certain Indenture, dated as of April 12, 2021 (as amended, supplemented, replaced or otherwise modified), by and among the Borrower and U.S. Bank National Association, as trustee, as modified to incorporate the terms set forth in the Description of Exchange Notes, if and when executed and delivered by the Borrower and the Exchange Notes Trustee, as amended, waived, supplemented, replaced or otherwise modified from time to time.

"Exchange Notes Trustee": the trustee under the Exchange Notes Indenture.

"Exchange Request": as defined in Section 10.2(a) hereto.

"Excluded Contribution": net cash proceeds, marketable securities or Qualified Proceeds received by the Borrower from:

(1) contributions to its common equity capital; and

(2) the sale (other than to a Subsidiary of the Borrower or to any management equity plan or stock option plan or any other management or employee benefit plan or agreement or any distributor equity plan or agreement of the Borrower) of Capital Stock (other than Disqualified Stock and Designated Preferred Stock) of the Borrower, in each case, designated as Excluded Contributions and excluded from the calculation set forth in Section 6.1(a)(3).

"Extended Term Loan Maturity Date": July 28, 2029.

"Extended Term Loans": as defined in Section 2.9.

"Fair Market Value": the value that would be paid by a willing buyer to an unaffiliated willing seller in a transaction not involving distress or necessity of either party, determined in good faith by the chief executive officer, chief financial officer, chief accounting officer or controller of the Borrower or the Restricted Subsidiary, which determination will be conclusive (unless otherwise provided in this Agreement).

"FASB": the Financial Accounting Standards Board of the American Institute of Certified Public Accountants.

"FATCA": as defined in Section 2.17(a) hereto.

"FCPA": as defined in Section 3.22(b) hereto.

"Federal Funds Effective Rate": for any day, the rate calculated by the NYFRB based on such day's federal funds transactions by depositary institutions, as determined in such manner as the NYFRB shall set forth on its public website from time to time, and published on the next succeeding Business Day by the NYFRB as the effective federal funds rate, *provided* that if the Federal Funds Effective Rate as so determined would be less than zero, such rate shall be deemed to zero for the purposes of this Agreement.

"Federal Reserve Bank of New York's Website": the NYFRB website at http://www.newyorkfed.org, or any successor source.

"Fee Letter": that certain Fee Letter, dated as of June 7, 2021, by and among the Borrower, Morgan Stanley and Barclays Bank PLC, as amended restated, amended and restated, supplemented or otherwise modified from time to time.

"Fitch": Fitch Ratings or any of its successors or assigns that is a nationally recognized statistical rating organization within the meaning of Rule 3(a)(62) under the Exchange Act.

"Fixed Charge Coverage Ratio": with respect to any Person for any period, the ratio of EBITDA of such Person for such period to the Fixed Charges of such Person for such period. In the event that the Borrower or any Restricted Subsidiary incurs, assumes, guarantees, redeems, retires or extinguishes any Indebtedness (other than reductions in amounts outstanding under revolving facilities unless accompanied by a corresponding termination of commitment) or issues or redeems Disqualified Stock or preferred stock subsequent to the commencement of the period for which the Fixed Charge Coverage Ratio is being calculated but prior to the event for which the calculation of the Fixed Charge Coverage Ratio is made (the "Calculation Date"), then the Fixed Charge Coverage Ratio shall be calculated giving *pro forma* effect to such incurrence, assumption, guarantee or redemption, retirement or extinguishment of Indebtedness, or such issuance or redemption of Disqualified Stock or preferred stock, as if the same had occurred at the beginning of the applicable four-quarter period.

For purposes of making the computation referred to in the first paragraph of this definition, Investments, acquisitions, dispositions, amalgamations, mergers, consolidations and disposed operations (as determined in accordance with GAAP) that have been made by the Borrower or any Restricted Subsidiary during the four-quarter reference period or subsequent to such reference period and on or prior to or simultaneously with the Calculation Date shall be calculated on a *pro forma* basis assuming that all such Investments, acquisitions, dispositions, amalgamations, mergers, consolidations and disposed operations (and the change in any associated fixed charge obligations and the change in EBITDA resulting therefrom) had occurred on the first day of the four-quarter reference period. If since the beginning of such period any Person (that subsequently became a Restricted Subsidiary or was consolidated, amalgamated or merged with or into the Borrower or any Restricted Subsidiary since the beginning of such period) shall have made any Investment, acquisition, disposition, amalgamation, merger, consolidation or disposed operation that would have required adjustment pursuant to this definition, then the Fixed Charge Coverage Ratio shall be calculated giving *pro forma* effect thereto for such period as if such Investment, acquisition, disposition, amalgamation, merger, consolidation or disposed operation had occurred at the beginning of the applicable four-quarter period.

For purposes of this definition, whenever *pro forma* effect is to be given to a transaction, the *pro forma* calculations shall be made in good faith by a responsible financial or accounting officer of the Borrower (including *pro forma* expense and cost reductions, regardless of whether these cost savings could then be reflected in *pro forma* financial statements in accordance with Regulation S-X promulgated under the Securities Act or any other regulation or policy of the SEC related thereto). If any Indebtedness bears a floating rate of interest and is being given *pro forma* effect, the interest on such Indebtedness shall be calculated as if the rate in effect on the Calculation Date had been the applicable rate for the entire period (taking into account any Hedging Obligations applicable to such Indebtedness). Interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by a responsible financial or accounting officer of the Borrower to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with GAAP. For purposes of making the computation referred to in the first paragraph of this definition, interest on any Indebtedness under a revolving credit facility computed on a *pro forma* basis shall be computed based upon the average daily balance of such Indebtedness during the applicable period. Interest on Indebtedness that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rate, shall be deemed to have been based upon the rate actually chosen, or, if none, then based upon such optional rate chosen as the Borrower may designate.

"Fixed Charges": with respect to any Person for any period, the sum of:

(1) Consolidated Interest Expense;

(2) all cash dividend payments (excluding items eliminated in consolidation) on any series of preferred stock (including any series of Designated Preferred Stock) or any Refunding Capital Stock of such Person; and

(3) all cash dividend payments (excluding items eliminated in consolidation) on any series of Disqualified Stock.

"Floor": the benchmark rate floor, if any, provided in this Agreement initially (as of the execution of this Agreement, the modification, amendment or renewal of this Agreement or otherwise) with respect to LIBO Rate.

"Foreign Employee Benefit Plan": any employee benefit plan as defined in Section 3(3) of ERISA which is maintained or contributed to for the benefit of the employees of the FTAI Group Members, but which is not covered by ERISA pursuant to ERISA Section 4(b)(4).

"Foreign Lender": as defined in Section 2.17(g) hereto.

"Foreign Subsidiary": with respect to any Person, any Subsidiary of such Person that is not organized or existing under the laws of the United States of America, any state thereof or the District of Columbia.

"Fortress": Fortress Investment Group LLC.

"FTAI Group Members": the Borrower and each Restricted Subsidiary of the Borrower.

"FTAI Pride": FTAI Pride LLC, a limited liability company organized in the Marshall Islands.

"Funding Notice": a notice substantially in the form of Exhibit G-1.

"GAAP": generally accepted accounting principles in the United States of America which are in effect on the Closing Date (except with respect to accounting for capital leases, as to which such principles in effect for the Borrower on December 31, 2018 shall apply). At any time after the Closing Date, the Borrower may elect to apply IFRS accounting principles in lieu of GAAP for purposes of calculations hereunder and, upon any such election, references herein to GAAP shall thereafter be construed to mean IFRS (except as otherwise provided in this Agreement); *provided* that calculation or determination in this Agreement that requires the application of GAAP for periods that include fiscal quarters ended prior to the Borrower's election to apply IFRS shall remain as previously calculated or determined in accordance with GAAP. The Borrower shall give notice of any such election made in accordance with this definition to the Administrative Agent.

"General Partner": Fortress Transportation and Infrastructure Master GP LLC.

"Governmental Authority": any federal, state, provincial, municipal, national or other government, governmental department, commission, board, bureau, authority, court, central bank, agency, regulatory body or instrumentality or political subdivision thereof or any entity, officer or examiner exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to any government or any court, in each case whether associated with a state of the United States, the United States, or a foreign entity or government (including any supranational bodies such as the European Union or the European Central Bank).

"Granting Lender": as defined in Section 9.6(g) hereto.

"Guarantee": the guarantee by any Guarantor of the Obligations.

"Guarantee Agreements": collectively, (a) the Guarantee Agreement, substantially in the form of Exhibit E, in favor of the Administrative Agent for the benefit of the Lenders and governed by the Laws of the State of New York, and (b) any such other guarantee made in favor of the Administrative Agent for the benefit of the Lenders in form and substance reasonably satisfactory to the Administrative Agent, in each case, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"Guarantor Obligations": all obligations and liabilities of any Guarantor (including interest, fees and expenses after the filing of any petition in bankruptcy (or which, but for the filing of such petition, would be accruing), or the commencement of any insolvency, reorganization, examinership or like proceeding, relating to such Guarantor, whether or not a claim for post-filing or post-petition interests, fees or expenses is allowed or allowable in such proceeding) which arise under or in connection with this Agreement, any Guarantee Agreement, any other Loan Document, in each case whether on account of principal, interest, guarantee obligations, reimbursement obligations, fees, indemnities, costs, expenses or otherwise.

"Guarantors": any Person that executes a Guarantee in accordance with the provisions of this Agreement and its respective successors and assigns, in each case, until the Guarantee of such Person has been released in accordance with the provisions of this Agreement; *provided* that no Unrestricted Subsidiary shall be required to be a Guarantor. As of the Closing Date, there are no Guarantors.

"Hazardous Materials": any material, substance, chemical, or waste (or combination thereof) that (a) is listed, defined, designated, regulated or classified as hazardous, toxic, radioactive, dangerous, a pollutant, a contaminant, or words of similar meaning or effect under any Environmental Law; or (b) can form the basis of any liability under any Environmental Law, including any Environmental Law relating to petroleum, petroleum products, asbestos, urea formaldehyde, radioactive materials, polychlorinated biphenyls and toxic mold.

"Hedging Obligations": with respect to any Person, the obligations of such Person under:

(1) currency exchange, interest rate, inflation or commodity swap agreements, currency exchange, interest rate, inflation or commodity cap agreements and currency exchange, interest rate, inflation or commodity collar agreements; and

(2) other agreements or arrangements designed to protect such Person against fluctuations in currency exchange, interest rates, inflation or commodity prices.

"IFRS": the International Financial Reporting Standards issued by the International Accounting Standards Board, as in effect from time to time, to the extent applicable to the relevant financial statements.

"Impacted Interest Period": as defined in the definition of "LIBO Rate".

"Increased Amount": as defined in Section 6.6 hereto.

"Increased Cost Lender": as defined in Section 2.19 hereto.

"incur" and "incurrence": as defined in Section 6.3(a) hereto.

"Indebtedness": with respect to any Person:

(1) any indebtedness (including principal and premium) of such Person, whether or not contingent:

(a) in respect of borrowed money;

(b) evidenced by bonds, notes, debentures or similar instruments or letters of credit or bankers' acceptances (or, without double counting, reimbursement agreements in respect thereof);

(c) representing the balance deferred and unpaid of the purchase price of any property (including Capitalized Lease Obligations but excluding any lease obligations that do not constitute a Capitalized Lease Obligation pursuant to the proviso contained in the definition thereof), except (i) any such balance that constitutes a trade payable or similar obligation to a trade creditor, in each case accrued in the ordinary course of business, (ii) any earn-out obligations until such obligation becomes a liability on the balance sheet of such Person in accordance with GAAP and is no longer contingent and (iii) any purchase price holdbacks in respect of a portion of the purchase price of an asset to satisfy warranty or other unperformed obligations of the seller; or

(d) representing any Hedging Obligations;

if and to the extent that any of the foregoing Indebtedness (other than letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet (excluding the footnotes thereto) of such Person prepared in accordance with GAAP;

(2) to the extent not otherwise included, any obligation by such Person to be liable for, or to pay, as obligor, guarantor or otherwise, on the Indebtedness of another Person, other than by endorsement of negotiable instruments for collection in the ordinary course of business; *provided* that the amount of Indebtedness of any Person for purposes of this clause (2) shall be deemed to be equal to the lesser of (i) the aggregate unpaid amount of such Indebtedness and (ii) solely in the case of Non-Recourse Indebtedness of the Borrower or a Restricted Subsidiary, the Fair Market Value of the property encumbered thereby as determined by such Person in good faith; and

(3) to the extent not otherwise included, Indebtedness of another Person secured by a Lien on any asset owned by such Person, whether or not such Indebtedness is assumed by such Person;

provided, that, notwithstanding the foregoing, Indebtedness shall be deemed not to include: (1) Contingent Obligations, (2) obligations under or in respect of a Qualified Securitization Financing, (3) reimbursement obligations under commercial letters of credit (*provided*, *however*, that unreimbursed amounts under letters of credit shall be counted as Indebtedness on or after three Business Days after such amount is drawn), (4) intercompany liabilities arising from cash management, tax and accounting operations and (5) intercompany loans, advances or Indebtedness having a term not exceeding 364 days (inclusive of any rollover or extensions of term) and made in the ordinary course of business.

The amount of Indebtedness of any Person outstanding at any date shall be determined as set forth in this definition or otherwise provided in this Agreement, and shall equal the amount that would appear on a balance sheet of such Person (excluding any notes thereto) prepared on the basis of GAAP.

"Indemnified Liabilities": as defined in Section 9.5(a) hereto.

"Indemnitee": as defined in Section 9.5(a) hereto.

"Indentures": (i) the Indenture dated as of September 18, 2018 by and between the Borrower and U.S. Bank National Association, as trustee, (ii) the Indenture dated as of July 28, 2020 by and between the Borrower and

U.S. Bank National Association, as trustee and (iii) the Indenture dated as of April 12, 2021 by and between the Borrower and U.S. Bank National Association, as trustee.

"Independent Financial Advisor": an accounting, appraisal, investment banking firm or consultant to Persons engaged in Similar Businesses of nationally recognized standing that is, in the good faith judgment of the Borrower, qualified to perform the task for which it has been engaged.

"Information": as defined in Section 9.14.

"Initial Lien": as defined in Section 6.6.

"Insolvency": with respect to any Multiemployer Plan, the condition that such "plan" is insolvent within the meaning of Section 4245 of ERISA.

"Intellectual Property": the collective reference to all rights, priorities and privileges relating to intellectual property, whether arising under United States, multinational or foreign laws or otherwise, including copyrights, patents, trademarks, proprietary technology, proprietary know-how and proprietary processes, and all rights to sue at law or in equity for any infringement or other violation thereof, including the right to receive all proceeds and damages therefrom.

"Interest Payment Date": with respect to (a) any Base Rate Loan, the last Business Day of March, June, September and December of each year, commencing on the first such date to occur after the Funding Date; and the final maturity date of such Loan; and (b) any Eurodollar Rate Loan, the last day of each Interest Period applicable to such Loan and the final maturity of such Loan; *provided* that, in the case of each Interest Period of longer than three months, "Interest Payment Date" shall also include each date that is three months, or an integral multiple thereof, after the commencement of such Interest Period.

"Interest Period": an interest period of one, three or six months (or, to the extent agreed by each Lender, any other period), as selected by the Borrower in the applicable Funding Notice or Continuation Notice, (a) initially, commencing on the Closing Date or Continuation Date thereof, as the case may be; and (b) thereafter, commencing on the day on which the immediately preceding Interest Period expires; *provided*, (i) if an Interest Period would otherwise expire on a day that is not a London Business Day, such Interest Period shall expire on the next succeeding London Business Day unless no further London Business Day occurs in such month, in which case such Interest Period shall expire on the immediately preceding London Business Day; (ii) any Interest Period that begins on the last London Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall, subject to clause (iii) of this definition, end on the last London Business Day of a calendar month; and (iii) no Interest Period with respect to any portion of Bridge Loans shall extend beyond the Bridge Loan Maturity Date.

"Interest Rate Determination Date": with respect to any Interest Period, the date that is two London Business Days prior to the first day of such Interest Period.

"Interpolated Rate": at any time, for any Interest Period, the rate *per annum* (rounded to the same number of decimal places as the LIBO Screen Rate) determined by the Administrative Agent (which determination shall be conclusive and binding absent manifest error) to be equal to the rate that results from interpolating on a linear basis between: (a) the LIBO Screen Rate for the longest period for which the LIBO Screen Rate is available) that is shorter than the Impacted Interest Period; and (b) the LIBO Screen Rate for the shortest period (for which that LIBO Screen Rate is available) that exceeds the Impacted Interest Period, in each case, at such time.

"Investment Grade Rating": a rating equal to or higher than BBB- (or the equivalent) by Fitch, Baa3 (or the equivalent) by Moody's and BBB- (or the equivalent) by S&P, or an equivalent rating by any other Rating Agency.

"Investments": with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of loans (including guarantees), advances or capital contributions (excluding accounts receivable, trade credit, advances to customers, commission, travel, moving and similar advances to officers, directors and employees, in each case made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities issued by any other Person and investments that are required by GAAP to be classified on the balance sheet (excluding the footnotes) of the Borrower in the same manner as the other investments included in this definition to the extent such transactions involve the transfer of cash or other property; *provided* that endorsements of negotiable instruments and documents in the ordinary course of business will not be deemed to be an Investment. For purposes of the definition of "Unrestricted Subsidiary" and Section 6.1:

(1) "Investments" shall include the portion (proportionate to the Borrower's equity interest in such Subsidiary) of the Fair Market Value of the net assets of a Subsidiary of the Borrower at the time that such Subsidiary is designated an Unrestricted Subsidiary; *provided* that upon a redesignation of such Subsidiary as a Restricted Subsidiary, the Borrower shall be deemed to continue to have a permanent "Investment" in an Unrestricted Subsidiary in an amount (if positive) equal to:

(a) the Borrower's "Investment" in such Subsidiary at the time of such redesignation; less

(b) the portion (proportionate to the Borrower's equity interest in such Subsidiary) of the Fair Market Value of the net assets of such Subsidiary at the time of such redesignation; and

(2) any property transferred to or from an Unrestricted Subsidiary shall be valued at its Fair Market Value at the time of such transfer, in each case as determined in good faith by the Borrower.

The amount of any Investment outstanding at any time shall be the original cost of such Investment (determined, in the case of an Investment made with assets of the Borrower or any Restricted Subsidiary, based on the net book value of the assets invested), reduced by any dividend, distribution, interest payment, return of capital, repayment or other amount received in cash by the Borrower or a Restricted Subsidiary in respect of such Investment.

"Jefferson Project Indebtedness": collectively, any Indebtedness or debt obligations of FTAI Energy Holdings LLC or any of its Subsidiaries.

"Judgment Currency": as defined in Section 9.17(b) hereto.

"Law": all international, foreign, Federal, state and local statutes, treaties, rules, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, licenses, authorizations and permits of, any Governmental Authority.

"Lenders": the Persons listed on Schedule 1.1 and any other Person that shall have become a party hereto pursuant to an Assignment and Acceptance, other than any such Person that shall have ceased to be a party hereto pursuant to an Assignment and Acceptance; *provided*, *however*, that Section 9.5 shall continue to apply to each such Person that ceases to be a party hereto pursuant to an Assignment and Acceptance as if such Person is a "Lender."

"LIBO Rate": for any Interest Period, the LIBO Screen Rate at approximately 11:00 a.m., London time, two London Business Days prior to the commencement of such Interest Period; *provided* that if the LIBO Screen Rate shall not be available at such time for such Interest Period (an "Impacted Interest Period") then the LIBO Rate shall be the Interpolated Rate.

"LIBO Screen Rate": for any day and time, for any Interest Period, the London interbank offered rate as administered by ICE Benchmark Administration (or any other Person that takes over the administration of such rate) for Dollars for a period equal in length to such Interest Period as displayed on such day and time on pages LIBOR01 or LIBOR02 of the Reuters screen that displays such rate (or, in the event such rate does not appear on a Reuters page or screen, on any successor or substitute page on such screen that displays such rate, or on the appropriate page of such other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion), *provided* that if the LIBO Screen Rate shall be less than 0.50% per annum, such rate shall be deemed to 0.50% per annum for the purposes of this Agreement.

"Lien": with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction; *provided* that in no event shall an operating lease be deemed to constitute a Lien.

"LLC": any Person that is a limited liability company under the laws of its jurisdiction of formation.

"Loan Documents": this Agreement, any Guarantee Agreement and the Promissory Notes.

"Loan Exposure": with respect to any Lender, as of any date of determination, the outstanding principal amount of the Loans of such Lender; *provided*, at any time prior to the making of the Bridge Loans, the Loan Exposure of any Lender shall be equal to such Lender's Commitment.

"Loans": the Bridge Loans and the Extended Term Loans, collectively.

"Loan Parties": the collective reference to the Borrower and the Guarantors.

"London Business Day": any day on which banks are generally open for dealings in dollar deposits in the London interbank market.

"Management Agreement": collectively, (a) that certain Management and Advisory Agreement, dated as of May 20, 2015, among the Borrower, the Manager and the General Partner, and (b) that certain Fourth Amended and Restated Partnership Agreement of Fortress Worldwide Transportation and Infrastructure General Partnership, dated as of May 20, 2015, between the Borrower and the General Partner, in each case, including any amendments, modifications, restatements, renewals, increases, supplements or replacements thereto (i) through the Closing Date and (ii) to the extent approved by a majority of the independent directors of the Borrower, following the Closing Date. For the avoidance of doubt, and notwithstanding anything to the contrary in this Agreement or in any other Loan Document, nothing in this Agreement or in any other Loan Document shall prohibit the Borrower or any Restricted Subsidiary from making any payment (including any fees, expenses or reimbursement obligations) required to be made under the Management Agreement.

"Management Equity": profits interests, restricted Capital Stock or options to acquire Capital Stock of the Borrower issued to directors, management or employees of the Borrower and its Subsidiaries, which profits interests, Capital Stock or options may be convertible into, or exchangeable or exercisable for, Capital Stock of or options to acquire Capital Stock of the Borrower.

"Management Group": at any time, the Chairman of the Board of Directors, any President, any Executive Vice President, any Managing Director, any Treasurer and any Secretary or other executive officer of the Borrower or any Subsidiary at such time.

"Manager": FIG LLC or its permitted successors or assigns.

"Material Adverse Effect": any circumstances or conditions that would have a material adverse effect on (a) the ability of the Borrower to perform its payment obligations under this Agreement or any other Loan Document, (b) the rights or remedies of the Administrative Agent and the Lenders under this Agreement or any other Loan Document or (c) the business, assets, properties, liabilities or financial condition of the FTAI Group Members, taken as a whole.

"Moody's": Moody's Investors Service, Inc. or any of its successors or assigns that is a nationally recognized statistical rating organization within the meaning of Rule 3(a)(62) under the Exchange Act.

"Morgan Stanley": as defined in the preamble hereto.

"Multiemployer Plan": a plan that is a multiemployer plan as defined in Section 4001(a)(3) of ERISA with respect to which the Borrower or any Commonly Controlled Entity has an obligation to make contributions or has any actual or contingent liability.

"Net Equity Proceeds": with respect to the sale, issuance or exercise after the Closing Date by any Loan Party or any of its Restricted Subsidiaries of any Capital Stock or any capital contribution by any Person to any such Loan Party or Restricted Subsidiary, the excess of (a) the gross cash proceeds received by such Loan Party or Restricted Subsidiary from such sale, issuance or exercise, over (b) all underwriting commissions and legal, investment banking, brokerage, accounting and other professional fees, sales commissions and disbursements actually incurred in connection with such sale or issuance which have not been paid and are not payable to any Loan Party or an Affiliate thereof in connection therewith.

"Net Income": with respect to any Person, the net income (loss) of such Person, determined in accordance with GAAP and before any reduction in respect of preferred stock dividends.

"Net Proceeds": the aggregate cash proceeds received by the Borrower or any Restricted Subsidiary in respect of any event, including Asset Sales, and including any cash received upon the sale or other disposition of any Designated Non-cash Consideration received in respect of such event, net of the direct costs relating to such event and the sale or disposition of such Designated Non-cash Consideration, including legal, accounting and investment banking fees, and brokerage and sales commissions, payments made in order to obtain necessary consents required by agreement or by applicable law, any relocation expenses incurred as a result thereof, taxes paid or payable as a result thereof (after taking into account any available tax credits or deductions and any tax sharing arrangements), other fees and expenses, including title and recordation expenses, amounts required to be applied to the repayment of principal, premium, if any, and interest on Indebtedness secured by a Lien permitted under this Agreement required (other than required by Section 6.4(b)(1)) to be paid as a result of such transaction and any deduction of appropriate amounts to be provided by the Borrower as a reserve in accordance with GAAP against any liabilities associated with the asset disposed of in such transaction and retained by the Borrower after such sale or other disposition thereof, including pension and other post-employment benefit liabilities and liabilities related to environmental matters or against any indemnification obligations associated with such transaction.

"Netted Tax Amount": as defined in Section 2.11(f) hereto.

"Non-Consenting Lender": as defined in Section 2.19 hereto.

"Non-Debt Fund Affiliate": any Affiliate of the Borrower, Fortress or the Permitted Investors other than (a) a natural person, (b) the Borrower and its Subsidiaries and/or (c) any Debt Fund Affiliate.

"Non-Excluded Taxes": as defined in Section 2.17(a) hereto.

"Non-Public Information": material non-public information (within the meaning of United States federal, state or other applicable securities laws) with respect to the Borrower and its Subsidiaries or their securities.

"Non-Recourse Indebtedness": with respect to any Person, Indebtedness of such Person and any refinancing Indebtedness thereof for which the sole legal recourse for collection of principal and interest on such Indebtedness is against the specific property identified in the instruments evidencing or securing such Indebtedness.

"Notes": (i) the 6.50% Senior Notes Due 2025 issued pursuant to the Indenture dated as of September 18, 2018 by and between the Borrower and U.S. Bank National Association, as trustee, (ii) the 9.75% Senior Notes due 2027 issued pursuant to the Indenture dated as of July 28, 2020 by and between the Borrower and U.S. Bank National Association, as trustee and (iii) the 5.50% Senior Notes due 2028 issued pursuant to the Indenture dated as of April 12, 2021 by and between the Borrower and U.S. Bank National Association, as trustee.

"Notice": a Funding Notice or a Continuation Notice.

"NYFRB": the Federal Reserve Bank of New York.

"NYFRB Rate": for any day, the greater of (a) the Federal Funds Effective Rate in effect on such day and (b) the Overnight Bank Funding Rate in effect on such day (or for any day that is not a Business Day, for the immediately preceding Business Day); *provided* that if none of such rates are published for any day that is a Business Day, the term "NYFRB Rate" means the rate for a federal funds transaction quoted at 11:00 a.m. on such day received by the Administrative Agent from a federal funds broker of recognized standing selected by it; *provided*, *further*, that if any of the aforesaid rates as so determined be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

"Obligations": the collective reference to (a) the Borrower Obligations, and (b) the Guarantor Obligations, in each case, including any Loans (plus any accrued and unpaid interest) held by the Administrative Agent as a result of an Erroneous Payment Deficiency Assignment in accordance with Section 8.10 and/or with respect to which it has Erroneous Payment Subrogation Rights.

"Officer": the Chairman of the board of directors, the Chief Executive Officer, the President, any Executive Vice President, Senior Vice President or Vice President, the Chief Financial Officer, the Treasurer, the Secretary or any Assistant Secretary of the Borrower.

"Officer's Certificate": a certificate signed on behalf of the Borrower by two Officers of the Borrower, one of whom must be the principal executive officer, the principal financial officer, the treasurer, the principal accounting officer or the secretary of the Borrower, that meets the requirements set forth in this Agreement.

"Opinion of Counsel": an opinion from legal counsel (who may be counsel to the Borrower) that meets the requirements of this Agreement.

"Organizational Documents": with respect to (a) the Borrower, the certificate of formation and limited liability company agreement, and (b) any other person, (i) in the case of any corporation, the certificate of incorporation and by-laws (or similar documents) of such person, (ii) in the case of any limited liability company, the certificate of formation and operating agreement (or similar documents) of such person, (iii) in the case of any limited partnership, the certificate of formation and limited partnership agreement (or similar documents) of such

person, (iv) in the case of any general partnership, the partnership agreement (or similar document) of such person, (v) in the case of any trust, the declaration of trust and trust agreement (or similar document) of such person and (vi) in any other case, the functional equivalent of the foregoing.

"Other Connection Taxes": with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than any connection arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to and/or enforced any Loan Document, or sold or assigned an interest in any Bridge Loan or Loan Document).

"Other Taxes": any and all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes arising from any payment made hereunder or under any other Loan Document or from the execution, delivery, performance, enforcement or registration of, or otherwise with respect to, any Loan Document (and any interest, additions to Tax or penalties applicable thereto), except any such Taxes that are Other Connection Taxes imposed as a result of an assignment by a Lender (other than an assignment made pursuant to Section 2.19).

"Overnight Bank Funding Rate": for any day, the rate comprised of both overnight federal funds and overnight Borrowings with respect to a Eurodollar Rate Loan by U.S.-managed banking offices of depository institutions, as such composite rate shall be determined by the NYFRB as set forth on its public website from time to time, and published on the next succeeding Business Day by the NYFRB as an overnight bank funding rate.

"Participant": as defined in Section 9.6(b) hereto.

"Participant Register": as defined in Section 9.6(b) hereto.

"PATRIOT Act": the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)).

"Payment Recipient": as defined in Section 8.10(a) hereto.

"PBGC": the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA (or any successor).

"Pension Plan": a "pension plan," as such term is defined in Section 3(2) of ERISA, which is subject to Title IV of ERISA (other than a Multiemployer Plan), and to which the Borrower may have liability, including any liability by reason of the Borrower's (a) being jointly and severally liable for liabilities of any Commonly Controlled Entity in connection with such Pension Plan, (b) having been a substantial employer within the meaning of Section 4063 of ERISA at any time during the preceding five years, or (c) being deemed to be a contributing sponsor under Section 4069 of ERISA.

"Permit": any permit, license, approval, consent, order, right, certificate, judgment, writ, injunction, award, determination, direction, decree, registration, notification, authorization, franchise, privilege, grant, waiver, exemption and other similar concession or bylaw, rule or regulation of, by or from any Governmental Authority.

"Permitted Asset Swap": the concurrent purchase and sale or exchange of Related Business Assets or a combination of Related Business Assets and cash or Cash Equivalents between the Borrower or any of its Restricted Subsidiaries and another Person; *provided* that any cash or Cash Equivalents received must be applied in accordance with Section 6.4.

"Permitted Holders": collectively, Fortress, its Affiliates and the Management Group; *provided* that the definition of "Permitted Holders" shall not include any Control Investment Affiliate whose primary purpose is the

operation of an ongoing business (excluding any business whose primary purpose is the investment of capital or assets).

"Permitted Investments":

(1) any Investment in the Borrower or any Restricted Subsidiary;

(2) any Investment in cash and Cash Equivalents;

(3) any Investment by the Borrower or any Restricted Subsidiary in a Person if as a result of such Investment:

(A) such Person becomes a Restricted Subsidiary; or

(B) such Person, in one transaction or a series of related transactions, is consolidated, amalgamated or merged with or into, or transfers or conveys substantially all its assets to, or is liquidated into, the Borrower or a Restricted Subsidiary;

(4) any Investment in securities or other assets not constituting cash or Cash Equivalents and received in connection with an Asset Sale made pursuant to Section 6.4 or any other disposition of assets not constituting an Asset Sale;

(5) any Investment existing on the Closing Date or made pursuant to the terms of any agreement (including binding commitments) in effect on the Closing Date or an Investment that replaces, refinances or refunds an Investment existing on the Closing Date; *provided* that the amount of any such new Investment is in an amount that does not exceed the amount replaced, refinanced or refunded (after giving effect to write-downs or write-offs with respect to such Investment);

(6) advances to, or guarantees of Indebtedness of, officers, directors and employees of the Borrower, any Restricted Subsidiary or the Manager not in excess of $10,000,000 outstanding at any one time, in the aggregate;

(7) any Investment acquired by the Borrower or any Restricted Subsidiary:

(a) in exchange for any other Investment or accounts receivable held by the Borrower or any such Restricted Subsidiary in connection with or as a result of a bankruptcy, workout, reorganization or recapitalization of the Borrower of such other Investment or accounts receivable (including any trade creditor or customer);

(b) in satisfaction of judgments against other Persons; or

(c) as a result of a foreclosure by the Borrower or any Restricted Subsidiary with respect to any secured Investment or other transfer of title with respect to any secured Investment in default;

(8) any Investments in Hedging Obligations entered into in the ordinary course of business;

(9) loans to officers, directors and employees of the Borrower, any Restricted Subsidiary or the Manager for business-related travel expenses, moving expenses and other similar expenses, in each case incurred in the ordinary course of business;

(10) any Investment having an aggregate Fair Market Value, taken together with all other Investments made pursuant to this clause (10) that are at that time outstanding (without giving effect to the sale of an Unrestricted Subsidiary to the extent the proceeds of such sale do not consist of cash and/or marketable securities), not to exceed the greater of (x) $130,000,000 and (y) 4.0% of Total Assets at the time of such Investment (with the Fair Market Value of each Investment being measured at the time made and without giving effect to subsequent changes in value);

(11) Investments the payment for which consists of Equity Interests of the Borrower (exclusive of Disqualified Stock); *provided* that such Equity Interests will not increase the amount available for Restricted Payments under Section 6.1(a)(3);

(12) Indebtedness and guarantees of Indebtedness permitted under Section 6.3;

(13) any transaction to the extent it constitutes an investment that is permitted and made in accordance with Section 6.5(b);

(14) Investments consisting of purchases, acquisitions and remanufacturing of inventory, supplies, material or equipment or other assets, or purchases, acquisitions, licenses, sublicenses or leases or subleases of Intellectual Property or other assets, in each case in the ordinary course of business;

(15) Investments consisting of licensing, sublicensing, leasing and subleasing of assets (including of real or personal property and Intellectual Property rights and other general intangibles) to other Persons in the ordinary course of business or pursuant to joint marketing arrangements with other Persons;

(16) repurchases of the Notes;

(17) any Investments received in compromise or resolution of (i) obligations of trade creditors or customers that were incurred in the ordinary course of business of the Borrower or any of its Restricted Subsidiaries, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer; or (ii) litigation, arbitration or other disputes with Persons who are not Affiliates;

(18) Investments of a Restricted Subsidiary acquired after the Closing Date or of an entity consolidated, amalgamated or merged with or into a Restricted Subsidiary in a transaction that is not prohibited by Section 6.9 after the Closing Date to the extent that such Investments were not made in contemplation of such acquisition, consolidation, amalgamation or merger and were in existence on the date of such acquisition, consolidation, amalgamation or merger;

(19) endorsements for collection or deposit in the ordinary course of business;

(20) Investments relating to any Securitization Subsidiary that, in the good faith determination of the Borrower, are necessary or advisable to effect any Qualified Securitization Financing;

(21) any Investment in any Subsidiary of the Borrower or any joint venture in connection with intercompany cash management arrangements or related activities arising in the ordinary course of business;

(22) Investments made in the ordinary course of business in connection with obtaining, maintaining or renewing client and customer contracts and loans or advances made to, and guarantees with

respect to obligations of, distributors, suppliers, licensors and licensees in the ordinary course of business; and

(23) Investments in Permitted Joint Ventures in an aggregate amount that taken together with all other Investments made pursuant to this clause (23) that are at that time outstanding, does not exceed the greater of (x) $130,000,000 and (y) 4.0% of Total Assets, and as of the date of making such Investment and after giving effect thereto, no Default or Event of Default shall have occurred and be continuing.

"Permitted Investors": the collective reference to Fortress and its Control Investment Affiliates; *provided* that the definition of "Permitted Investors" shall not include any Control Investment Affiliate whose primary purpose is the operation of an ongoing business (excluding any business whose primary purpose is the investment of capital or assets).

"Permitted Joint Venture": any agreement, contract or other arrangement between the Borrower or any Restricted Subsidiary and any person that permits one party to share risks or costs, comply with regulatory requirements or satisfy other business objectives customarily achieved through the conduct of a Similar Business jointly with third parties.

"Permitted Jurisdiction": any of (a) the United States of America, any state thereof, the District of Columbia, or any territory thereof, or (b) any member state of the Pre-Expansion European Union, Canada, Australia, Ireland, Switzerland, Bermuda, the Cayman Islands, Switzerland, the Marshall Islands, Malaysia, Malta or Singapore.

"Permitted Liens": with respect to any Person:

(1) pledges or deposits by such Person under workmen's compensation laws, unemployment insurance laws or similar legislation, or good faith deposits in connection with bids, tenders, contracts (other than for the payment of Indebtedness) or leases to which such Person is a party, or deposits to secure public or statutory obligations of such Person or deposits of cash or U.S. government bonds to secure surety, customs or appeal bonds to which such Person is a party, or deposits as security for contested taxes or import duties or for the payment of rent, or premiums to insurance carriers, in each case incurred in the ordinary course of business;

(2) Liens imposed by law, such as carriers', warehousemen's, materialmen's, landlords', workmen's, suppliers', repairmen's and mechanics' Liens and other similar Liens arising in the ordinary course of business, in each case for sums not yet overdue for a period of more than 30 days or being contested in good faith by appropriate proceedings or other Liens arising out of judgments or awards against such Person with respect to which such Person shall then be proceeding with an appeal or other proceedings for review;

(3) Liens for taxes, assessments or other governmental charges or levies that are (x) not yet overdue for a period of more than 30 days and for which adequate reserves are maintained on the books of such Person in conformity with GAAP or (y) being contested in good faith by appropriate proceedings;

(4) Liens in favor of issuers of performance and surety bonds or bid bonds or with respect to other regulatory requirements or letters of credit issued pursuant to the request of and for the account of such Person in the ordinary course of its business;

(5) minor survey exceptions, minor encumbrances, minor title deficiencies, easements or reservations of, or rights of others for, licenses, rights-of-way, covenants, encroachments, protrusions, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other

restrictions as to the use of real properties or Liens incidental, to the conduct of the business of such Person or to the ownership of its properties which were not incurred in connection with Indebtedness and which do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of such Person;

(6) Liens existing on the Closing Date;

(7) Liens securing Indebtedness under any Credit Facilities incurred and outstanding pursuant to Section 6.3(b)(1);

(8) Liens on assets or property of or Equity Interests in a Person at the time such Person becomes a Subsidiary; *provided* that such Liens are not created or incurred in connection with, or in contemplation of, such other Person becoming such a Subsidiary; *provided*, *further*, that such Liens may not extend to any other property owned by the Borrower or any Restricted Subsidiary;

(9) Liens on assets or property at the time the Borrower or any Restricted Subsidiary acquired such assets or property, including any acquisition by means of a consolidation, amalgamation or merger with or into the Borrower or any Restricted Subsidiary; *provided* that the Liens may not extend to any other property owned by the Borrower or any Restricted Subsidiary;

(10) Liens securing Indebtedness or other obligations of the Borrower or a Restricted Subsidiary owing to the Borrower or another Restricted Subsidiary permitted to be incurred in accordance with Section 6.3;

(11) Liens securing Hedging Obligations and any guarantees thereof permitted to be incurred pursuant to Section 6.3(b)(10);

(12) Liens on specific items of inventory or other goods and proceeds of any Person securing such Person's obligations in respect of bankers' acceptances issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(13) licenses, sublicenses, leases and subleases (including of real or personal property and Intellectual Property rights and other general intangibles) granted to others in the ordinary course of business;

(14) Liens arising from Uniform Commercial Code financing statement filings regarding operating leases or consignments entered into by the Borrower or any Restricted Subsidiary in the ordinary course of business;

(15) Liens in favor of the Borrower or a Restricted Subsidiary;

(16) Liens on equipment of the Borrower or any Restricted Subsidiary granted in the ordinary course of business to the Borrower's client at which such equipment is located;

(17) Liens on Securitization Assets and related assets incurred in connection with a Qualified Securitization Financing;

(18) Liens securing Indebtedness permitted to be incurred pursuant to Section 6.3(b)(4) and obligations secured ratably thereunder; *provided* that such Liens extend only to the assets and/or Capital Stock the purchase, lease, improvement, development, construction, remanufacturing, refurbishment, handling and repositioning or repair of which is financed thereby and any replacements, additions and

accessions thereto and any income or profits thereof; *provided, further*, that individual financings provided by a lender may be cross collateralized to other financings provided by such lender or its affiliates;

(19) Liens to secure any refinancing, refunding, extension, renewal or replacement (or successive refinancing, refunding, extensions, renewals or replacements) as a whole, or in part, of any Indebtedness secured by any Lien referred to in clauses (6), (8), (9), (10), (11), (15), (18), (30) and (37) and this clause (19) of this definition; *provided* that (x) such new Lien shall be limited to all or part of the same property that secured the original Lien (plus improvements on such property), (y) the Indebtedness secured by such Lien at such time is not increased to any amount greater than the sum of (A) the outstanding principal amount or, if greater, committed amount of the Indebtedness described under clauses (6), (8), (9), (10), (11), (15), (18), (30) and (37) and this clause (19) of this definition at the time the original Lien became a Permitted Lien under this Agreement, and (B) an amount necessary to pay any fees and expenses, including premiums, underwriting discounts and defeasance costs related to such refinancing, refunding, extension, renewal or replacement and (z) the new Lien has no greater priority and the holders of the Indebtedness secured by such Lien have no greater intercreditor rights relative to the Obligations and the Lenders than the original Liens and the related Indebtedness;

(20) other Liens securing obligations the principal amount of which does not exceed the greater of (x) $130,000,000 and (y) 4.0% of Total Assets at any one time outstanding;

(21) Liens securing judgments, attachments or awards for the payment of money not constituting an Event of Default under Section 7.1(a)(5) so long as (i) such judgment is being contested in good faith and any appropriate legal proceedings that may have been duly initiated for the review of such judgment have not been finally terminated or the period within which such proceedings may be initiated has not expired or (ii) such Liens are supported by an indemnity by a third party with an Investment Grade Rating;

(22) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods in the ordinary course of business;

(23) Liens (i) of a collection bank arising under Section 4-210 of the Uniform Commercial Code, or any comparable or successor provision, on items in the course of collection, (ii) attaching to commodity trading accounts or other commodity brokerage accounts incurred in the ordinary course of business, and (iii) in favor of banking institutions arising as a matter of law encumbering deposits (including the right of set-off) and which are within the general parameters customary in the banking industry;

(24) Liens encumbering reasonable customary initial deposits and margin deposits and similar Liens attaching to commodity trading accounts or other brokerage accounts incurred in the ordinary course of business and not for speculative purposes;

(25) Liens that are contractual rights of set-off (i) relating to the establishment of depository relations with banks not given in connection with the issuance of Indebtedness, (ii) relating to pooled deposit or sweep accounts of the Borrower or any of its Restricted Subsidiaries to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business of the Borrower and its Restricted Subsidiaries or (iii) relating to purchase orders and other agreements entered into with customers of the Borrower or any of its Restricted Subsidiaries in the ordinary course of business;

(26) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale or purchase of goods entered into by the Borrower or any Restricted Subsidiary in the ordinary course of business;

(27) Liens on Equity Interests of Unrestricted Subsidiaries;

(28) Liens placed on the Capital Stock of any non-Wholly-Owned Subsidiary or joint venture in the form of a transfer restriction, purchase option, call or similar right of a third party joint venture partner;

(29) Liens securing Indebtedness permitted to be incurred pursuant to Section 6.3(b)(18); *provided* that such Liens extend only to the assets or Equity Interests of such joint venture;

(30) (i) leases of aircraft, engines, spare parts or similar assets of the Borrower or any Restricted Subsidiary granted by such person, in each case entered into in the ordinary course of the Borrower or its Restricted Subsidiaries' operating leasing business, (ii) "Permitted Liens" or similar terms under any lease or (iii) any Lien which the lessee under any lease is required to remove;

(31) bankers' Liens, rights of setoff and other similar Liens existing solely with respect to cash and Cash Equivalents on deposit in one or more accounts maintained by the Borrower or its Restricted Subsidiaries, in each case granted in the ordinary course of business in favor of the bank or banks with which such accounts are maintained, securing amounts owing to such bank with respect to cash management and operating account arrangements, including those involving pooled accounts and netting arrangements; *provided* that, unless such Liens are non-consensual and arise by operation of law, in no case shall any such Liens secure (either directly or indirectly) the repayment of any Indebtedness;

(32) Liens on property or assets under construction (and related rights) in favor of a contractor or developer arising from progress or partial payments by a third party relating to such property or assets;

(33) any reservations, limitations, provisos or conditions, if any, expressed in any grants from any governmental or similar authority;

(34) specific marine mortgages and maritime liens or foreign equivalents on property or assets of the Borrower or any Guarantor;

(35) Liens securing Indebtedness permitted to be incurred pursuant to Section 6.3(b)(17);

(36) Liens securing Indebtedness permitted to be incurred in accordance with Section 6.3 if, at the time of incurrence and after giving *pro forma* effect thereto, the Secured Indebtedness to Total Capitalization Ratio for the Borrower and the Restricted Subsidiaries would be no greater than 0.30 to 1.00;

(37) Liens securing Indebtedness permitted to be incurred pursuant to Section 6.3(b)(25);

(38) Liens securing Indebtedness of any Restricted Subsidiary that is not a Guarantor permitted to be incurred subsequent to the Closing Date pursuant to 6.3; and

(39) Liens securing the obligations under the Revolving Credit Agreement.

For purposes of determining compliance with this definition, (A) Permitted Liens need not be incurred solely by reference to one category of Permitted Liens described in this definition but are permitted to be incurred in part under any combination thereof and (B) in the event that a Lien (or any portion thereof) meets the criteria of one or more of the categories of Permitted Liens described in this definition, the Borrower may, in its sole discretion, classify or reclassify such item of Permitted Liens (or any portion thereof) in any manner that complies with this definition and the Borrower may divide and classify a Lien in more than one of the types of Permitted Liens in one of the above clauses of this definition.

"Person": any individual, corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.

"Platform": as defined in Section 5.2 hereto.

"Pre-Expansion European Union": the European Union as of January 1, 2004, including the countries of Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden and the United Kingdom, but not including any country which became or becomes a member of the European Union after January 1, 2004; *provided* that "Pre-Expansion European Union" shall not include any country whose long-term debt does not have a long-term rating of at least "A" by S&P or at least "A2" by Moody's or the equivalent rating category of another Rating Agency.

"Prime Rate": the rate of interest last quoted by The Wall Street Journal as the "Prime Rate" in the U.S. or, if The Wall Street Journal ceases to quote such rate, the highest per annum interest rate published by the Board in Federal Reserve Statistical Release H.15 (519) (Selected Interest Rates) as the "bank prime loan" rate or, if such rate is no longer quoted therein, any similar rate quoted therein (as determined by the Administrative Agent) or any similar release by the Board (as determined by the Administrative Agent). Each change in the Prime Rate shall be effective from and including the date such change is publicly announced or quoted as being effective.

"Principal Office": the Administrative Agent's "Principal Office" as set forth in Section 9.2, or such other office or office of a third party or sub-agent, as appropriate, as the Administrative Agent may from time to time designate in writing to the Borrower and each Lender.

"Private Side Information": as defined in Section 5.2 hereto.

"Pro Rata Share": at any time, with respect to any Lender, the percentage obtained by dividing (i) the Loan Exposure of that Lender by (ii) the aggregate Loan Exposure of all Lenders. If at any time there is no Loan Exposure of any Lender, the Pro Rata Shares shall be determined based upon the Loan Exposure most recently in effect.

"Promissory Note": a promissory note substantially in the form of Exhibit D, as it may be amended, restated, supplemented or otherwise modified from time to time.

"Property": any right or interest in or to property of any kind whatsoever, whether real or immovable, personal or moveable or mixed and whether tangible or intangible, corporeal or incorporeal, including Equity Interests.

"Public Lenders": Lenders that do not wish to receive Non-Public Information with respect to the Borrower and its Subsidiaries or their securities.

"QFC": the meaning assigned to the term "qualified financial contract" in, and interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

"QFC Credit Support": as defined in Section 9.22 hereto.

"Qualified Proceeds": assets that are used or useful in, or Capital Stock of any Person engaged in, a Similar Business; *provided* that the Fair Market Value of any such assets or Capital Stock shall be determined by the Borrower in good faith.

"Qualified Securitization Financing": any Securitization Financing of a Securitization Subsidiary, the financing terms, covenants, termination events and other provisions of which, including any Standard Securitization Undertakings, shall be market terms.

"Rating Agencies": Fitch, Moody's and S&P or if any of Fitch, Moody's or S&P or all three shall not make a rating on the Notes publicly available, one or more nationally recognized statistical rating organizations within the meaning of Rule 3(a)(62) under the Exchange Act, as the case may be, selected by the Borrower which shall be substituted for any of Fitch, Moody's or S&P or all three, as the case may be.

"Recipient": (a) the Administrative Agent, (b) any Lender or (c) any Arranger, as applicable.

"Refinancing Indebtedness": as defined in Section 6.3(b)(14) hereto.

"Refunding Capital Stock": as defined in Section 6.1(b)(18) hereto.

"Refused Proceeds": as defined in Section 2.12(c) hereto.

"Register": as defined in Section 2.4(b) hereto.

"Regulation D": Regulation D of the Board as in effect from time to time.

"Regulation T": Regulation T of the Board as in effect from time to time.

"Regulation U": Regulation U of the Board as in effect from time to time.

"Regulation X": Regulation X of the Board as in effect from time to time.

"Related Business Assets": assets (other than cash or Cash Equivalents) used or useful in a Similar Business; *provided* that any assets received by the Borrower or a Restricted Subsidiary in exchange for assets transferred by the Borrower or a Restricted Subsidiary shall not be deemed to be Related Business Assets if they consist of securities of a Person, unless upon receipt of the securities of such Person, such Person would become a Restricted Subsidiary.

"Related Fund": with respect to any Lender, any fund that (x) invests in commercial loans and (y) is managed or advised by the same investment advisor as such Lender, by such Lender or an affiliate of such Lender.

"Related Parties": with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents, trustees and advisors of such Person and of such Person's Affiliates.

"Release": any spilling, leaking, seepage, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, disposing, depositing, dispersing, emanating or migrating of any Hazardous Material in, into, onto or through the Environment, or from, into or through any structure or facility.

"Relevant Governmental Body": the Board or the NYFRB, or a committee officially endorsed or convened by the Board or the NYFRB, or any successor thereto.

"Replacement Lender": as defined in Section 2.19 hereto.

"Reportable Event": any of the events set forth in Section 4043(c) of ERISA, other than those events as to which the notice requirement is waived.

"Required Lenders": one or more Lenders collectively having or holding more than 50% of the aggregate Loans of all Lenders; *provided* that, prior to the making of the Bridge Loans, such determination shall be made based on the unused Commitments of the Lenders.

"Required Prepayment Date": as defined in Section 2.12(c) hereto.

"Requirements of Law": as to any Person, the certificate of incorporation and bylaws or other organizational or governing documents of such Person, and any Law applicable to or binding upon such Person or any of its Property or to which such Person or any of its Property is subject.

"Resolution Authority": an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

"Responsible Officer": with respect to any FTAI Group Member, the chief executive officer, president, chief financial officer, vice president, treasurer, assistant treasurer, controller, secretary, assistant secretary, board member or manager of such FTAI Group Member, or any other authorized officer or signatory of such FTAI Group Member reasonably acceptable to the Administrative Agent.

"Restricted Investment": an Investment other than a Permitted Investment.

"Restricted Payments": as defined in Section 6.1(a) hereto.

"Restricted Subsidiary": at any time, any direct or indirect Subsidiary of the Borrower (including any Foreign Subsidiary) that is not then an Unrestricted Subsidiary; *provided* that upon the occurrence of an Unrestricted Subsidiary ceasing to be an Unrestricted Subsidiary, such Subsidiary shall be included in the definition of "Restricted Subsidiary."

"Retired Capital Stock": as defined in Section 6.1(b)(18) hereto.

"Revolving Credit Agreement": that certain Credit Agreement, dated as of June 16, 2017, by and among Fortress Transportation and Infrastructure Investors LLC, as the borrower, JPMorgan Chase Bank, N.A., as administrative agent, and the several financial institutions from time to time party thereto, as amended, restated, amended and restated, supplemented or otherwise modified from time to time.

"S&P": S&P Global Ratings, a division of S&P Global Inc., or any of its successors or assigns that is a nationally recognized statistical rating organization within the meaning of Rule 3(a)(62) under the Exchange Act.

"Sanctions": as defined in Section 3.22(c) hereto.

"SEC": the Securities and Exchange Commission (or successors thereto or an analogous Governmental Authority).

"Secured Indebtedness": any Indebtedness secured by a Lien.

"Secured Indebtedness to Total Capitalization Ratio": as of any date of determination, the ratio of (x) Secured Indebtedness of the Borrower and the Restricted Subsidiaries to (y) the sum of (i) total Indebtedness of the Borrower and the Restricted Subsidiaries and (ii) total equity of the Borrower and the Restricted Subsidiaries, in each case, on a consolidated basis as reflected on the most recently available quarterly balance sheet of the Borrower prepared in accordance with GAAP immediately preceding the date on which such event for which such calculation is being made shall occur, in each case, with such pro forma adjustments as are appropriate and consistent with the pro forma adjustment provisions set forth in the definition of Fixed Charge Coverage Ratio.

"Securities Act": the Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder.

"Securitization Assets": the accounts receivable, lease, royalty or other revenue streams and other rights to payment and all related assets (including contract rights, books and records, all collateral securing any and all the foregoing, all contracts and all guarantees or other obligations in respect of any and all the foregoing and other assets that are customarily transferred or in respect of which security interests are customarily granted in connection with asset securitization transactions involving any and all the foregoing) and the proceeds thereof in each case pursuant to a Securitization Financing.

"Securitization Fees": distributions or payments made directly or by means of discounts with respect to any Securitization Asset or participation interest therein issued or sold in connection with, and other fees paid to a Person that is not a Restricted Subsidiary in connection with, any Qualified Securitization Financing.

"Securitization Financing": one or more transactions or series of transactions that may be entered into by the Borrower and/or any Restricted Subsidiary pursuant to which the Borrower or any Restricted Subsidiary may sell, convey or otherwise transfer Securitization Assets to (a) a Securitization Subsidiary (in the case of a transfer by the Borrower or any of the Restricted Subsidiaries that are not Securitization Subsidiaries) or (b) any other Person (in the case of a transfer by a Securitization Subsidiary), or may grant a security interest in any Securitization Assets of the Borrower or any Restricted Subsidiary.

"Securitization Subsidiary": a Restricted Subsidiary (or another Person formed for the purposes of engaging in a Qualified Securitization Financing in which the Borrower or any Restricted Subsidiary makes an Investment and to which the Borrower or any Restricted Subsidiary transfers Securitization Assets and related assets) that engages in no activities other than in connection with the financing of Securitization Assets of the Borrower or a Restricted Subsidiary, all proceeds thereof and all rights (contingent and other), collateral and other assets relating thereto, and any business or activities incidental or related to such business, and which is designated by the Borrower or such other Person (as provided below) as a Securitization Subsidiary and (a) no portion of the Indebtedness or any other obligations (contingent or otherwise) of which (i) is guaranteed by the Borrower or any Restricted Subsidiary, other than another Securitization Subsidiary (excluding guarantees of obligations pursuant to Standard Securitization Undertakings), (ii) is recourse to or obligates the Borrower or any Restricted Subsidiary, other than another Securitization Subsidiary, in any way other than pursuant to Standard Securitization Undertakings or (iii) subjects any property or asset of the Borrower or any Restricted Subsidiary, other than another Securitization Subsidiary, directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings and (b) to which none of the Borrower or any other Restricted Subsidiary, other than another Securitization Subsidiary, has any obligation to maintain or preserve such entity's financial condition or cause such entity to achieve certain levels of operating results. Any such designation by the Borrower or such other Person shall be evidenced by a resolution of the Borrower or such other Person giving effect to such designation.

"Significant Subsidiary": any Restricted Subsidiary that would be a "significant subsidiary" as defined in Article 1, Rule 1-02 of Regulation S-X, promulgated pursuant to the Securities Act, as such regulation is in effect on the Closing Date.

"Similar Business": any business conducted or proposed to be conducted by the Borrower and its Restricted Subsidiaries on the date of the Closing Date or any business that is similar, reasonably related, incidental or ancillary thereto.

"SOFR": a rate per annum equal to the secured overnight financing rate for such Business Day published by the NYFRB (or a successor administrator of the secured overnight financing rate) on the website of the NYFRB,

currently at http://www.newyorkfed.org (or any successor source for the secured overnight financing rate identified as such by the administrator of the secured overnight financing rate from time to time).

"Solvent": with respect to any Person on any date of determination, that on such date (a) the fair value of the assets of such Person exceeds the total amount of debts and liabilities, direct, subordinated, contingent or otherwise, of such Person, (b) the present fair salable value of the property of such Person is greater than the amount that will be required to pay the probable liability of such Person on its debts and other liabilities, direct, subordinated, contingent or otherwise, as such other debts and other liabilities become absolute and matured, (c) such Person will be able to pay its debts and liabilities, direct, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured and (d) such Person will not have unreasonably small capital with which to conduct the businesses in which they are engaged as such businesses are conducted as of such date and are proposed to be conducted after such date. The amount of contingent liabilities at any time shall be computed as the amount that, in the light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

"SPC": as defined in Section 9.6(g) hereto.

"Specified Acquisition Agreement Representations": shall mean the representations and warranties made by or with respect to the Seller in the Acquisition Agreement that are material to the interests of the Lenders, but only to the extent that the Borrower has the right to terminate its obligations under the Acquisition Agreement or decline to consummate the Acquisition as a result of a breach of such representations in the Acquisition Agreement (after giving effect to any applicable notice and cure provisions).

"Specified Representations": the representations and warranties with respect to the Borrower set forth in Sections 3.3(a), 3.4(a), 3.5 (as such representation relates to Contractual Obligations under the Organizational Documents), 3.11, 3.14, 3.20, 3.22(a) (solely with respect to the PATRIOT Act), 3.22(b) (as such representation relates to the use of the proceeds of the Loans) and 3.22(c) (as such representation relates to the use of the proceeds of the Loans) of this Agreement.

"Standard Securitization Undertakings": representations, warranties, covenants and indemnities entered into by the Borrower or any Restricted Subsidiary that are customary for a seller or servicer of assets in a Securitization Financing.

"Statutory Reserve Rate": a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentage (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Board to which the Administrative Agent is subject with respect to the Adjusted Eurodollar Rate, for eurocurrency funding (currently referred to as "Eurocurrency Liabilities" in Regulation D of the Board). Such reserve percentage shall include those imposed pursuant to such Regulation D. Bridge Loans shall be deemed to constitute eurocurrency funding and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under such Regulation D or any comparable regulation. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

"Subordinated Indebtedness": (a) with respect to the Borrower, any Indebtedness of the Borrower which is by its terms subordinated in right of payment to the Obligations, and (b) with respect to any Guarantor, any Indebtedness of such Guarantor which is by its terms subordinated in right of payment to the Guarantee of such Guarantor.

"Subsidiary": with respect to any Person:

(1) any corporation, association, or other business entity (other than a partnership, joint venture, limited liability company or similar entity) of which more than 50.0% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time of determination owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof; and

(2) any partnership, joint venture, limited liability company or similar entity of which

(x) more than 50.0% of the capital accounts, distribution rights, total equity and voting interests or general or limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof whether in the form of membership, general, special or limited partnership or otherwise, and

(y) such Person or any Restricted Subsidiary of such Person is a controlling general partner or otherwise controls such entity.

Unless otherwise specified, all references herein to a "Subsidiary" or to "Subsidiaries" shall refer to a Subsidiary or Subsidiaries of the Borrower.

"Successor Company": as defined in Section 6.9(a)(1) hereto.

"Successor Person": as defined in Section 6.9(b)(1)(A) hereto.

"Supported QFC": as defined in Section 9.22 hereto.

"Target": as defined in the recitals to this Agreement.

"Taxes": all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Term SOFR": for the applicable corresponding tenor, the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.

"Terminated Lender": as defined in Section 2.19 hereto.

"Termination Conditions": collectively, (a) the payment in full in cash of the Obligations (other than Unasserted Contingent Obligations) and (b) the expiration or termination of the Commitments.

"Total Assets": the total assets of the Borrower and the Restricted Subsidiaries determined on a consolidated basis in accordance with GAAP, as shown on the most recent balance sheet of the Borrower for which internal financial statements are available immediately preceding the date on which any calculation of Total Assets is being made, with such *pro forma* adjustments for transactions consummated on or prior to or simultaneously with the date of the calculation as are appropriate and consistent with the *pro forma* adjustment provisions set forth in the definition of "Fixed Charge Coverage Ratio."

"Total Cap": an interest rate *per annum* equal to 7.00%, plus an additional 1.00% in the event that the Borrower has not, on or prior to October 5, 2021 but after the Closing Date, issued Capital Stock generating at least $200,000,000 of gross cash proceeds; *provided* that the Total Cap shall revert to 7.00% once the Borrower has issued Capital Stock generating at least $200,000,000 of gross cash proceeds after the Closing Date.

"Transferee": as defined in Section 9.14 hereto.

"Trustee": U.S. Bank National Association, as trustee under the Indentures, until a successor replaces it in accordance with the applicable provisions of the Indentures and thereafter means the successor serving under the Indentures.

"Unadjusted Benchmark Replacement": the Benchmark Replacement excluding the Benchmark Replacement Adjustment; *provided* that, if the Unadjusted Benchmark Replacement as so determined would be less than 0.50%, the Unadjusted Benchmark Replacement will be deemed to be 0.50% for the purposes of this Agreement.

"UK Financial Institution": any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended form time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person subject to IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

"UK Resolution Authority": the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

"Unasserted Contingent Obligations": at any time, Obligations for taxes, costs, indemnifications, reimbursements, damages and other liabilities (excluding Obligations in respect of the principal of, and interest and premium (if any) on, any Obligation) in respect of which no assertion of liability and no claim or demand for payment has been made (and, in the case of Obligations for indemnification, no notice for indemnification has been issued by the indemnitee at such time).

"Unrestricted Subsidiary":

(1) any Subsidiary of the Borrower which at the time of determination is an Unrestricted Subsidiary (as designated by the Borrower, as provided below);

(2) any Subsidiary of an Unrestricted Subsidiary; and

(3) as of the Closing Date, WWTAI Container Holdco Ltd., an exempted company incorporated with limited liability under the laws of Bermuda, and Long Ridge Terminal LLC, a limited liability company organized under the laws of Delaware (and all Subsidiaries of each of the foregoing).

The Borrower may designate any Subsidiary of the Borrower (including any existing Subsidiary and any newly acquired or newly formed Subsidiary) to be an Unrestricted Subsidiary unless such Subsidiary or any of its Subsidiaries owns any Equity Interests or Indebtedness of, or owns or holds any Lien on, any property of, the Borrower or any Subsidiary of the Borrower (other than any Subsidiary of the Subsidiary to be so designated); *provided* that:

(1) such designation complies with Section 6.1; and

(2) each of:

(A) the Subsidiary to be so designated; and

(B) its Subsidiaries has not at the time of designation, and does not thereafter, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable with respect to any Indebtedness pursuant to which the lender has recourse to any of the assets of the Borrower or any Restricted Subsidiary.

The Borrower may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided* that, immediately after giving effect to such designation, no Default or Event of Default shall have occurred and be continuing and either:

(1) the Borrower could incur at least $1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test described in the first sentence under Section 6.3; or

(2) the Fixed Charge Coverage Ratio for the Borrower and its Restricted Subsidiaries would be greater than such ratio for the Borrower and its Restricted Subsidiaries immediately prior to such designation, in each case on a *pro forma* basis taking into account such designation.

Any such designation by the Borrower shall be notified by the Borrower to the Administrative Agent by promptly providing a copy of the board resolution giving effect to such designation and an Officers' Certificate certifying that such designation complied with the foregoing provisions.

"U.S. Special Resolution Regimes": as defined in Section 9.22 hereto.

"U.S. Tax Compliance Certificate": as defined in Section 2.17(g)(ii)(C) hereto.

"Voting Stock": of any Person, as of any date, means the Capital Stock of such Person that is at the time entitled to vote in the election of the board of directors of such Person.

"Waivable Mandatory Prepayment": as defined in Section 2.12(c) hereto.

"Weighted Average Life to Maturity": when applied to any Indebtedness, Disqualified Stock or preferred stock, as the case may be, at any date, the quotient obtained by dividing:

(1) the sum of the products obtained by multiplying (i) the amount of each (A) then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect of such Indebtedness or (B) redemption or similar payment, in respect of such Disqualified Stock or preferred stock by (ii) the number of years (calculated to the nearest one-twelfth) that will elapse between the date of determination and the making of such payment; by

(2) the sum of all such payments.

"Wholly-Owned Restricted Subsidiary": any Wholly-Owned Subsidiary that is a Restricted Subsidiary.

"Wholly-Owned Subsidiary": a Subsidiary of the Borrower, 100.0% of the outstanding Capital Stock or other ownership interests of which (other than directors' qualifying shares and shares issued to foreign nationals as required by applicable law) shall at the time be owned by the Borrower or by one or more Wholly-Owned Subsidiaries of the Borrower.

"Write-Down and Conversion Powers": (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule , and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

Section 1.2 Other Definitional Provisions.

(a) Unless otherwise specified therein, all terms defined in this Agreement shall have the defined meanings when used in the other Loan Documents or any certificate or other document made or delivered pursuant hereto or thereto.

(b) As used herein and in the other Loan Documents, and any certificate or other document made or delivered pursuant hereto or thereto, accounting terms relating to the Borrower and its respective Subsidiaries not defined in Section 1.1 and accounting terms partly defined in Section 1.1, to the extent not defined, shall (subject to Section 9.15) have the respective meanings given to them under GAAP.

(c) The words "hereof," "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section, Schedule and Exhibit references are to this Agreement unless otherwise specified. 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."

(d) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

(e) As used herein and in the other Loan Documents, references to agreements or other Contractual Obligations shall, unless otherwise specified, be deemed to refer to such agreements or Contractual Obligations as amended, restated, replaced, refinanced, supplemented or otherwise modified from time to time (subject to any restrictions on such amendments, restatements, replacements, refinancings, supplements or other modifications set forth herein or in any other Loan Document). Any reference to any Law shall include all statutory and regulatory provisions consolidating, amending, replacing or interpreting such Law and any reference to any Law shall, unless otherwise specified, refer to such Law as amended, supplemented or otherwise modified from time to time.

(f) The words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

(g) Any reference herein to any Person shall be construed to include such Person's permitted successors and assigns.

Section 1.3 Timing of Payment or Performance. When the payment of any obligation or the performance of any covenant, duty or obligation is stated to be due or performance required on a day which is not a Business Day, the date of such payment (other than as described in the definition of "Interest Period" and in Section 2.5) or performance shall extend to the immediately succeeding Business Day.

Section 1.4 Currency Equivalents Generally.

(a) For purposes of determining compliance with Sections 6.1, 6.3 and 6.6 with respect to any amount of Indebtedness or Investment in a currency other than Dollars, no Default or Event of Default shall be deemed to have occurred solely as a result of changes in rates of currency exchange occurring after the time such Indebtedness or Investment is incurred (so long as such Indebtedness or Investment, at the time incurred, made or acquired, was permitted hereunder).

(b) For purposes of this Agreement and the other Loan Documents, where the permissibility of a transaction or determination of required actions or circumstances depend upon compliance with, or are determined by reference to, amounts stated in Dollars, any requisite currency translation shall be based on the exchange rate in effect on the Business Day immediately preceding the date of such transaction or determination and shall not be affected by subsequent fluctuations in exchange rates.

Section 1.5 Benchmark Replacement. The Administrative Agent does not warrant nor accept any responsibility nor shall the Administrative Agent have any liability with respect to (i) any Benchmark Replacement Conforming Changes, (ii) the administration, submission or any matter relating to the rates in the definition of LIBO Rate or with respect to any rate that is an alternative, comparable or successor rate thereto or (iii) the effect of any of the foregoing.

SECTION 2. LOANS

Section 2.1 Bridge Loans.

(a) Commitments. Subject to the terms and conditions hereof, each Lender severally agrees to make a loan (a "Bridge Loan") to the Borrower on the Closing Date in an amount equal to such Lender's Commitment. The Borrower may make only one borrowing under the Commitment, which shall be on the Closing Date. Any amount borrowed under this Section 2.1(a) and subsequently repaid or prepaid may not be reborrowed. Subject to Sections 2.10 and 2.11, all amounts owed hereunder with respect to the Bridge Loans shall be paid in full no later than the Bridge Loan Maturity Date. Each Lender's Commitment shall terminate immediately and without further action on the Closing Date upon the funding of the Bridge Loans.

(b) Borrowing Mechanics for Bridge Loans.

(i) The Borrower shall deliver to the Administrative Agent a fully executed Funding Notice no later than three days prior to the Closing Date (or such later time as may be acceptable to the Administrative Agent). Promptly upon receipt by the Administrative Agent of such Funding Notice, the Administrative Agent shall notify each Lender of the proposed borrowing.

(ii) Each Lender shall make its Bridge Loan available to the Administrative Agent not later than 10:00 a.m. (New York City time) on the Closing Date, by wire transfer of same day funds in Dollars, at the Principal Office. Upon satisfaction or waiver of the conditions precedent specified herein, the Administrative Agent shall make the proceeds of the Bridge Loans available to the Borrower on the Closing Date by causing an amount of same day funds in Dollars equal to the proceeds of all such Bridge Loans received by the Administrative Agent from Lenders to be credited to the account of the Borrower at the Principal Office or to such other account as may be designated in writing to the Administrative Agent by the Borrower.

Section 2.2 Pro Rata Shares; Availability of Funds.

(a) Pro Rata Shares. All Bridge Loans shall be made, and all participations purchased, by Lenders simultaneously and proportionately to their respective Pro Rata Shares, it being understood that no Lender shall be

responsible for any default by any other Lender in such other Lender's obligation to make a Bridge Loan requested hereunder or purchase a participation required hereby nor shall any Commitment of any Lender be increased or decreased as a result of a default by any other Lender in such other Lender's obligation to make a Bridge Loan requested hereunder or purchase a participation required hereby.

(b) Availability of Funds. Unless the Administrative Agent shall have been notified by any Lender prior to the Funding Date that such Lender does not intend to make available to the Administrative Agent the amount of such Lender's Bridge Loan requested on the Funding Date, the Administrative Agent may assume that such Lender has made such amount available to the Administrative Agent on the Funding Date and the Administrative Agent may, in its sole discretion, but shall not be obligated to, make available to the Borrower a corresponding amount on the Funding Date. If such corresponding amount is not in fact made available to the Administrative Agent by such Lender, the Administrative Agent shall be entitled to recover such corresponding amount on demand from such Lender, together with interest thereon, for each day from the Funding Date until the date such amount is paid to the Administrative Agent, at the customary rate set by the Administrative Agent for the correction of errors among banks for three Business Days and thereafter at the rate payable hereunder for Base Rate Loans. If such corresponding amount is not in fact made available to the Administrative Agent forthwith upon the Administrative Agent's demand therefor, the Administrative Agent shall promptly notify the Borrower and the Borrower shall immediately pay such corresponding amount to the Administrative Agent together with interest thereon, for each day from the Funding Date until the date such amount is paid to the Administrative Agent, at the rate payable hereunder for Base Rate Loans. If the Borrower and such Lender shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to the Borrower the amount of such duplicative interest paid by the Borrower for such period. In the event that (i) the Administrative Agent declines to make a requested amount available to the Borrower until such time as all applicable Lenders have made payment to the Administrative Agent, (ii) a Lender fails to fund to the Administrative Agent all or any portion of the Loans required to be funded by such Lender hereunder prior to the time specified in this Agreement and (iii) such Lender's failure results in the Administrative Agent failing to make a corresponding amount available to the Borrower on the Funding Date, at the Administrative Agent's option, such Lender shall not receive interest hereunder with respect to the requested amount of such Lender's Loans for the period commencing with the time specified in this Agreement for receipt of payment by the Borrower through and including the time of the Borrower's receipt of the requested amount. Nothing in this Section 2.2(b) shall be deemed to relieve any Lender from its obligation to fulfill its Commitments hereunder or to prejudice any rights that the Borrower may have against any Lender as a result of any default by such Lender hereunder.

Section 2.3 Use of Proceeds. The proceeds of the Bridge Loans shall be applied by the Borrower to fund the uses specified in the recitals hereto.

Section 2.4 Evidence of Debt; Register; Lenders' Books and Records; Promissory Notes.

(a) Lenders' Evidence of Debt. Each Lender shall maintain on its internal records an account or accounts evidencing the Borrower Obligations to such Lender, including the amounts of the Loans made by it and each repayment and prepayment in respect thereof. Any such recordation shall be conclusive and binding on the Borrower and each other Loan Party, absent manifest error; *provided* that the failure to make any such recordation, or any error in such recordation, shall not affect the Borrower Obligations in respect of any Loans; and *provided*, *further*, in the event of any inconsistency between the Register and any Lender's records, the recordations in the Register shall govern.

(b) Register. The Administrative Agent (or its agent or sub-agent appointed by it) shall maintain at its Principal Office a register for the recordation of the names and addresses of Lenders (and each assignee thereof) and the Commitments and Loans (and related interest amounts) of each Lender from time to time (the "Register"). The Register shall be available for inspection by the Borrower or any Lender (*provided* that any such Lender may only inspect any entry relating to such Lender's Commitments and Loans) at any reasonable time and from time to time

upon reasonable prior notice. The Administrative Agent shall record, or shall cause to be recorded, in the Register the Commitments and the Loans (and related interest amounts), as well as any assignments thereof, in accordance with the provisions of Section 9.6, and each repayment or prepayment in respect of the principal amount (and related interest amounts) of the Loans, and any such recordation shall be conclusive and binding on the Borrower, each other Loan Party and each Lender, absent manifest error; *provided* that any failure to make any such recordation, or any error in such recordation, shall not affect any Lender's Commitments or the Borrower Obligations in respect of any Loan. The Borrower hereby designates the Administrative Agent to serve as the Borrower's non-fiduciary agent solely for purposes of maintaining the Register as provided in this Section 2.4. The parties hereto shall treat each Person listed in the Register as the owner of the applicable Loan, notwithstanding notice to the contrary. This Section 2.4(b) is intended to establish a "book entry system" within the meaning of Treasury regulation Section 5f.103-1(c)(1)(ii) and shall be interpreted consistently with such intent.

(c) Promissory Notes. If so requested by any Lender by written notice to the Borrower (with a copy to the Administrative Agent) at least two Business Days prior to the Closing Date, or at any time thereafter, the Borrower shall execute and deliver to such Lender (and/or, if applicable and if so specified in such notice, to any Person who is an Assignee of such Lender pursuant to Section 9.6) on the Closing Date (or, if such notice is delivered after the Closing Date, promptly after the Borrower's receipt of such notice) a Promissory Note to evidence such Lender's Loan.

Section 2.5 Interest on the Loans.

(a) Except as otherwise set forth herein, each Bridge Loan shall bear interest on the unpaid principal amount thereof from the date made through repayment (whether by acceleration or otherwise) thereof that shall at all times be the Applicable Margin *plus* (x) in the case of Eurodollar Rate Loans, the Adjusted Eurodollar Rate and (y) in the case of Base Rate Loans, the Base Rate; *provided* that from and after the occurrence of a Demand Failure Event, each Bridge Loan shall bear interest at the Total Cap.

(b) The basis for determining the rate of interest with respect to any Bridge Loan, and the Interest Period with respect thereto, shall be selected by the Borrower and notified to the Administrative Agent and Lenders pursuant to the applicable Funding Notice or Continuation Notice, as the case may be.

(c) There shall be no more than ten (10) Interest Periods outstanding at any time. In the event the Borrower fails to specify an Interest Period in the applicable Funding Notice or Continuation Notice, the Borrower shall be deemed to have selected an Interest Period of one month. As soon as practicable after 10:00 a.m. (New York City time) on each Interest Rate Determination Date, the Administrative Agent shall determine (which determination shall, absent manifest error, be final, conclusive and binding upon all parties) the interest rate that shall apply to the Bridge Loans for which an interest rate is then being determined for the applicable Interest Period and shall promptly give notice thereof (in writing or by telephone confirmed in writing) to the Borrower and each Lender.

(d) Interest payable pursuant to clause (a) above shall be computed on the basis of a 360 day year for the actual number of days elapsed in the period during which it accrues. In computing interest on the Bridge Loans, the date of the making of such Bridge Loan or the first day of an Interest Period applicable to such Bridge Loan or the last Interest Payment Date with respect to such Bridge Loan shall be included, and the date of payment of such Bridge Loan or the expiration date of an Interest Period applicable to such Bridge Loan shall be excluded; *provided*, if a Bridge Loan is repaid on the same day on which it is made, one day's interest shall be paid on that Bridge Loan.

(e) Except as otherwise set forth herein, interest on each Loan shall accrue on a daily basis and shall be payable in arrears on (i) in the case of any Bridge Loan, each Interest Payment Date with respect to interest accrued on and to each such payment date, (ii) in the case of any Extended Term Loan, semi-annually in arrears on

each six-month anniversary of the Bridge Loan Maturity Date and (iii) upon any prepayment of that Loan, whether voluntary or mandatory, to the extent accrued on the amount being prepaid.

(f) Except as otherwise set forth herein, each Extended Term Loan shall bear interest on the unpaid principal amount thereof from, and including the Bridge Loan Maturity Date until, but excluding, the date of maturity thereof (whether by acceleration or otherwise) that shall at all times be the Total Cap, subject to Section 2.7 with respect to Default Interest.

Section 2.6 Continuation.

(a) Subject to Section 2.15 and so long as no Default or Event of Default shall have occurred and then be continuing, the Borrower shall have the option, upon the expiration of any Interest Period, to continue all or any portion of such Bridge Loan equal to $1,000,000 and integral multiples of $1,000,000 in excess of that amount for an additional Interest Period.

(b) Subject to clause (c) below, the Borrower shall deliver a Continuation Notice to the Administrative Agent no later than 2:00 p.m. (New York City time) at least three Business Days in advance of the proposed Continuation Date. Except as otherwise provided herein, a Continuation Notice for continuation shall be irrevocable on and after the related Interest Rate Determination Date, and the Borrower shall be bound to effect a continuation in accordance therewith. If on any day a Bridge Loan is outstanding with respect to which a Continuation Notice has not been delivered to the Administrative Agent in accordance with the terms hereof specifying the applicable basis for determining the rate of interest, then the Borrower shall be deemed to have selected an Interest Period of one month's duration.

(c) Any Continuation Notice shall be executed by a Responsible Officer of the Borrower in a writing delivered to the Administrative Agent. In lieu of delivering a Continuation Notice, the Borrower may give the Administrative Agent telephonic notice by the required time of such proposed continuation; *provided* each such notice shall be promptly confirmed in writing by delivery of the applicable Continuation Notice to the Administrative Agent on or before the close of business on the date that the telephonic notice is given. In the event of a discrepancy between the telephone notice and the written Continuation Notice, the written Continuation Notice shall govern. In the case of any Continuation Notice that is irrevocable once given, if the Borrower provides telephonic notice in lieu thereof, such telephone notice shall also be irrevocable once given. Neither the Administrative Agent nor any Lender shall incur any liability to the Borrower in acting upon any telephonic notice referred to above that the Administrative Agent believes in good faith to have been given by a duly authorized officer or other person authorized on behalf of the Borrower or for otherwise acting in good faith.

Section 2.7 Default Interest. Upon the occurrence and during the continuance of an Event of Default under Section 7.1(a)(1), Section 7.1(a)(7) or Section 7.1(a)(8), upon notice by the Administrative Agent to the Borrower at the direction of the Required Lenders, the overdue principal amount of all Loans outstanding and, to the extent permitted by applicable law, any overdue interest payments on the Loans or any overdue fees or other amounts owed hereunder shall bear interest (including post-petition interest in any proceeding under Bankruptcy Laws (or interest that would have accrued after the commencement of a proceeding but for the commencement of such proceeding)) payable on demand at a rate that is 2% per annum in excess of (i) in the case of overdue principal of any Loan, the interest rate otherwise payable hereunder with respect to the applicable Loans and (ii) in the case of any other amount, the rate applicable to Base Rate Loans. Payment or acceptance of the increased rates of interest provided for in this Section 2.7 is not a permitted alternative to timely payment and shall not constitute a waiver of any Event of Default or otherwise prejudice or limit any rights or remedies of the Administrative Agent or any Lender.

Section 2.8 Fees. The Borrower agrees to pay to each Arranger and the Administrative Agent fees and expenses in the amounts and at the times separately agreed upon.

Section 2.9 Conversion to Extended Term Loans. If any of the Bridge Loans are outstanding on the Bridge Loan Maturity Date, then on the Bridge Loan Maturity Date the then-outstanding principal amount of such Bridge Loans will automatically be converted into senior term loans (any such term loans that have been so converted, "Extended Term Loans"), which shall be due and payable on the Extended Term Loan Maturity Date. Upon the conversion of the Bridge Loans into Extended Term Loans, each Lender shall cancel on its records a principal amount of the Bridge Loans held by such Lender corresponding to the principal amount of the Extended Term Loans made by such Lender, which corresponding principal amount of the Bridge Loans shall be satisfied by the conversion of such Bridge Loans into Extended Term Loans in accordance with this Section 2.9.

Section 2.10 Voluntary Prepayments.

(a) Any time and from time to time the Borrower may prepay any Loans on any Business Day in whole or in part in an aggregate minimum amount of $1,000,000 and integral multiples of $1,000,000 in excess of that amount.

(b) All such prepayments shall be made: upon written or telephonic notice upon not less than two Business Days' prior written or telephonic notice; given to the Administrative Agent by 3:00 p.m. (New York City time) on the date required and, if given by telephone, promptly confirmed by delivery of written notice thereof to the Administrative Agent (and the Administrative Agent will promptly transmit such original notice for Loans by telefacsimile or telephone to each applicable Lender). Upon the giving of any such notice, the principal amount of the Loans specified in such notice shall become due and payable on the prepayment date specified therein; *provided* that a notice of voluntary prepayment may state that such notice is conditioned upon the effectiveness of other credit facilities, the receipt of proceeds from the issuance of other Indebtedness or the Disposition of assets, the closing of a merger, amalgamation or acquisition transaction or the closing of any other transaction, in which case such notice of prepayment may be revoked or extended by the Borrower (by notice to the Administrative Agent on or prior to the specified date) if such condition is not satisfied or delayed in effectiveness, *provided* that the Borrower shall make any payments required to be made pursuant to Section 2.15(b) in connection therewith.

Section 2.11 Mandatory Prepayments.

(a) Asset Sales. No later than the fifth Business Day after the Borrower's or a Restricted Subsidiary's receipt of any Net Proceeds in excess of $10,000,000 of any Asset Sale, the Borrower or such Restricted Subsidiary shall make an offer to the Lenders to prepay Bridge Loans in an aggregate principal amount equal to such portion of such Net Proceeds as permitted under Section 4.10(b)(1) of the Indentures, at a price equal to 100.0% of the principal amount thereof, plus accrued and unpaid interest and additional interest, if any; *provided* that, so long as no Event of Default under Section 7.1(a)(1), (7) or (8) shall have occurred and be continuing at the time the Net Proceeds from any such Asset Sales are received, the Borrower shall have the option, directly or through one or more of its Restricted Subsidiaries, to reinvest such Net Proceeds to the extent (x) such Net Proceeds are so reinvested within 90 days of receipt thereof, or (y) the Borrower or one or more of its Restricted Subsidiaries have committed to reinvest such Net Proceeds during such 90-day period and such Net Proceeds are so reinvested within 90 days after the expiration of the initial 90-day period, in assets useful in the business of the Borrower and its Restricted Subsidiaries (or to use such Net Proceeds to replace assets Disposed of in such Asset Sale); *provided*, *further*, that any Net Proceeds not so reinvested shall be applied to the prepayment of the Bridge Loans as set forth in this Section 2.11(a) at the end of such reinvestment period.

(b) Change of Control. No later than the fifth Business Day after the occurrence of a Change of Control, the Borrower shall make an offer to the Lenders to prepay all outstanding Bridge Loans, at a price equal to 100.0% of the principal amount thereof, plus accrued and unpaid interest and additional interest, if any.

(c) Issuance of Debt. Immediately upon receipt by the Borrower or any of its Restricted Subsidiaries of any Net Proceeds from the incurrence by the Borrower or any of its Restricted Subsidiaries of the Demand Notes

or any other Indebtedness of the Borrower or any of its Restricted Subsidiaries (excluding (i) amounts drawn under the Commitments (as defined in the Revolving Credit Agreement) in effect as of the Closing Date under the Revolving Credit Agreement, (ii) intercompany Indebtedness among the Borrower and/or its subsidiaries, (iii) any ordinary course letter of credit facilities, purchase money indebtedness and equipment financings in an aggregate principal amount not exceeding $25,000,000, (iv) Capitalized Lease Obligations incurred in the ordinary course of business of the Borrower and its Subsidiaries, (v) any Jefferson Project Indebtedness and (vi) other Indebtedness in an aggregate principal amount not exceeding $50,000,000), the Borrower shall make an offer to the Lenders to prepay the Bridge Loans in an aggregate amount equal to such Net Proceeds at a price equal to 100.0% of the principal amount thereof, plus accrued and unpaid interest and additional interest, if any; *provided* that in the event any Lender or affiliate of a Lender purchases debt securities from the Borrower pursuant to a securities demand at an issue price above the level at which such Lender or affiliate has determined such debt securities can be resold by such Lender or affiliate to a bona fide third party at the time of such purchase (and notifies the Borrower thereof), the Net Proceeds received by the Borrower in respect of such Indebtedness may, at the option of such Lender or affiliate, be applied first to repay the Bridge Loans of such Lender or affiliate (*provided* that if there is more than one such Lender or affiliate then such Net Proceeds will be applied pro rata to repay Bridge Loans of all such Lenders or affiliates in proportion to such Lenders' or affiliates' principal amount of Indebtedness purchased from the Borrower) prior to being applied to prepay the Bridge Loans held by other Lenders.

(d) [Reserved].

(e) Net Equity Proceeds. Within five (5) Business Days of the receipt by any Loan Party or any of its Restricted Subsidiaries of any Net Equity Proceeds (excluding Net Equity Proceeds resulting from the sale, issuance or exercise by any Loan Party or any of its Restricted Subsidiaries of any Capital Stock (i) by any Subsidiary to the Borrower or any other Subsidiary (as applicable), (ii) pursuant to any equity compensation plan, employment agreement or employee benefit plan or agreement or pursuant to the exercise or vesting of any stock options, restricted stock units, stock appreciation rights, warrants or other equity-based awards, (iii) as directors' qualifying shares, (v) in connection with hedging programs and (vi) upon conversion or exercise of outstanding securities or options), the Borrower shall prepay the Bridge Loans in an amount equal to such Net Equity Proceeds, at a price equal to 100.0% of the principal amount thereof, plus accrued and unpaid interest and additional interest, if any.

(f) Prepayment Certificate. Concurrently with any prepayment of the Bridge Loans pursuant to Sections 2.11(a), (c) or (e), the Borrower shall deliver to the Administrative Agent a certificate of a Responsible Officer of the Borrower demonstrating the calculation of the amount of the applicable Net Proceeds or Net Equity Proceeds, as the case may be. In the event that the Borrower shall subsequently determine that the actual amount required to be prepaid exceeded the amount set forth in such certificate, the Borrower shall promptly make an additional prepayment of the Bridge Loans in an amount equal to such excess, and the Borrower shall concurrently therewith deliver to the Administrative Agent a certificate of a Responsible Officer of the Borrower demonstrating the derivation of such excess.

(g) Foreign Dispositions. Notwithstanding any other provision of this Section 2.11, (i) to the extent that any of or all the Net Proceeds of any Disposition received by a Foreign Subsidiary are prohibited or delayed by applicable local law from being repatriated to the United States of America, the portion of such Net Proceeds so affected will not be required to be applied to prepay Bridge Loans at the times provided in this Section 2.11 but may be retained by the applicable Foreign Subsidiary so long, but only so long, as the applicable local law will not permit repatriation to the United States of America (the Borrower hereby agreeing to cause the applicable Foreign Subsidiary to promptly take all actions reasonably required by the applicable local law to permit such repatriation), and once such repatriation of any of such affected Net Proceeds that would otherwise be required to be used to make a prepayment pursuant to this Section 2.11, is permitted under the applicable local law, such Net Proceeds will be promptly (and in any event not later than five (5) Business Days after any such repatriation) applied (net of additional Taxes payable or reserved against as a result thereof to the extent not already taken into account under the definition of "Net Proceeds") to the prepayment of the Bridge Loans pursuant to this Section 2.11 and (ii) to the

extent that the Borrower has determined in its sole discretion exercised in good faith that repatriation to the United States of America of any of or all the Net Proceeds of any Disposition received by a Foreign Subsidiary would have material adverse Tax consequences (taking into account any foreign Tax credit or benefit actually realized in connection with such repatriation) with respect to such Net Proceeds, such Net Proceeds so affected may be retained by the applicable Foreign Subsidiary; *provided* that in the case of this clause (ii), on or before the date on which any such Net Proceeds would have been required to be applied to prepayments pursuant to this Section 2.11, the Borrower applies an amount equal to such Net Proceeds to such reinvestments or prepayments, as applicable, as if such Net Proceeds had been received by the Borrower rather than such Foreign Subsidiary, less the amount (the "Netted Tax Amount") of additional Taxes (to the extent not already taken into account under the definition of "Net Proceeds") that would have been payable or reserved against if such Net Proceeds had been repatriated (or, if less, the Net Proceeds that would be calculated if received by such Foreign Subsidiary); *provided* that, to the extent that the repatriation of any Net Proceeds from such Foreign Subsidiary would no longer have an adverse Tax consequence, the Borrower shall apply the Netted Tax Amount to prepayment of the Bridge Loans promptly (and in any event not later than five (5) Business Days after any such repatriation) in accordance with this Section 2.11.

(h) Mandatory Prepayments Applicable to Extended Term Loan. Notwithstanding anything to the contrary contained in this Agreement, on and after the Bridge Loan Maturity Date, at all times while the Extended Term Loans are outstanding, the Borrower shall comply with the provisions of the Exchange Notes Indenture applicable to an "Asset Sale Offer" as defined therein with respect to the Extended Term Loans instead of the provisions contained in this Agreement (including this Section 2.11), and such provisions of the Exchange Notes Indenture (including the corresponding definitions in the Exchange Notes Indenture that relate to such sections and articles of the Exchange Notes Indenture) shall be deemed incorporated and set forth in this Agreement to the extent necessary to give effect to the foregoing; *provided* that, for purposes of this Agreement (i) any references to the "Holders" therein shall be deemed to be references to the Lenders, (ii) any references to the "Indenture" therein shall be deemed to be references to this Agreement, (iii) any references to the "Issuer" therein shall be deemed to be references to the Borrower, (iv) any references to the "Notes" therein shall be deemed to be references to the Extended Term Loans and (v) any references to the "Trustee" therein shall be deemed to be references to the Administrative Agent, and payment shall be made as set forth in Section 2.12 (and not as described under "Selection and Discharge" in the Description of Exchange Notes).

Section 2.12 Application of Prepayments/Reductions.

(a) [Reserved].

(b) [Reserved].

(c) Waivable Mandatory Prepayment. Anything contained herein to the contrary notwithstanding, so long as any Bridge Loans are outstanding, in the event the Borrower is required to make an offer to prepay Bridge Loans pursuant to clause (a), (b), (c) or (e) of Section 2.11, the Borrower shall notify the Administrative Agent on the date specified in clause (a), (b), (c) or (e) of Section 2.11, as applicable (the "Required Offer Date"), of the amount of such prepayment (the "Waivable Prepayment Amount"), and the Administrative Agent will promptly thereafter notify each Lender holding an outstanding Bridge Loan of the amount of such Lender's Pro Rata Share of such Waivable Prepayment Amount and such Lender's option to refuse such amount. Each such Lender may exercise such option to refuse its Pro Rata Share of such Waivable Prepayment Amount (such refused amount of all such Lenders, the "Refused Proceeds") by giving written notice to the Borrower and the Administrative Agent of its election to do so on or before the third Business Day after the Required Offer Date (it being understood that any Lender which does not notify the Borrower and the Administrative Agent of its election to exercise such option on or before the third Business Day after the Required Offer Date shall be deemed to have elected, as of such date, not to exercise such option). On the fifth Business Day after the Required Offer Date, the Borrower shall (i) pay to the Administrative Agent the amount of the Waivable Prepayment Amount, less the Refused Proceeds, which such remaining amount shall be applied to prepay the Bridge Loans of those Lenders that have elected not to exercise

such option, and (ii) retain any Refused Proceeds or use such Refused Proceeds for any other purpose not prohibited hereunder.

Section 2.13 General Provisions Regarding Payments.

(a) All payments by the Borrower of principal, interest, fees and other Obligations shall be made in Dollars in same day funds, without defense, recoupment, setoff or counterclaim, free of any restriction or condition, and delivered to the Administrative Agent not later than 3:00 p.m. (New York City time) on the date due at the Principal Office of the Administrative Agent for the account of Lenders.

(b) All payments in respect of the principal amount of any Bridge Loan shall be accompanied by payment of any fees required to be paid in connection with such principal payment pursuant to Section 2.8 and payment of accrued interest on the principal amount being repaid or prepaid, and all such payments (and, in any event, any payments in respect of any Bridge Loan on a date when interest is due and payable with respect to such Bridge Loan) shall be applied to the payment of interest then due and payable before application to principal.

(c) The Administrative Agent (or its agent or sub-agent appointed by it) shall promptly distribute to each Lender at such address as such Lender shall indicate in writing, such Lender's applicable Pro Rata Share of all payments and prepayments of principal and interest due hereunder, together with all other amounts due related thereto, including all fees payable with respect thereto, to the extent received by the Administrative Agent.

(d) [Reserved.]

(e) Whenever any payment to be made hereunder with respect to any Bridge Loan shall be stated to be due on a day that is not a Business Day, such payment shall be made on the next succeeding Business Day.

(f) The Administrative Agent shall deem any payment by or on behalf of the Borrower hereunder that is not made in same day funds prior to 3:00 p.m. (New York City time) (unless a later time is otherwise specified herein with respect to such payment) to be a non-conforming payment. Any such payment shall not be deemed to have been received by the Administrative Agent until the later of (i) the time such funds become available funds, and (ii) the applicable next Business Day. The Administrative Agent shall give prompt telephonic notice to the Borrower and each applicable Lender (confirmed in writing) if any payment is non-conforming. Any non-conforming payment may constitute or become a Default or Event of Default in accordance with the terms of Section 7.1(a). Interest shall continue to accrue on any principal as to which a non-conforming payment is made until such funds become available funds (but in no event less than the period from the date of such payment to the next succeeding applicable Business Day) at the rate determined pursuant to Section 2.7, if applicable, from the date such amount was due and payable until the date such amount is paid in full.

Section 2.14 Ratable Sharing. The Lenders hereby agree among themselves that if any of them shall, whether by voluntary payment (other than a voluntary prepayment of Bridge Loans made and applied in accordance with the terms hereof), through the exercise of any right of set off or banker's lien, or by counterclaim or cross action or by the enforcement of any right under the Loan Documents or otherwise, or as adequate protection of a deposit treated as cash collateral under Bankruptcy Laws, receive payment or reduction of a proportion of the aggregate amount of principal, interest, fees and other amounts then due and owing to such Lender hereunder or under the other Loan Documents (collectively, the "Aggregate Amounts Due" to such Lender) which is greater than the proportion received by any other Lender in respect of the Aggregate Amounts Due to such other Lender, then the Lender receiving such proportionately greater payment shall (a) notify the Administrative Agent and each other Lender of the receipt of such payment and (b) apply a portion of such payment to purchase participations (which it shall be deemed to have purchased from each seller of a participation simultaneously upon the receipt by such seller of its portion of such payment) in the Aggregate Amounts Due to the other Lenders so that all such recoveries of Aggregate Amounts Due shall be shared by all Lenders in proportion to the Aggregate Amounts Due to them; *provided* that if all or part of such proportionately greater payment

received by such purchasing Lender is thereafter recovered from such Lender upon the bankruptcy or reorganization of the Borrower or otherwise, those purchases shall be rescinded and the purchase prices paid for such participations shall be returned to such purchasing Lender ratably to the extent of such recovery, but without interest. The Borrower expressly consents to the foregoing arrangement and agrees that any holder of a participation so purchased may exercise any and all rights of banker's lien, consolidation, set off or counterclaim with respect to any and all monies owing by the Borrower to that holder with respect thereto as fully as if that holder were owed the amount of the participation held by that holder. The provisions of this Section 2.14 shall not be construed to apply to (i) any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement as in effect from time to time or (ii) any payment obtained by any Lender as consideration for the assignment or sale of a participation in any of its Bridge Loans or other Obligations owed to it. For purposes of clause (a)(iii) of Section 2.17, a Lender that acquires a participation pursuant to this Section 2.14 shall be treated as having acquired such participation on the earlier date on which such Lender acquired the applicable interest in the Bridge Loan to which such participation relates.

Section 2.15 Making or Maintaining Loans; Benchmark Replacement.

(a) Replacing LIBO Rate. Notwithstanding anything to the contrary herein or in any other Loan Document:

(i) On March 5, 2021 the Financial Conduct Authority ("FCA"), the regulatory supervisor of the LIBO Rate's administrator ("IBA"), announced in a public statement the future cessation or loss of representativeness of overnight/Spot Next, 1-month, 3-month, 6-month and 12-month LIBO Rate tenor settings. On the date (the "Benchmark Transition Date") that is the earlier of (A) the date that all Available Tenors of the LIBO Rate have either permanently or indefinitely ceased to be provided by IBA or have been announced by the FCA pursuant to public statement or publication of information to be no longer representative and (B) the Early Opt-in Effective Date, if the then-current Benchmark is the LIBO Rate, the Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of any setting of such Benchmark on such day and all subsequent settings without any amendment to, or further action or consent of any other party to this Agreement or any other Loan Document. If the Benchmark Replacement is Daily Simple SOFR, all interest payments will be payable on a quarterly basis.

(ii) Upon the occurrence of a Benchmark Transition Event, the Benchmark Replacement will replace the then-current Benchmark for all purposes hereunder and under any Loan Document in respect of any Benchmark setting at or after 5:00 p.m. on the fifth (5^{th}) Business Day after the date notice of such Benchmark Replacement is provided to the Lenders without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document so long as the Administrative Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lenders comprising the Required Lenders. At any time that the administrator of the then-current Benchmark has permanently or indefinitely ceased to provide such Benchmark or such Benchmark has been announced by the regulatory supervisor for the administrator of such Benchmark pursuant to public statement or publication of information to be no longer representative of the underlying market and economic reality that such Benchmark is intended to measure and that representativeness will not be restored, the Borrower may revoke any request for a borrowing of, conversion to or continuation of Loans to be made, converted or continued that would bear interest by reference to such Benchmark until the Borrower's receipt of notice from the Administrative Agent that a Benchmark Replacement has replaced such Benchmark, and, failing that, the Borrower will be deemed to have converted any such request into a request for a borrowing of or conversion to Base Rate Loans.

(iii) Notwithstanding anything to the contrary herein or in any other Loan Document, if (A) the Benchmark Transition Date has occurred and as a result the then-current Benchmark is being determined in accordance with clause (1)(b) of the definition of "Benchmark Replacement", and (B) the

Administrative Agent subsequently determines, in its sole discretion, that (w) Term SOFR is or has becomes available, (x) there is currently a market for Dollar-denominated syndicated credit facilities utilizing Term SOFR as a Benchmark, (y) Term SOFR is being recommended as the Benchmark for Dollar-denominated syndicated credit facilities by the Relevant Government Authority and (z) Term SOFR and the application thereof is administratively feasible for the Administrative Agent (as determined by the Administrative Agent in its sole discretion), then clause (1)(a) of the definition of "Benchmark Replacement" will, without requiring any amendment to, or requiring any further action by or consent of any other party to, this Agreement or any other Loan Document, replace such then-current Benchmark for all purposes hereunder and under any other Loan Document in respect of such Benchmark setting and subsequent Benchmark settings on and from the beginning of the next Interest Period or, as the case may be, Available Tenor so long as the Administrative Agent notifies the Borrower and the Lenders prior to the commencement of such next Interest Period or, as the case may be, Available Tenor.

(iv) In connection with the implementation and administration of a Benchmark Replacement, the Administrative Agent will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement.

(v) The Administrative Agent will promptly notify the Borrower and the Lenders of (A) the implementation of any Benchmark Replacement and (B) the effectiveness of any Benchmark Replacement Conforming Changes. Any determination, decision or election that may be made by the Administrative Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 2.15, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party hereto, except, in each case, as expressly required pursuant to this Section 2.15.

(vi) At any time (including in connection with the implementation of a Benchmark Replacement), (A) if the then-current Benchmark is a term rate (including Term SOFR or LIBO Rate), then the Administrative Agent may remove any tenor of such Benchmark that is unavailable or non-representative for Benchmark (including Benchmark Replacement) settings and (B) the Administrative Agent may reinstate any such previously removed tenor for Benchmark (including Benchmark Replacement) settings.

(b) Compensation for Breakage or Non-Commencement of Interest Periods. The Borrower shall compensate each Lender, upon written request by such Lender (which request shall set forth the basis for requesting such amounts in reasonable detail), for all reasonable losses, expenses and liabilities (including any interest paid or payable by such Lender to lenders of funds borrowed by it to make or carry its Loans and any loss, expense or liability sustained by such Lender in connection with the liquidation or re-employment of such funds but excluding loss of anticipated profits) which such Lender may sustain: (i) if for any reason (other than a default by such Lender) a continuation of any Loan does not occur on a date specified therefor in a Continuation Notice or a telephonic request for continuation; (ii) if any prepayment or other principal payment of any of its Loans occurs on a date prior to the last day of an Interest Period applicable to that Loan; or (iii) if any prepayment of any of its Loans is not made on any date specified in a notice of prepayment given by the Borrower.

(c) Booking of Loans. Any Lender may make, carry or transfer Loans at, to, or for the account of any of its branch offices or the office of an Affiliate of such Lender.

(d) Assumptions Concerning Funding of Loans. Calculation of all amounts payable to a Lender under this Section 2.15 and under Section 2.16 shall be made as though such Lender had actually funded each of its

relevant Loans through the purchase of a Eurodollar deposit bearing interest at the rate obtained pursuant to the definition of "Adjusted Eurodollar Rate" in an amount equal to the amount of such Loan and having a maturity comparable to the relevant Interest Period and through the transfer of such Eurodollar deposit from an offshore office of such Lender to a domestic office of such Lender in the United States of America; *provided*, *however*, each Lender may fund each of its Loans in any manner it sees fit and the foregoing assumptions shall be utilized only for the purposes of calculating amounts payable under this Section 2.15 and under Section 2.16.

Section 2.16 Increased Costs; Capital Requirements.

(a) Increased Costs. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender (except any reserve requirement reflected in the Adjusted Eurodollar Rate);

(ii) subject any Recipient to any Taxes (other than (A) Taxes excluded from Section 2.17(a) pursuant to clauses (ii) through (iv) of Section 2.17(a), (B) Non-Excluded Taxes and Other Taxes indemnifiable under Section 2.17 and (C) Connection Income Taxes) on its loans, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii) impose on any Lender or the London interbank market any other condition, cost or expense (other than Taxes) affecting this Agreement or Loans made by such Lender or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender or such other Recipient of making, converting to, continuing or maintaining any Loan or of maintaining its obligation to make any such Loan, or to reduce the amount of any sum received or receivable by such Lender or other Recipient hereunder (whether of principal, interest or any other amount) then, upon request of such Lender or other Recipient, the Borrower will pay to such Lender or other Recipient, as the case may be, such additional amount or amounts as will compensate such Lender or other Recipient, as the case may be, for such additional costs incurred or reduction suffered.

(b) Capital Requirements. If any Lender determines that any Change in Law affecting such Lender or any lending office of such Lender or such Lender's holding company, if any, regarding capital or liquidity requirements, has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by such Lender to a level below that which such Lender or such Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy), then from time to time the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered.

(c) Certificates for Reimbursement. A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section and delivered to the Borrower, shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 30 days after receipt thereof.

(d) Delay in Requests. Failure or delay on the part of any Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's right to demand such compensation; *provided* that the Borrower shall not be required to compensate a Lender pursuant to this Section for any increased costs incurred or

reductions suffered more than nine months prior to the date that such Lender notifies the Borrower of the Change in Law giving rise to such increased costs or reductions, and of such Lender's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the nine-month period referred to above shall be extended to include the period of retroactive effect thereof).

Section 2.17 Taxes.

(a) All payments made by or on behalf of any Loan Party to a Recipient under any Loan Document shall be made free and clear of, and without deduction or withholding for or on account of, any Taxes (except as required by applicable Law), excluding any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient: (i) Taxes imposed on or measured by net income (however denominated), branch profits, and franchise Taxes, in each case (x) imposed on any Recipient as a result of such Recipient being organized under the laws of, or having its principal office or applicable lending office located in, the jurisdiction of the Governmental Authority imposing such Tax (or any political subdivision thereof), or (y) that are Other Connection Taxes; (ii) Taxes imposed on any Recipient that are attributable to such Recipient's failure to comply with the requirements of paragraph (f), (g) or (h) of this Section 2.17; (iii) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a Law in effect on the date on which (x) such Lender acquires such interest in such Commitment (or, to the extent such Lender did not fund an applicable Loan pursuant to a prior Commitment, on the date on which such Lender acquires interest in such Loan), *provided* that this clause (x) shall not apply to a Lender that became a Lender pursuant to an assignment request by the Borrower under Section 2.19, or (y) such Lender changes its lending office, except in each case to the extent that, pursuant to this Section 2.17, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender acquired the applicable interest in such Loan or Commitment or to such Lender immediately before it changed its lending office; and (iv) Taxes that are imposed pursuant to 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), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b)(1) of the Code as of the date of this Agreement (or any amended or successor version described above), and any intergovernmental agreement (and any related fiscal or regulatory legislation, administrative rules or official practices implementing the foregoing (such Code provisions, agreements, regulations and interpretations, collectively, "FATCA"). If applicable Law (as determined in the good faith discretion of any applicable withholding agent) requires any Taxes not described in clauses (i) through (iv) of the preceding sentence ("Non-Excluded Taxes") or any Other Taxes to be withheld by any applicable withholding agent from any amounts payable under any Loan Document, the amounts so payable by or on behalf of any Loan Party shall be increased to the extent necessary so that after such deduction or withholding has been made (including such deductions and withholdings of Non-Excluded Taxes or Other Taxes applicable to additional sums payable under this Section 2.17) the applicable Lender (or, in the case of any amounts received by the Administrative Agent for its own account, the Administrative Agent) receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(b) Without duplication of Section 2.17(a), the Loan Parties shall pay to the relevant Governmental Authority in accordance with applicable Law, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(c) Whenever any Non-Excluded Taxes or Other Taxes are payable or remittable by a Loan Party, as soon as practicable thereafter the Loan Party shall send to the applicable Recipient the original or a certified copy of an original official receipt received by the Loan Party or other reasonably satisfactory evidence showing payment thereof.

(d) Without duplication of Section 2.17(a), the Loan Parties shall indemnify each Recipient for the full amount of Non-Excluded Taxes or Other Taxes (including any Non-Excluded Taxes and Other Taxes imposed

on amounts payable under this Section 2.17) payable by such Recipient, and any liability (including penalties, additions to Tax, interest and any reasonable expenses) arising therefrom or with respect thereto, whether or not such Non-Excluded Taxes or Other Taxes were correctly or legally asserted by the relevant Governmental Authority. Such indemnification shall be made within 10 days after the date the Recipient makes written demand therefor (which demand shall set forth in reasonable detail the nature and amount of Non-Excluded Taxes and Other Taxes for which indemnification is being sought). A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Arrangers or Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(e) If any Recipient determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified by a Loan Party or with respect to which a Loan Party has paid additional amounts pursuant to this Section 2.17, it shall pay such Loan Party an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by the Loan Party under this Section 2.17 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such Recipient and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); *provided* that the Loan Party, upon the request of such Recipient, agrees to repay the amount paid over to the Loan Party (plus interest attributable to the period during which the Loan Party held such funds and any penalties, additions to Tax, interest or other charges imposed by the relevant Governmental Authority) to such Recipient in the event such Recipient is required to repay such refund to such Governmental Authority. This Section 2.17(e) shall not be construed to require any Recipient to make available its tax returns (or any other information relating to its Taxes that it deems confidential) to the Borrower or any other Person.

(f) Upon the reasonable request of the Borrower or the Administrative Agent, a Lender that is entitled to an exemption from or reduction of any applicable withholding Tax with respect to any payments under this Agreement or any other Loan Document shall deliver to the Borrower and the Administrative Agent such properly completed and executed documentation prescribed by applicable Law or reasonably requested by the Borrower or the Administrative Agent (in such number of copies as shall be reasonably requested by the Borrower or the Administrative Agent, as applicable) as will permit such payments to be made without withholding or at a reduced rate prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent); *provided* that the completion, execution or submission of such documentation required under this Section 2.17(f) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender. Each Lender shall deliver the forms and other documentation required to be provided under this Section 2.17: (i) on or before the date it becomes a party to this Agreement, (ii) promptly upon the obsolescence, expiration, inaccuracy, or invalidity of any form previously delivered by such Lender, and (iii) at such other times as may be reasonably requested by the Borrower or the Administrative Agent or as required by Law. Each Lender shall promptly notify the Borrower and the Administrative Agent at any time it determines that it is no longer in a position to provide any documentation previously delivered to the Borrower or the Administrative Agent. Notwithstanding anything in this Section 2.17 to the contrary, no Lender shall be required to provide any form or other documentation pursuant to this Section 2.17 that it is not legally eligible to provide.

(g) Without limiting the generality of Section 2.17(f):

(i) Each Lender that is a "U.S. person" (as defined in Section 7701(a)(30) of the Code) shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent) two executed copies of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding Tax.

(ii) Each Lender that is not a "U.S. person" (as such term is defined in Section 7701(a)(30) of the Code) (a "Foreign Lender") shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), two executed copies of whichever of the following is applicable:

(A) In the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party, IRS Form W-8BEN or Form W-8BEN-E, as applicable, establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to such tax treaty;

(B) IRS Form W-8ECI;

(C) In the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit H-1 (a "U.S. Tax Compliance Certificate") and (y) IRS Form W-8BEN or Form W-8BEN-E, as applicable;

(D) To the extent a Foreign Lender is not the beneficial owner, IRS Form W-8IMY, accompanied by IRS Form W-8ECI, Form W-8BEN, Form W-8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit H-2 or Exhibit H-3, IRS Form W-9 and/or other certification documents from each beneficial owner, as applicable; *provided* that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide U.S. Tax Compliance Certificate substantially in the form of Exhibit H-4 on behalf of each such direct and indirect partner.

(iii) If a payment made to any Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA, to determine whether such Lender has complied with its obligations under FATCA or to determine the amount, if any, to deduct and withhold from such payment. Solely for the purpose of this Section 2.17(g)(iii), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(h) If the Administrative Agent is a "United States person" within the meaning of Section 7701(a)(30) of the Code, then it shall, on or prior to the date on which it becomes the Administrative Agent, provide the Borrower with a properly completed and duly executed copy of IRS Form W-9 confirming that the Administrative Agent is exempt from U.S. federal back-up withholding. If the Administrative Agent is not a "United States person" within the meaning of Section 7701(a)(30) of the Code, then it shall, on or prior to the date on which it becomes the Administrative Agent, provide the Borrower with, (i) with respect to payments made to the Administrative Agent for its own account, a properly completed and duly executed IRS Form W-8ECI (or other applicable IRS Form W-8), and (ii) with respect to payments made to the Administrative Agent for the account of any Lender, a properly completed and duly executed IRS Form W-8IMY confirming that the Administrative Agent agrees to be treated as a "United States person" for U.S. federal withholding Tax purposes. On or prior to the date on which it becomes an Arranger, such Arranger shall provide the Borrower with a properly completed and duly executed copy of IRS Form

W-9 confirming that such Arranger is exempt from U.S. federal back-up withholding. The Administrative Agent and the Arrangers shall, (A) promptly upon the obsolescence, expiration, inaccuracy or invalidity of any form previously delivered by the Administrative Agent or an Arranger under this clause (h), and (B) at such other times as may be reasonably requested by the Borrower or as required by Law, deliver promptly to the Borrower an updated form or other appropriate documentation (in such number of copies as shall be reasonably requested by the Borrower) or promptly notify the Borrower in writing of its legal ineligibility to do so. Notwithstanding anything in this clause (h) to the contrary, no Administrative Agent or Arranger shall be required to provide any documentation pursuant to this clause (h) that such Administrative Agent or Arranger is unable to deliver as a result of a Change in Law after the date of this Agreement.

(i) The agreements in this Section 2.17 shall survive the resignation and/or replacement of the Administrative Agent, any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all other Obligations.

Section 2.18 Obligation to Mitigate. Each Lender agrees that, as promptly as practicable after the officer of such Lender responsible for administering its Loans becomes aware of the occurrence of an event or the existence of a condition that would entitle such Lender to receive payments under Section 2.15, 2.16 or 2.17, it will, to the extent not inconsistent with the internal policies of such Lender and any applicable legal or regulatory restrictions, use reasonable efforts to (a) make, issue, fund or maintain its Loans through another office of such Lender, or (b) take such other measures as such Lender may deem reasonable, if as a result thereof the additional amounts which would otherwise be required to be paid to such Lender pursuant to Section 2.15, 2.16 or 2.17 would be reduced and if, as determined by such Lender in its sole discretion, the making, funding or maintaining of such Loans through such other office or in accordance with such other measures, as the case may be, would not otherwise adversely affect such Loans or the interests of such Lender; *provided* that such Lender will not be obligated to utilize such other office or take such other measures pursuant to this Section 2.18 unless the Borrower agrees to pay all incremental expenses incurred by such Lender as a result of utilizing such other office or taking such other measures as described above. A certificate as to the amount of any such expenses payable by the Borrower pursuant to this Section 2.18 (setting forth in reasonable detail the basis for requesting such amount) submitted by such Lender to the Borrower (with a copy to the Administrative Agent) shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 30 days after receipt thereof.

Section 2.19 Removal or Replacement of a Lender. Anything contained herein to the contrary notwithstanding, in the event that: (a)(i) any Lender (an "Increased Cost Lender") shall give notice to the Borrower that such Lender is entitled to receive payments under Section 2.15, 2.16 or 2.17, (ii) the circumstances which entitle such Lender to receive such payments shall remain in effect, and (iii) such Lender shall fail to withdraw such notice within five Business Days after the Borrower's request for such withdrawal; or (b) in connection with any proposed amendment, modification, termination, waiver or consent with respect to any of the provisions hereof as contemplated by Section 9.1, the consent of Required Lenders shall have been obtained but the consent of one or more of such other Lenders (each, a "Non-Consenting Lender") whose consent is required shall not have been obtained; then, with respect to each such Increased Cost Lender or Non-Consenting Lender (the "Terminated Lender"), the Borrower may, by giving written notice to the Administrative Agent and any Terminated Lender of its election to do so, elect to cause such Terminated Lender (and such Terminated Lender hereby irrevocably agrees) to assign its outstanding Loans in full to one or more Persons permitted to become Lenders hereunder pursuant to and in accordance with the provisions of Section 9.6 (each, a "Replacement Lender") and the Borrower shall pay the fees, if any, payable thereunder in connection with any such assignment from an Increased Cost Lender or a Non-Consenting Lender; *provided* that, (A) on the date of such assignment, such Terminated Lender shall have received payment from the Replacement Lender or the Borrower in an amount equal to the sum of (1) the principal of, and all accrued interest on, all outstanding Loans of the Terminated Lender and (2) all accrued, but theretofore unpaid fees owing to such Terminated Lender pursuant to Section 2.8; (B) in the case of any such assignment resulting from a claim for compensation under Section 2.15(b), 2.16 or 2.17, such assignment will result in a material reduction in such compensation and on the date of such assignment, the Borrower shall pay any amounts payable to such Terminated Lender pursuant to Section 2.15, 2.16 or 2.17; or otherwise as if it were

a prepayment and (C) in the event such Terminated Lender is a Non-Consenting Lender, each Replacement Lender shall consent, at the time of such assignment, to each matter in respect of which such Terminated Lender was a Non-Consenting Lender. Upon the prepayment of all amounts owing to any Terminated Lender, such Terminated Lender shall no longer constitute a "Lender" for purposes hereof; *provided*, any rights of such Terminated Lender to indemnification hereunder shall survive as to such Terminated Lender. Each Lender agrees that if the Borrower exercises its option hereunder to cause an assignment by such Lender as a Non-Consenting Lender or Terminated Lender, such Lender shall, promptly after receipt of written notice of such election, execute and deliver all documentation necessary to effectuate such assignment in accordance with Section 9.6; *provided* that each party hereto agrees that an assignment required pursuant to this Section 2.19 may be effected pursuant to an Assignment and Acceptance executed by the Borrower, the Administrative Agent and the assignee and that the Lender required to make such assignment need not be a party thereto, and each Lender hereby authorizes and directs the Administrative Agent to execute and deliver such documentation as may be required to give effect to an assignment in accordance with Section 9.6 on behalf of a Non-Consenting Lender or Terminated Lender and any such documentation so executed by the Administrative Agent shall be effective for purposes of documenting an assignment pursuant to Section 9.6.

SECTION 3. REPRESENTATIONS AND WARRANTIES

To induce the Administrative Agent and the Lenders to enter into this Agreement and to make the Bridge Loans, the Borrower and the other Loan Parties hereby jointly and severally represent and warrant to the Administrative Agent and each Lender that:

Section 3.1 Financial Condition. The audited consolidated balance sheet of the Borrower and its consolidated Subsidiaries as at December 31, 2020, and the audited consolidated statements of operations, comprehensive loss and cash flow of the Borrower and its consolidated Subsidiaries for the fiscal period then ended, copies of which have heretofore been furnished to the Administrative Agent for delivery to each Lender, in each case, present fairly in all material respects the consolidated financial condition of the Borrower and its consolidated Subsidiaries as at such date, and the consolidated results of operations and consolidated cash flows of the Borrower and its consolidated Subsidiaries for the fiscal year then ended. Such financial statements, including the related schedules and notes thereto, have been prepared in accordance with GAAP applied consistently throughout the period involved (except as disclosed therein).

Section 3.2 No Change. Since December 31, 2020, there has been no development or event that has had or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

Section 3.3 Existence; Compliance with Law. Each FTAI Group Member (a) is duly incorporated, organized or formed, validly existing and in good standing (if applicable) under the laws of the jurisdiction of its incorporation, organization or formation, (b) has the organizational power and authority, and all requisite Permits from Governmental Authorities, to own and operate its Property, to lease the Property it leases as lessee and to conduct the business in which it is currently engaged, (c) is duly qualified as a foreign corporation or other organization or body corporate and in good standing under the laws of each jurisdiction (if applicable) where its ownership, lease or operation of Property or the conduct of its business requires such qualification and (d) is in compliance with all Requirements of Law, except, in the case of clause (a) above with respect to any FTAI Group Member other than the Loan Parties and in the cases of clauses (b), (c) and (d) above, to the extent that failure of the same could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

Section 3.4 Power; Authorization; Enforceable Obligations. (a) Each Loan Party has the requisite corporate or other organizational power and authority to make, deliver and perform the Loan Documents to which it is a party. Each Loan Party has taken all necessary corporate or other organizational action to authorize the execution, delivery and performance of the Loan Documents to which it is a party. Each Loan Document has been duly executed and delivered on behalf of each Loan Party that is a party thereto and constitutes a legal, valid and binding obligation of each Loan Party that is a party thereto, enforceable against each such Loan Party in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of

creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law).

(b) No material consent or authorization of, filing with, notice to or other act by or in respect of, any Governmental Authority is required in connection with the borrowings hereunder or the execution, delivery or performance of this Agreement or any of the other Loan Documents, except those consents, authorizations, filings and notices that have been obtained or made and are in full force and effect.

Section 3.5 No Legal Bar. The execution, delivery and performance of this Agreement and the other Loan Documents, the borrowings hereunder and the use of the proceeds thereof will not contravene, violate or result in a breach of or default under any Requirement of Law or any Contractual Obligation of any FTAI Group Member, other than any violation that could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, and will not result in, or require, the creation or imposition of any Lien on any of their respective properties or revenues pursuant to any Requirement of Law or any such Contractual Obligation.

Section 3.6 No Material Litigation. No litigation, action, suit, claim, dispute, investigation or proceeding of or before any arbitrator or Governmental Authority is pending or, to the knowledge of the Borrower, threatened by or against any FTAI Group Member or against any of their respective properties or revenues that (i) could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect or (ii) purports to affect or pertain to any of the Loan Documents or any of the transactions contemplated hereby or thereby.

Section 3.7 No Default. No Default or Event of Default has occurred and is continuing. No FTAI Group Member is in default under or with respect to, or a party to, any Contractual Obligation that could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

Section 3.8 Ownership of Property; Liens. Each of the FTAI Group Members has title in fee simple or good and valid title, as the case may be, to, or a valid leasehold interest in, or easements or other limited property interests in, all its real or immoveable property necessary in the ordinary conduct of its business, and good title to, or a valid leasehold interest in, or valid license of or other right to use, all its other Property necessary for the conduct of its business as currently conducted, in each case except where the failure to have such title, interest, license or right could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, and none of such Property is subject to any Lien except as permitted by Section 6.6.

Section 3.9 Intellectual Property. Each of the FTAI Group Members owns, or is licensed or otherwise has the right to use, all Intellectual Property necessary for the conduct of its business as currently conducted except to the extent such failure could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. No claim has been asserted and is pending by any Person challenging or questioning the use of any Intellectual Property or the validity or effectiveness of any Intellectual Property, and the Borrower does not know of any valid basis for any such claim, except to the extent that any such claim could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. To the knowledge of the Borrower, the use of Intellectual Property by the FTAI Group Members does not infringe on the Intellectual Property rights of any Person, except for such infringements which could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

Section 3.10 Taxes. Each of the FTAI Group Members has filed or caused to be filed all tax returns that are required to be filed and has paid all Taxes due and payable by it (including in its capacity as a withholding agent) other than (a) any amount the validity of which is currently being contested in good faith by appropriate proceedings and with respect to which reserves in conformity with GAAP have been provided on the books of the relevant FTAI Group Member or (b) where the failure to make such filing, payment, deduction, withholding, collection or remittance could not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect; and no Lien for Tax has been filed, and, to the knowledge of the Borrower, no claim is being asserted, with respect to any such Tax, fee or other charge

except, in each case, as could not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect.

Section 3.11 Federal Regulations. No part of the proceeds of any Loans, and no other extensions of credit hereunder, will be used for any purpose that violates the provisions of Regulations T, U or X.

Section 3.12 Labor Matters. There are no strikes or other labor disputes against any FTAI Group Member pending or, to the knowledge of the Borrower, threatened that could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. All payments due from the FTAI Group Members on account of employee health and welfare insurance that could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect if not paid have been paid or accrued as a liability on the books of the relevant FTAI Group Member.

Section 3.13 ERISA. As of the date hereof, there are no Pension Plans or Multiemployer Plans. None of the Borrower or any Commonly Controlled Entity has had a complete or partial withdrawal from any Multiemployer Plan that has resulted or could reasonably be expected to result in a liability under ERISA, except as could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

Section 3.14 Investment Company Act. No Loan Party is an "investment company", or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940.

Section 3.15 Subsidiaries.

(a) The Persons listed on Schedule 3.15 constitute all the Subsidiaries of the Borrower as of the Closing Date. Schedule 3.15 sets forth as of the Closing Date the name and jurisdiction of incorporation or organization of each Person listed therein and the percentage of each class of Capital Stock of such Person owned by the Borrower and each Subsidiary.

(b) As of the Closing Date, there are no outstanding subscriptions, options, warrants, calls, rights or other agreements or commitments granted to any Person other than the Borrower and its Subsidiaries (other than Management Equity and directors' qualifying shares or other similar shares required pursuant to applicable Law) of any nature relating to any Capital Stock of any Subsidiary owned directly or indirectly by the Borrower; *provided* that, with respect to any non-Wholly-Owned Subsidiary, its Capital Stock may be subject to customary rights of first refusal, tag-along, drag-along and other similar rights.

Section 3.16 Use of Proceeds. The proceeds of the Bridge Loans shall be used for the purposes set forth in the recitals to this Agreement.

Section 3.17 Environmental Matters. Other than exceptions to any of the following that could not reasonably be expected to result in, individually or in the aggregate, a Material Adverse Effect:

(a) The FTAI Group Members and each of their respective facilities and operations: (i) are in compliance with all applicable Environmental Laws; (ii) hold all Environmental Permits (each of which is in full force and effect) required for any of their current operations or for any property owned, leased, or otherwise operated by any of them; (iii) are in compliance with all of their Environmental Permits; (iv) have taken reasonable steps to ensure each of their Environmental Permits will be timely maintained, renewed and complied with; and (v) have no knowledge of any facts or circumstances upon which any such Environmental Permits could reasonably be expected to be adversely amended or revoked.

(b) Hazardous Materials are not present at, on, under, in, or emanating from any property now or, to the knowledge of the Borrower, formerly owned, leased or operated by the Borrower or any of its Restricted Subsidiaries, or, to the knowledge of the Borrower, at any other location (including any location to which Hazardous

Materials have been sent for reuse or recycling or for treatment, storage, or disposal) which could reasonably be expected to (i) give rise to liability of the Borrower or any of its Restricted Subsidiaries under any applicable Environmental Law or otherwise result in costs to the Borrower or any of its Restricted Subsidiaries, or (ii) interfere with the Borrower's or any of its Subsidiaries' continued operations.

(c) There are no Environmental Claims to which the Borrower or any of its Restricted Subsidiaries is, or to the knowledge of the Borrower or any of its Restricted Subsidiaries will be, named as a party that is pending or, to the knowledge of the Borrower or any of its Restricted Subsidiaries, threatened. To the knowledge of the Borrower or any of its Restricted Subsidiaries, there are no facts or circumstances that could reasonably be expected to give rise to any such Environmental Claim.

(d) None of the Borrower or any of its Restricted Subsidiaries has received any written request for information, or been notified that it is a potentially responsible party or subject to liability under or relating to the federal Comprehensive Environmental Response, Compensation, and Liability Act of 1980 or any other Environmental Law, or with respect to any Hazardous Materials, excluding any such matters that have been fully resolved with no further obligation or liability on the part of the Borrower or any of its Restricted Subsidiaries.

(e) None of the Borrower or any of its Restricted Subsidiaries has entered into or agreed to any consent decree, order, or settlement or other agreement, or is subject to any judgment, decree, or order or other agreement, in any judicial, administrative, arbitral or other form of dispute resolution, relating to compliance with or liability under any Environmental Law, excluding any such matters that have been fully resolved with no further obligation or possible liability on the part of the Borrower or any of its Restricted Subsidiaries.

Section 3.18 Accuracy of Information, Etc. No statement or information contained in this Agreement, any other Loan Document, or any other document, certificate or written statement furnished to the Administrative Agent or the Lenders or any of them, by or on behalf of any Loan Party for use in connection with the transactions contemplated by this Agreement or the other Loan Documents, when taken as a whole, contained as of the date such statement, information, document or certificate was so furnished (as modified or supplemented by other information so furnished), any untrue statement of a material fact or omitted to state a material fact necessary to make the statements contained herein or therein, in the light of the circumstances under which they were made, not materially misleading. The projections and pro forma financial information contained in the materials referenced above are based upon good faith estimates and assumptions believed by management of the Borrower to be reasonable at the time made, it being recognized by the Lenders that such financial information as it relates to future events is not to be viewed as fact and that actual results during the period or periods covered by such financial information may differ from the projected results set forth therein by a material amount. The Borrower has disclosed to the Administrative Agent and the Lenders all agreements, instruments and corporate or other restrictions to which it or any of its Restricted Subsidiaries is subject, and all other matters known to it, that could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. As of the Closing Date, the information included in the Beneficial Ownership Certification is true and correct in all respects.

Section 3.19 [Reserved].

Section 3.20 Solvency. As of the Closing Date and after giving effect to the Bridge Loans made on the Closing Date, the Borrower and its Subsidiaries, on a consolidated basis, are Solvent.

Section 3.21 [Reserved].

Section 3.22 Anti-Money Laundering and Anti-Corruption Laws; Sanctions.

(a) To the extent applicable, each FTAI Group Member is in compliance and the operations of each FTAI Group Member are and have been conducted at all times in compliance, in all material respects, with all

applicable financial recordkeeping and reporting requirements, including those of the (i) Trading with the Enemy Act and each of the foreign assets control regulations of the United States Treasury Department (31 C.F.R., Subtitle B, Chapter V) and any other enabling legislation or executive order relating thereto, (ii) the PATRIOT Act and (iii) the applicable anti-money laundering statutes of jurisdictions where such FTAI Group Member conducts business, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any Governmental Authority (collectively, the "Anti-Money Laundering Laws"), and no action, suit or proceeding by or before any Governmental Authority involving any FTAI Group Member with respect to the Anti-Money Laundering Laws is pending or, to the best knowledge of the Loan Parties party hereto, threatened.

(b) No part of the proceeds of the Loans will be used, directly or, to the knowledge of any FTAI Group Member, indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977 (the "FCPA"), or otherwise in furtherance of an offer, payment, promise to pay or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any applicable anti-corruption laws. No FTAI Group Member or any director or officer thereof, nor, to the knowledge of any FTAI Group Member, any employee, agent, Affiliate or representative thereof, has taken or will take any action in furtherance of an offer, payment, promise to pay or authorization or approval of the payment, giving or receipt of money, property, gifts or anything else of value, directly or, to the knowledge of any FTAI Group Member, indirectly, to any government official (including any officer or employee of a government or government-owned or controlled entity or of a public international organization, or any person acting in an official capacity for or on behalf of any of the foregoing, or any political party or party official or candidate for public office) in order to influence official action, or to any Person in violation of the FCPA, any Anti-Money Laundering Laws or any applicable anti-corruption laws. The FTAI Group Members have conducted their businesses in compliance in all material respects with the FCPA and applicable anti-corruption laws and have instituted and maintained and will continue to maintain policies and procedures reasonably designed to promote and achieve compliance with such laws and with the representations and warranties contained in this clause (b).

(c) No FTAI Group Member or any director or officer thereof, nor, to the knowledge of any FTAI Group Member, any employee, agent, Affiliate or representative of any FTAI Group Member, is a Person that is, or is owned or controlled by one or more Persons that are, (i) on the list of "Specially Designated Nationals and Blocked Persons", (ii) the subject of any sanctions administered or enforced by the Office of Foreign Assets Control of the U.S. Treasury Department, the United Nations Security Council, the European Union, Her Majesty's Treasury or other relevant sanctions authority (collectively, "Sanctions") or (iii) located, organized or resident in a country, region or territory that is the subject of comprehensive Sanctions (including Crimea, Cuba, Iran, North Korea and Syria); and the Borrower will not directly or, to the knowledge of any FTAI Group Member, indirectly, use the proceeds of the Loans or lend, contribute or otherwise make available such proceeds to any Person (A) to fund or facilitate any activities or business of or with any Person or in any country, region or territory that, at the time of such funding or facilitation, is the subject of Sanctions or (B) in any other manner that will result in a violation of Sanctions by any Person. The FTAI Group Members have instituted and maintained and will continue to maintain policies and procedures reasonably designed to promote and achieve compliance with applicable Sanctions and with the representations and warranties contained in this clause (c).

Section 3.23 Insurance. The properties of the Borrower and the other FTAI Group Members are insured with financially sound and reputable insurance companies that are not Affiliates of the Borrower, in such amounts, with such deductibles and covering such risks as are customarily carried by companies engaged in similar businesses and owning similar properties in localities where the Borrower or the applicable FTAI Group Member operates.

SECTION 4. CONDITIONS PRECEDENT

Section 4.1 Closing Date. This Agreement shall not become effective until the date on which each of the following conditions precedent is satisfied (or waived):

(a) Loan Documents. The Administrative Agent shall have received this Agreement, executed and delivered by a duly authorized officer or signatory of the Borrower.

(b) Legal Opinions. The Administrative Agent shall have received, in form and substance reasonably acceptable to the Administrative Agent, a legal opinion of (i) Cravath, Swaine & Moore LLP, New York counsel to the Borrower and its Subsidiaries and (ii) Morris, Nichols, Arsht & Tunnell LLP, Delaware counsel to the Borrower, in each case dated the date hereof and addressed to the Administrative Agent and the Lenders.

(c) Financial Statements and Other Financial Information. The Lenders shall have received (i) audited combined balance sheets of the Borrower for each of the three most recent years ending at least 90 days prior to the Closing Date and the related audited combined statements of income, comprehensive income, equity and cash flows of the Borrower and (ii) unaudited combined balance sheets of the Borrower for each fiscal quarter ending after the date of the most recent balance sheets delivered pursuant to clause (i) and at least 45 days prior to the Closing Date (or, in the case of any fiscal quarter that is the fourth fiscal quarter of the fiscal year of each of the Borrower, at least 90 days prior to the Closing Date) and the related unaudited combined statements of income, comprehensive income, equity and cash flows of the Borrower for the portion of the fiscal year then ended.

(d) PATRIOT Act; Beneficial Ownership Certification. The Lenders shall have received, at least three Business Days prior to the Closing Date, (i) to the extent the Borrower qualifies as a "legal entity customer" under the Beneficial Ownership Regulation, a Beneficial Ownership Certification with respect to the Borrower and (ii) all documentation and other information with respect to the Borrower required by bank regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including the PATRIOT Act, in each case, to the extent reasonably requested by such Lender from the Borrower in writing at least 10 Business Days prior to the Closing Date.

(e) Closing Date Certificate. The Administrative Agent shall have received a certificate of each Loan Party, dated the Closing Date, substantially in the form of Exhibit B or otherwise in form and substance reasonably satisfactory to the Administrative Agent, with appropriate insertions and attachments.

(f) No Default. No event shall have occurred and be continuing or would result from the making of the Bridge Loans that would constitute an Event of Default or a Default.

(g) Funding Notice. The Administrative Agent shall have received a fully executed and delivered Funding Notice in accordance with the terms of Section 2.1(b)(i).

(h) Solvency Certificate. The Lenders shall have received a solvency certificate, substantially in the form of Exhibit F, executed by a Responsible Officer of the Borrower.

(i) Specified Representations. The Specified Representations shall be true and correct in all material respects or, if qualified by materiality or material adverse effect, in all respects.

(j) Specified Acquisition Agreement Representations. The Specified Acquisition Agreement Representations shall be true and correct to the extent required under the Acquisition Agreement.

(k) Fees and Expenses. The Borrower shall have paid (or the Lenders and/or the Administrative Agent shall withhold from the proceeds of the Bridge Loans on the Closing Date), all fees due and payable as of the

Closing Date pursuant to the Fee Letter and Section 2.8 to the Administrative Agent (for distribution, as appropriate, to the Lenders), and all expenses required to be paid pursuant to Section 9.5 for which reasonably detailed invoices have been invoiced at least three Business Days prior to the Closing Date shall have been paid to the Administrative Agent.

(l) Release of Liens. The Administrative Agent shall have received satisfactory evidence that the Target has been released from all guarantees and liens under all existing third-party indebtedness for borrowed money.

(m) Acquisition. The Acquisition shall be consummated substantially concurrently with the funding of the Bridge Loan in accordance in all material respects with the Acquisition Agreement without waivers or amendments thereof that are materially adverse when taken as a whole to the interests of the Lenders or Arrangers unless consented to by the Lenders and Arrangers (such consent not to be unreasonably withheld, delayed or conditioned).

SECTION 5. AFFIRMATIVE COVENANTS

The Borrower agrees that, so long as the Termination Conditions have not been satisfied, the Borrower shall and shall cause each of the Restricted Subsidiaries of the Borrower to:

Section 5.1 Financial Statements.

(a) Furnish to the Administrative Agent for delivery to each Lender and take the following actions:

(i) within 90 days (or the successor time period then in effect under the Exchange Act for a non-accelerated filer plus any grace period provided by Rule 12b-25 under the Exchange Act) after the end of each fiscal year of the Borrower, beginning with the fiscal year ending December 31, 2020, a copy of the audited consolidated balance sheet of the Borrower and its consolidated Subsidiaries as at the end of such year and the related audited consolidated statements of operations and of cash flows for such year, setting forth in each case in comparative form the figures as of the end of and for the previous year, audited by Ernst & Young LLP or other independent certified public accountants of nationally recognized standing, together with a report and opinion by such certified public accountants, which report and opinion shall be prepared in accordance with generally accepted auditing standards and shall not be subject to any "going concern" or like qualification or exception or any qualification or exception as to the scope of such audit (except for any such qualification solely with respect to or resulting from an upcoming maturity date under any Indebtedness that is scheduled to occur within one year from the time such report and opinion are delivered, the activities, operations, financial results, assets or liabilities of any Unrestricted Subsidiaries or any potential or actual inability to satisfy any financial maintenance covenant on a future date or in a future period); and

(ii) not later than 45 days (or the successor time period then in effect under the Exchange Act for a non-accelerated filer plus any grace period provided by Rule 12b-25 under the Exchange Act) after the end of each fiscal quarter of the Borrower, beginning with the fiscal quarter ending March 31, 2020, the unaudited consolidated balance sheet of the Borrower and its consolidated Subsidiaries as at the end of such quarter and the related unaudited consolidated statements of operations and of cash flows for such quarter and the portion of the fiscal year through the end of such quarter, setting forth in each case in comparative form the figures as of the end of and for the corresponding period in the previous year, certified by a Responsible Officer of the Borrower as being fairly stated in all material respects (subject to normal year-end audit adjustments and the absence of footnotes).

(b) If the Borrower has designated any of its Subsidiaries as an Unrestricted Subsidiary, then the annual and quarterly information required by clauses (i) and (ii) of Section 5.1(a) shall include information (which need not be audited or reviewed by the Borrower's auditors) regarding such Unrestricted Subsidiaries substantially comparable to the financial information of the Unrestricted Subsidiaries presented in the offering memorandum, dated March 10, 2017, relating to the initial sale of the Notes under "Summary—Market Sectors—Non-Aviation Leasing"; *provided* that no such information shall be required if such financial information is not material compared to the applicable financial information of the Borrower and its Subsidiaries on a consolidated basis or if such Unrestricted Subsidiaries are not material to the Borrower and its Subsidiaries on a consolidated basis.

(c) Financial statements, segment information and other information required to be delivered pursuant to this Section 5.1, Section 5.2 or Section 5.7 may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date (i) on which the Borrower, as applicable, posts such financial statements, segment information or other information, or provides a link thereto, on the website of the Borrower, as applicable; (ii) on which such financial statements, segment information or other information is posted on behalf of the Borrower on an Internet or intranet website, if any, to which each Lender and the Administrative Agent have access (whether a commercial or third-party website or whether sponsored by the Administrative Agent); or (iii) to the extent such financial statements, segment information or other information are set forth in the Borrower's Form 10-K or 10-Q, as applicable, filed with the SEC, on which date such documents are filed for public availability on the SEC's Electronic Data Gathering and Retrieval System; *provided* that except in the case of clause (iii) the Borrower shall notify the Administrative Agent by facsimile or electronic mail of the posting of any such documents and provide to the Administrative Agent electronic versions of such documents.

Section 5.2 Certificates; Other Information. Furnish to the Administrative Agent for delivery to each Lender:

(a) concurrently with the delivery of any financial statements pursuant to Section 5.1, a Compliance Certificate of the Borrower (the first such Compliance Certificate to be delivered for the fiscal quarter ending June 30, 2021) as of the last day of the fiscal quarter or fiscal year of the Borrower, as the case may be;

(b) no later than 60 days after the end of each fiscal year of the Borrower, beginning with the fiscal year ending December 31, 2021, a consolidated budget for the Borrower and its Subsidiaries for the following fiscal year (including a consolidated statement of projected results of operations of the Borrower and its consolidated Subsidiaries as of the end of the following fiscal year presented on a quarterly basis);

(c) concurrently with the delivery of any financial statements pursuant to clause (i) or (ii) of Section 5.1(a), a narrative discussion and analysis of the financial condition and results of operations of the Borrower and its consolidated Subsidiaries, in each case, for such fiscal quarter and for the period from the beginning of the then current fiscal year to the end of such fiscal quarter;

(d) if any Loan Party shall (i) change its jurisdiction of organization, type of organization or the location of its sole place of business or chief executive office after the Closing Date due to any action by any Loan Party; or (ii) change its name, such Loan Party shall, on or before the date that is 30 days following such change (or such longer period as the Administrative Agent may agree to in its sole discretion), give the Administrative Agent written notice thereof; and

(e) promptly, from time to time, such other customary information regarding the operations, business affairs and financial condition of the Borrower and its Restricted Subsidiaries and their compliance with the terms of any Loan Document, in each case, as the Administrative Agent may reasonably request (for itself or on behalf of any Lender). The Borrower hereby acknowledges that certain of the Lenders may be Public Lenders and, if documents or notices required to be delivered pursuant to Section 5.1 or this Section 5.2 or otherwise are being distributed through IntraLinks/IntraAgency, SyndTrak or another relevant website or other information platform (the "Platform"), any document or notice that the Borrower has not clearly and conspicuously marked "PUBLIC" shall

not be posted on that portion of the Platform designated for such Public Lenders. The Borrower agrees to use commercially reasonable efforts to clearly designate all information provided to the Administrative Agent by or on behalf of the Borrower which is suitable to make available to Public Lenders. If the Borrower has not indicated whether a document or notice delivered pursuant to this paragraph contains Non-Public Information, the Administrative Agent reserves the right to post such document or notice solely on that portion of the Platform designated for Lenders who wish to receive Non-Public Information with respect to the Borrower, its Subsidiaries and their securities ("Private Side Information"). Each Public Lender agrees to cause at least one individual at or on behalf of such Public Lender to at all times have selected to receive Private Side Information in order to enable such Public Lender or its delegate, in accordance with such Public Lender's compliance procedures and applicable Law, including United States federal and state securities laws, to make reference to communications that are not made through the "Public" portion of the Platform and that may contain Non-Public Information.

Section 5.3 Payment of Taxes. The Borrower shall, and shall cause each of its Restricted Subsidiaries to, pay, before the same shall become delinquent or in default, all Taxes except where (a) the validity or amount thereof is being contested in good faith by appropriate proceedings and adequate reserves with respect thereto are maintained on the books of the Borrower or its Restricted Subsidiaries or (b) the failure to make payment could not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

Section 5.4 Conduct of Business and Maintenance of Existence; Compliance with Law. (a)(i) Preserve, renew and keep in full force and effect its organizational existence and good standing in its jurisdiction of incorporation or organization and (ii) take all reasonable action to maintain all rights, privileges and franchises necessary or desirable in the normal conduct of its business, except, in each case, as otherwise permitted by Section 6.4 or 6.9 or, other than with respect to the organizational existence of each of the Loan Parties, to the extent that failure to do so could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect and (b) comply with all Requirements of Law, except to the extent that failure to comply therewith could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

Section 5.5 Maintenance of Property; Insurance. (a) Keep all real and tangible Property and systems used, useful, or necessary in its business in good working order and condition, ordinary wear and tear excepted, except to the extent the failure to do so could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect and (b) maintain with financially sound and reputable insurance companies, insurance with respect to its properties and business against loss or damage of the kinds customarily insured against by Persons engaged in the same or similar business, of such types and in such amounts (after giving effect to any self-insurance reasonable and customary for similarly situated Persons engaged in the same or similar businesses) as are customarily carried under similar circumstances by such other Persons.

Section 5.6 Inspection of Property; Books and Records; Discussions. (a) Keep proper books of records and account in which entries which are full, true and correct, in all material respects, in conformity with GAAP shall be made of all material dealings and transactions in relation to its business and activities, (b) upon the request of the Administrative Agent or the Required Lenders, participate in a meeting or conference call with the Administrative Agent and the Lenders once during each fiscal quarter at such time as may be agreed to by the Borrower and the Administrative Agent (*provided* that the requirements of this clause (b) shall be satisfied by the Borrower providing the Lenders with access to any earnings call for such fiscal quarter with the holders of the Capital Stock of the Borrower) and (c) permit representatives of the Administrative Agent to visit and inspect any of its properties and examine and make abstracts from any of its books and records at any reasonable time during normal business hours and as often as may reasonably be desired (but the Administrative Agent may not have more than one visit per any twelve month period except during an Event of Default), upon reasonable advance notice to the Borrower, and to discuss the business, operations, properties and financial and other condition of the Borrower and the Borrower's Restricted Subsidiaries with officers and employees of the Borrower and the Borrower's Restricted Subsidiaries and with their independent certified public accountants (and the Borrower will be given the opportunity to participate in any such discussions with such independent certified accountants) and to discuss matters relating to any Loan Party's performance under the Loan Documents with any appropriate officers or employees

of any Loan Party, having knowledge of such matters. So long as no Event of Default has occurred and is continuing at the time of such inspection, the Borrower shall not bear the cost of more than one such inspection per calendar year by the Administrative Agent (or its representatives); *provided* that in any event, no more than two such inspections shall be conducted in any calendar year if no Event of Default has occurred and is continuing. Notwithstanding anything to the contrary in this Section 5.6, none of the Borrower and its Subsidiaries will be required to disclose, permit the inspection, examination or making copies or abstracts of, or discussion of, any document, information or other matter that (i) constitutes non-financial trade secrets or non-financial proprietary information, (ii) in respect of which disclosure to the Administrative Agent (or its representatives) is prohibited by any Requirement of Law or any binding agreement (*provided* that, with respect to any prohibition by any binding agreement, the Borrower shall attempt to obtain consent to such disclosure if requested by the Administrative Agent) or (iii) is subject to attorney-client or similar privilege or constitutes attorney work product.

Section 5.7 Notices. Promptly after obtaining knowledge of the same, give notice to the Administrative Agent of:

(a) the occurrence of any Default or Event of Default;

(b) any dispute, claim, litigation, investigation or proceeding (i) affecting the Borrower or any of its Subsidiaries that could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, or (ii) with respect to any of the Loan Documents or any of the transactions contemplated hereby or thereby;

(c) [reserved];

(d) [reserved]; and

(e) any other development or event that has had or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

Each notice pursuant to this Section 5.7 shall be accompanied by a statement of a Responsible Officer of the Borrower setting forth details of the occurrence referred to therein and stating what action the Borrower or the relevant Subsidiary has taken or proposes to take with respect thereto.

Section 5.8 Environmental Laws.

(a) Except in each case to the extent the failure to do so could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, comply with, and use commercially reasonable efforts to ensure compliance by all tenants and subtenants, if any, with, all applicable Environmental Laws, and obtain and comply with and maintain, and use commercially reasonable efforts to ensure that all tenants and subtenants obtain and comply with and maintain, any and all material Environmental Permits.

(b) Except in each case to the extent the failure to do so could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, conduct and complete all investigations, studies, sampling and testing, and all remedial, removal and other similar actions required by any Governmental Authority under Environmental Laws, and promptly comply with all lawful orders and directives of all Governmental Authorities regarding Environmental Laws.

Section 5.9 Plan Compliance. Except as could not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect, establish, maintain and operate any and all Pension Plans, Multiemployer Plans and Foreign Employee Benefit Plans (other than government-sponsored plans) in compliance with all Requirements of Law applicable thereto and the respective requirements of the governing documents for such plans to the extent the Borrower or any Commonly Controlled Entity has the authority to establish, maintain and operate such plans.

Section 5.10 [Reserved].

Section 5.11 [Reserved].

Section 5.12 [Reserved].

Section 5.13 Use of Proceeds. Use the proceeds of the Bridge Loans only for those purposes set forth in the recitals to this Agreement.

Section 5.14 Affirmative Covenants Applicable to Extended Term Loans. Notwithstanding anything to the contrary contained in this Agreement, on and after the Bridge Loan Maturity Date, at all times while the Extended Term Loans are outstanding, the affirmative covenants applicable to the Extended Term Loans shall be those contained in the Exchange Notes Indenture instead of the provisions contained in this Agreement (including this Section 5), and such provisions of the Exchange Notes Indenture (including the corresponding definitions in the Exchange Notes Indenture that relate to such sections and articles of the Exchange Notes Indenture) shall be deemed incorporated and set forth in this Agreement to the extent necessary to give effect to the foregoing; *provided* that any Change of Control Offer shall be at 100.0% of the aggregate principal amount thereof (and not 101.0% of the aggregate principal amount thereof); *provided further* that, for purposes of this Agreement (i) any references to the "Holders" therein shall be deemed to be references to the Lenders, (ii) any references to the "Indenture" therein shall be deemed to be references to this Agreement, (iii) any references to the "Issuer" therein shall be deemed to be references to the Borrower, (iv) any references to the "Notes" therein shall be deemed to be references to the Extended Term Loans and (v) any references to the "Trustee" therein shall be deemed to be references to the Administrative Agent.

SECTION 6. NEGATIVE COVENANTS

The Borrower agrees that, so long as the Termination Conditions are not satisfied:

Section 6.1 Limitation on Restricted Payments.

(a) The Borrower shall not, and shall not permit any of the Restricted Subsidiaries to, directly or indirectly:

(i) declare or pay any dividend or make any distribution on account of the Borrower's or any Restricted Subsidiary's Equity Interests, including any dividend or distribution payable in connection with any consolidation, amalgamation or merger other than:

(A) dividends or distributions by the Borrower payable in Equity Interests (other than Disqualified Stock) of the Borrower or in options, warrants or other rights to purchase such Equity Interests; or

(B) dividends or distributions by a Restricted Subsidiary so long as, in the case of any dividend or distribution payable on or in respect of any class or series of securities issued by a Restricted Subsidiary other than a Wholly-Owned Subsidiary, the Borrower or a Restricted Subsidiary receives at least its *pro rata* share of such dividend or distribution in accordance with its Equity Interests in such class or series of securities;

(ii) purchase, redeem, defease or otherwise acquire or retire for value any Equity Interests of the Borrower, including in connection with any consolidation, amalgamation or merger;

(iii) make any principal payment on, or redeem, repurchase, defease or otherwise acquire or retire for value in each case, prior to any scheduled repayment, sinking fund payment or maturity, any

Subordinated Indebtedness, other than (x) the purchase, repurchase or other acquisition of Subordinated Indebtedness purchased in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case due within one year of the date of purchase, repurchase or acquisition, and (y) Indebtedness of the Borrower to a Restricted Subsidiary or a Restricted Subsidiary to the Borrower or another Restricted Subsidiary; or

(iv) make any Restricted Investment;

(all such payments and other actions set forth in clauses (i) through (iv) above being collectively referred to as "Restricted Payments"), unless, at the time of such Restricted Payment:

(1) no Default or Event of Default shall have occurred and be continuing or would occur as a consequence thereof;

(2) immediately after giving effect to such transaction on a *pro forma* basis, the Borrower could incur $1.00 of additional Indebtedness under Section 6.3(a); and

(3) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Borrower and its Restricted Subsidiaries after March 15, 2017 (including Restricted Payments permitted by clause (1) of Section 6.1(b), but excluding all other Restricted Payments permitted by Section 6.1(b)), is less than the sum of:

(A) 50.0% of the Consolidated Net Income of the Borrower for the period (taken as one accounting period) from January 1, 2017 to the end of the Borrower's most recently ended fiscal quarter for which internal financial statements are available at the time of such Restricted Payment, or, in the case such Consolidated Net Income for such period is a deficit, minus 100.0% of such deficit; *plus*

(B) 100.0% of the aggregate net cash proceeds and the Fair Market Value of marketable securities or other property received by the Borrower after March 15, 2017 (other than net cash proceeds received by the Borrower to the extent such net cash proceeds have been used to incur Indebtedness, Disqualified Stock or preferred stock pursuant to Section 6.3(b)(12)) from the issue or sale of:

(i) Equity Interests of the Borrower, or

(ii) debt securities, Designated Preferred Stock or Disqualified Stock of the Borrower or any Restricted Subsidiary that have been converted into or exchanged for such Equity Interests of the Borrower;

provided that this clause (B) shall not include the proceeds from (a) Refunding Capital Stock, (b) Equity Interests or converted or exchanged debt securities of the Borrower sold to a Restricted Subsidiary or the Borrower, as the case may be or (c) Disqualified Stock or debt securities that have been converted into or exchanged for Disqualified Stock; *plus*

(C) 100.0% of the aggregate amount of cash and the Fair Market Value of marketable securities or other property contributed to the capital of the Borrower following March 15, 2017 (other than (x) by a Restricted Subsidiary or (y) net cash proceeds of any such contributed capital to the extent such net cash proceeds have been used to incur Indebtedness, Disqualified Stock or preferred stock pursuant to Section 6.3(b)(12)), *plus*

(D) 100.0% of the aggregate amount received in cash and the Fair Market Value of marketable securities or other property received by the Borrower or a Restricted Subsidiary by means of:

(i) the sale or other disposition (other than to the Borrower or a Restricted Subsidiary) of Restricted Investments made by the Borrower and its Restricted Subsidiaries and repurchases and redemptions of such Restricted Investments from the Borrower and its Restricted Subsidiaries and repayments of loans or advances which constitute Restricted Investments by the Borrower and its Restricted Subsidiaries in each case after March 15, 2017; or

(ii) the sale (other than to the Borrower or a Restricted Subsidiary) of the stock of an Unrestricted Subsidiary (other than to the extent such Investment constituted a Permitted Investment) or a dividend or distribution from an Unrestricted Subsidiary in each case after March 15, 2017; *plus*

(E) in the case of the redesignation of an Unrestricted Subsidiary as a Restricted Subsidiary, after March 15, 2017 the Fair Market Value of the Investment in such Unrestricted Subsidiary at the time of the redesignation of such Unrestricted Subsidiary as a Restricted Subsidiary, other than to the extent the Investment in such Unrestricted Subsidiary was made by the Borrower or a Restricted Subsidiary pursuant to Section 6.1(b)(6) or to the extent such Investment constituted a Permitted Investment; *plus*

(F) $25,000,000.

(b) Section 6.1(a) shall not prohibit any of the following:

(1) the payment of any dividend or distribution or the consummation of any redemption within 60 days after the date of declaration thereof or notice of such redemption, if at the date of declaration or notice such payment would have complied with the provisions of this Agreement;

(2) the redemption, repurchase or other acquisition or retirement of Subordinated Indebtedness of the Borrower or a Guarantor made by exchange for, or out of the proceeds of the substantially concurrent sale of, new Indebtedness of the Borrower or a Guarantor, as the case may be, which is incurred in compliance with Section 6.3 so long as:

(A) the principal amount (or accreted value) of such new Indebtedness does not exceed the principal amount (or accreted value), plus any accrued and unpaid interest, of the Subordinated Indebtedness being so redeemed, repurchased, acquired or retired, plus the amount of any premium and any tender premiums, defeasance costs or other fees and expenses incurred in connection with the issuance of such new Indebtedness,

(B) such Indebtedness has a final scheduled maturity date equal to or later than the earlier of (x) the final scheduled maturity date of the Subordinated Indebtedness being so redeemed, repurchased, acquired or retired and (y) 91 days following the Maturity Date, and

(C) such Indebtedness (x) has a Weighted Average Life to Maturity which is not less than the remaining Weighted Average Life to Maturity of the Subordinated Indebtedness being so redeemed, repurchased, acquired or retired or (y) requires no or nominal payments in cash prior to the date that is 91 days following the Maturity Date (other than scheduled payments prior to the date that is 91 days following the Maturity Date not in excess of, or prior to, the scheduled

payments due prior to such date for the Indebtedness being so redeemed, repurchased, acquired or retired);

(3) a Restricted Payment to pay for the repurchase, retirement or other acquisition or retirement for value of common Equity Interests of the Borrower held by any future, present or former employee, member of management, officer, director or consultant (or any spouses, successors, executors, administrators, heirs or legatees of any of the foregoing) of the Borrower or any of its Subsidiaries pursuant to any management equity plan or stock option plan or any other management or employee benefit plan or other agreement or arrangement or any stock subscription or shareholder agreement; *provided* that the aggregate Restricted Payments made under this clause (3) may not exceed in any calendar year $5,000,000 (with unused amounts in any calendar year being carried over to succeeding calendar years subject to a maximum (without giving effect to the following proviso) of $10,000,000 in any calendar year); *provided*, *further*, that any such amount under this clause (3) in any calendar year may be increased by an amount not to exceed:

(A) the cash proceeds from the sale of Equity Interests (other than Disqualified Stock) of the Borrower to employees, members of management, officers, directors or consultants of the Borrower or any of its Subsidiaries that occurred after March 15, 2017, to the extent the cash proceeds from the sale of such Equity Interests have not otherwise been applied to the payment of Restricted Payments by virtue of Section 6.1(a)(3); *plus*

(B) the cash proceeds of key man life insurance policies received by the Borrower and the Restricted Subsidiaries after March 15, 2017; *less*

(C) the amount of any Restricted Payments previously made pursuant to subclauses (A) and (B) of this Section 6.1(b)(3);

provided, *further*, that (x) the Borrower may elect to apply all or any portion of the aggregate increase contemplated by subclauses (A) and (B) of this Section 6.1(b)(3) in any calendar year and (y) cancellation of Indebtedness owing to the Borrower from any present or former employee, member of management, officer, director or consultant of the Borrower or any of its Subsidiaries in connection with the repurchase of Equity Interests of the Borrower or any direct or indirect parent entity of the Borrower shall not be deemed to constitute a Restricted Payment for purposes of this covenant or any other provision of this Agreement;

(4) the declaration and payment of dividends to holders of any class or series of Disqualified Stock of the Borrower or any other Restricted Subsidiary or any class or series of preferred stock of any Restricted Subsidiary issued in accordance with Section 6.3 to the extent such dividends are included in the definition of “Fixed Charges”;

(5) the declaration and payment of dividends to holders of any class or series of Designated Preferred Stock (other than Disqualified Stock) issued by the Borrower after March 15, 2017; *provided* that the aggregate amount of dividends paid pursuant to this clause shall not exceed the aggregate amount of cash actually received by the Borrower from the sale of such Designated Preferred Stock; *provided*, *however*, in the case of this Section 6.1(b)(5), that for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date of issuance of such Designated Preferred Stock, after giving effect to such issuance on a *pro forma* basis, the Borrower and the Restricted Subsidiaries could incur $1.00 of additional Indebtedness under Section 6.3(a);

(6) Investments in Unrestricted Subsidiaries made after March 15, 2017 having an aggregate Fair Market Value, taken together with all other Investments made pursuant to this clause (6) that are at the

time outstanding, not to exceed $50,000,000 at the time of such investment; *provided* that the dollar amount of Investments made pursuant to this Section 6.1(b)(6) may be reduced by the Fair Market Value of the proceeds received by the Borrower and/or its Restricted Subsidiaries from the subsequent sale, disposition or other transfer of such Investments (with the Fair Market Value of each Investment being measured at the time made and without giving effect to subsequent changes in value);

(7) (A) repurchases of Equity Interests deemed to occur upon exercise of stock options or warrants if such Equity Interests represent a portion of the exercise price of such options or warrants and repurchases of Equity Interests or options to purchase Equity Interests in connection with the exercise of stock options to the extent necessary to pay applicable withholding taxes, and (B) payment of dividend equivalents pursuant to grants of Equity Interests to employees and directors of the Borrower or any of its Restricted Subsidiaries under the Borrower's equity incentive plans;

(8) Restricted Payments that are made with Excluded Contributions;

(9) other Restricted Payments in an aggregate amount taken together with all other Restricted Payments made pursuant to this Section 6.1(b)(9) not to exceed the greater of (x) $130,000,000 and (y) 4.0% of Total Assets;

(10) Restricted Payments by the Borrower or any Restricted Subsidiary to allow the payment of cash in lieu of the issuance of fractional shares upon the exercise of options or warrants or upon the conversion or exchange of Capital Stock of any such Person;

(11) the purchase by the Borrower of fractional shares arising out of stock dividends, splits or combinations or business combinations;

(12) distributions or payments of Securitization Fees, sales contributions and other transfers of Securitization Assets and purchases and repurchases of Securitization Assets in connection with a Qualified Securitization Financing;

(13) (A) payments by the Borrower or any Restricted Subsidiary to its Manager, the General Partner or any Permitted Holder (whether directly or indirectly) of management, consulting, monitoring, refinancing, transaction or advisory fees, and related expenses or termination fees, including payments or reimbursements made to satisfy advances or payments made on behalf of or for the Borrower or any Restricted Subsidiary, (B) customary payments and reimbursements by the Borrower or any Restricted Subsidiary to its Manager, the General Partner or any Permitted Holder (whether directly or indirectly) for financial advisory, financing, underwriting or placement services or in respect of other investment banking activities, including in connection with acquisitions or divestitures and (C) any payments, reimbursements or other transactions pursuant to the Management Agreement;

(14) the repurchase, redemption or other acquisition or retirement for value of any Subordinated Indebtedness required pursuant to the provisions similar to those described in Section 4.10 and Section 4.13 of the Indentures; *provided* that there is a concurrent or prior Change of Control Offer or Asset Sale Offer (each, as defined in the Indentures), as applicable, and all Notes tendered by Holders (as defined in the Indentures) in connection with such Change of Control Offer or Asset Sale Offer, as applicable, have been repurchased, redeemed or acquired for value;

(15) payment or distributions to satisfy dissenters' or appraisal rights pursuant to or in connection with a consolidation, merger or transfer of assets that complies with Section 6.9;

(16) dividends or other distributions of Capital Stock of, or Indebtedness owed to the Borrower or a Restricted Subsidiary by, Unrestricted Subsidiaries (unless the Unrestricted Subsidiary's principal asset is cash or Cash Equivalents);

(17) dividends or other distributions in an amount equal to the net proceeds received by the Borrower or any Restricted Subsidiary from any sale of Equity Interests in Borr Drilling Limited (formerly, Magni Drilling Limited);

(18) (A) any Restricted Payment in exchange for, or out of the proceeds of the substantially concurrent sale (other than to a Restricted Subsidiary) of, Equity Interests of the Borrower (other than any Disqualified Stock) ("Refunding Capital Stock") and (B) if immediately prior to the redemption, repurchase, retirement or other acquisition of any Equity Interests of the Borrower ("Retired Capital Stock"), the Borrower and the Restricted Subsidiaries could incur $1.00 of additional Indebtedness under Section 6.3(a), the declaration and payment of dividends on the Refunding Capital Stock in an aggregate amount per year no greater than the aggregate amount of dividends per annum that was declarable and payable on such Retired Capital Stock immediately prior to such retirement; and

(19) the declaration and payment or distribution by the Borrower of any annual or quarterly dividend on its common shares if, at the time of declaration of and after giving *pro forma* effect to such payment or distribution, the Debt to Total Capitalization Ratio would be less than or equal to 0.60 to 1.00;

provided, *however*, that at the time of, and after giving effect to, any Restricted Payment permitted under clauses (4), (5), (6), (9) and (17) of this Section 6.1(b), no Default or Event of Default shall have occurred and be continuing or would occur as a consequence thereof; *provided*, *further*, that at the time of, and after giving effect to, any Restricted Payment permitted under clause (19) of this Section 6.1(b), no Event of Default shall have occurred and be continuing or would occur as a consequence thereof.

(c) The Borrower shall not permit any Unrestricted Subsidiary to become a Restricted Subsidiary except pursuant to the last sentence of the definition of "Unrestricted Subsidiary". For purposes of designating any Restricted Subsidiary as an Unrestricted Subsidiary, all outstanding Investments by the Borrower and its Restricted Subsidiaries (except to the extent repaid) in the Subsidiary so designated shall be deemed to be Restricted Payments in an amount determined as set forth in the last sentence of the definition of "Investments". Such designation shall be permitted only if a Restricted Payment or Permitted Investment in such amount would be permitted at such time and if such Subsidiary otherwise meets the definition of an "Unrestricted Subsidiary". Unrestricted Subsidiaries shall not be subject to any of the restrictive covenants set forth in this Agreement.

(d) For purposes of this Section 6.1, if any Investment or Restricted Payment (or a portion thereof) would be permitted pursuant to one or more provisions described in this Section 6.1 and/or one or more of the exceptions contained in the definition of "Permitted Investments," the Borrower may divide and classify such Investment or Restricted Payment (or a portion thereof) in any manner that complies with this covenant and may later divide and reclassify any such Investment or Restricted Payment so long as the Investment or Restricted Payment (as so divided and/or reclassified) would be permitted to be made in reliance on the applicable exception as of the date of such reclassification.

Section 6.2 Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries.

(a) The Borrower shall not, and shall not permit any Restricted Subsidiary to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any consensual encumbrance or consensual restriction on the ability of any such Restricted Subsidiary to:

(1) (A) pay dividends or make any other distributions to the Borrower or any Restricted Subsidiary on its Capital Stock or with respect to any other interest or participation in, or measured by, its profits; or

(B) pay any Indebtedness owed to the Borrower or any Restricted Subsidiary;

(2) make loans or advances to the Borrower or any Restricted Subsidiary; or

(3) sell, lease or transfer any of its properties or assets to the Borrower or any Restricted Subsidiary that is a Guarantor.

(b) The restrictions in Section 6.2(a) shall not apply to encumbrances or restrictions existing under or by reason of:

(1) contractual encumbrances or restrictions in effect on the Closing Date;

(2) (i) the Indentures and the Notes and the Guarantees (as defined in the Indentures) thereof and (ii) this Agreement and any Guarantees (as defined herein) hereof;

(3) purchase money obligations for property acquired in the ordinary course of business and lease obligations (including Capitalized Lease Obligations and any encumbrance or restriction pursuant to any arrangement entered into in the ordinary course of business providing for the lease or rental by a customer of the Borrower or any Restricted Subsidiary, as the case may be, from the Borrower or any such Restricted Subsidiary, as lessor, of any assets or personal property and any amendment, extension, renewal, modification or combination of any of the foregoing, including the sale of assets to lease customers upon termination any of the foregoing pursuant to the terms thereof) that impose restrictions of the nature discussed in Section 6.2(a)(3) above on the property so acquired;

(4) applicable law or any applicable rule, regulation or order;

(5) any agreement or other instrument of a Person acquired by the Borrower or any Restricted Subsidiary in existence at the time of such acquisition (but not created in contemplation thereof), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person so acquired and its Subsidiaries, other than the Person and its Subsidiaries, or the property or assets of the Person, so acquired;

(6) contracts for the sale of assets or the sale of a Subsidiary, including customary restrictions with respect to a Subsidiary pursuant to an agreement that has been entered into for the sale or disposition of all or substantially all the Capital Stock or assets of such Subsidiary that impose restrictions on the assets to be sold;

(7) Secured Indebtedness otherwise permitted to be incurred pursuant to Sections 6.3 and 6.5 that limit the right of the debtor to dispose of the assets securing such Indebtedness;

(8) restrictions on cash (or Cash Equivalents) or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business;

(9) Indebtedness, Disqualified Stock or preferred stock of any Restricted Subsidiary that is not a Guarantor permitted to be incurred subsequent to the Closing Date pursuant to the provisions of Section 6.3 that impose restrictions solely on Restricted Subsidiaries that are not Guarantors party thereto;

(10) customary provisions in joint venture agreements and other similar agreements relating solely to such joint venture;

(11) customary provisions contained in leases and other agreements entered into in the ordinary course of business;

(12) customary provisions contained in licenses or sub-licenses of Intellectual Property and software or other general intangibles entered into in the ordinary course of business;

(13) restrictions or conditions contained in any trading, netting, operating, construction, service, supply, purchase, sale or other agreement to which the Borrower or any Restricted Subsidiary is a party entered into in the ordinary course of business; *provided* that such agreement prohibits the encumbrance solely of the property or assets of the Borrower or such Restricted Subsidiary that are the subject to such agreement, the payment rights arising thereunder or the proceeds thereof and does not extend to any other asset or property of the Borrower or such Restricted Subsidiary or the assets or property of another Restricted Subsidiary;

(14) any such encumbrance or restriction pursuant to an agreement governing Indebtedness incurred pursuant to Section 6.3, which encumbrances or restrictions are, in the good faith judgment of the Borrower not materially more restrictive, taken as a whole, than customary provisions in comparable financings and that the management of the Borrower determines, at the time of such financing, shall not materially impair the Borrower's ability to make payments as required under the Loan Documents;

(15) restrictions created in connection with any Qualified Securitization Financing that, in the good faith determination of the Borrower, are necessary or advisable to effect such Qualified Securitization Financing; and

(16) any encumbrances or restrictions of the type referred to in clauses (1), (2) and (3) of Section 6.2(a) imposed by any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings of the contracts, instruments or obligations referred to in clauses (1) through (15) of this Section 6.2(b); *provided* that such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancing are, in the good faith judgment of the Borrower, no more restrictive, taken as a whole, with respect to such encumbrance and other restrictions than those prior to such amendment, modification, restatement, renewal, increase, supplement, refunding, replacement or refinancing.

Section 6.3 Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock.

(a) The Borrower shall not, and shall not permit any Restricted Subsidiary to, directly or indirectly, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable, contingently or otherwise (collectively, "incur" and collectively, an "incurrence") with respect to any Indebtedness (including Acquired Indebtedness) and the Borrower shall not issue any shares of Disqualified Stock and shall not permit any Restricted Subsidiary to issue any shares of Disqualified Stock or preferred stock; *provided* that the Borrower may incur Indebtedness (including Acquired Indebtedness) or issue shares of Disqualified Stock, and any Restricted Subsidiary may incur Indebtedness (including Acquired Indebtedness), issue shares of Disqualified Stock and issue shares of preferred stock, if the Fixed Charge Coverage Ratio for the Borrower and the Restricted Subsidiaries for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is incurred or such Disqualified Stock or preferred stock is issued would have been at least 2.00 to 1.00, determined on a *pro forma* basis (including a *pro forma* application of the net proceeds therefrom), as if the additional Indebtedness had been incurred, or the Disqualified Stock or preferred stock had been issued, as the case may be, and the application of proceeds therefrom had occurred at the beginning of such

four-quarter period; *provided*, *further*, that the aggregate amount of Indebtedness (including Acquired Indebtedness) that may be incurred and Disqualified Stock or preferred stock that may be issued pursuant to this Section 6.3(a) by Restricted Subsidiaries (other than FTAI Energy Holdings LLC, Delaware River Partners Holdco LLC and their respective Subsidiaries) that are not Guarantors shall not exceed the greater of (x) $190,000,000 and (y) 6.0% of Total Assets.

(b) The provisions of Section 6.3(a) shall not apply to:

(1) the incurrence of Indebtedness of the Borrower or any of the Guarantors under Credit Facilities (including Indebtedness under the Revolving Credit Agreement) in an aggregate amount at any time outstanding not to exceed $650,000,000 pursuant to this Section 6.3(b)(1) (it being understood that all Commitments (as defined in the Revolving Credit Agreement) under the Revolving Credit Agreement shall be deemed to be drawn and incurred under this clause on the Closing Date and to automatically reduce availability under this clause (1) on such date);

(2) the incurrence by the Borrower and any Guarantor of (i) Indebtedness under this Agreement and (ii) the Exchange Notes (including any Guarantee thereof);

(3) Indebtedness of the Borrower or the Restricted Subsidiaries in existence on the Closing Date, plus interest accruing thereon;

(4) Indebtedness (including Capitalized Lease Obligations), Disqualified Stock and preferred stock incurred by the Borrower or any Guarantor, to finance the purchase, lease, improvement, development, construction, remanufacturing, refurbishment, handling and repositioning or repair of property (real or personal) or equipment that is used or useful in a Similar Business, whether through the direct purchase of assets or the Capital Stock of any Person owning such assets, in an aggregate principal amount which, when aggregated with the principal amount of all other Indebtedness, Disqualified Stock and preferred stock then outstanding and incurred pursuant to this Section 6.3(b)(4) and including all Refinancing Indebtedness incurred to refund, refinance or replace any other Indebtedness, Disqualified Stock or preferred stock incurred pursuant to this Section 6.3(b)(4), does not exceed the greater of (x) $195,000,000 and (y) 6.0% of Total Assets;

(5) Indebtedness incurred by the Borrower or any Restricted Subsidiary constituting reimbursement obligations with respect to letters of credit and bank guarantees issued, or deposits made, in the ordinary course of business, including letters of credit in respect of workers' compensation claims, health, disability or other benefits to employees or former employees or their families or property, casualty or liability insurance or self-insurance, and letters of credit in connection with the maintenance of, or pursuant to the requirements of, environmental or other permits or licenses from governmental authorities, or other Indebtedness with respect to reimbursement type obligations regarding workers' compensation claims; *provided* that upon the drawing of such letters of credit or the incurrence of such Indebtedness, such obligations are reimbursed within 30 days following such drawing or incurrence;

(6) Indebtedness arising from agreements of the Borrower or a Restricted Subsidiary providing for indemnification, adjustment of purchase price, earnouts or similar obligations, in each case, incurred or assumed in connection with the disposition of any business, assets or a Subsidiary, other than guarantees of Indebtedness incurred by any Person acquiring all or any portion of such business, assets or a Subsidiary for the purpose of financing such acquisition;

(7) Indebtedness of the Borrower to a Restricted Subsidiary; *provided* that, other than in the case of (i) intercompany liabilities incurred in the ordinary course of business in connection with the cash management operations of the Borrower and the Restricted Subsidiaries and (ii) intercompany lease

obligations, any such Indebtedness owing to a Restricted Subsidiary that is not a Guarantor is subordinated in right of payment to the Obligations; *provided*, *further*, that any subsequent issuance or transfer of any Capital Stock or any other event which results in any such Restricted Subsidiary ceasing to be a Restricted Subsidiary or any other subsequent transfer of any such Indebtedness (except to the Borrower or another Restricted Subsidiary) shall be deemed, in each case, to be an incurrence of such Indebtedness not permitted by this Section 6.3(b)(7);

(8) Indebtedness of a Restricted Subsidiary to the Borrower or another Restricted Subsidiary; *provided* that, other than in the case of (i) intercompany current liabilities incurred in the ordinary course of business in connection with the cash management operations of the Borrower and its subsidiaries to finance working capital needs of the Restricted Subsidiaries and (ii) intercompany lease obligations, if a Guarantor incurs such Indebtedness to a Restricted Subsidiary that is not a Guarantor, such Indebtedness is subordinated in right of payment to the Guarantee of such Guarantor; *provided*, *further*, that any subsequent transfer of any such Indebtedness (except to the Borrower or another Restricted Subsidiary) shall be deemed in each case to be an incurrence of such Indebtedness not permitted by this Section 6.3(b)(8);

(9) shares of preferred stock of a Restricted Subsidiary issued to the Borrower or another Restricted Subsidiary; *provided* that any subsequent issuance or transfer of any Capital Stock or any other event which results in any such Restricted Subsidiary ceasing to be a Restricted Subsidiary or any other subsequent transfer of any such shares of preferred stock (except to the Borrower or another Restricted Subsidiary) shall be deemed in each case to be an issuance of such shares of preferred stock not permitted by this Section 6.3(b)(9);

(10) Hedging Obligations (excluding Hedging Obligations entered into for speculative purposes) and any guarantees thereof;

(11) obligations in respect of self-insurance and obligations in respect of performance, bid, appeal and surety bonds and completion guarantees and guarantees of indemnification obligations provided by the Borrower or any Restricted Subsidiary in the ordinary course of business or consistent with past practice or industry practice;

(12) Indebtedness, Disqualified Stock and preferred stock of the Borrower or any Guarantor not otherwise permitted hereunder in an aggregate principal amount or liquidation preference, which when aggregated with the principal amount and liquidation preference of all other Indebtedness, Disqualified Stock and preferred stock then outstanding and incurred pursuant to this Section 6.3(b)(12) and including all Refinancing Indebtedness incurred to refund, refinance or replace any other Indebtedness, Disqualified Stock or preferred stock incurred pursuant to this Section 6.3(b)(12), does not at any one time outstanding exceed the sum of:

(A) the greater of (1) $130,000,000 and (2) 4.0% of Total Assets; *plus*

(B) 100.0% of the net cash proceeds received by the Borrower since immediately after March 15, 2017 from the issue or sale of Equity Interests of the Borrower or cash contributed to the capital of the Borrower (in each case, other than proceeds of Disqualified Stock or sales of Equity Interests to the Borrower or any of its Subsidiaries) as determined in accordance with Section 6.1(a)(3)(B) and (C) to the extent such net cash proceeds or cash have not been applied pursuant to such clauses to make Restricted Payments or to make other investments, payments or exchanges pursuant to Section 6.1(b) or to make Permitted Investments (other than Permitted Investments specified in clauses (1) and (3) of the definition thereof);

(13) (a) any guarantee by the Borrower of Indebtedness or other obligations of any Restricted Subsidiary so long as the incurrence of such Indebtedness incurred by such Restricted Subsidiary is permitted under the terms of this Agreement, or (b) any guarantee by a Restricted Subsidiary of Indebtedness of the Borrower or another Restricted Subsidiary so long as the incurrence of such Indebtedness incurred by the Borrower or such other Restricted Subsidiary is permitted under the terms of this Agreement;

(14) the incurrence by the Borrower or any Restricted Subsidiary of Indebtedness, Disqualified Stock or preferred stock which serves to extend, replace, refund, refinance, renew or defease any Indebtedness, Disqualified Stock or preferred stock incurred as permitted under Section 6.3(a) and clauses (2), (3), (14), (15), (17) and (24) of this Section 6.3(b) or any Indebtedness, Disqualified Stock or preferred stock issued to extend, replace, refund, refinance, renew or defease such Indebtedness, Disqualified Stock or preferred stock including additional Indebtedness, Disqualified Stock or preferred stock incurred to pay premiums (including tender premiums), defeasance costs, underwriting discounts, other costs and expenses and fees in connection therewith (the "Refinancing Indebtedness") prior to its respective maturity; so long as such Refinancing Indebtedness:

(A) solely in the case of Indebtedness incurred pursuant to Section 6.3(b)(3) or any Refinancing Indebtedness of such Indebtedness, (x) has a Weighted Average Life to Maturity which is not less than the remaining Weighted Average Life to Maturity of the Indebtedness being so extended, replaced, refunded, refinanced, renewed or defeased or (y) requires no or nominal payments in cash prior to the date that is 91 days following the Maturity Date (other than scheduled payments prior to the date that is 91 days following the Maturity Date not in excess of, or prior to, the scheduled payments due prior to such date for the Indebtedness being so extended, replaced, refunded, refinanced, renewed or defeased);

(B) to the extent such Refinancing Indebtedness extends, replaces, refunds, refinances, renews or defeases (x) Indebtedness subordinated in right of payment to the Obligations, such Refinancing Indebtedness is subordinated in right of payment to the Obligations at least to the same extent as the Indebtedness being extended, replaced, refunded, refinanced, renewed or defeased or (y) Disqualified Stock or preferred stock, such Refinancing Indebtedness must be Disqualified Stock or preferred stock, respectively; and

(C) shall not include

(x) Indebtedness, Disqualified Stock or preferred stock of a Subsidiary that is not a Guarantor that refinances Indebtedness, Disqualified Stock or preferred stock of the Borrower; or

(y) Indebtedness, Disqualified Stock or preferred stock of a Subsidiary of the Borrower that is not a Guarantor that refinances Indebtedness, Disqualified Stock or preferred stock of a Guarantor.

(15) Indebtedness, Disqualified Stock or preferred stock (x) of the Borrower or any Restricted Subsidiary incurred, issued or assumed in connection with or in anticipation of an acquisition of any assets (including Capital Stock), business or Person and (y) of Persons that are acquired by the Borrower or any Restricted Subsidiary or consolidated, amalgamated or merged into the Borrower or a Restricted Subsidiary in accordance with the terms of this Agreement; *provided* that after giving effect to such acquisition, consolidation, amalgamation or merger, either:

(A) the Borrower would be permitted to incur at least $1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in Section 6.3(a); or

(B) the Fixed Charge Coverage Ratio is greater than immediately prior to such acquisition, consolidation, amalgamation or merger;

(16) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business; *provided* that such Indebtedness is extinguished within five Business Days of its incurrence;

(17) Indebtedness (including Capitalized Lease Obligations), Disqualified Stock and preferred stock, including any predelivery payment financing, incurred by the Borrower or any Restricted Subsidiary, that is incurred for the purpose of purchasing, leasing, acquiring, improving or modifying, and is secured by, any aircraft, engines, spare parts or similar assets, including in the form of financing from aircraft or engine manufacturers or their affiliates and whether through the direct purchase of assets or the Capital Stock or Indebtedness of any Person owning such assets, so long as the amount of such Indebtedness does not exceed the purchase price of such aircraft, engines, spare parts or similar assets and any improvements or modifications thereto and is incurred not later than two years after the date of such purchase, lease, acquisition, improvement or modification;

(18) Indebtedness or guarantees of Indebtedness of the Borrower or any Guarantor in connection with or on behalf of joint ventures in a Similar Business in an aggregate principal amount, including all Refinancing Indebtedness incurred to refund, refinance or replace any other Indebtedness or guarantees of Indebtedness incurred pursuant to this clause (18), not to exceed 3.0% of Total Assets at any one time outstanding pursuant to this clause (18);

(19) Indebtedness of the Borrower or any Restricted Subsidiary consisting of (x) the financing of insurance premiums or (y) take-or-pay obligations contained in supply arrangements, in each case, in the ordinary course of business;

(20) Indebtedness of the Borrower or any Restricted Subsidiary arising in connection with trade creditors or customers or endorsements of instruments for deposit, in each case, in the ordinary course of business;

(21) Indebtedness of the Borrower or any Restricted Subsidiary pursuant to any Qualified Securitization Financing;

(22) Indebtedness consisting of Indebtedness from the repurchase, retirement or other acquisition or retirement for value by the Borrower of common stock (or options, warrants or other rights to acquire common stock) of the Borrower from any future, current or former officer, director, manager, employee or consultant (or any spouses, successors, executors, administrators, heirs or legatees of any of the foregoing) of the Borrower or any of its Subsidiaries or their authorized representatives to the extent described in Section 6.1(b)(3);

(23) Indebtedness of the Borrower or any Restricted Subsidiary undertaken in connection with cash management and related activities, including netting services, automatic clearing house arrangements, employees' credit or purchase cards, overdraft protections and similar arrangements, with respect to the Borrower, any Subsidiary or joint venture in the ordinary course of business;

(24) Indebtedness of the Borrower or any Restricted Subsidiary borrowed from or guaranteed by any federal, state or local governmental entities or agencies incurred for investment in, or the purchase,

lease, development, construction, maintenance or improvement of property (real or personal) or equipment that is used or useful in, a Similar Business;

(25) Non-Recourse Indebtedness of the Borrower or any Restricted Subsidiary incurred to finance the purchase, lease, improvement, development, construction, remanufacturing, refurbishment, handling and repositioning or repair of property (real or personal) or equipment or to refinance other Non-Recourse Indebtedness incurred pursuant to this clause (25);

(26) Indebtedness incurred or Disqualified Stock issued by the Borrower or any Restricted Subsidiary or preferred stock issued by any of its Restricted Subsidiaries to the extent that the net proceeds thereof are promptly deposited with the Trustee to satisfy and discharge the Notes in accordance with the Indentures; and

(27) Indebtedness, Disqualified Stock or preferred stock of any Restricted Subsidiary that is not a Guarantor in an aggregate principal amount, including all Refinancing Indebtedness incurred to refund, refinance or replace any other Indebtedness, Disqualified Stock or preferred stock incurred pursuant to this clause (27), not to exceed the greater of (x) $130,000,000 and (y) 4.0% of Total Assets.

(c) For purposes of determining compliance with this Section 6.3, in the event that an item of Indebtedness, Disqualified Stock or preferred stock meets the criteria of more than one of the categories of permitted Indebtedness, Disqualified Stock or preferred stock described in clauses (1) through (27) of Section 6.3(b) or is entitled to be incurred pursuant to Section 6.3(a), the Borrower, in its sole discretion, may classify or reclassify such item of Indebtedness in any manner that complies with this covenant and the Borrower may divide and classify an item of Indebtedness in more than one of the types of Indebtedness described in Sections 6.3(a) and (b). Accrual of interest, the accretion of accreted value, the payment of interest in the form of additional Indebtedness, Disqualified Stock or preferred stock and the reclassification of any operating lease as a Capitalized Lease Obligation as a result of (i) the modification or extension of the term of such lease or (ii) changes in GAAP that are not a result of a modification or extension pursuant to clause (i) shall not be deemed to be an incurrence of Indebtedness, Disqualified Stock or preferred stock for purposes of this Section 6.3.

(d) For purposes of determining compliance with any U.S. dollar-denominated restriction on the incurrence of Indebtedness, the U.S. dollar-equivalent principal amount of Indebtedness denominated in a foreign currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was incurred, in the case of term debt, or first committed, in the case of revolving credit debt; *provided* that if such Indebtedness is incurred to refinance other Indebtedness denominated in a foreign currency, and such refinancing would cause the applicable dollar denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing Indebtedness does not exceed (i) the principal amount of such Indebtedness being refinanced *plus* (ii) the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses incurred in connection with such refinancing.

(e) The principal amount of any Indebtedness incurred to refinance other Indebtedness, if incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such respective Indebtedness is denominated that is in effect on the date of such refinancing.

(f) The Borrower shall not, and shall not permit any Guarantor to, directly or indirectly, incur any Indebtedness (including Acquired Indebtedness) that is subordinated or junior in right of payment to any Indebtedness of the Borrower or such Guarantor unless such Indebtedness is expressly subordinated in right of payment to the Obligations or such Guarantor's Guarantee to the extent and in the same manner as such

Indebtedness is subordinated in right of payment to other Indebtedness of the Borrower or such Guarantor, as the case may be.

Section 6.4 Asset Sales.

(a) The Borrower shall not, and shall not permit any Restricted Subsidiary to, cause, make or suffer to exist an Asset Sale unless:

(1) the Borrower or such Restricted Subsidiary, as the case may be, receives consideration at the time of such Asset Sale at least equal to the Fair Market Value (at the time of contractually agreeing to such Asset Sale) of the assets or Equity Interests sold or otherwise disposed of; and

(2) except in the case of a Permitted Asset Swap, at least 75% of the consideration therefor received by the Borrower or such Restricted Subsidiary, as the case may be, is in the form of cash or Cash Equivalents; *provided* that the amount of:

(A) any liabilities (as shown on the Borrower's, or such Restricted Subsidiary's most recent internally available balance sheet or in the notes thereto) of the Borrower or any Restricted Subsidiary (other than liabilities that are contingent or by their terms subordinated to the Notes) that are assumed by the transferee of any such assets and as a result of which the Borrower and its Restricted Subsidiaries are no longer obligated with respect to such liabilities or are indemnified against further liabilities;

(B) any securities, notes or other obligations or assets received by the Borrower or a Restricted Subsidiary from such transferee that are converted by the Borrower or such Restricted Subsidiary into cash or Cash Equivalents (to the extent of the cash or Cash Equivalents received) within 180 days following the closing of such Asset Sale;

(C) any Capital Stock or assets, so long as such receipt of Capital Stock or assets are used or useful in a Similar Business; and

(D) any Designated Non-cash Consideration received by the Borrower or any Restricted Subsidiary in such Asset Sale having an aggregate Fair Market Value, taken together with all other Designated Non-cash Consideration received pursuant to this clause (D) that is at that time outstanding, not to exceed the greater of (x) $130,000,000 and (y) 4.0% of Total Assets at the time of the receipt of such Designated Non-cash Consideration, with the Fair Market Value of each item of Designated Non-cash Consideration being measured at the time received and without giving effect to subsequent changes in value,

shall be deemed to be cash or Cash Equivalents for purposes of this provision and for no other purpose.

(b) The Net Proceeds of any Asset Sale shall be applied in accordance with Section 2.11(a). To the extent that any Net Proceeds constitute Refused Proceeds, the Borrower or such Restricted Subsidiary, at its option, may apply the Net Proceeds from such Asset Sale:

(1) to make one or more offers to the Holders (as defined in the Indentures) (and, at the option of the Borrower, the holders of other senior Indebtedness) to purchase Notes (and such senior Indebtedness) pursuant to and subject to the conditions contained in the Indentures (each, an "Asset Sale Offer"); *provided* that in connection with any prepayment, repayment or purchase of Indebtedness pursuant to this clause (1), the Borrower or such Restricted Subsidiary shall permanently retire such Indebtedness; *provided, further*, that if the Borrower or such Restricted Subsidiary shall so reduce any senior

Indebtedness (other than the Notes), the Borrower shall equally and ratably reduce Indebtedness under the Notes by making an offer to all Holders to purchase at a purchase price equal to 100.0% of the principal amount thereof, plus accrued and unpaid interest and additional interest, if any, the *pro rata* principal amount of the Notes, such offer to be conducted in accordance with the procedures set forth in Section 4.10 of the Indentures for an Asset Sale Offer;

(2) to make an investment in (i) any one or more businesses, (ii) capital expenditures or (iii) acquisitions of other property or long-term assets that, in each of (i), (ii) and (iii), are used or useful in a Similar Business;

(3) to reduce Secured Indebtedness of the Borrower or any Restricted Subsidiary and/or to reduce Indebtedness of any Restricted Subsidiary that is not a Guarantor, other than Indebtedness owed to the Borrower or any Restricted Subsidiary; *provided* that the acquisition of Indebtedness of a Restricted Subsidiary by the Borrower shall constitute a reduction in such Indebtedness; or

(4) any combination of the foregoing.

Notwithstanding the foregoing, to the extent that repatriation to the United States of America of any or all the Net Proceeds of any Asset Sale by a Foreign Subsidiary (x) is prohibited or delayed by applicable local law or (y) would have a material adverse tax consequence (taking into account any foreign tax credit or other net benefit actually realized in connection with such repatriation that would not otherwise be realized), as determined by the Borrower in its sole discretion exercised in good faith, the portion of such Net Proceeds so affected shall not be required to be applied in compliance with this covenant, and such amounts may be retained by the applicable Foreign
Subsidiary; *provided* that clause (x) of this Section 6.4(c) shall apply to such amounts for so long, but only for so long, as the applicable local law shall not permit repatriation to the United States of America (the Borrower hereby agreeing to use commercially reasonable efforts to cause the applicable Foreign Subsidiary to take all actions reasonably required by the applicable local law, applicable organizational impediments or other impediment to permit such repatriation), and if such repatriation of any of such affected Net Proceeds is permitted under the applicable local law and is not subject to clause (y) of this Section 6.4(c), then such repatriation shall be promptly effected and such repatriated Net Proceeds shall be applied (net of additional taxes payable or reserved against as a result to the extent not already taken into account under the definition of "Net Proceeds") in compliance with this covenant. The time periods set forth in this covenant shall not start until such time as the Net Proceeds may be repatriated (whether or not such repatriation actually occurs).

Section 6.5 Transactions with Affiliates.

(a) The Borrower shall not, and shall not permit any Restricted Subsidiary to, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate of the Borrower (each of the foregoing, an "Affiliate Transaction") involving aggregate payments or consideration in excess of $10,000,000, unless:

(1) such Affiliate Transaction is on terms that are not materially less favorable to the Borrower or the relevant Restricted Subsidiary at the time of such transaction or at the time of the execution of the agreement providing therefor than those that would have been obtained in a comparable transaction by the Borrower or such Restricted Subsidiary with an unrelated Person; and

(2) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate payments or consideration in excess of $50,000,000, the Borrower delivers to the Administrative Agent a resolution adopted by a majority of the Board of Directors of the Borrower approving such Affiliate Transaction.

(b) Section 6.5(a) shall not apply to the following:

(1) transactions between or among the Borrower and/or any of the Restricted Subsidiaries and/or any entity that becomes a Restricted Subsidiary as a result of such transaction;

(2) Restricted Payments permitted by Section 6.1 and the definition of "Permitted Investments";

(3) payment of reasonable and customary fees and reasonable out-of-pocket costs and compensation (including salaries, bonuses and equity) paid to, and reimbursement of expenses and indemnities provided on behalf of, officers, directors, employees or consultants of the Borrower or any Restricted Subsidiary;

(4) transactions in which the Borrower or any Restricted Subsidiary, as the case may be, delivers to the Administrative Agent a letter from an Independent Financial Advisor stating that such transaction is fair to the Borrower or such Restricted Subsidiary from a financial point of view or meets the requirements of Section 6.5(a)(1);

(5) payments or loans (or cancellation of loans) to employees or consultants of the Borrower or any Restricted Subsidiary which are approved by the Borrower in good faith;

(6) any agreement as in effect as of the Closing Date, or any amendment thereto (so long as any such amendment, taken as a whole, is no less favorable in any material respect to the Borrower and its Restricted Subsidiaries than the agreement in effect on the Closing Date (as determined by the Borrower in good faith));

(7) the existence of, or the performance by the Borrower or any of its Restricted Subsidiaries of its obligations under the terms of, any limited liability company, limited partnership or other Organizational Document or joint venture, investors or shareholders agreement (including any registration rights agreement or purchase agreement related thereto) to which it is a party as of the Closing Date and any similar agreements which it may enter into thereafter; *provided* that the existence of, or the performance by the Borrower or any Restricted Subsidiary of obligations under any future amendment to any such existing agreement or under any similar agreement entered into after the Closing Date shall only be permitted by this Section 6.5(b)(7) to the extent that the terms of any such amendment or new agreement, taken as a whole, is not disadvantageous to the Lenders in any material respect compared to the agreement in effect on the date of this Agreement (as determined by the Borrower in good faith), or is otherwise customary;

(8) transactions with customers, clients, suppliers, trade creditors, joint venture partners or purchasers or sellers of goods or services, in each case in the ordinary course of business and otherwise in compliance with the terms of this Agreement;

(9) the issuance of Equity Interests (other than Disqualified Stock) of the Borrower to any Affiliate of the Borrower and other customary rights in connection therewith;

(10) transactions or payments pursuant to any employee, officer or director compensation (including bonuses) or benefit plans, employment agreements, severance agreement, indemnification agreements or any similar arrangements entered into in the ordinary course of business or approved by the Borrower;

(11) transactions in the ordinary course with (i) Unrestricted Subsidiaries or (ii) joint ventures in which the Borrower or a Subsidiary of the Borrower holds or acquires an ownership interest (whether by way of Capital Stock or otherwise) so long as the terms of any such transactions are no less favorable to the Borrower or such Subsidiary participating in such joint ventures than they are to other joint venture partners, in each case as determined by the Borrower in good faith;

(12) transactions with a Person (other than an Unrestricted Subsidiary) that is an Affiliate of the Borrower solely because the Borrower owns, directly or through a Restricted Subsidiary, an Equity Interest in, or controls, such Person;

(13) transactions involving Securitization Assets, or participations therein, in connection with any Qualified Securitization Financing;

(14) any Indebtedness from time to time owing by the Borrower or any Restricted Subsidiary to the Borrower or any Restricted Subsidiary;

(15) any servicing and/or management agreements or arrangements in effect on the Closing Date or any amendment, modification or supplement to such servicing and/or management agreements or arrangements or replacement thereof or any substantially similar servicing and/or management agreement or arrangement entered into after the Closing Date;

(16) any transaction with an Affiliate of the Borrower where the only consideration paid by the Borrower or any Restricted Subsidiary is the issuance of Equity Interests (other than Disqualified Stock);

(17) the licensing or sub-licensing of Intellectual Property and software or other general intangibles in the ordinary course of business;

(18) investments by Fortress or its Affiliates in securities of the Borrower or any Restricted Subsidiary so long as the investment is being or has been offered generally to other unaffiliated investors on the same or more favorable terms or the securities are acquired in market transactions;

(19) any transactions (including any sale and leaseback transactions or other lease obligations) by and among Fortress or its Affiliates and the Borrower and its Restricted Subsidiaries, as the case may be, so long as the terms of such transaction are not materially less favorable to the Borrower or the relevant Restricted Subsidiary at the time of such transaction or at the time of the execution of the agreement providing therefor than those that would be obtained in a comparable transaction by the Borrower or such Subsidiary with a non-Affiliate of Fortress; and

(20) (A) payments by the Borrower or any Restricted Subsidiary to its Manager, the General Partner or any Permitted Holder (whether directly or indirectly) of management, consulting, monitoring, refinancing, transaction or advisory fees, and related expenses or termination fees, including payments or reimbursements made to satisfy advances or payments made on behalf of or for the Borrower or any Restricted Subsidiary, (B) customary payments and reimbursements by the Borrower or any Restricted Subsidiary to its Manager, the General Partner or any Permitted Holder (whether directly or indirectly) for financial advisory, financing, underwriting or placement services or in respect of other investment banking activities, including in connection with acquisitions or divestitures, and (C) any payments, reimbursements or other transactions pursuant to the Management Agreement.

Section 6.6 Liens. The Borrower shall not create, incur, assume or otherwise cause or suffer to exist or become effective any Lien that secures obligations under any Indebtedness of the Borrower or any Guarantor (the "Initial

Lien") of any kind upon any of its property or assets, now owned or hereafter acquired except any Initial Lien if (i) the Obligations are equally and ratably secured with (or on a senior basis to, in the case such Initial Lien secures any Subordinated Indebtedness) the obligations secured by such Initial Lien or (ii) such Initial Lien is a Permitted Lien.

Any Lien created for the benefit of the Lenders pursuant to clause (i) of the preceding paragraph shall provide by its terms that such Lien shall be automatically and unconditionally released and discharged upon the release and discharge of the Initial Lien.

With respect to any Lien securing Indebtedness that was permitted to secure such Indebtedness at the time of the incurrence of such Indebtedness, such Lien shall also be permitted to secure any Increased Amount of such Indebtedness. The "Increased Amount" of any Indebtedness shall mean any increase in the amount of such Indebtedness in connection with any accrual of interest, the accretion of accreted value, the amortization of original issue discount, the payment of interest in the form of additional Indebtedness with the same terms, accretion of original issue discount or liquidation preference and increases in the amount of Indebtedness outstanding solely as a result of fluctuations in the exchange rate of currencies or increase in the value of property securing Indebtedness.

Section 6.7 Limitation on Guarantees and Incurrence of Indebtedness by Restricted Subsidiaries.

(a) The Borrower shall not permit any of its Restricted Subsidiaries to (i) guarantee any Capital Markets Debt or Credit Facility of the Borrower (other than Standard Securitization Undertakings in connection with a Qualified Securitization Financing), or (ii) incur any Capital Markets Debt or Credit Facility in an aggregate principal amount in excess of $25,000,000 or guarantee any Capital Markets Debt or Credit Facility of another Restricted Subsidiary in an aggregate principal amount in excess of $25,000,000 (in each case, other than (x) Standard Securitization Undertakings in connection with a Qualified Securitization Financing and (y) Acquired Indebtedness), in each case, unless either (A) such Restricted Subsidiary is a Guarantor or (B) such Restricted Subsidiary:

(1) within 45 days of the date on which it guarantees such debt, executes and delivers to the Administrative Agent a Guarantee, the form of which is attached as Exhibit E hereto (or a joinder thereto), pursuant to which such Restricted Subsidiary shall guarantee on a senior basis all of the Obligations; and

(2) delivers to the Administrative Agent an Officers' Certificate and an Opinion of Counsel (which may contain customary exceptions) that such Guarantee (or joinder thereto) has been duly authorized, executed and delivered by such Restricted Subsidiary and constitutes legal, valid, binding and enforceable obligations of such Restricted Subsidiary.

(b) If the Borrower otherwise elects to have a Restricted Subsidiary become a Guarantor, then, in each such case, the Borrower shall cause such Restricted Subsidiary to execute and deliver to the Administrative Agent a Guarantee, the form of which is attached as Exhibit E hereto (or a joinder thereto), pursuant to which such Restricted Subsidiary shall guarantee all of the Obligations, along with an Officer's Certificate and an Opinion of Counsel, on the terms set forth in Section 6.7(a)(2).

(c) Each Guarantee shall be limited to an amount not to exceed the maximum amount that can be guaranteed by that Restricted Subsidiary without rendering the Guarantee, as it relates to such Restricted Subsidiary, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally.

(d) Each Guarantee shall be released upon the terms and in accordance with Section 9.20.

Section 6.8 [Reserved].

Section 6.9 Merger, Consolidation or Sale of All or Substantially All Assets.

(a) The Borrower may not (i) consummate a Division as the Dividing Person or (ii) consolidate with, amalgamate or merge into (whether or not the Borrower is the surviving Person), or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all its properties or assets, taken as a whole, in one or more related transactions, to any Person unless, in the case of this clause (a)(ii):

(1) the Borrower shall be the surviving Person or the Person formed by or surviving any such consolidation, amalgamation or merger (if other than the Borrower) or to which such sale, assignment, transfer, lease, conveyance or other disposition shall have been made is a Person organized or existing under the laws of a jurisdiction described in clause (a) of the definition of "Permitted Jurisdiction" (such Person, as the case may be, being herein called the "Successor Company");

(2) the Successor Company, if other than the Borrower, expressly assumes all the obligations of the Borrower under the Loan Documents;

(3) immediately after such transaction no Event of Default shall have occurred and be continuing;

(4) immediately after giving *pro forma* effect to such transaction, as if such transaction had occurred at the beginning of the applicable four-quarter period:

(A) the Successor Company would be permitted to incur at least $1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in Section 6.3(a); or

(B) the Fixed Charge Coverage Ratio for the Successor Company and the Restricted Subsidiaries would be equal to or greater than such ratio for the Borrower and the Restricted Subsidiaries immediately prior to such transaction;

(5) each Guarantor, unless it is the other party to the transactions described in Section 6.9(a)(1) through (4), in which case Section 6.9(b)(2) shall apply, shall have by written agreement confirmed that its Guarantee shall apply to such Person's Obligations; and

(6) the Borrower or such Successor Company, as applicable, shall have delivered to the Administrative Agent an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, amalgamation, merger, sale, assignment, transfer, lease, conveyance or disposition and such supplemental indentures, amendments, supplements or other instruments, if any, comply with this Agreement.

The Successor Company shall succeed to, and be substituted for, the Borrower under this Agreement and the other Loan Documents, and the Borrower shall automatically be released and discharged from its obligations under the Loan Documents. Notwithstanding the foregoing clauses (3) and (4),

(A) the Borrower may consolidate with, amalgamate or merge into or sell, assign, transfer, lease, convey or otherwise dispose of all or part of its properties and assets to any Guarantor;

(B) any Restricted Subsidiary may consolidate with, amalgamate or merge into or sell, assign, transfer, lease, convey or otherwise dispose of all or part of its properties and assets to the Borrower;

(C) the Borrower may consolidate with, amalgamate or merge into with an Affiliate of the Borrower solely for the purpose of reincorporating or reorganizing the Borrower in any jurisdiction

described in clause (a) of the definition of "Permitted Jurisdiction" so long as the amount of Indebtedness of the Borrower and the Restricted Subsidiaries is not increased thereby (unless such increase is permitted by this Agreement);

(D) the Borrower may convert into a corporation, partnership, limited partnership, limited liability company or trust organized or existing under the laws of the jurisdiction of organization of the Borrower or the laws of any jurisdiction described in clause (a) of the definition of "Permitted Jurisdiction"; and

(E) the Borrower may change its name.

(b) Subject to Section 9.20, each Guarantor shall not, and the Borrower shall not permit any Guarantor to (i) consummate a Division as the Dividing Person or (ii) consolidate with, amalgamate or merge into (whether or not such Guarantor is the surviving Person), or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all its properties or assets, taken as a whole, in one or more related transactions, to any Person (other than the Borrower or a Guarantor) unless, in the case of this clause (b)(ii):

(1) (A) such Guarantor is the surviving Person or the Person formed by or surviving any such consolidation, amalgamation or merger (if other than such Guarantor) or to which such sale, assignment, transfer, lease, conveyance or other disposition shall have been made is a Person organized or existing under the laws of a Permitted Jurisdiction (such Guarantor or such Person, as the case may be, being herein called the "Successor Person");

(B) the Successor Person, if other than such Guarantor, expressly assumes all the obligations of such Guarantor under the Loan Documents and such Guarantor's Guarantee;

(C) immediately after such transaction no Event of Default shall have occurred and be continuing; and

(D) the Borrower shall have delivered to the Administrative Agent an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, amalgamation, merger, sale, assignment, transfer, lease, conveyance or disposition and such supplemental indentures, amendments, supplements or other instruments, if any, comply with this Agreement; or

(2) with respect to the Guarantors, the transaction is not prohibited by Section 6.4.

Subject to Section 9.20, the Successor Person shall succeed to, and be substituted for, such Guarantor under the Loan Documents and such Guarantor's Guarantee, and such Guarantor shall automatically be released and discharged from its obligations under the Loan Documents and such Guarantee. Notwithstanding the foregoing Section 6.9(b),

(A) a Guarantor may (x) consolidate with, amalgamate or merge into or sell, assign, transfer, lease, convey or otherwise dispose of all or part of its properties and assets to the Borrower or any Guarantor or (y) dissolve if such Guarantor sells, assigns, transfers, leases, conveys or otherwise disposes of all or substantially all its properties and assets to another Person in compliance with Section 6.4, and, after giving effect to such sale, assignment, transfer, lease, conveyance or disposition and prior to such dissolution, has no or a de minimis amount of assets;

(B) any Restricted Subsidiary may consolidate with, amalgamate or merge into or sell, assign, transfer, lease, convey or otherwise dispose of all or part of its properties and assets to any Guarantor;

(C) a Guarantor may consolidate with, amalgamate or merge into an Affiliate of the Borrower solely for the purpose of reincorporating or reorganizing such Guarantor in any Permitted Jurisdiction so long as the amount of Indebtedness of the Borrower and the Restricted Subsidiaries is not increased thereby (unless such increase is permitted by this Agreement);

(D) a Guarantor may convert into a corporation, partnership, limited partnership, limited liability company or trust organized or existing under the laws of the jurisdiction of organization of such Guarantor or the laws of any Permitted Jurisdiction;

(E) a Guarantor may change its name; and

(3) a Guarantor that is an LLC may consummate a Division as the Dividing Person if, immediately upon the consummation of the Division, the assets of the applicable Dividing Person are held by one or more Guarantors at such time.

Section 6.10 Negative Covenants Applicable to Extended Term Loans. Notwithstanding anything to the contrary contained in this Agreement, on and after the Bridge Loan Maturity Date, at all times while the Extended Term Loans are outstanding, the negative covenants applicable to the Extended Term Loans shall be those contained in the Exchange Notes Indenture instead of the provisions contained in this Agreement (including this Section 6), and such provisions of the Exchange Notes Indenture (including the corresponding definitions in the Exchange Notes Indenture that relate to such sections and articles of the Exchange Notes Indenture) shall be deemed incorporated and set forth in this Agreement to the extent necessary to give effect to the foregoing; *provided* that, for purposes of this Agreement (i) any references to the "Holders" therein shall be deemed to be references to the Lenders, (ii) any references to the "Indenture" therein shall be deemed to be references to this Agreement, (iii) any references to the "Issuer" therein shall be deemed to be references to the Borrower, (iv) any references to the "Notes" therein shall be deemed to be references to the Extended Term Loans and (v) any references to the "Trustee" therein shall be deemed to be references to the Administrative Agent.

SECTION 7. EVENTS OF DEFAULT

Section 7.1 Events of Default.

(a) Each of the following events shall constitute an "Event of Default":

(1) the Borrower shall fail to pay any principal of any Bridge Loan when due in accordance with the terms hereof; or the Borrower shall fail to pay any interest on any Bridge Loan, or any other amount payable hereunder or under any other Loan Document, within five Business Days after any such interest or other amount becomes due in accordance with the terms hereof or thereof; or

(2) any representation or warranty made or deemed made by any Loan Party herein or in any other Loan Document or that is contained in any certificate, document or financial or other statement furnished by it at any time under or in connection with this Agreement or any such other Loan Document shall prove to have been incorrect in any material respect on or as of the date made or deemed made; or

(3) any Loan Party shall default in the observance or performance of any agreement contained in clause (i) of Section 5.4(a) (with respect to the Borrower only), Section 5.7(a) or Section 6; or

(4) any Loan Party shall default in the observance or performance of any other agreement contained in this Agreement or any other Loan Document (other than as provided in paragraphs (1) through (3) of this Section 7.1(a)), and such default shall continue unremedied for a period of 30 days after the earlier of (i) the date on which a Responsible Officer of any Loan Party obtains knowledge of such default and (ii) the date on which the Borrower has received written notice of such default from the

Administrative Agent, or if such default is of a nature that it cannot with reasonable effort be completely remedied within said period of 30 days, such additional period of time as may be reasonably necessary to cure same, *provided* that the applicable Loan Party commences such cure within such 30 day period and diligently prosecutes same, until completion, but in no event shall such extended period exceed 60 days; or

(5) default under any mortgage, indenture or instrument under which there is issued or by which there is secured or evidenced any Indebtedness for money borrowed by the Borrower or any Restricted Subsidiary (or the payment of which is guaranteed by the Borrower or any Restricted Subsidiary), other than Indebtedness owed to the Borrower or a Restricted Subsidiary, whether such Indebtedness or guarantee now exists or is created after the Closing Date, if both:

(A) such default either:

(x) results from the failure to pay any such Indebtedness at its stated final maturity (after giving effect to any applicable grace periods and extensions thereof) or results in any such Indebtedness becoming due prior to its stated final maturity; or

(y) enables or permits (after giving effect to any applicable grace periods and any extensions thereof, but regardless of whether any required notice has been given) the holder or holders of such Indebtedness or someone acting on their behalf to cause such Indebtedness to become due, prepaid, defeased or otherwise paid prior to its stated maturity; and

(B) the principal amount of such Indebtedness, together with the principal amount of any other such Indebtedness in default for failure to pay principal at stated final maturity (after giving effect to any applicable grace periods and any extensions thereof), or the maturity of which has been or may be so accelerated, aggregate $50,000,000 or more at any one time outstanding, in each case without such default having been rescinded, annulled or otherwise cured; or

(6) failure by the Borrower or any Significant Subsidiary to pay final judgments for the payment of money aggregating in excess of $50,000,000 (to the extent not adequately covered by insurance as to which a solvent insurance company has not denied coverage or an indemnity by a third party with an Investment Grade Rating from any Rating Agency), which final judgments remain unpaid, undischarged, unwaived and unstayed for a period of more than 90 days after such judgment becomes final, and in the event such judgment is covered by insurance or indemnity, an enforcement proceeding has been commenced by any creditor upon such judgment or decree which is not promptly stayed; *provided* that such failure shall not be an Event of Default with respect to a judgment against a Significant Subsidiary as to which the Borrower delivers to the Administrative Agent an Officers' Certificate certifying a resolution adopted by the Board of Directors of the Borrower to the effect that the creditors of such Significant Subsidiary have no recourse to the assets of the Borrower or any Guarantor (other than such Significant Subsidiary) and that the Board of Directors of the Borrower has determined in good faith that the assets of such Significant Subsidiary have a Fair Market Value less than the sum of (x) the amount of such outstanding judgment, and (y) the outstanding Indebtedness of such Significant Subsidiary;

(7) the Borrower or any Significant Subsidiary pursuant to or within the meaning of any Bankruptcy Law:

(i) commences proceedings to be adjudicated bankrupt or insolvent;

(ii) consents to the institution of bankruptcy or insolvency proceedings against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under applicable Bankruptcy Law;

(iii) consents to the appointment of a receiver, liquidator, assignee, trustee or other similar official of it or for all or substantially all of its property;

(iv) makes a general assignment for the benefit of its creditors; or

(v) makes an admission in writing of its inability generally to pay its debts as they become due; or

(8) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:

(i) is for relief against the Borrower or any Significant Subsidiary in a proceeding in which it is to be adjudicated bankrupt or insolvent;

(ii) appoints a receiver, liquidator, assignee, trustee or other similar official of the Borrower or any Significant Subsidiary or for all or substantially all of the property of the Borrower or any Significant Subsidiary; or

(iii) orders the liquidation of the Borrower or any Significant Subsidiary;

and the order or decree remains unstayed and in effect for 60 consecutive days; or

(9) (i) any Person shall engage in any "prohibited transaction" (as defined in Section 406 of ERISA or Section 4975 of the Code) involving any Pension Plan, (ii) any failure to satisfy the minimum funding standard of Section 412 of the Code and Section 302 of ERISA, whether or not waived, shall exist with respect to any Pension Plan, or any Lien in favor of the PBGC or a Pension Plan shall arise on the assets of the Borrower or any Commonly Controlled Entity, (iii) a Reportable Event shall occur with respect to, or proceedings shall commence to have a trustee appointed, or a trustee shall be appointed, to administer or to terminate, any Pension Plan, which Reportable Event or commencement of proceedings or appointment of a trustee is, in the reasonable opinion of the Required Lenders, likely to result in the termination of such Pension Plan for purposes of Title IV of ERISA, (iv) any Pension Plan shall terminate for purposes of Title IV of ERISA or (v) the Borrower or any Commonly Controlled Entity shall incur any liability in connection with a withdrawal from, or the Insolvency of, a Multiemployer Plan; and in each case in clauses (i) through (v) above, such event or condition results in or could reasonably be expected to result in a Material Adverse Effect; or

(10) [reserved]; or

(11) the guarantee contained in any Guarantee Agreement shall cease, for any reason (other than by reason of the express release thereof pursuant to Section 8.11 or the terms thereof), to be in full force and effect or any Loan Party or any Affiliate of any Loan Party shall so assert in writing; or

(12) a Change of Control shall occur.

(b) If any Event of Default shall have occurred and be continuing, then, and in any such event, (A) if such event is an Event of Default specified in Section 7.1(a)(7) or Section 7.1(a)(8) with respect to the Borrower, the Bridge Loans hereunder (with accrued interest thereon) and all other amounts owing under this Agreement and the

other Loan Documents shall automatically and immediately become due and payable, and (B) if such event is any other Event of Default, with the consent of the Required Lenders, the Administrative Agent may, or upon the request of the Required Lenders, the Administrative Agent shall, by notice to the Borrower, declare the Bridge Loans hereunder (with accrued interest thereon) and all other amounts owing under this Agreement and the other Loan Documents to be due and payable forthwith, whereupon the same shall immediately become due and payable.

Section 7.2 [Reserved].

Section 7.3 Events of Default Applicable to Extended Term Loans. Notwithstanding anything to the contrary contained in this Agreement, on and after the Bridge Loan Maturity Date, at all times while the Extended Term Loans are outstanding, the events of default and related provisions applicable to the Extended Term Loans shall be those contained in the Exchange Notes Indenture instead of the provisions contained in this Agreement (including this Section 7), and such provisions of the Exchange Notes Indenture (including the corresponding definitions in the Exchange Notes Indenture that relate to such sections and articles of the Exchange Notes Indenture) shall be deemed incorporated and set forth in this Agreement to the extent necessary to give effect to the foregoing; *provided* that, for purposes of this Agreement (i) any references to the "Holders" therein shall be deemed to be references to the Lenders, (ii) any references to the "Indenture" therein shall be deemed to be references to this Agreement, (iii) any references to the "Issuer" therein shall be deemed to be references to the Borrower, (iv) any references to the "Notes" therein shall be deemed to be references to the Extended Term Loans and (v) any references to the "Trustee" therein shall be deemed to be references to the Administrative Agent.

SECTION 8. THE ADMINISTRATIVE AGENT

Section 8.1 Appointment and Authority. Each of the Lenders hereby irrevocably appoints Morgan Stanley to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Section 8.1 are solely for the benefit of the Administrative Agent and the Lenders, and none of the Borrower nor any other Loan Party shall have rights as a third party beneficiary of any of such provisions (except as provided in Section 8.6 below).

Section 8.2 Rights as a Lender. The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders.

Section 8.3 Exculpatory Provisions. The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents. Without limiting the generality of the foregoing, the Administrative Agent:

(a) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents), *provided* that

the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or applicable law;

(c) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity;

(d) shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 9.1 and 7.1) or (ii) in the absence of its own gross negligence, bad faith or willful misconduct, as determined by a final non-appealable judgment of a court of competent jurisdiction. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given to the Administrative Agent in writing by the Borrower or a Lender;

(e) shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in Section 4 or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent;

(f) shall not be required to qualify in any jurisdiction in which it is not presently qualified to perform its obligations as the Administrative Agent;

(g) shall not be required to (i) expend or risk its own funds or provide indemnities in the performance of any of its duties hereunder or the exercise of any of its rights or powers, or (ii) otherwise incur any financial liability in the performance of its duties hereunder or the exercise of any of its rights or powers, except for such expense, indemnity or liability, if any, arising out of the Administrative Agent's gross negligence, bad faith or willful misconduct in the performance of its duties hereunder or under any other Loan Document, as determined by a final non-appealable judgment of a court of competent jurisdiction; and

(h) shall not be responsible or have any liability for, or have any duty to ascertain, inquire into, monitor or enforce, compliance with the provisions hereof relating to Disqualified Institutions or Affiliated Lenders. Without limiting the generality of the foregoing, the Administrative Agent shall not (x) be obligated to ascertain, monitor or inquire as to whether any Lender or participant or prospective Lender or participant is a Disqualified Institution or an Affiliated Lender or (y) have any liability with respect to or arising out of any assignment or participation of Bridge Loans, or disclosure of confidential information, to any Disqualified Institution or any Affiliated Lender.

No requirement in any Loan Document for a Loan Party to provide evidence, opinion, information, documentation or other material requested or required by the Administrative Agent shall be construed to mean that the Administrative Agent has any responsibility to request or require such evidence, opinion, information, documentation or other material. No Lender shall assert, and each Lender hereby waives, any claim against the Administrative Agent, including any predecessor agent, its sub-agents and their respective Affiliates in respect of any action taken or omitted to be taken by any of them, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this

Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the transactions contemplated hereby or thereby, any Bridge Loan or the use of the proceeds thereof.

Section 8.4 Reliance by Administrative Agent. The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Bridge Loan that by its terms must be fulfilled to the satisfaction of a Lender, the Administrative Agent may presume that such condition is satisfactory to such Lender unless the Administrative Agent shall have received notice to the contrary from such Lender prior to the making of such Bridge Loan. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower or any Lender), independent accountants and other experts, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

Section 8.5 Delegation of Duties. The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Section 8 shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facility provided for herein as well as activities as Administrative Agent. The Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and nonappealable judgment that the Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub-agents.

Section 8.6 Resignation of Administrative Agent. The Administrative Agent may at any time give notice of its resignation to the Lenders and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, with the consent of the Borrower (not to be unreasonably withheld or delayed) unless an Event of Default under Section 7.1(a)(1), (7) or (8) is continuing, to appoint a successor, which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may (but shall not be obligated to), on behalf of the Lenders, with the consent of the Borrower (not to be unreasonably withheld or delayed) unless an Event of Default under Section 7.1(a)(1), (7) or (8) is continuing, appoint a successor Administrative Agent meeting the qualifications set forth above; *provided* that if no qualifying Person has accepted such appointment within 30 days (or such earlier day as shall be agreed by the Required Lenders) (the "Removal Effective Date"), then such resignation shall nonetheless become effective in accordance with such notice on the Removal Effective Date and (a) the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents and (b) all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Person directly, until such time as the Required Lenders appoint a successor Administrative Agent as provided for above in this Section. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or retired) Administrative Agent, and the retiring Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this Section). The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring Administrative Agent's resignation hereunder and under the other Loan Documents, the provisions of this Section 8 and Section 9.5 shall continue in effect for the benefit of such retiring Administrative Agent,

its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring Administrative Agent was acting as Administrative Agent.

Section 8.7 Non-Reliance on Administrative Agent and Other Lenders. Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

Section 8.8 No Other Duties, Etc. Anything herein to the contrary notwithstanding, the Arrangers listed on the cover page hereof shall not have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in their capacities, as applicable, as the Administrative Agent or a Lender hereunder.

Section 8.9 Administrative Agent May File Proofs of Claim. In case of the pendency of any proceeding under any Bankruptcy Law or any other judicial proceeding relative to any Loan Party, the Administrative Agent (irrespective of whether the principal of any Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered, by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders and the Administrative Agent under Sections 2.8 and 9.5) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to the Administrative Agent and, if the Administrative Agent shall consent to the making of such payments directly to the Lenders, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Sections 2.8 and 9.5.

Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender to authorize the Administrative Agent to vote in respect of the claim of any Lender or in any such proceeding.

Section 8.10 Erroneous Payments.

(a) If the Administrative Agent notifies a Lender or any Person who has received funds on behalf of a Lender (any such Lender or other recipient, a "Payment Recipient") that the Administrative Agent has determined in its sole discretion (whether or not after receipt of any notice under immediately succeeding clause (b)) that any funds received by such Payment Recipient from the Administrative Agent or any of its Affiliates were erroneously transmitted to, or otherwise erroneously or mistakenly received by, such Payment Recipient (whether or

not known to such Lender or other Payment Recipient on its behalf) (any such funds, whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise, individually and collectively, an "Erroneous Payment") and demands the return of such Erroneous Payment (or a portion thereof), such Erroneous Payment shall at all times remain the property of the Administrative Agent and shall be segregated by the Payment Recipient and held in trust for the benefit of the Administrative Agent, and such Lender shall (or, with respect to any Payment Recipient who received such funds on its behalf, shall cause such Payment Recipient to) promptly, but in no event later than two Business Days thereafter, return to the Administrative Agent the amount of any such Erroneous Payment (or portion thereof) as to which such a demand was made, in same day funds (in the currency so received), together with interest thereon in respect of each day from and including the date such Erroneous Payment (or portion thereof) was received by such Payment Recipient to the date such amount is repaid to the Administrative Agent in same day funds at the greater of the NYFRB Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect. A notice of the Administrative Agent to any Payment Recipient under this clause (a) shall be conclusive, absent manifest error.

(b) Without limiting immediately preceding clause (a), each Lender or any Person who has received funds on behalf of a Lender, hereby further agrees that if it receives a payment, prepayment or repayment (whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise) from the Administrative Agent (or any of its Affiliates) (x) that is in a different amount than, or on a different date from, that specified in a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates) with respect to such payment, prepayment or repayment, (y) that was not preceded or accompanied by a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates), or (z) that such Lender, or other such recipient, otherwise becomes aware was transmitted, or received, in error or by mistake (in whole or in part) in each case:

(1) (A) in the case of immediately preceding clauses (x) or (y), an error shall be presumed to have been made (absent written confirmation from the Administrative Agent to the contrary) or (B) an error has been made (in the case of immediately preceding clause (z)), in each case, with respect to such payment, prepayment or repayment; and

(2) such Lender shall (and shall cause any other recipient that receives funds on its respective behalf to) promptly (and, in all events, within one Business Day of its knowledge of such error) notify the Administrative Agent of its receipt of such payment, prepayment or repayment, the details thereof (in reasonable detail) and that it is so notifying the Administrative Agent pursuant to this Section 8.10(b).

(c) Each Lender hereby authorizes the Administrative Agent to set off, net and apply any and all amounts at any time owing to such Lender under any Loan Document, or otherwise payable or distributable by the Administrative Agent to such Lender from any source, against any amount due to the Administrative Agent under immediately preceding clause (a) or under the indemnification provisions of this Agreement.

(d) In the event that an Erroneous Payment (or portion thereof) is not recovered by the Administrative Agent for any reason, after demand therefor by the Administrative Agent in accordance with immediately preceding clause (a), from any Lender that has received such Erroneous Payment (or portion thereof) (and/or from any Payment Recipient who received such Erroneous Payment (or portion thereof) on its respective behalf) (such unrecovered amount, an "Erroneous Payment Return Deficiency"), upon the Administrative Agent's notice to such Lender at any time, (i) such Lender shall be deemed to have assigned its Loans (but not its Commitments) with respect to which such Erroneous Payment was made (the "Erroneous Payment Impacted Loans") in an amount equal to the Erroneous Payment Return Deficiency (or such lesser amount as the Administrative Agent may specify) (such assignment of the Loans (but not Commitments) of the Erroneous Payment Impacted Loans, the "Erroneous Payment Deficiency Assignment") at par plus any accrued and unpaid interest (with the assignment fee to be waived by the Administrative Agent in such instance), and is hereby (together with the Borrower) deemed to execute and

deliver an Assignment and Acceptance with respect to such Erroneous Payment Deficiency Assignment, and such Lender shall deliver any Promissory Notes evidencing such Loans to the Borrower or the Administrative Agent, (ii) the Administrative Agent as the assignee Lender shall be deemed to acquire the Erroneous Payment Deficiency Assignment, (iii) upon such deemed acquisition, the Administrative Agent as the assignee Lender shall become a Lender hereunder with respect to such Erroneous Payment Deficiency Assignment and the assigning Lender shall cease to be a Lender hereunder with respect to such Erroneous Payment Deficiency Assignment, excluding, for the avoidance of doubt, its obligations under the indemnification provisions of this Agreement and its applicable Commitments which shall survive as to such assigning Lender and (iv) the Administrative Agent may reflect in the Register its ownership interest in the Loans subject to the Erroneous Payment Deficiency Assignment. The Administrative Agent may, in its discretion, sell any Loans acquired pursuant to an Erroneous Payment Deficiency Assignment and upon receipt of the proceeds of such sale, the Erroneous Payment Return Deficiency owing by the applicable Lender shall be reduced by the net proceeds of the sale of such Loan (or portion thereof), and the Administrative Agent shall retain all other rights, remedies and claims against such Lender (and/or against any recipient that receives funds on its respective behalf). For the avoidance of doubt, no Erroneous Payment Deficiency Assignment will reduce the Commitments of any Lender and such Commitments shall remain available in accordance with the terms of this Agreement. In addition, each party hereto agrees that, except to the extent that the Administrative Agent has sold a Loan (or portion thereof) acquired pursuant to an Erroneous Payment Deficiency Assignment, and irrespective of whether the Administrative Agent may be equitably subrogated, the Administrative Agent shall be contractually subrogated to all the rights and interests of the applicable Lender under the Loan Documents with respect to each Erroneous Payment Return Deficiency (the "Erroneous Payment Subrogation Rights").

(e) The parties hereto agree that an Erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any Obligations owed by the Borrower or any other Loan Party, except, in each case, to the extent such Erroneous Payment is, and solely with respect to the amount of such Erroneous Payment that is, comprised of funds received by the Administrative Agent from the Borrower or any other Loan Party for the purpose of making such Erroneous Payment.

(f) To the extent permitted by applicable law, no Payment Recipient shall assert any right or claim to an Erroneous Payment, and hereby waives, and is deemed to waive, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Administrative Agent for the return of any Erroneous Payment received, including without limitation waiver of any defense based on "discharge for value" or any similar doctrine.

(g) Each party's obligations, agreements and waivers under this Section 8.10(g) shall survive the resignation or replacement of the Administrative Agent, any transfer of rights or obligations by, or the replacement of, a Lender, the termination of the Commitments and/or the repayment, satisfaction or discharge of all Obligations (or any portion thereof) under any Loan Document.

Section 8.11 Guaranty Matters.

(a) Each of the Lenders irrevocably authorizes the Administrative Agent to release any Guarantor from its obligations under a Guarantee Agreement or any Loan Document as provided in Section 9.20.

(b) Upon request by the Administrative Agent at any time, the Required Lenders will confirm in writing the Administrative Agent's authority to release any Guarantor from its obligations under the Loan Documents pursuant to Section 9.20.

Section 8.12 Withholding Taxes. To the extent required by any applicable Requirements of Law, the Administrative Agent may withhold from any payment to any Lender an amount equivalent to any applicable withholding Tax. Without limiting or expanding the provisions of Section 2.17, each Lender shall indemnify the Administrative Agent

against, and shall make payable in respect thereof within thirty (30) days after demand therefor, any and all Taxes and any and all related losses, claims, liabilities and expenses (including fees, charges and disbursements of any counsel for the Administrative Agent) incurred by or asserted against the Administrative Agent by the Internal Revenue Service or any other Governmental Authority as a result of the failure of the Administrative Agent to properly withhold Tax from amounts paid to or for the account of such Lender for any reason (including because the appropriate form was not delivered or not properly executed, or because such Lender failed to notify the Administrative Agent of a change in circumstance that rendered the exemption from, or reduction of, withholding Tax ineffective). A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under this Agreement or any other Loan Document against any amount due the Administrative Agent under this Section 8.12. The agreements in this Section 8.12 shall survive the resignation and/or replacement of the Administrative Agent, any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all other Obligations.

SECTION 9. MISCELLANEOUS

Section 9.1 Amendments and Waivers. Neither this Agreement or any other Loan Document, nor any terms hereof or thereof may be amended, supplemented or modified except in accordance with the provisions of this Section 9.1. The Required Lenders, the Borrower and each other Loan Party which is a party to the relevant Loan Document may, or (with the written consent of the Required Lenders) the Administrative Agent, the Borrower and each other Loan Party which is a party to the relevant Loan Document may, from time to time, (a) enter into written amendments, supplements or modifications hereto and to the other Loan Documents (including amendments and restatements hereof or thereof) for the purpose of adding or removing any provisions to this Agreement or the other Loan Documents or changing in any manner the rights and obligations of the Lenders or of the Loan Parties hereunder or thereunder or (b) waive, on such terms and conditions as may be specified in the instrument of waiver, any of the requirements of this Agreement or the other Loan Documents or any Default or Event of Default and its consequences; *provided*, *however*, that the Administrative Agent may, with the consent of the Borrower only and without the need to obtain the consent of any Lender, amend, supplement or modify this Agreement or any other Loan Document to cure any ambiguity, omission, defect or inconsistency, so long as such amendment, supplement or modification does not adversely affect the rights of any Lender or the Lenders shall have received at least five Business Days' prior written notice thereof and Administrative Agent shall not have received, within five Business Days of the date of such notice to the Lenders, a written notice from the Required Lenders stating that the Required Lenders object to such amendment; *provided further*, *however*, that no such waiver and no such amendment, supplement or modification shall:

(i) forgive the principal amount of any Bridge Loan, extend the final scheduled date of maturity of any Bridge Loan, reduce the stated rate of any interest, fee or premium payable under this Agreement (except in connection with the waiver of applicability of any post-default increase in interest rates (which waiver shall be effective with the consent of the Required Lenders)) or extend the time for payment of any interest, fees or premium or increase the amount or extend the expiration date of any Commitment of any Lender, in each case without the consent of each Lender directly and adversely affected thereby;

(ii) amend, modify or waive any provision of this Section 9.1, without the consent of each Lender, or, except as contemplated by the last paragraph of this Section 9.1, reduce any percentage specified in the definition of "Required Lenders" or reduce the consent required under any provision pursuant to which the consent of Required Lenders is necessary, in each case without the consent of each Lender directly affected thereby;

(iii) consent to the assignment or transfer by the Borrower of any of its rights and obligations under this Agreement and the other Loan Documents without the consent of each Lender;

(iv) amend, modify or waive any provision of Section 8, or any other provision affecting the rights, duties or obligations of the Administrative Agent, without the consent of the Administrative Agent;

(v) amend, modify or waive any provision of Section 2.14 without the consent of each Lender directly affected thereby;

(vi) [reserved]; or

(vii) release all or substantially all of the value of the Guarantee Agreements, without the written consent of each Lender, except (A) to the extent the release of any Subsidiary from a Guarantee Agreement is permitted pursuant to Section 9.20 (in which case such release may be made without the consent of any Lender) or (B) upon satisfaction of the Termination Conditions;

provided, further, that any Loan Document may be waived, amended, supplemented or modified pursuant to an agreement or agreements in writing entered into by the Borrower and the Administrative Agent (without the consent of any Lender) solely to grant a new Lien for the benefit of the Lenders or extend an existing Lien over additional property.

Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender prior to such Lender funding its Bridge Loans on the Closing Date, then for so long as such Lender is a Defaulting Lender, the Loan Exposure of such Defaulting Lender shall not be included in determining whether the Required Lenders or any other requisite Lenders have taken or may take any action hereunder or under any other Loan Document (including any consent to any amendment, waiver or other modification pursuant to this Section 9.1); *provided* that any amendment, waiver or other modification requiring the consent of all Lenders or all Lenders affected thereby shall, except as otherwise provided in this Section 9.1, require the consent of such Defaulting Lender in accordance with the terms hereof.

Any such waiver and any such amendment, supplement or modification shall apply equally to each of the Lenders and shall be binding upon the Loan Parties, the Lenders, the Administrative Agent and all future holders of the Bridge Loans. In the case of any waiver, the Loan Parties, the Lenders and the Administrative Agent shall be restored to their former position and rights hereunder and under the other Loan Documents, and any Default or Event of Default waived shall be deemed to be cured and not continuing; but no such waiver shall extend to any subsequent or other Default or Event of Default, or impair any right consequent thereon. Any such waiver, amendment, supplement or modification shall be effected by a written instrument signed by the parties required to sign pursuant to the foregoing provisions of this Section; *provided* that delivery of an executed signature page of any such instrument by facsimile transmission shall be effective as delivery of a manually executed counterpart thereof.

Notwithstanding the foregoing, any Guarantee Agreements and related documents executed in connection with this Agreement may be in a form reasonably determined by the Administrative Agent and may be, together with this Agreement, amended and waived with the consent of the Administrative Agent and the Borrower only and without the need to obtain the consent of any Lender if such amendment or waiver is delivered solely to the extent necessary to (A) comply with local Law or advice of local counsel or (B) cause such Guarantee Agreement or related document to be consistent with this Agreement and the other Loan Documents.

Notwithstanding anything to the contrary contained in this Agreement, on and after the Bridge Loan Maturity Date, at all times while the Extended Term Loans are outstanding, the amendment, waiver and release provisions applicable to the Extended Term Loans shall be those contained in the Exchange Notes Indenture instead of the provisions contained in this Agreement (including this Section 9.1), and such provisions of the Exchange Notes Indenture (including the corresponding definitions in the Exchange Notes Indenture that relate to such sections and articles of the Exchange Notes Indenture) shall be deemed incorporated and set forth in this Agreement to the extent necessary to give effect to the foregoing; *provided* that, for purposes of this Agreement (i) any

references to the "Holders" therein shall be deemed to be references to the Lenders, (ii) any references to the "Indenture" therein shall be deemed to be references to this Agreement, (iii) any references to the "Issuer" therein shall be deemed to be references to the Borrower, (iv) any references to the "Notes" therein shall be deemed to be references to the Extended Term Loans and (v) any references to the "Trustee" therein shall be deemed to be references to the Administrative Agent.

Section 9.2 Notices. Except as otherwise provided in Section 2.6(c), all notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (including by facsimile), and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered, or three Business Days after being deposited in the mail, postage prepaid, or, in the case of facsimile notice, when received, addressed (a) in the case of the Borrower and the Administrative Agent, as follows and (b) in the case of the Lenders, at their primary address set forth below their name on Appendix A or otherwise indicated to Administrative Agent in writing or, in the case of a Lender which becomes a party to this Agreement pursuant to an Assignment and Acceptance, in such Assignment and Acceptance or (c) in the case of any party, to such other address as such party may hereafter notify to the other parties hereto:

the Borrower: c/o Fortress Transportation and Infrastructure Investors LLC
1345 Avenue of the Americas
New York, NY 10105
Attention: Joseph P. Adams, Jr., Chief Executive Officer
Telephone: (212) 515-4644
E-mail: jadams@fortress.com

with a copy to: Fortress Investment Group LLC
1345 Avenue of the Americas
New York, NY 10105
Attention: Cameron D. MacDougall, General Counsel - Fortress Private Equity
Telephone: (212) 479-1522
E-mail: cmacdougall@fortress.com

with a copy to: Cravath, Swaine & Moore LLP
825 Eighth Avenue
New York, NY 10019
Attention: George E. Zobitz
Telephone: (212) 474-1996

The Administrative Agent: Morgan Stanley Senior Funding, Inc.
1300 Thames Street, 4th Floor
Thames Street Wharf
Baltimore, MD 21231
Attention: Documentation Team
Telephone (Group Hotline): (443) 627-4355
Email for Borrower: AGENCY.BORROWERS@morganstanley.com
Email for Lenders: MSAGENCY@morganstanley.com
(and for items to be posted to the Lender site: Borrower.Documents@morganstanley.com)

provided that any notice, request or demand to or upon the Administrative Agent or any Lender shall not be effective until received.

Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communications pursuant to procedures approved by the Administrative Agent; *provided* that the foregoing shall not apply to notices pursuant to Section 2 unless otherwise agreed by the Administrative Agent and the applicable Lender. The Administrative Agent or the Borrower may, in their discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; *provided* that approval of such procedures may be limited to particular notices or communications.

THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE". THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE MATERIALS AND/OR INFORMATION PROVIDED BY OR ON BEHALF OF THE BORROWER HEREUNDER ("BORROWER MATERIALS") OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS FROM THE BORROWER MATERIALS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY ANY AGENT PARTY IN CONNECTION WITH THE BORROWER MATERIALS OR THE PLATFORM. In no event shall the Administrative Agent or any of its Related Parties (collectively, the "Agent Parties") have any liability to the Borrower, any Lender or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of the Borrower's or the Administrative Agent's transmission of materials and/or information provided by or on behalf of the Borrower hereunder through the Platform or the Internet, except to the extent that such losses, claims, damages, liabilities or expenses are determined by a court of competent jurisdiction by a final and nonappealable judgment to have resulted from the gross negligence, bad faith or willful misconduct of such Agent Party; *provided*, *however*, that in no event shall any Agent Party have any liability to the Borrower, any Lender or any other Person for indirect, special, incidental, consequential or punitive damages (as opposed to direct or actual damages).

Section 9.3 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the Administrative Agent or any Lender, any right, remedy, power or privilege hereunder or under the other Loan Documents shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

Section 9.4 Survival of Representations and Warranties. All representations and warranties made herein, in the other Loan Documents and in any document, certificate or statement delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Agreement and the making of the Bridge Loans and other extensions of credit hereunder.

Section 9.5 Payment of Expenses; Indemnification.

(a) The Borrower agrees (i) to pay or reimburse each of the Agents and the Arrangers, whether or not the Closing Date occurs, for all their reasonable and documented out-of-pocket costs and expenses incurred in connection with the syndication of the Bridge Loan Facility (other than fees payable to syndicate members) and the development, negotiation, preparation and execution of, and any amendment, supplement or modification to, this Agreement and the other Loan Documents and any other documents prepared in connection herewith or therewith, and the consummation and administration of the transactions contemplated hereby and thereby, including the reasonable and documented fees and disbursements of one law firm as lead counsel to the Agents and the Arrangers and one law firm as local counsel to the Agents and the Arrangers, taken as a whole, in any relevant jurisdiction and the charges of any Platform, (ii) to pay or reimburse each Lender and the Agents for all their reasonable and documented out-of-pocket costs and expenses incurred in connection with the enforcement or preservation of any rights under this Agreement, the other Loan Documents and any other documents prepared in connection herewith

or therewith, including all costs and expenses incurred during any legal proceeding, including any proceeding under any Bankruptcy Laws, the reasonable and documented fees and disbursements of a single law firm as counsel to the Lenders and the Agents taken as a whole and one local counsel to the Lenders and the Agents taken as a whole in any relevant material jurisdiction (or, with respect to enforcement, any relevant jurisdiction) and, if a conflict exists among such Persons, one additional primary counsel and, if necessary or advisable, one local counsel in each relevant jurisdiction, (iii) to pay, indemnify, or reimburse each Lender and the Agents for, and hold each Lender and the Agents harmless from, any and all reasonable recording and filing fees and any and all reasonable liabilities with respect to, or resulting from any delay in paying Other Taxes, if any, which may be payable or determined to be payable in connection with the execution and delivery of, or consummation or administration of any of the transactions contemplated by, or any amendment, supplement or modification of, or any waiver or consent under or in respect of, this Agreement, the other Loan Documents and any such other documents, and (iv) to pay, indemnify or reimburse each Lender, the Agents, each Arranger, their respective affiliates, and their respective officers, directors, trustees, employees, advisors, agents and controlling persons (each, an "Indemnitee") for, and hold each Indemnitee harmless from and against any and all other liabilities, obligations, losses, damages, penalties, claims (including Environmental Claims), actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever (limited to, in the case of counsel, the reasonable and documented fees and disbursements of a single law firm as counsel to the Indemnitees taken as a whole and one local counsel to the Indemnitees taken as a whole in any relevant jurisdiction and, if a conflict exists among such Persons, one additional primary counsel and, if necessary or advisable, one local counsel (plus if applicable, any additional counsel in the event of a conflict) in each relevant jurisdiction) whether direct, indirect, special or consequential, incurred by an Indemnitee or asserted against any Indemnitee arising out of, in connection with, or as a result of (A) the execution, enforcement or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto or thereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, (B) any Bridge Loan or the use or proposed use of the proceeds thereof, (C) any actual or alleged presence or Release of Hazardous Materials on, at, under or from any property owned, occupied or operated by the Borrower or any of its Subsidiaries, or any liability under any Environmental Law related in any way to the Borrower or any of its Subsidiaries or any of their respective properties, or (D) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, in each case, whether based on contract, tort or any other theory, whether brought by any third party or by the Borrower, any other Loan Party, its other affiliates, security holders or creditors or any other person, and regardless of whether any Indemnitee is a party thereto (all the foregoing in this clause (iv), collectively, the "Indemnified Liabilities"), but excluding, in each case, Taxes other than any Taxes that represent losses, claims or damages arising from a non-tax claim; *provided* that the Borrower shall have no obligation hereunder to any Indemnitee with respect to Indemnified Liabilities to the extent such Indemnified Liabilities (x) are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from the gross negligence, bad faith, willful misconduct or material breach of its obligations under this Agreement of such Indemnitee or (y) resulted from any dispute that does not involve an act or omission by the Borrower or any of its affiliates, shareholders, partners or other equity holders and that is brought by an Indemnitee against another Indemnitee other than any claims against an Indemnitee in its capacity or in fulfilling its role as the Administrative Agent or an Arranger under the Bridge Loan Facility. No Indemnitee shall be liable for any damages arising from the use by unauthorized persons of information or other materials sent through electronic, telecommunications or other information transmission systems or for any special, indirect, consequential or punitive damages in connection with the Bridge Loan Facility. Without limiting the foregoing, and to the extent permitted by applicable Law, the Borrower agrees not to assert and to cause its Subsidiaries not to assert, and hereby waives and agrees to cause its Subsidiaries so to waive, all rights for contribution or any other rights of recovery with respect to all claims, demands, penalties, fines, liabilities, settlements, damages, costs and expenses of whatever kind or nature, under or related to Environmental Laws, that any of them might have by statute or otherwise against any Indemnitee. All amounts due under this Section 9.5 shall be payable not later than 30 days after written demand therefor. Statements payable by the Borrower pursuant to this Section 9.5 shall be submitted to the Borrower at the address of the Borrower set forth in Section 9.2, or to such other Person or address as may be hereafter designated by the Borrower

in a notice to the Administrative Agent. The agreements in this Section 9.5 shall survive the termination of the Commitments and the repayment of the Bridge Loans and all other amounts payable hereunder.

(b) Reimbursement by Lenders. To the extent that the Borrower for any reason fails to indefeasibly pay any amount required under subsection (a) of this Section 9.5 to be paid by it to the Administrative Agent (or any sub-agent thereof) or any Related Party of any of the foregoing, each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent) or such Related Party, as the case may be, such Lender's Pro Rata Share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount, *provided* that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent) in its capacity as such, or against any Related Party of any of the foregoing acting for the Administrative Agent (or any such sub-agent) in connection with such capacity.

Section 9.6 Successors and Assigns; Participations and Assignments.

(a) This Agreement shall be binding upon and inure to the benefit of the Borrower, the Lenders, the Administrative Agent, the Arrangers, all future holders of the Bridge Loans and their respective successors and assigns, except that the Borrower may not assign or transfer any of their rights or obligations under this Agreement without the prior written consent of the Administrative Agent and each Lender.

(b) Any Lender may, without the consent of the Borrower, in accordance with applicable Law, at any time sell to one or more banks, financial institutions or other entities (each, a "Participant") participating interests in any Bridge Loan owing to such Lender, any Commitment of such Lender or any other interest of such Lender hereunder and under the other Loan Documents; *provided*, *however*, that no Lender shall be permitted to sell any such participating interest to (i) any of the Permitted Investors, any of their respective Affiliates or any of their respective associated investment funds, (ii) a natural Person (or a holding company, investment vehicle or trust for, or owned and operated by or for the primary benefit of a natural Person) or (iii) a Disqualified Institution (it being understood that the list of Disqualified Institutions shall be available to all Lenders). In the event of any such sale by a Lender of a participating interest to a Participant, such Lender's obligations under this Agreement to the other parties to this Agreement shall remain unchanged, such Lender shall remain solely responsible for the performance thereof, such Lender shall remain the holder of any such Bridge Loan for all purposes under this Agreement and the other Loan Documents, and the Borrower and the Administrative Agent shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement and the other Loan Documents. In no event shall any Participant under any such participation have any right to approve any amendment or waiver of any provision of any Loan Document, or any consent to any departure by any Loan Party therefrom, except to the extent that such amendment, waiver or consent would require the consent of all Lenders pursuant to Section 9.1. The Borrower agrees that if amounts outstanding under this Agreement and the Bridge Loans are due or unpaid, or shall have been declared or shall have become due and payable upon the occurrence of an Event of Default, each Participant shall, to the maximum extent permitted by applicable law, be deemed to have the right of setoff in respect of its participating interest in amounts owing under this Agreement to the same extent as if the amount of its participating interest were owing directly to it as a Lender under this Agreement; *provided* that, in purchasing such participating interest, such Participant shall be deemed to have agreed to share with the Lenders the proceeds thereof as provided in Section 2.14 as fully as if such Participant were a Lender hereunder. The Borrower also agrees that each Participant shall be entitled through the Lender granting the participation to the benefits of Sections 2.15, 2.16 or 2.17 (subject to the requirements and limitations of such Sections, Section 2.18 and 2.19, including the requirements of Section 2.17(f) and (g) (it being agreed that any required forms shall be provided solely to the participating Lender)) with respect to its participation in the Commitments and the Bridge Loans outstanding from time to time as if such Participant were a Lender; *provided* that no Participant shall be entitled to receive any greater amount pursuant to any such Section than the transferor Lender would have been entitled to receive in respect of the amount of the participation transferred by such transferor Lender to such Participant had no such transfer occurred, except to the extent that entitlement to a greater amount results from a Change in Law that

occurs after such Participant acquires the applicable participation, unless such transfer was made with the Borrower's prior written consent (which consent shall not be unreasonably withheld or delayed). Each Lender that sells a participation (and each Granting Lender whose SPC provides a Bridge Loan) shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant (and each such SPC) and the principal and interest amounts of each Participant's (and each such SPC's) interest in the Bridge Loans held by it (the "Participant Register"). The entries in the Participant Register shall be conclusive, absent manifest error, and such Lender shall treat each person whose name is recorded in the Participant Register as the owner of the participation in question for all purposes of this Agreement, notwithstanding notice to the contrary. No Lender shall have any obligation to disclose all or any portion of a Participant Register (including the identity of any Participant (or any SPC) or any information relating to a Participant's (or a SPC's) interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any Person except to the extent such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations.

(c) Any Lender (an "Assignor") may, in accordance with applicable Law and the written consent of the Administrative Agent (which shall not be unreasonably withheld or delayed) and, prior to the Bridge Loan Maturity Date, so long as no Event of Default under Section 7.1(a)(1), (7) or (8) has occurred and is continuing, the Borrower (which consent shall not be unreasonably withheld, conditioned or delayed), at any time and from time to time assign to any Lender or any affiliate, Related Fund or Control Investment Affiliate thereof, or to an additional bank, financial institution or other entity (an "Assignee") all or any part of its rights and obligations under this Agreement pursuant to an Assignment and Acceptance executed by such Assignee and such Assignor and delivered to the Administrative Agent for its acceptance and recording in the Register; *provided* that (1) if any assignment is being made to any Lender, an affiliate of a Lender or a Related Fund, (2) if a Demand Failure Event has occurred and is continuing or (3) to the extent that the Arrangers, in their capacity as lenders, would, after giving effect to such assignments, hold at least 51% in aggregate principal amount of the outstanding Bridge Loans, such assignments will not be subject to the above described consents; *provided*, *further*, that no assignment to an Assignee (other than any Lender or any affiliate thereof) of Bridge Loans shall be in an aggregate principal amount of less than $1,000,000 (other than in the case of an assignment of all of a Lender's interests in the Bridge Loan Facility under this Agreement) and, after giving effect thereto, the assigning Lender (if it shall retain any Bridge Loans) shall have Bridge Loans in an aggregate principal amount of at least $1,000,000 unless otherwise agreed by the Administrative Agent and the Borrower; *provided*, *however*, no Lender shall be permitted to assign all or any part of its rights and obligations under this Agreement to (i) any of the Permitted Investors, any of their respective Affiliates or any of their respective associated investment funds, (ii) the Borrower or any of its Subsidiaries, (iii) any natural Person (or a holding company, investment vehicle or trust for, or owned and operated by or for the primary benefit of a natural Person) or (iv) any Disqualified Institution (it being understood that the list of Disqualified Institutions shall be available to all Lenders). Upon such execution, delivery, acceptance and recording in the Register, from and after the effective date determined pursuant to such Assignment and Acceptance, (x) the Assignee thereunder shall be a party hereto and, to the extent provided in such Assignment and Acceptance, have the rights and obligations of a Lender hereunder with Commitments and/or Bridge Loans as set forth therein, and (y) the Assignor thereunder shall, to the extent of the interest assigned in such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all of an Assignor's rights and obligations under this Agreement, such Assignor shall cease to be a party hereto, except as to Sections 2.16, 2.17 and 9.5 in respect of the period prior to such effective date). For purposes of the minimum assignment amounts set forth in this paragraph, multiple assignments by two or more Related Funds shall be aggregated. The Administrative Agent shall not be responsible for monitoring the Disqualified Institutions list and shall have no liability for non-compliance by any Lender.

(d) Notwithstanding anything herein to the contrary, any Lender may, at any time, assign all or any portion of its rights and obligations under this Agreement in respect of its Bridge Loans to any Affiliated Lender on a non-pro rata basis through open market purchases at prices at or above the full par value of such Bridge Loans without the consent of the Administrative Agent; *provided* that:

(i) any Bridge Loans acquired by the Borrower or any of its Subsidiaries shall, to the extent permitted by applicable Law, be retired and cancelled immediately upon the acquisition thereof; *provided* that upon any such retirement and cancellation, the aggregate principal amount of the Bridge Loans shall be deemed reduced by the full par value of the aggregate principal amount of the Bridge Loans so retired and cancelled;

(ii) any Bridge Loans acquired by any Non-Debt Fund Affiliate may (but shall not be required to) be contributed to the Borrower or any of its Subsidiaries (it being understood that any Bridge Loans so contributed shall, to the extent permitted by applicable Law, be retired and cancelled promptly upon such contribution); *provided* that upon any such cancellation, the aggregate outstanding principal amount of the Bridge Loans shall be deemed reduced, as of the date of such contribution, by the full par value of the aggregate principal amount of the Bridge Loans so contributed and cancelled;

(iii) the relevant Affiliated Lender and the Assignor shall have executed an Affiliated Lender Assignment and Acceptance and shall have identified itself as an Affiliated Lender on such Affiliated Lender Assignment and Acceptance;

(iv) after giving effect to the relevant assignment and to all other assignments to all Affiliated Lenders, the aggregate principal amount of all Bridge Loans then held by all Affiliated Lenders shall not exceed 30% of the aggregate principal amount of the Bridge Loans then outstanding (after giving effect to any substantially simultaneous cancellations thereof) (the "Affiliated Lender Cap"); *provided*, that each party hereto acknowledges and agrees that the Administrative Agent have no duty to monitor, and shall not be liable for any losses, damages, penalties, claims, demands, actions, judgments, suits, costs, expenses and disbursements of any kind or nature whatsoever incurred or suffered by any Person in connection with, any compliance or non-compliance with this clause (d)(iv) or any purported assignment exceeding the Affiliated Lender Cap (it being understood and agreed that the Affiliated Lender Cap is intended to apply to any Bridge Loan made available to Affiliated Lenders by means other than formal assignment (e.g., as a result of an acquisition of another Lender (other than any Debt Fund Affiliate) by any Affiliated Lender); *provided*, *further*, that to the extent that any assignment to any Affiliated Lender would result in the aggregate principal amount of Bridge Loans held by Affiliated Lenders exceeding the Affiliated Lender Cap (after giving effect to any substantially simultaneous cancellation thereof), the assignment of the relevant excess amount shall be null and void;

(v) no Default or Event of Default exists at the time of the entry into a binding agreement with respect to the relevant open market purchase;

(vi) by its acquisition of Bridge Loans, each relevant Affiliated Lender shall be deemed to have acknowledged and agreed that:

(A) the Bridge Loans held by such Affiliated Lender shall be disregarded in both the numerator and denominator in the calculation of any Required Lender or other Lender vote; *provided* that (x) such Affiliated Lender shall have the right to vote (and the Bridge Loans held by such Affiliated Lender shall not be so disregarded) with respect to any amendment, modification, waiver, consent or other action that requires the vote of all Lenders or all Lenders directly and adversely affected thereby, as the case may be, and (y) no amendment, modification, waiver, consent or other action shall (1) disproportionately affect such Affiliated Lender in its capacity as a Lender as compared to other Lenders that are not Affiliated Lenders or (2) deprive any Affiliated Lender of its share of any payments which the Lenders are entitled to share on a pro rata basis hereunder, in each case without the consent of such Affiliated Lender; and

(B) such Affiliated Lender, solely in its capacity as an Affiliated Lender, will not be entitled to (i) attend (including by telephone) or participate in any meeting or discussion (or portion thereof) solely

among the Administrative Agent and any Lender or solely among Lenders and, in each case, to which the Loan Parties and their representatives are not invited, or (ii) receive any information or material prepared by the Administrative Agent or any Lender or any communication by or among the Administrative Agent and one or more Lenders, except to the extent such information or materials have been made available by the Administrative Agent or any Lender to any Loan Party or its representatives (and in any case, other than the right to receive a Funding Notice and notices of prepayments and other administrative notices in respect of its Bridge Loans required to be delivered to Lenders pursuant to Section 2);

(vii) no Affiliated Lender shall be required to represent or warrant that, as of the date of any such purchase or assignment, it is not in possession of material non-public information with respect to the Borrower and/or any Subsidiary thereof and/or their respective securities in connection with any assignment permitted by this Section 9.6(d); and

(viii) in any proceeding under any Debtor Relief Law, the interest of any Affiliated Lender in any Bridge Loan will be deemed to be voted in the same proportion as the vote of Lenders that are not Affiliated Lenders on the relevant matter and each Affiliated Lender hereby acknowledges, agrees and consents that if, for any reason, its vote to accept or reject any plan pursuant to the Bankruptcy Code of the United States is not deemed to have been so voted, then such vote will be (i) deemed not to be in good faith and (ii) "designated" pursuant to Section 1126(e) of the Bankruptcy Code of the United States such that the vote is not counted in determining whether the applicable class has accepted or rejected such plan in accordance with Section 1126(c) of the Bankruptcy Code of the United States; *provided* that each Affiliated Lender will be entitled to vote its interest in any Bridge Loan for any plan of reorganization or other arrangement with respect to which the relevant vote being sought proposes to treat the interest of such Affiliated Lender in such Bridge Loan in a manner that is less favorable to such Affiliated Lender than the proposed treatment of Bridge Loans held by other Lenders.

Notwithstanding anything to the contrary contained herein, any Lender may, at any time, assign all or a portion of its rights and obligations under this Agreement in respect of its Bridge Loans to any Debt Fund Affiliate, and any Debt Fund Affiliate may, from time to time, purchase Bridge Loans and/or Commitments on a non-pro rata basis through open market purchases without the consent of the Administrative Agent, in each case, notwithstanding the requirements set forth in subclauses (i) through (viii) of this clause (d); *provided* that the Bridge Loans held by all Debt Fund Affiliates shall not account for more than 49.9% of the amounts included in determining whether the Required Lenders have (A) consented to any amendment, modification, waiver, consent or other action with respect to any of the terms of any Loan Document or any departure by any Loan Party therefrom, (B) otherwise acted on any matter related to any Loan Document or (C) directed or required the Administrative Agent or any Lender to undertake any action (or refrain from taking any action) with respect to or under any Loan Document; it being understood and agreed that the portion of the Bridge Loans that accounts for more than 49.9% of the relevant Required Lender action shall be deemed to be voted pro rata along with other Lenders that are not Debt Fund Affiliates. Any Bridge Loans acquired by any Debt Fund Affiliate may (but shall not be required to) be contributed to the Borrower or any of its Subsidiaries for purposes of cancelling such Indebtedness (it being understood that any Bridge Loans so contributed shall be retired and cancelled immediately upon thereof); *provided* that upon any such cancellation, the aggregate outstanding principal amount of the Bridge Loans shall be deemed reduced, as of the date of such contribution, by the full par value of the aggregate principal amount of the Bridge Loans so contributed and cancelled.

(e) Upon its receipt of an Assignment and Acceptance executed by an Assignor and an Assignee (and, in any case where the consent of any other Person is required by Section 9.6(c), by each such other Person) together with payment to the Administrative Agent of a registration and processing fee of $3,500 (*provided*, *however*, that (i) Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment and (ii) no such fee shall be required to be paid in the case of an Assignee which is already a Lender or any affiliate, Related Fund or Control Investment Affiliate thereof), the Administrative Agent shall (A) promptly

accept such Assignment and Acceptance and (B) on the effective date determined pursuant thereto record the information contained therein in the Register and give notice of such acceptance and recordation to the Borrower. On or prior to such effective date, the Borrower, at its own expense, upon request, shall execute and deliver to the Administrative Agent (in exchange for the applicable Promissory Notes of the assigning Lender) a new Promissory Note to such Assignee in an amount equal to the Bridge Loans assumed or acquired by it pursuant to such Assignment and Acceptance and, if the Assignor has retained Bridge Loans, upon request, a new Promissory Note to the Assignor in an amount equal to the Bridge Loans retained by it hereunder. Such new Promissory Note or Promissory Notes shall be dated the Closing Date and shall otherwise be in the form of the Promissory Note or Promissory Notes replaced thereby.

(f) For avoidance of doubt, the parties to this Agreement acknowledge that the provisions of this Section 9.6 concerning assignments of Bridge Loans and Promissory Notes relate only to absolute assignments and that such provisions do not prohibit assignments creating security interests in Bridge Loans and Promissory Notes, including any pledge or assignment by a Lender of any Bridge Loan or Promissory Note to any Federal Reserve Bank in accordance with applicable Law.

(g) Notwithstanding anything to the contrary contained herein, any Lender (a "Granting Lender") may grant to a special purpose funding vehicle (an "SPC"), identified as such in writing from time to time by the Granting Lender to the Administrative Agent and the Borrower, the option to provide to the Borrower all or any part of any Bridge Loan that such Granting Lender would otherwise be obligated to make to the Borrower pursuant to this Agreement; *provided* that (i) nothing herein shall constitute a commitment by any SPC to make any Bridge Loan and (ii) if an SPC elects not to exercise such option or otherwise fails to provide all or any part of such Bridge Loan, the Granting Lender shall be obligated to make such Bridge Loan pursuant to the terms hereof. The making of a Bridge Loan by an SPC hereunder shall utilize the Commitment of the Granting Lender to the same extent, and as if, such Bridge Loan were made by such Granting Lender. Each party hereto hereby agrees that no SPC shall be liable for any indemnity or similar payment obligation under this Agreement (all liability for which shall remain with the Granting Lender). In furtherance of the foregoing, each party hereto hereby agrees (which agreement shall survive the termination of this Agreement) that, prior to the date that is one year and one day after the payment in full of all outstanding commercial paper or other indebtedness of any SPC, it will not institute against, or join any other person in instituting against, such SPC any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings under the laws of the United States or any state thereof. Each party hereto also agrees that each SPC shall be entitled to the benefits of Sections 2.15, 2.16 or 2.17 (subject to the requirements and limitations of such Sections, Section 2.18 and 2.19, including the requirements of Section 2.17(f) and (g) (it being agreed that any required forms shall be provided solely to the Granting Lender)) with respect to its granted interest in the Commitments and the Bridge Loans outstanding from time to time as if such SPC were a Lender; *provided* that no SPC shall be entitled to receive any greater amount pursuant to any such Section than the Granting Lender would have been entitled to receive in respect of the amount of the interest granted by such Granting Lender to such SPC had no such grant occurred, except to the extent that entitlement to a greater amount results from a change in Law that occurs after such interest was granted, unless such transfer was made with the Borrower's prior written consent (which consent shall not be unreasonably withheld or delayed). In addition, notwithstanding anything to the contrary in this Section 9.6(g), any SPC may (A) with notice to, but without the prior written consent of, the Borrower and the Administrative Agent and with the payment of a processing fee in the amount of $3,500 (which processing fee may be waived by the Administrative Agent in its sole discretion), assign all or a portion of its interests in any Bridge Loans to the Granting Lender, or with the prior written consent of the Borrower and the Administrative Agent (which consent shall not be unreasonably withheld) and with the payment of a processing fee in the amount of $3,500 (which processing fee may be waived by the Administrative Agent in its sole discretion) to any financial institutions providing liquidity and/or credit support to or for the account of such SPC to support the funding or maintenance of Bridge Loans, and (B) disclose on a confidential basis any non-public information relating to its Bridge Loans to any rating agency, commercial paper dealer or provider of any surety, guarantee or credit or liquidity enhancement to such SPC; *provided* that non-public information with respect to the Borrower or its Affiliates may be disclosed only with the Borrower's consent which will not be unreasonably withheld. This

Section 9.6(g) may not be amended without the written consent of any SPC with Bridge Loans outstanding at the time of such proposed amendment.

Section 9.7 Setoff. In addition to any rights and remedies of the Lenders provided by law, upon the occurrence and during the continuation of any Event of Default, each Lender shall have the right, without prior notice to the Borrower, any such notice being expressly waived by the Borrower to the extent permitted by applicable Law, upon any amount becoming due and payable by the Borrower hereunder (whether at the stated maturity, by acceleration or otherwise), to set off and appropriate and apply against such amount any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Lender or any branch or agency thereof to or for the credit or the account of the Borrower. Each Lender agrees promptly to notify the Borrower and the Administrative Agent after any such setoff and application made by such Lender; *provided* that the failure to give such notice shall not affect the validity of such setoff and application.

Section 9.8 Counterparts.

(a) This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed signature page of this Agreement by facsimile or other electronic transmission shall be effective as delivery of a manually executed counterpart hereof. A set of the copies of this Agreement signed by all the parties shall be lodged with the Borrower and the Administrative Agent.

(b) The words "execution," "signed," "signature," "delivery," and words of like import in or relating to any document to be signed in connection with this Agreement and the transactions contemplated hereby shall be deemed to include Electronic Signatures, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act; *provided* that nothing herein shall require the Administrative Agent to accept electronic signatures in any form or format without its prior written consent.

Section 9.9 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 not invalidate or render unenforceable such provision in any other jurisdiction.

Section 9.10 Integration. This Agreement and the other Loan Documents represent the entire agreement of the Borrower, the Administrative Agent and the Lenders with respect to the subject matter hereof and thereof, and there are no promises, undertakings, representations or warranties by the Administrative Agent or any Lender relative to the subject matter hereof not expressly set forth or referred to herein or in the other Loan Documents.

Section 9.11 GOVERNING LAW. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

Section 9.12 Submission To Jurisdiction; Waivers. Each party hereto hereby irrevocably and unconditionally:

(a) submits for itself and its Property in any legal action or proceeding relating to this Agreement and the other Loan Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the exclusive general jurisdiction of the courts of the State of New York, the courts of the United States

of America for the Southern District of New York, in each case, in the County of New York, Borough of Manhattan, and appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to its address set forth in Section 9.2 or at such other address of which the Administrative Agent (or in the case of the Administrative Agent, the other parties hereto) shall have been notified pursuant thereto;

(d) agrees that the Administrative Agent and the Lenders retain the right to bring proceedings against any Loan Party in the courts of any other jurisdiction in connection with the enforcement of any judgment;

(e) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law; and

(f) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section 9.12 any special, exemplary, punitive or consequential damages.

Section 9.13 Acknowledgments. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), the Borrower acknowledges and agrees, and acknowledges its Affiliates' understanding, that: (a)(i) the arranging and other services regarding this Agreement provided by the Administrative Agent and the Arrangers are arm's-length commercial transactions between the Borrower and its Affiliates, on the one hand, and the Administrative Agent and the Arrangers, on the other hand, (ii) each of the Borrower and each other Loan Party has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (iii) each of the Borrower and each other Loan Party is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; (b)(i) each of the Administrative Agent and the Arrangers are and have been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for the Borrower or any of its Affiliates, or any other Person and (ii) none of the Administrative Agent or the Arrangers has any obligation to the Borrower or any of its Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; (c) the Administrative Agent and the Arrangers and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Borrower and its Affiliates, and none of the Administrative Agent or the Arrangers has any obligation to disclose any of such interests to the Borrower or any of its Affiliates; and (d) each of the Administrative Agent and the Arrangers (i) is a full service securities or banking firm engaged in securities trading and brokerage activities as well as providing investment banking and other financial services, (ii) in the ordinary course of business, may provide investment banking and other financial services to, and/or acquire, hold or sell, for its own accounts and the accounts of customers, equity, debt and other securities and financial instruments (including bank loans and other obligations) of, the Borrower and other companies with which the Borrower may have commercial or other relationships and (iii) with respect to any securities and/or financial instruments so held by the Administrative Agent and the Arrangers or any of their respective customers, all rights in respect of such securities and financial instruments, including any voting rights, will be exercised by the holder of the rights, in its sole discretion. To the fullest extent permitted by law, each of the Borrower and each other Loan Party hereby agrees not to assert any claim that the Administrative Agent or either Arranger owes it any agency, fiduciary or similar duty and agrees no such duty is owed in connection with any aspect of any transaction contemplated hereby.

Section 9.14 Confidentiality. Each of the Administrative Agent and the Lenders agrees to keep confidential all non-public information provided to it by any Loan Party pursuant to this Agreement ("Information"); *provided* that nothing herein shall prevent the Administrative Agent, any Lender from disclosing any such information (a) to the Administrative Agent, any other Lender or any affiliate of any thereof, (b) to any Participant or Assignee (each, a "Transferee") or prospective Transferee that agrees to comply with the provisions of this Section 9.14 or substantially equivalent provisions, (c) to any of its or its affiliates' employees, directors, agents, attorneys, accountants and other professional advisors, it being understood and agreed that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential, (d) to any financial institution that is a direct or indirect contractual counterparty or potential counterparty in swap agreements with the Borrower or any Subsidiary of the Borrower or such contractual counterparty's or potential counterparty's professional advisor (so long as such actual or potential contractual counterparty or professional advisor to such actual or potential contractual counterparty agrees to be bound by the provisions of this Section 9.14 or substantially equivalent provisions), (e) upon the request or demand of any Governmental Authority having jurisdiction over it, (f) to the extent required in response to any order of any court or other Governmental Authority or to the extent otherwise required pursuant to any Requirement of Law, (g) in connection with any litigation or similar proceeding, (h) that has been publicly disclosed other than in breach of this Section 9.14, (i) to the National Association of Insurance Commissioners or any similar organization or any nationally recognized rating agency that requires access to information about a Lender's investment portfolio in connection with ratings issued with respect to such Lender, (j) to any other party hereto, (k) with the consent of the Borrower, (l) in connection with the exercise of any remedy hereunder or under any other Loan Document or (m) to market data collectors, similar services providers to the lending industry and service providers to the Administrative Agent in connection with the administration and management of this Agreement and the Loan Documents, *provided* that disclosure pursuant to this clause (m) is limited to non-identifying information; *provided* that, in the event a Lender receives a summons or subpoena to disclose confidential information to any party, such Lender shall, if legally permitted and practicable, endeavor to notify the Borrower thereof as soon as possible after receipt of such request, summons or subpoena and to afford the Loan Parties an opportunity to seek protective orders, or such other confidential treatment of such disclosed information, as the Loan Parties may deem reasonable. Any Person required to maintain the confidentiality of Information as provided in this Section 9.14 shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

Section 9.15 Accounting Changes. In the event that any "Accounting Change" (as defined below) shall occur and such change results in a change in the method of calculation of financial covenants, standards or terms in this Agreement, and either the Borrower or the Required Lenders shall so request (or if the Administrative Agent notifies the Borrower that the Required Lenders so request), then the Borrower and the Lenders agree to enter into negotiations in order to amend such provisions of this Agreement so as to equitably reflect such Accounting Change with the desired result that the criteria for evaluating the Borrower's financial condition shall be the same after such Accounting Change as if such Accounting Change had not been made. Until such time as such an amendment shall have been executed and delivered in accordance with Section 9.1, all financial covenants, standards and terms in this Agreement shall continue to be calculated or construed as if such Accounting Change had not occurred. "Accounting Change" refers to (i) any election by the Borrower to apply IFRS accounting principles in lieu of GAAP in accordance with the definition of "GAAP" hereunder and (ii) any change in accounting principles required by the promulgation of any rule, regulation, pronouncement or opinion by the FASB, GAAP, any other generally accepted accounting authority which provides regulation standard or, if applicable, the SEC.

Section 9.16 WAIVERS OF JURY TRIAL. EACH LOAN PARTY, THE ADMINISTRATIVE AGENT AND THE LENDERS HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

Section 9.17 Conversion of Currencies.

(a) If, for the purpose of obtaining judgment in any court, it is necessary to convert a sum owing hereunder in one currency into another currency, each party hereto agrees, to the fullest extent that it may effectively do so, that the rate of exchange used shall be that at which, in accordance with normal banking procedures in the relevant jurisdiction, the first currency could be purchased with such other currency on the Business Day immediately preceding the day on which final judgment is given.

(b) The obligations of the Borrower in respect of any sum due to any party hereto or any holder of the obligations owing hereunder (the "Applicable Creditor") shall, notwithstanding any judgment in a currency (the "Judgment Currency") other than the currency in which such sum is stated to be due hereunder (the "Agreement Currency"), be discharged only to the extent that, on the Business Day following receipt by the Applicable Creditor of any sum adjudged to be so due in the Judgment Currency, the Applicable Creditor may in accordance with normal banking procedures in the relevant jurisdiction purchase the Agreement Currency with the Judgment Currency; if the amount of the Agreement Currency so purchased is less than the sum originally due to the Applicable Creditor in the Agreement Currency, the Borrower agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Applicable Creditor against such loss. The obligations of the Borrower contained in this Section 9.17 shall survive the termination of this Agreement and the payment of all other amounts owing hereunder.

Section 9.18 USA PATRIOT ACT. Each Lender that is subject to the PATRIOT Act and the Beneficial Ownership Regulation and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Borrower that pursuant to the requirements of the PATRIOT Act and the Beneficial Ownership Regulation, it is required to obtain, verify and record information that identifies each Loan Party, which information includes the name and address of each Loan Party and other information that will allow such Lender or the Administrative Agent, as applicable, to identify each Loan Party in accordance with the PATRIOT Act and the Beneficial Ownership Regulation. The Borrower shall, promptly following a request by the Administrative Agent or any Lender, provide all documentation and other information that the Administrative Agent or such Lender requests in order to comply with its ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the PATRIOT Act and the Beneficial Ownership Regulation.

Section 9.19 Payments Set Aside. To the extent that any payment by or on behalf of the Borrower is made to the Administrative Agent or any Lender, or the Administrative Agent or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Administrative Agent or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Bankruptcy Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender severally agrees to pay to the Administrative Agent upon demand its applicable share (without duplication) of any amount so recovered from or repaid by the Administrative Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the Federal Funds Effective Rate from time to time in effect. The obligations of the Lenders under clause (b) of the preceding sentence shall survive the payment in full of the Obligations and the termination of this Agreement.

Section 9.20 Release of Guarantees. Each of the Lenders irrevocably authorizes the Administrative Agent to be the agent for the representative of the Lenders with respect to the Guarantee Agreements and the Administrative Agent agrees that the Guarantee of any Guarantor shall be automatically and unconditionally released, and no further action by such Guarantor or the Administrative Agent is required for the release of such Guarantor's Guarantee under a Guarantee Agreement or any other Loan Document, if:

(i) in connection with any sale, exchange, transfer or other disposition of all or substantially all the assets of that Guarantor (including by way of merger, consolidation or dissolution) to a Person that is

not the Borrower or a Restricted Subsidiary, if the sale, exchange, transfer or other disposition does not violate this Agreement;

(ii) in connection with any sale, transfer or other disposition of Capital Stock of that Guarantor to a Person that is not the Borrower or a Restricted Subsidiary and that results in such Guarantor ceasing to be a Restricted Subsidiary, if the sale, transfer or other disposition does not violate this Agreement;

(iii) if the Borrower designates any Restricted Subsidiary that is a Guarantor to be an Unrestricted Subsidiary in accordance with the provisions set forth under Section 6.1(c) and the definition of "Unrestricted Subsidiary" in this Agreement; and

(iv) solely with respect to any Restricted Subsidiary that became a Guarantor pursuant to Section 6.7, so long as such Restricted Subsidiary does not then have outstanding any other Indebtedness or guarantees that would give rise to an obligation to provide a guarantee pursuant to Section 6.7, upon the release or discharge by such Guarantor of Indebtedness that gave rise to such Restricted Subsidiary becoming a Guarantor or the Guarantor being released as a Guarantor of such Indebtedness (it being understood that a release subject to a contingent reinstatement is still a release, and if any such Indebtedness of such Guarantor is so reinstated, such Guarantee shall also be reinstated).

Section 9.21 Acknowledgment and Consent to Bail-In of Affected Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among the parties hereto, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the Write-Down and Conversion Powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent entity or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of the applicable Resolution Authority.

Section 9.22 Acknowledgment Regarding Any Supported QFCs. To the extent that the Loan Documents provide support, through a guarantee or otherwise, for Hedge Agreements or any other agreement or instrument that is a QFC (such support, "QFC Credit Support" and each such QFC, a "Supported QFC"), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the "U.S. Special Resolution Regimes") in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC

may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States).

(a) In the event a Covered Entity that is party to a Supported QFC (each, a "Covered Party") becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

SECTION 10. EXCHANGE NOTES

Section 10.1 Trustee. The Borrower shall, as promptly as practicable after being requested to do so by the Administrative Agent at any time commencing on the date that is one month prior to the Bridge Loan Maturity Date, select a bank or trust company reasonably acceptable to the Administrative Agent to act as Exchange Notes Trustee (it being understood that U.S. Bank National Association is acceptable to the Administrative Agent).

Section 10.2 Terms of Exchange Notes. At any time on or after the Bridge Loan Maturity Date, from time to time at the option of the Lenders, the Extended Term Loans of such Lender may be exchanged by such Lender in whole or in part for Exchange Notes having an aggregate principal amount equal to the outstanding principal amount of such Extended Term Loans. The terms of the Exchange Notes will be set forth in the Exchange Notes Indenture, and the Exchange Notes shall be senior in right of payment and rank pari passu with any other senior indebtedness of the Borrower, including the Extended Term Loans. In addition:

(a) Each exchanging Lender shall provide the Borrower and the Administrative Agent prior irrevocable written notice of such exchange (each such notice, an "Exchange Request") at least five (5) Business Days prior to the date of exchange specified in such Exchange Request. The Exchange Request shall specify the principal amount of the Extended Term Loans to be exchanged (which shall be, when taken together with Exchange Requests from other Lenders whose requested exchange has not yet been completed, at least $100,000,000 or, if less than $100,000,000, the entire remaining aggregate principal amount of the Extended Term Loans of the Lenders), the date of exchange (the "Exchange Date"), which shall be a Business Day, and, subject to the terms of the Exchange Notes Indenture, the name and account of the DTC participant to be credited with such Exchange Notes (or, if applicable, the name of the proposed registered holder) and the amount of each Exchange Note requested. If any Exchange Date would occur after a "record date" and prior to the immediately following interest payment date for the Exchange Notes, then the Exchange Date shall be deferred until the date of such immediately following interest payment date. The Extended Term Loans exchanged for Exchange Notes pursuant to this Section 10.2 shall be deemed repaid and canceled, and the Exchange Notes so issued shall be governed by and construed in accordance with the provisions of the Exchange Notes Indenture. The Exchange Notes shall be issued in the form set forth in the Exchange Notes Indenture, with such changes as the Exchange Notes Trustee or the Administrative Agent may request to effect the provisions of this Agreement and the Exchange Notes Indenture and to comply with any applicable requirement of law, regulation or trustee procedures or policies, including such changes as are reasonably necessary to cause the Exchange Notes to become eligible for deposit at DTC; *provided* that no such changes shall

be adverse in any respect to the interests of the Borrower, or adverse in any material respect to the Lenders or a holder of Exchange Notes upon issuance. Notwithstanding anything contained herein to the contrary, for the avoidance of doubt, (A) none of the Lenders shall be entitled to exchange an Extended Term Loan for Exchange Notes in any period between a record date and the next following interest payment date for the Exchange Notes, (ii) in connection with any such exchange, the applicable Lenders will not, at the time of such exchange, be entitled to receive accrued and unpaid interest on such Lender's Extended Term Loans being exchanged for Exchange Notes on such date (*provided* that the Exchange Notes issued to such Lender shall accrue interest from the most recent interest payment date for Extended Term Loans prior to such exchange (or from the Bridge Loan Maturity Date, if no prior interest payment date on the Extended Term Loans has occurred)) and (iii) in no event will any Lender who exchanges Extended Term Loans for Exchange Notes be entitled to receive interest payments with respect to both the Extended Term Loans and the Exchange Notes for any portion of the same interest period.

(b) As more particularly provided in the Exchange Notes Indenture, (A) the interest rate payable by the Borrower under the Exchange Notes issued pursuant to the Exchange Notes Indenture shall equal the Total Cap, (B) Exchange Notes issued pursuant to the Exchange Notes Indenture shall mature on July 28, 2029 and (C) the Exchange Notes shall be redeemable as set forth in the Exchange Notes Indenture and the applicable form of Exchange Notes attached thereto.

Section 10.3 Eligibility.

(a) Subject to Section 10.2(a), not later than 15 Business Days following receipt by the Borrower of the first Exchange Request, (x) the Borrower shall execute and deliver, and shall use commercially reasonable efforts to cause the Exchange Notes Trustee to execute and deliver, the Exchange Notes Indenture and (y) the Borrower shall use commercially reasonable efforts to cause the Exchange Notes to become eligible for deposit at DTC prior to the initial issuance thereof, including by filing with DTC an appropriately executed letter of representations and the Borrower shall use commercially reasonable efforts to obtain "CUSIP" and "ISIN" numbers for the Exchange Notes prior to the initial issuance thereof.

(b) Subject to Section 10.2(a), not later than 15 Business Days following delivery of any Exchange Request, the Borrower shall (A) deliver a written notice to the Exchange Notes Trustee, directing such Exchange Notes Trustee to authenticate and deliver Exchange Notes as specified in the Exchange Request and (B) use commercially reasonable efforts to effect delivery of such Exchange Notes to the requesting Lender on the requested Exchange Date. Each Exchange Note shall be recorded in book-entry form as a beneficial interest in one or more global notes deposited with the Exchange Notes Trustee as custodian for DTC and credited to the account of the exchanging Lender directly or indirectly through the participant in DTC's system specified by such Lender in the applicable Exchange Request, unless the foregoing is not possible after the Borrower's use of commercially reasonable efforts, in which case each Exchange Note shall be issued as a definitive registered note payable to the registered holder specified by the exchanging Lender in the applicable Exchange Request.

Section 10.4 Conditions to Exchange. The Borrower agrees that as a condition to the effectiveness of the exchange of any Extended Term Loans for Exchange Notes:

(a) the Borrower and Exchange Notes Trustee shall have executed and delivered the Exchange Notes Indenture, and the Borrower shall have issued the Exchange Notes pursuant to the Exchange Notes Indenture; and

(b) the Borrower shall have provided to the Administrative Agent copies of resolutions of its board of directors approving the execution and delivery of the Exchange Notes Indenture and the issuance of the Exchange Notes, together with a customary certificate of the secretary or an assistant secretary of the Borrower certifying such resolutions.

Section 10.5 Failure to Exchange. If the foregoing conditions set forth in Section 10.4 are not satisfied with respect to any exchange of the Extended Term Loans for Exchange Notes, then the applicable Lenders shall retain all of their rights and remedies with respect to the Extended Term Loans subject to such exchange pursuant to this Agreement until such conditions are satisfied and such Extended Term Loans are so exchanged for Exchange Notes. The Borrower agrees to use commercially reasonable efforts to satisfy the conditions set forth in Section 10.4 with respect to any exchange no later than 15 Business Days after its receipt of the Exchange Request for such exchange.

Section 10.6 Repayment of Loans. Nothing in this Section 10 shall prevent or limit the ability of the Borrower to repay or refinance the Loans in any other manner not otherwise prohibited by this Agreement.

It is understood and agreed that following any exchange of the Extended Term Loans for Exchange Notes, such Extended Term Loans shall be deemed to have been repaid in full; *provided*, for the avoidance of doubt, that the Extended Term Loans and the Exchange Notes will not be considered to constitute new indebtedness of the Borrower but will evidence the same indebtedness as was evidenced by the Bridge Loans, which indebtedness will continue with full force and effect in the form of Extended Term Loans or Exchange Notes, as the case may be.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

FORTRESS TRANSPORTATION AND INFRASTRUCTURE INVESTORS LLC,
as the Borrower

By: /s/ Scott Christopher
Name: Scott Christopher
Title: Chief Financial Officer

MORGAN STANLEY SENIOR FUNDING, INC.,
as Administrative Agent, Lender and Arranger

By: /s/ William Graham
Name: William Graham
Title: Authorized Signatory

BARCLAYS BANK PLC,
as Lender and Arranger

By: /s/ Tom Blouin
Name: Tom Blouin
Title: Managing Director

Exhibit 10.22

EXECUTION VERSION

CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THE EXHIBIT BECAUSE IT IS BOTH NOT MATERIAL AND IS THE TYPE THAT THE REGISTRANT TREATS AS PRIVATE OR CONFIDENTIAL. REDACTED INFORMATION IS INDICATED BY [***].

RAILWAY SERVICES AGREEMENT

THIS AGREEMENT, dated July 28, 2021 (this "Agreement"), is by and among United States Steel Corporation, a Delaware corporation ("USS"), Transtar, LLC, a Delaware limited liability company ("Transtar"), and the subsidiaries of Transtar set forth on the signature pages hereto (each subsidiary, a "Railroad" and collectively, the "Railroads"). Transtar and any applicable Railroad (or Railroads) may be referred to herein as a "Transtar Party" or collectively as the "Transtar Parties". Collectively, USS, the Railroads and Transtar may be referred to as the "Parties" or individually as a "Party" as appropriate.

WITNESSETH:

WHEREAS, USS is the owner and operator of steel production facilities in and around Gary, Indiana, Pittsburgh, Pennsylvania, Fairfield, Alabama, Ecorse, Michigan, Lorain, Ohio and Lone Star, Texas (each, a "USS Plant" and together, the "USS Plants"), which are currently served by the Railroads, and which, upon the closing of the Transaction defined below (the "Closing"), will continue to be so served;

WHEREAS, pursuant to that certain Membership Interest Purchase Agreement, dated as of June 7, 2021 (the "MIPA"), by and between USS and Percy Acquisition LLC ("Buyer"), USS has agreed to sell 100% of its Interests (as defined in the MIPA) to Buyer (the "Transaction") at the Closing, which Transaction will require the prior approval of, or exemption by, the Surface Transportation Board (the "STB");

WHEREAS, the rail services to be provided by the Transtar Parties after completion of the Transaction will remain critical to the ability of the USS Plants to maintain operations and to service USS's customers in the intensely competitive steel markets; and

WHEREAS, in anticipation of the STB's approval (or exemption) of the Transaction, the Parties desire to enter into this Agreement to set forth the terms upon which the Transtar Parties will provide rail services to USS from and after the Closing.

NOW, THEREFORE, the Parties hereto, intending to be legally bound, and in consideration of the premises and mutual agreements herein contained, hereby agree as follows:

1. SCOPE. This Agreement sets forth the understanding of the Parties concerning the services set forth in Section 3 and the Exhibits thereto (the "Services") to be provided or made available by the Transtar Parties to USS at and around the USS Plants. The Services provided for in this Agreement shall be in addition to any obligations the Transtar Parties have as a result of being common carriers subject to the jurisdiction of the STB, and nothing in this Agreement shall be used to prohibit USS from also seeking redress at the STB for any violations of any Transtar Party's obligations under the ICC Termination Act of 1995, as supplemented and amended. All of the Services shall be performed in a method and manner and within the time schedule as set forth in the Exhibits attached to this Agreement. The Transtar Parties shall not, and shall not permit any contractors or subcontractors performing the Services to, discriminate against USS in the manner or the scheduling of the performance of the Services. Representatives of the Railroads and USS shall meet no less frequently than monthly to discuss the standard of service and service levels. Except as provided in Section 3.8.4 of this Agreement, nothing contained herein shall obligate USS to procure any volume of Services from the Transtar Parties; provided that USS acknowledges and agrees that one or more Transtar Parties shall be the exclusive provider of (a) the Services set forth in the Exhibits hereto at the applicable USS Plant, and (b) any Supplemental Services identified pursuant to Section 3.9 of this Agreement. In the event that the Transtar Parties identify any service not set forth in the Exhibits hereto that would otherwise fall within the scope of a "Service" at the USS Plants in accordance with this Agreement and are being provided by third parties, and the Transtar Parties have the capability to provide such Service at the applicable USS Plant at rates equivalent to the rates charged by the applicable third party(ies), USS shall engage in good faith discussions with the Transtar Parties regarding the future provision of such Services by Transtar. For all purposes under this Agreement, references to "USS" will be deemed to include its applicable subsidiaries and controlled affiliates and, to the extent applicable, its and their respective successors and assignees.

2. TERM.

2.1 This Agreement shall become effective on the date of the Closing and shall remain in effect for an initial term of 15 years (the "Initial Term") unless it is earlier terminated in accordance with the express termination provisions hereof. Upon expiration of the Initial Term, this Agreement shall automatically be extended for successive terms of 10 years (each, a "Renewal Term") unless USS provides Transtar written notice of non-renewal ("Non-Renewal Notice") no less than six months prior to the expiration of the Initial Term or Renewal Term (as applicable). The Initial Term and Renewal Term(s) are referred to collectively hereinafter as the "Term".

2.2 Subject to the provisions of Section 2.3 of this Agreement with respect to the Gary Plant and the Mon Valley Plant, upon USS permanently ceasing its operations at all of the USS Plants, this Agreement shall terminate unless USS provides written notice to the Transtar Parties, not less than thirty (30) days prior to the permanent

cessation of operations at all of the USS Plants (or at the last then-operating USS Plant), that it elects to continue the term of this Agreement, in which event this Agreement shall remain in effect for a period specified in such notice, not to exceed 24 months; provided, however, that if USS permanently ceases its operations at both the Gary and Mon Valley Plants prior to the fifth anniversary of the Closing, USS shall, within ten (10) business days of such written notice to Transtar, pay Transtar an amount equal to the sum of (a) the full MAVR that would have been paid to Transtar for the year in which such permanent cessation of operations occurs (less the aggregate amount of payments actually made under this Agreement by or at the direction of USS to the Transtar Parties for the Services set forth in Section 3.7 hereof for such year) plus (b) the full MAVR that would have been paid to Transtar for any year(s) subsequent to the year in which such permanent cessation of operations occurs. Subject to USS providing Transtar with prior written notice and a 30-day right to cure following delivery of such written notice, USS may terminate this Agreement at any time during the Term upon continuation of a persistent and willful failure by the Transtar Parties to perform the Services at the standards set forth herein.

2.3 Material Cessation of Steel Production.

2.3.1 For purposes of this Section 2.3, "materially cease production" shall mean either (a) that all railcar volumes at a Subject Facility (as hereinafter defined) are reduced to an average of (i) 400 or fewer railcars per month at the USS facility in and around Gary, Indiana that is served by Gary Railway Company (the "Gary Plant") or (ii) 500 or fewer railcars per month at the USS facilities in and around Pittsburgh, Pennsylvania and served by Union Railroad Company, LLC that are commonly referred to as the Edgar Thompson Plant, the Clairton Plant and the Irvin Plant (collectively, the "Mon Valley Plant"), in each case during any continuous period of eighteen (18) consecutive months, or (b) USS publicly announces its intention to permanently cease operations at the Gary Plant or the Mon Valley Plant (as applicable). If, at any time during the Term, USS materially ceases production at the Gary Plant or the Mon Valley Plant (as applicable, the "Subject Facility"), the provisions of this Section 2.3 shall apply; provided, however, that if any reduced railcar volumes during the measurement period in subsection (a) result from planned or necessary maintenance, upgrades or investments, or a Force Majeure Event as defined in Section 21 of this Agreement (each, an "Extraordinary Event"), the 18-month measurement period shall be tolled for the duration of such Extraordinary Event; provided, for the avoidance of doubt, that a reduction in railcar volumes due to general economic conditions or a reduction in demand for products manufactured by USS or the steel industry generally shall not be an Extraordinary Event for purposes of this Section 2.3.1. Upon request by Transtar, given at any time during the Exclusive Negotiation Period (as defined in this Section 2.3.1) USS shall provide Transtar with a mutual confidentiality agreement containing terms and conditions substantially similar to those set forth in that certain Mutual Confidentiality Agreement dated September 17, 2020 between USS and Fortress Worldwide Transportation and Infrastructure General Partnership, and which

shall be for a term of two (2) years (the "NDA"). USS and Transtar shall negotiate in good faith to reach agreement promptly on the terms and conditions of the NDA and to execute and deliver such NDA. Upon execution of an NDA, Transtar shall have the exclusive right (i) to conduct due diligence with respect to a potential purchase of the Subject Facility; provided, that USS will provide, or make available to Transtar (with the right to make copies), all such information regarding the Subject Facility as Transtar may reasonably request (including without limitation all (A) title reports, (B) surveys, (C) leases, and (D) environmental reports, studies or other documentation available to USS relating or referring to the environmental condition of, and the presence of hazardous materials or other contaminants on or about, the Subject Facility (the foregoing materials described in this clause (D) collectively, "Environmental Reports")) and (ii) to negotiate with USS the purchase of all, and not less than all, of the real property owned at such time by USS at the Subject Facility, together with all buildings, improvements and fixtures located thereon and all appurtenances thereto (the "Subject Real Property") on the terms and subject to the conditions set forth in this Section 2.3, for a period that begins on the date of USS's receipt of a signed NDA and ends on the earlier of (w) the date that is six (6) months after the date of USS's receipt of a signed NDA, (x) the date of Transtar's failure to affirm, in writing, within five (5) business days of any request by USS, that Transtar is continuing to pursue the proposed acquisition in good faith on terms not less favorable than the terms set forth in the Offer Notice, or (y) the date of any notification to USS that Transtar is terminating discussions in respect of such proposed acquisition (the "Exclusive Negotiation Period"). USS shall not, and shall cause its affiliates not to, solicit any offer from any third party for the sale, transfer, lease or other disposition of all or a portion of the Subject Real Property, negotiate or hold any discussions regarding the sale, transfer, lease or other disposition to a third party of all or a portion of the Subject Real Property, or provide any information regarding the Subject Real Property to a third party in connection with a potential purchase, sale or lease of all or a portion of the Subject Real Property, in each case from the date upon which USS materially ceases production at a Subject Facility until the expiration of the Exclusive Negotiation Period; provided, however, that notwithstanding anything to the contrary contained herein, the limitations in this Section 2.3.1 shall not prohibit USS from soliciting any offer or negotiating or holding discussions with any party regarding (1) a sale of the equity interests of USS or (2) a direct or indirect sale of the assets or operations of a Subject Facility to a purchaser that intends to utilize the Subject Facility for industrial purposes (each, a "USS Transaction"); and provided further, that, in connection with a sale pursuant to subsection (2), USS shall require the purchaser to enter into a railway services agreement with Transtar on terms and conditions substantially similar to the terms and conditions of this Agreement (including, without limitation, a Minimum Annual Volume Requirement of no less than One Hundred Million Dollars ($100,000,000) annually for a period of three (3) years). The Parties acknowledge and agree that a USS Transaction that complies with the terms of this Section 2.3.1 will supersede in all respects Transtar's rights under this Section 2.3 with respect to the applicable Subject Facility.

2.3.2 At any time during the Exclusive Negotiation Period and upon execution of the NDA, Transtar may deliver to USS an offer (the "Offer") to purchase all, and not less than all, of the Subject Real Property. In order for the Offer to be considered by USS, it shall (a) be a fully financed all cash offer with no financing contingency or condition, (b) include, as an attachment, a draft purchase and sale agreement that Transtar would be willing to execute, which shall (i) include the assumption of all known and unknown environmental liabilities at the Subject Real Property by Transtar and an indemnity from Transtar with respect to such known and unknown environmental liabilities, provided, that the Fair Market Value (as defined in Section 2.3.4) of the Subject Real Property shall take into account the estimated amount of any environmental remediation, mitigation, compliance or other costs reasonably likely to be incurred by Transtar as a result of its assumption of known environmental liabilities (taking into account Transtar's intended use of the Subject Facility, which use shall be for industrial purposes), (ii) include the Required Seller Representations (defined below in this Section 2.3.2), (iii) otherwise be on an "as-is, where-is" basis (except for matters referred to in clauses (i) and (ii)), (iv) not include any closing conditions other than (A) receipt of any required regulatory or antitrust approvals, (B) that there is no order or pending litigation by a government authority of competent jurisdiction prohibiting or enjoining the transaction; (C) that the other Party's representations and warranties of the Parties are true and correct in all material respects as of the closing date of the conveyance, and (D) that the other Party's covenants have been complied with in all material respects, (v) require Transtar to make commercially reasonable efforts to obtain any required regulatory approvals (including a covenant to accept any condition(s) imposed on such approvals; provided, that Transtar shall not be required to accept any condition(s) that would result in a material adverse effect on Transtar or its ability to utilize the Subject Real Property for Transtar's intended purposes), (vi) not include, and shall not convey to Transtar any interest in, any intellectual property or intellectual property rights of USS or its subsidiaries, including, without limitation, any "grade book" or other know-how related to the steel making process or any other operations at a Subject Facility, (vii) include Transtar's determination of the Fair Market Value of the Subject Real Property, and (viii) other material terms and conditions as are customary in connection with transactions of a similar nature (the "Offer Notice"). Notwithstanding anything to the contrary contained herein, Transtar's right to conduct environmental due diligence shall be limited to a Phase I environmental assessment (which shall be conducted at Transtar's sole cost and expense), and notwithstanding the contents of such Phase I environmental assessment, Transtar acknowledges and agrees that it shall not be permitted to conduct any invasive testing of any kind or nature and any request for any invasive testing shall immediately terminate this Section 2.3 in all respects. For the avoidance of doubt, Transtar will have the right to deliver no more than one Offer and Offer Notice; provided, however, that if the cause of such material cessation of production at the applicable Subject Facility was a public announcement by USS pursuant to subsection 2.3.1(b), and USS subsequently withdraws or overrides such announcement and determines to continue material steel production at such Subject

Facility, then the right of Transtar to deliver an additional Offer and Offer Notice shall be reinstated. As used herein, "Required Seller Representations" shall mean the following representations and warranties made by USS and/or its affiliate(s) (as applicable) as seller party(ies): (1) that each such seller party is in good standing under the laws of the State of its formation, (2) that each such seller party has duly authorized the execution and performance of the purchase and sale agreement and has received all approvals necessary to execute and deliver the purchase and sale agreement and to consummate the sale transaction(s) contemplated thereby, (3) that each such seller party owns fee title to all real property at the applicable Subject Facility, subject only to matters that are in the public records or that, individually and collectively, would not interfere in any material respect with the ability of Transtar to use the Subject Facility for its intended industrial purposes, (4) that, except as otherwise disclosed to Transtar in a schedule to the purchase agreement, such seller parties have not received written notification of any condemnation or eminent domain proceedings commenced or threatened by any applicable governmental authority having jurisdiction over any portion of the real property that is the subject of such purchase and sale agreement, (5) that, except with respect to any portion of the Subject Facility to be retained by seller party(ies) pursuant to the final sentence of this Section 2.3.2, the real property and improvements at the Subject Facility being conveyed by such purchase and sale agreement constitute all of the real property at the Subject Facility, and (6) that the real property and improvements at the Subject Facility are not subject to any leases, license agreements or similar agreements giving any third party the right to use, occupy or possess such real property (or any portion thereof) that would materially interfere with Transtar's use of the Subject Facility. Each of the foregoing representations and warranties shall be qualified in all respects by any title report or survey obtained by or provided to Transtar, by USS's public filings or as has been otherwise disclosed to Transtar. In the event that continued use of a portion of a Subject Facility is necessary for USS's ongoing operations following the sale of such Subject Facility to Transtar, the Parties shall negotiate in good faith for (i) the exclusion of such portion of the Subject Facility from the sale, if feasible, or, (ii) if such exclusion is not feasible, a lease, easement or other arrangement to enable USS to use such portion of the Subject Facility for its ongoing operations; provided that the Parties shall utilize commercially reasonable efforts to ensure that the exclusion of such portion of the Subject Facility from the sale, or the terms of such lease, easement or other arrangement (as applicable), shall not materially interfere with Transtar's intended use of the Subject Facility and takes into consideration USS's ongoing operations.

2.3.3 The provisions of this Section 2.3 shall no longer apply and the obligations of the Parties as set forth in this Section 2.3 shall immediately terminate and be of no further force or effect if (a) any Competitor acquires (i) a controlling equity interest, directly or indirectly, in any Transtar Party providing Services to a Subject Facility or the ultimate parent entity of Transtar, or (ii) the right to appoint more than one member to the board of directors of the ultimate parent of Transtar, or (b) any Transtar Party materially breaches the terms of this Agreement and does not timely cure such breach

after receipt of written notice thereof. Further, the provisions of this Section 2.3 shall no longer apply to, and the obligations of the Parties as set forth in this Section 2.3 shall immediately terminate and be of no further force or effect with respect to, the material cessation of production at a Subject Facility, if Transtar does not deliver an Offer Notice by the expiration of the Exclusive Negotiation Period with respect to such Subject Facility, or the Exclusive Negotiation Period with respect to such Subject Facility terminates or expires because either (x) Transtar fails to affirm, in writing, within five (5) business days of any request by USS, that Transtar is continuing to pursue the proposed acquisition in good faith on terms not less favorable than the terms set forth in the applicable Offer Notice, or (y) USS is informed by Transtar that it is terminating discussions in respect of such proposed acquisition. For purposes of this Section 2.3 (and Section 12), "Competitor" means any person that is, directly or indirectly through its subsidiaries, engaged in (A) the business of owning or operating a flat-rolled steel mill or an energy pipe (but not a structural pipe), oil country tubular goods and linepipe, electrical steel mill, a scrap alternatives facility, including but not limited to, a pig machine, or any substantially similar or substantially equivalent mill, facility or machine, or (B) research, development or design of a flat-rolled or energy pipe (but not structural pipe), oil country tubular goods and linepipe, electrical steel mill, scrap alternatives, including, but not limited to, a pig machine or any substantially similar or substantially equivalent mill, facility or machine.

2.3.4 If Transtar delivers an Offer Notice to USS in accordance with Section 2.3.2, USS and Transtar shall negotiate in good faith during the balance of the Exclusive Negotiation Period to reach agreement on the Fair Market Value of the Subject Real Property and the other terms and conditions of a definitive purchase and sale agreement on terms consistent with, but no less favorable to USS, than the terms set forth in the Offer (including the draft purchase and sale agreement attached thereto). For purposes of this Section 2.3, "Fair Market Value" means the purchase price that would be negotiated in an arm's length, free market transaction between an informed and willing seller and buyer under no pressure or compulsion to sell or buy, as applicable. If USS and Transtar cannot agree on the Fair Market Value of the Subject Real Property and the Exclusive Negotiation Period expires in accordance with clause (w) in the definition thereof, on the first business day after expiration of the Exclusive Negotiation Period, USS and Transtar shall (a) each submit to the other a good faith determination of the Fair Market Value of the Subject Real Property, which, in the case of Transtar, shall not be less than the Fair Market Value proposed in the Offer Notice (each, a "Disputed Fair Market Value"), and (b) submit the Disputed Fair Market Values of both Parties to the respective Chief Executive Officers (or equivalent executives) of USS and Transtar for discussion and resolution. The Chief Executive Officers (or equivalent executives) of each of USS and Transtar will meet by telephone or videoconference within ten (10) business days of submission of the Disputed Fair Market Value to attempt in good faith to resolve the dispute. If no resolution is reached between the Chief Executive Officers (or equivalent executives) within such ten (10) business day period, Transtar may, no later than five (5) business days after the

expiration of such ten (10) business day period, submit the dispute to an independent, nationally recognized real estate appraisal firm to be mutually agreed upon between USS and Transtar. If USS and Transtar are unable to mutually agree on such real estate appraisal firm, then each of USS and Transtar shall select an independent, nationally recognized real estate appraisal firm and those two real estate appraisal firms shall jointly select another independent, nationally recognized real estate appraisal firm (such firm or firms, as applicable, the "Appraiser"). All fees and expenses associated with the engagement of the Appraiser(s) hereunder, including legal counsel and any other third party advisors engaged by the Appraiser(s), if applicable, shall be borne equally by Transtar and USS. Within ten (10) business days of the Appraiser's engagement, each of USS and Transtar shall submit to the Appraiser and to the other Party (y) such Party's determination of the Fair Market Value of the Subject Real Property, which shall be no less than such Party's Disputed Fair Market Value and (z) a statement of such Party's position supporting its proposed Fair Market Value of the Subject Real Property. Within twenty-five (25) business days of the Appraiser's receipt of USS and Transtar's submissions, the Appraiser shall deliver to USS and Transtar a determination of the Fair Market Value of the Subject Real Property.

2.3.5 Upon determination of the Fair Market Value, the Parties shall negotiate in good faith to agree the other terms and conditions set forth in the draft purchase and sale agreement submitted with Transtar's Offer, in each case in accordance with Section 2.3.4. If the Parties are unable to reach agreement on such other terms and conditions of the purchase and sale agreement within fifteen (15) business days after the Fair Market Value of the Subject Real Property has been determined, the dispute resolution provisions of Section 10 shall apply. If the Fair Market Value of the Subject Real Property or other terms and conditions of the purchase and sale agreement, in each case determined in the manner provided for in Sections 2.3.4 and 2.3.5 of this Agreement, are not acceptable to Transtar, then Transtar may notify USS pursuant to Section 2.3.1 that Transtar is terminating discussions with respect to its Offer, in which case Transtar's right to purchase the Subject Real Property pursuant to this Section 2.3 shall no longer apply. If the Fair Market Value of the Subject Real Property or other terms and conditions of the purchase and sale agreement, in each case determined in the manner provided for in Sections 2.3.4 and 2.3.5 of this Agreement, are not acceptable to USS, then USS may terminate discussions with respect to Transtar's Offer, in which case Transtar's right to purchase the Subject Real Property pursuant to this Section 2.3 shall no longer apply; provided, however, that USS shall, from and after the date of such termination, pay to Transtar an annual fee of $10,000,000 for each Subject Facility at which USS materially ceases production (the "Standby Fee") for each year remaining in the Term; provided, however, that the Standby Fee shall be reduced annually by all amounts payable by USS to Transtar for all railcar related payments and all non-railcar related service payments hereunder. If railcar volumes subsequently increase to an average of 401 or more railcars per month at the Gary Plant or 501 or more railcars per month at the Mon Valley Plant, in each case during any continuous period of six (6) consecutive months (the "Standby Fee Suspension Period"), then

USS's obligation to pay the Standby Fee to Transtar shall be suspended; provided, that if railcar volumes are thereafter reduced to an average of less than 400 or fewer railcars at the Gary Plant or 500 or fewer railcars at the Mon Valley Plant (as applicable), in each case during any continuous period of three (3) months following the Standby Fee Suspension Period, USS shall thereafter be required to pay the applicable Standby Fee to Transtar for each year remaining in the Term. Notwithstanding anything to the contrary contained herein, the Standby Fee for each Subject Facility shall not exceed $40,000,000 in the aggregate.

2.3.6 Notwithstanding anything to the contrary contained in this Agreement, this Section 2.3 may only be exercised by Transtar and shall not be permitted to be assigned independent of this Agreement in any respect without the express written consent of USS, which shall be in its sole and absolute discretion. Any attempted transfer, assignment or exercise by a party other than Transtar shall be void ab initio and shall automatically terminate this Section 2.3.

2.3.7 This Section 2.3 may not be exercised by Transtar in the event that Transtar is in breach of this Agreement in any respect and the determination to materially cease production in Section 2.3.1 shall take into consideration the effects of any breach or breaches of this Agreement by Transtar during any measurement period and the impact of such breach on monthly railcar volumes.

3. SERVICES AND CERTAIN STANDARDS. This Section 3 sets forth the Services to be provided hereunder, certain pricing matters and certain service level standards. The provisions of this Section 3 shall be deemed to incorporate by reference the correspondingly numbered Exhibits attached hereto. The Parties acknowledge that each of the USS Plants has separate and unique pricing and service levels and that the Transtar Parties will provide such pricing and service consistent with this Agreement and the Exhibits. The Transtar Parties shall have the exclusive right to provide the Services described in Sections 3.1, 3.2, 3.3 and 3.7 at the USS Plants identified as receiving such Services in the corresponding Exhibits, it being understood that any Supplemental Services identified by the Parties pursuant to Section 3.9 will be subject to such exclusivity.

3.1 Railcar Maintenance and Repair Services. The Transtar Parties shall provide railcar maintenance and repair Services on railcars used in the service of the USS Plants, including on the Premises (as defined in Section 3.11) of such USS Plants to the extent necessary. The foregoing maintenance and repair Services shall be provided in accordance with applicable requirements of the Federal Railroad Administration ("FRA"), other applicable laws, and the Association of American Railroads ("AAR"), in each case in effect on the date on which the Services are provided. USS shall pay to the applicable Railroad for such Services initial rates per man hour for labor set forth on Exhibit 3.3 (which are incorporated by reference on

Exhibit 3.1), which rates shall be adjusted annually in accordance with the provisions of Section 3.5, together with the cost of materials.

3.2 Locomotive Maintenance, Inspection & Repair Services. The Transtar Parties shall provide locomotive maintenance, inspection and repair Services on railroad locomotives used in the service of the USS Plants consistent with this Section 3.2 and as otherwise set forth on Exhibit 3.2, which is incorporated herein by reference. The foregoing Services shall be performed in accordance with applicable requirements of the FRA. The Transtar Parties will not charge USS for intra-Railroad transportation of railcars and locomotives used in the service of any USS Plant in connection with any maintenance, inspection or repair activities.

3.3 Maintenance-of-Way Services.

3.3.1 The Transtar Parties shall provide maintenance-of-way Services, including emergency repair services and track cleaning, on railroad facilities owned by USS within and around the USS Plants as more fully set forth in Exhibit 3.3, which is incorporated herein by reference. The foregoing Services shall be provided in accordance with FRA Class I railroad track standards or such other FRA standard or USS standard in effect as of the Closing, in each case as may be requested by USS. USS shall pay the applicable Railroad for Services identified in this Section 3.3 in accordance with the rates set forth on Exhibit 3.3, which rates shall be adjusted annually in accordance with the provisions of Section 3.5.

3.3.2 With respect to all maintenance-of-way Services to be provided pursuant to Section 3.3.1 and as otherwise may be performed on the track of any Railroad, the Transtar Parties shall provide USS with advance notice (to as great a degree as is reasonably practicable in the circumstances) of any maintenance or shutdown activities that would reasonably be expected to render track out of service for an amount of time that would impact the Services contemplated hereunder.

3.4 Car Management. The Transtar Parties shall provide sufficient reports as may be necessary for USS to manage inbound rail traffic and car management within each USS Plant. In connection with providing the Services, the Transtar Parties shall accord USS first priority and right to utilize the fleet of the applicable Railroad. For five years from the date hereof, the Transtar Parties shall not permit the fleet size of the respective Railroads to be reduced from the levels set forth in Exhibit 3.4 without the prior written consent of USS (it being understood that, as and to the extent that Exhibit 3.4 expressly requires fleet sizes to be maintained for any longer period, the prior written consent of USS will be required to reduce the fleet size of the respective Railroads from such levels during the applicable period set forth in Exhibit 3.4). From and after the fifth anniversary of the date hereof, and subject to the minimum fleet size requirements for certain car types set forth in Exhibit 3.4, the Transtar Parties may, in their discretion, adjust the fleet size of the respective Railroads; provided, that such

adjustments shall not impair or interfere with the Transtar Parties' ability to provide Services to USS in the manner and within the time schedule and subject to the other service levels set forth in this Agreement and the Exhibits hereto. No less than sixty (60) days prior to the end of each calendar year during the Term, USS and Transtar shall consult with one another regarding anticipated rail traffic volumes, and corresponding car requirements, for the following calendar year.

3.5 Railway Service Fee Escalation. Effective from and after the Closing, the fees (the "Base Fees") for the Services described in Sections 3.1, 3.2 and 3.3 shall be as set forth in the correspondingly numbered Exhibit to this Agreement. The Base Fees shall be adjusted upward or downward annually on January 1 by [***]; provided, however, that the Base Fees shall in no case be adjusted to an amount that is lower than the initial Base Fees for such Services that were in effect as of the Closing. Except as otherwise provided in Section 7 of this Agreement, any other increase, decrease, change, modification, addition or deletion to the Base Fees shall be negotiated in good faith by the Parties and upon agreement (which will be reached, if at all, in the Parties' respective sole discretion) implemented either through tariffs, contracts or other appropriate documentation. [***]. If there is a dispute between the Parties with reference to this Section 3.5, any adjustment determined as a result of the application of the dispute resolution provisions of this Agreement shall apply only from and after the date of the applicable resolution.

3.6 Annual Plans and Significant Projects. The Transtar Parties will confer with USS and prepare a proposed service plan annually, to be submitted to USS no later than October 1 for the next calendar year, with respect to USS and Railroad track, locomotives and freight cars. Each proposed plan will project for five years, and will cover the scope, cost and payment schedule for track maintenance, including tie and rail maintenance, turnouts, grade crossings, locomotive maintenance, bridge maintenance and replacement (to the extent that such bridge maintenance and/or replacement are the responsibility of the Transtar Parties pursuant to this Agreement), car maintenance, as well as any other projects USS may desire to maintain plant service levels. The Transtar Parties shall also deliver to USS, by August 31 of each year, a three-year proposal for materially significant projects and an annual capex budget for all Railroads.

3.7 Rail & Material Handling Service.

3.7.1 The Transtar Parties shall provide rail and material handling service for the direct or indirect benefit of USS with respect to all rail transportation into and out of the USS Plants (the "Rail & Material Handling Services"), including the following:

(a) inbound trains of raw materials from applicable interchange points to points within the USS Plants or to a yard for later

movement to the applicable USS Plant by the applicable Railroad;

(b) outbound train raw material cars made empty at USS Plants from points within the applicable USS Plant to the applicable interchange points, including the accumulation and building of empty car trains at any yards;

(c) single-car shipments between the USS Plants and interchange points;

(d) single-car shipments between the USS Plants and USS customers or vendors located on the applicable Railroad;

(e) non-raw material train shipments between the applicable USS Plant, including the accumulation and building of empty car trains at any yards, and the Railroad interchange points;

(f) raw materials, steel and other materials as may be tendered by USS between local material locations and the USS Plants, including associated empty car movements;

(g) any and all other accessorial services reasonably required.

To the extent an accessorial service was not provided by the Transtar Parties prior to the Closing, the Parties agree to negotiate in good faith a scope of service and rate consistent with the provisions of Section 3.9 and the framework of this Agreement.

3.7.2 All material handling services provided at the USS Plants will be provided under procedures for the protection of the quality of said material approved by USS, acting reasonably. All of the foregoing Rail & Material Handling Services shall be performed by the Transtar Parties in accordance with the Service Commitment standards set forth on Exhibit 3.7 attached hereto and incorporated herein by reference and at the rates provided for in this Agreement.

3.7.3 Unless otherwise modified in the Exhibits, the Transtar Parties shall further provide the following Services to all USS Plants:

(a) The Railroads will provide the reports identified in Exhibit 3.7.

(b) The Railroads will participate daily, or as reasonably required by USS, with representatives of USS in USS's daily Coordinating Meetings, as described in Exhibit 3.7.

(c) The Railroads will hold cars of non-hazardous, bulk raw materials, as described in Exhibit 3.7.

(d) The Railroads will hold empty railcars for outbound loading. The Railroads will be permitted to put foreign cars on constructive placement only if the car owner(s) charges the applicable Railroad car hire while waiting for loading as described in Exhibit 3.7.

(e) USS and the Transtar Parties will in good faith work cooperatively to maintain existing and or negotiate new car hire agreements with the applicable Railroads' connecting carriers, as reasonably requested by USS, in each case to the extent related to the provision of the Services.

(f) The Railroads will provide certified weighing services, and associated reports, as may be reasonably requested by USS.

3.8 Rail & Material Handling Service Rates and Escalation. In all cases under this Section 3.8, the Base Local Rail & Material Handling Rates and Initial Joint Line Rates, and in each case all adjustments thereto, will be determined separately for each Railroad and applicable USS Plant.

3.8.1 Initial Rates. The initial local rates and all related accessorial rates and charges to be paid by USS for local Rail & Material Handling Service shall be as provided in existing applicable tariffs, rail transportation contracts, exempt quotations and other agreements between USS and each Railroad set forth in Schedule 3.8.1 to this Agreement (collectively, the "Base Local Rail & Material Handling Rates"). The Base Local Rail & Material Handling Rates in effect at the time of the Closing shall remain in effect with respect to the applicable Railroad(s) and USS Plant(s) until January 1 following the date of Closing unless modified by agreement of both Transtar and USS. The rates to be charged to USS by connecting line-haul carriers for transportation to/from the point of interchange with the Transtar Parties will be the subject of separate transportation contracts, tariffs or quotes with those carriers. The Base Local Rail & Material Handling Rates charged by the Transtar Parties will be adjusted annually in accordance with Section 3.8.2 of this Agreement. To the extent the Parties agree that there is not a currently effective Base Local Rail & Material Handling Rate corresponding to a Rail & Material Handling Service to be provided under Section 3.7, the Parties agree to negotiate in good faith a rate for such service consistent with the provisions and the framework of this Agreement and any prior agreement in effect at the time of the Transaction.

3.8.2 Adjustment to Base Local Rail & Material Handling Rate. The initial Base Local Rail & Material Handling Rates and associated terms and conditions shall remain

in effect until January 1 following the date of Closing. The Base Local Rail & Material Handling Rates shall thereafter be adjusted upward or downward annually on January 1 by [***]; provided, however, that the Base Local Rail & Material Handling Rate for a Service shall in no case be adjusted to an amount that is lower than the initial Base Local Rail & Material Handling Rate for such Service that was in effect as of the Closing. [***]. If there is a dispute between the Parties with reference to this Section 3.8.2, any adjustment determined as a result of the application of the dispute resolution provisions of this Agreement shall apply only from and after the date of the applicable resolution.

3.8.3 Adjustment to Initial Joint Line Rate Division. The Railroads' initial share ("Division") of the Joint-Line Rate for Rail & Material Handling Service provided in conjunction with one or more connecting line-haul carriers shall be the Railroads' Division (and associated terms and conditions) in effect in contracts, tariffs and other agreements among the Railroad, USS and any connecting line-haul carrier as of the Closing as set forth in Schedule 3.8.3 to this Agreement. Unless USS consents in writing, no Railroad shall adjust its Division of any Joint Line Rate until January 1 following Closing. The Railroads' Division of each Joint Line Rate shall thereafter be adjusted upward or downward annually on January 1 by [***]; provided, however, that the Railroads' Division shall in no case be adjusted to an amount that is lower than the Division of the applicable Joint Line Rate that was in effect as of the Closing. [***]. USS shall have the right to audit the Transtar Parties' records one time per calendar year to ensure compliance with this provision; provided, however, that such audit shall be conducted by an independent auditor. The Transtar Parties hereby consent to USS requesting information from connecting line-haul carriers, and for connecting line-haul carriers to provide USS with information, on whether the applicable Railroad's Divisions are in compliance with this Agreement and whether each Railroad has priced its Divisions on a new movement in accordance with this Agreement. Upon USS's request, the Transtar Parties shall confirm such consent in writing to the connecting line-haul carriers and shall use their respective reasonable best efforts to obtain the compliance of all connecting line-haul carriers with such requests.

3.8.4 Minimum Annual Volume Requirement. In consideration for the Transaction and the obligations undertaken by the Transtar Parties pursuant to this Agreement, during the Term of this Agreement, (a) USS shall tender to the applicable Railroad (or specify a joint-line route with connecting carriers that includes the applicable Railroad for) 100% of Rail Shipments to and from each USS Plant, and (b) USS shall not take any action to circumvent the movement of Rail Shipments to or from any USS Plant via joint-line routes that include the applicable Railroad, including by use of alternate routing via any other rail carrier, transloading, construction (by USS or a rail carrier) of a spur or additional trackage, or by any other means. For purposes of this Section 3.8.4, "Rail Shipments" means (x) all shipments moving to or from the USS Plants by rail only, and (y) all multimodal shipments moving to or from the USS Plants by a combination of rail and other modes of transportation for which 50% or more of the total mileage between the USS Plant and the origin or destination (as applicable)

occurs by rail; provided that this subsection (y) shall not apply to multimodal shipments moving to the USS Plants if USS does not solely control the selection of transportation mode(s) for such shipments. Without limiting in any way the applicability of the MAVR, the Parties acknowledge and agree that this Agreement shall not be construed to require USS to effect any transit of goods by Rail Shipment. From and after the Closing until the fifth anniversary of the Closing, the total Base Local Rail & Material Handling Rates and the total Railroads' Division of Joint Line Rates payable by USS in each year shall be the greater of (i) the aggregate amount paid hereunder by USS (or at the direction of USS) to the Transtar Parties for the Services set forth in Section 3.7 and (ii) the following amounts (the "Minimum Annual Volume Requirement" or "MAVR"):

Between Closing and 1st Anniversary	$ 85,800,000
Between 1st Anniversary and 2nd Anniversary	$ 92,300,000
Between 2nd Anniversary and 3rd Anniversary	$ 94,500,000
Between 3rd Anniversary and 4th Anniversary	$103,500,000
Between 4th Anniversary and 5th Anniversary	$106,500,000.

3.9 Additional Services. In the event that USS requests additional services beyond those required by the terms of this Agreement ("Additional Services"), the Transtar Parties shall use reasonable efforts to accommodate requests for such Additional Services. In the event that Additional Services are agreed upon by the Parties, Transtar and the applicable Railroad, on the one hand, and USS, on the other hand, shall negotiate in good faith to establish a price or rate for such Additional Services, which prices or rates shall be consistent with the provisions and overall framework of this Agreement. If it is determined that the Parties inadvertently failed to include in the Exhibits to Section 3 (a) any Services that were being provided by the Transtar Parties at a USS Plant or (b) the service level at which any Services were being provided by the Transtar Parties at a USS Plant, in each case as of the date of the MIPA ("Supplemental Services" and "Supplemental Service Levels", as applicable), the Parties shall cooperate reasonably and in good faith in amending the relevant Exhibit(s) to include such Supplemental Services and Supplemental Service Levels. The rates, Divisions and service standards applicable to such Supplemental Services shall be the rates, Divisions and service standards that governed the provision of such Services as of the date of the MIPA (subject to any applicable adjustment pursuant to Section 3.5 or Section 3.8.3 of this Agreement). The rates applicable to all Additional Services and Supplemental Services shall be adjusted in accordance with the provisions of Section 3.5 or 3.8.3 (as applicable).

3.10 Materials; Supplies. The Transtar Parties shall maintain at all times supplies and materials, including fuel, in sufficient quantities to perform in a timely manner all Services to be performed hereunder. All materials used by the Railroads

shall meet all applicable FRA standards and shall comply with all other applicable laws. Should USS provide any materials to be used by the Railroads in the performance of their respective Services hereunder, such Railroads shall inspect such materials in a prompt manner and timeframe, and such materials will be deemed accepted by such Railroads unless such Railroads promptly notify USS of any defective materials that are rejected; provided, however, that no Transtar Party shall have any liability for any latent defect in materials provided by USS that would not reasonably be expected to be discovered by a routine inspection (or other inspection customarily conducted for the applicable material or activity).

3.11 Safety. The safety of the persons employed by the Transtar Parties, their affiliates and representatives, and each of their respective contractors, subcontractors, licensees, invitees, employees, agents and other servants (collectively, as to any applicable party, its "Representatives") on the premises of the USS Plants and other USS property (collectively, the "Premises") shall be the responsibility of the Transtar Parties, except to the extent that bodily injuries to, or death of, such persons is caused by the negligence or willful misconduct of USS or its Representatives. The Transtar Parties shall at all times maintain good supervision over and order among its Representatives and shall not employ for the Services any unfit person or anyone not skilled in the work assigned to him or her.

3.11.1 With respect to all Services, the Transtar Parties shall at all times take such measures and precautions as are reasonably necessary to prevent injuries to or the death of any of its Representatives on those portions of such Premises where the Services are to be performed (hereinafter, the "Work Sites") other than roads and USS-owned track leading to and from such Work Sites, for which USS shall be responsible. Such measures and precautions shall include reasonable safeguards and warnings necessary to protect Representatives of the Transtar Parties against any conditions at the Work Sites that could be dangerous and prevent accidents of any kind whenever Services are being performed in proximity to any moving or operating machinery, equipment or facilities, whether such machinery, equipment or facilities are the property of or are being operated by or for the Transtar Parties, USS, any of their respective Representatives, or other persons.

3.11.2 The Transtar Parties shall confine all equipment and their respective Representatives to the Work Sites and any other areas that USS may authorize the applicable Railroad to use (including roads and track leading to and from such Work Sites).

3.11.3 The Transtar Parties shall fully, faithfully and expeditiously discharge their responsibilities pertaining to maintenance of a safe job site, including but not limited to, maintaining order among their Representatives and keeping their assigned Work Sites (other than roads and USS-owned track leading to and from such Work Sites, for which USS shall be responsible) in a clean and orderly condition in compliance with USS's

good housekeeping guidelines and laws, rules or regulations applicable thereto. In the event that the Transtar Parties, in USS's reasonable judgment, fail to comply with their obligations hereunder relative to the proper maintenance of the Work Sites, and the Transtar Parties fail to cure such non-compliance promptly after written notice from USS (it being understood that, in emergency situations as determined in USS's reasonable judgment, no notice or opportunity to cure shall be required), USS may direct corrective action either by the applicable Railroad or others, in any case at the Transtar Parties' sole cost and expense.

3.11.4 The Transtar Parties shall, and shall cause their Representatives to, adhere to all plant specific safety requirements, including those referenced in USS's then current *Safety Specification S-001* and the USS Plants' in-plant safety standards*,* as the same may be amended and updated from time to time, in each case, to the extent provided to the Transtar Parties. All Representatives of the Transtar Parties shall comply with all plant specific safety exhibits listed in such *Safety Specification S-001,* the USS Plants' in-plant safety standards, plant visitor rules and other applicable safety and security requirements of USS, in each case, to the extent provided to the Transtar Parties. Additional copies of *Safety Specification S-001,* the USS Plants' in-plant safety standards, visitor rules and security requirements are available from the USS Plants' respective safety departments.

3.11.5 The Transtar Parties, in connection with performance of the Services, agree to be bound by and comply (and cause their respective Representatives to comply) fully with all USS safety requirements as are effective and made applicable by USS, acting reasonably, to the Transtar Parties' performance of Services on USS's Premises, including but not limited to all the safety requirements set forth in this Section 3.11 (hereinafter collectively called "Safety Requirements"), in each case, to the extent provided to the Transtar Parties. **THE TRANSTAR PARTIES UNDERSTAND THAT ANY USS SAFETY REQUIREMENTS ARE NOT INTENDED TO (AND DO NOT) PROVIDE LEGAL OR OTHER PROFESSIONAL ADVICE OR ASSURANCES, AND ARE NOT INTENDED TO (AND SHOULD NOT) BE A SUBSTITUTE FOR THE INDEPENDENT SAFETY ANALYSIS AND JUDGMENT OF THE TRANSTAR PARTIES. USS MAKES NO REPRESENTATIONS OR WARRANTIES THAT SUCH SAFETY REQUIREMENTS AND THE INFORMATION CONTAINED THEREIN SATISFY REQUIREMENTS OF FEDERAL, STATE OR LOCAL LAWS. THE TRANSTAR PARTIES AGREE THAT THEY SHALL CONSULT WITH AND RELY SOLELY UPON THEIR OWN LEGAL COUNSEL OR OTHER QUALIFIED PERSONS WITH RESPECT TO SATISFYING REQUIREMENTS OF ANY APPLICABLE LAWS. THE TRANSTAR PARTIES ACKNOWLEDGE AND AGREE THAT (A) THEY ARE NOT RELYING ON ANY CLAIM OR REPRESENTATION OF USS RELATIVE TO ANY SAID SAFETY REQUIREMENTS, (B) USS EXPRESSLY DISCLAIMS ANY CLAIM OR REPRESENTATION THAT THE USS SAFETY REQUIREMENTS AND THE INFORMATION CONTAINED IN ANY OF SAID SAFETY REQUIREMENTS WILL PRODUCE ANY PARTICULAR RESULTS, AND (C) USS SHALL NOT BE**

RESPONSIBLE FOR ANY ERRORS OR OMISSIONS IN THE CONTENT, DESIGN, IMPLEMENTATION AND/OR ENFORCEMENT OF ANY SAID SAFETY REQUIREMENTS.

3.11.6 The Transtar Parties, for themselves, their successors and assigns, agree to indemnify and hold harmless (and for third-party claims, to defend) USS and its directors, agents, servants and employees (collectively, the "USS Indemnitees") from and against any and all claims, demands, damages, actions or causes of action at law or in equity, together with any and all losses, costs and expenses, and reasonable attorneys' fees in connection therewith or related thereto (collectively, "Loss and Damage"), asserted by any person or persons, including the Transtar Parties or any of their respective Representatives, for disease, bodily injuries, death or property damage, arising or in any manner growing out of any action taken by the Transtar Parties or any of its and their respective Representatives, in each case in connection with (a) the performance of the Services and (b) any breach of this Agreement, in each case except to the extent that such Loss and Damage is caused by the negligence or willful misconduct of, or any breach of this Agreement by, USS, its affiliates or any of its and their respective Representatives; provided, however, that the indemnification obligation of the Transtar Parties under this Section 3.11.6 shall not apply to any Loss and Damage arising in connection with the transportation or handling of any TIH/PIH commodity at the request of USS unless such Loss and Damage is caused by the negligence or willful misconduct of the Transtar Parties or their respective Representatives; and provided further, that upon the sale of any Transtar Railroad in accordance with Section 12 of this Agreement, the remaining Transtar Parties shall not be obligated to indemnify the USS Indemnitees from and against Loss and Damage growing out of an action or failure to act by such Railroad arising after the date of such sale.

USS, for itself, its successors and assigns, agrees to indemnify and hold harmless (and for third-party claims, to defend) the Transtar Parties, their contractors and subcontractors, and their respective directors, agents, servants and employees (collectively, the "Transtar Indemnitees") from and against any and all Loss and Damage asserted by any person or persons, including USS, its affiliates or any of its and their Representatives, for disease, bodily injuries, death or property damage, to the extent that such Loss and Damage (i) is caused by the negligence or willful misconduct of, or any breach of this Agreement by, USS, its affiliates or any of its and their Representatives or (ii) arises in connection with the transportation or handling of any TIH/PIH commodity at the request of USS (unless such Loss and Damage is caused by the negligence or willful misconduct of the Transtar Parties or any of their respective Representatives).

This Section 3.11.6 shall survive indefinitely the expiration or termination of this Agreement.

4. LIQUIDATED DAMAGES.

4.1 USS and the Transtar Parties acknowledge that, in light of the unpredictable nature and extent of the damage that may be sustained by USS as a result of any failure by the Transtar Parties to perform or comply with the matters set forth on Exhibit 3.7, the actual damages which will be sustained in the event of a failure of the Transtar Parties to meet such obligations are uncertain and difficult to ascertain. Accordingly, USS and the Transtar Parties have agreed to the schedule of liquidated damages set forth in Exhibit 4.1. The liquidated damages contemplated by this Section 4.1 shall, if USS elects to receive such liquidated damages and in fact obtains payment thereof, be USS's sole remedy for the Transtar Parties' failure to perform or comply with the applicable requirement of Exhibit 3.7 in respect of the instance for which liquidated damages were so elected and received.

4.2 For all purposes under this Agreement, (a) a "willful" act shall mean an act or a failure to act that is voluntary and intentional or that is done with a careless disregard of the consequences to USS or the Transtar Parties (as applicable) and (b) "persistent" shall mean to act (or failure to act) in a manner repeatedly, to continue (or continue to fail) resolutely or stubbornly in spite of opposition or warning, or to continue (or continue to fail) for a period of time that is material to the operations of any USS Plant or any Railroad (as applicable).

5. MAINTENANCE OF TRANSPORTATION ASSETS. The Transtar Parties shall maintain in good and serviceable condition, and replace as necessary, those of their respective transportation assets used to provide Services to USS pursuant to this Agreement, including rights of way and structures, locomotives, rail cars, track scales, repair facilities and signaling systems. For five years after the date hereof, the Transtar Parties shall not take any action to abandon or discontinue any Service or remove or replace any transportation assets that are used to provide the Services to USS under this Agreement or are necessary for the efficient provision of Services to USS (unless such removed assets are replaced with assets of equal or better utility), without the prior written consent of USS. After the fifth anniversary of the date hereof, the Transtar Parties may, in their discretion, remove or replace any transportation assets; provided, that such removal (a) shall not impair or interfere with the Transtar Parties' ability to provide Services to USS in the manner and within the time schedule and subject to the other service levels set forth in this Agreement and the Exhibits hereto, and (b) complies with all applicable laws and regulations of the STB. Any dispute between the Parties concerning maintenance of the Transtar Parties' transportation assets shall be subject to the dispute resolution provisions hereof.

6. MAINTENANCE OF INTERCHANGES AND COMPETITIVE ACCESS. The Transtar Parties agree to use commercially reasonable efforts to maintain USS's access to the competitive joint-line rail routes in which a Railroad participates as of the Closing in relation to each applicable USS Plant. Without limiting the generality of the foregoing,

during the term of this Agreement, the Transtar Parties shall not, without USS's written consent, terminate any interchange point with a connecting carrier shown in The Official Railway Equipment Register dated July 2021. The Transtar Parties shall keep such interchanges open in a manner that preserves their capability to efficiently interchange railcars or unit trains with connecting carriers at service levels consistent with capabilities in place on the effective date of this Agreement and at the rates and Divisions set forth in this Agreement or as otherwise agreed to by the Parties. If a connecting line-haul carrier takes any action to close or terminate an interchange point with a Railroad, the applicable Railroad shall (a) use commercially reasonable efforts to negotiate with such connecting carrier an agreement to maintain such interchange points or to establish alternate interchange points that do not impair or interfere with the efficiency, quality, or pricing of the Services provided by the Transtar Parties to USS and (b)[***]; provided, however, that the unilateral cancellation or termination of an interchange or joint line route in existence as of the Closing by a connecting line-haul carrier, or the refusal by such connecting line-haul carrier to establish an alternate interchange with a Railroad, shall in no event be deemed a breach of this Agreement by the Transtar Parties. Any dispute between USS and the Transtar Parties concerning maintenance of interchanges shall be subject to the dispute resolution provisions hereof. To the extent it is determined, pursuant to the dispute resolution provisions hereof, that the Transtar Parties have breached this Section 6, the Transtar Parties agree that they will take necessary action to restore or cause to be restored any interchange or competitive access point that is the subject of such breach.

7. FUTURE LAWS

7.1 Transtar shall at all times comply with any new laws or regulations applicable to its railroad operations, or amendments thereto, or any change to existing laws or regulations applicable to its railroad operations, or subsequent amendments thereto, including, but not limited to, obligations that provide additional transportation options or competitive access to USS (collectively, "Future Laws"), in each case which become effective during the Term.

7.2 If (a) Transtar's compliance with Future Laws results in a material increase in the "Net Rail Operating Costs" of providing Services pursuant to this Agreement, and (b) such increase is not captured directly or indirectly in the [***] used to adjust the Base Fees, Base Local Rate & Material Handling Rates and/or Divisions of joint line rates pursuant to Section 3.5 and Section 3.8 (as applicable) or otherwise captured through imposition of a surcharge tariff or similar assessment that is paid by USS in addition to payment of Transtar's Division in accordance with Section 3.8.3 (such increase an "Unindexed Regulatory Cost Increase"), and (c) USS elects to renew this Agreement beyond the Initial Term or then-current Renewal Term (as applicable) pursuant to Section 2.1, then, six (6) months prior to the expiration of the Initial Term or current Renewal Term (as applicable), the Parties shall in good faith negotiate increases to the applicable Base Fees, Base Local Rate & Material Handling Rates and/or Divisions of

joint line rates as may be necessary to compensate the Transtar Parties for such Unindexed Regulatory Cost Increase in a manner and to the extent commercially reasonable to the Parties. Such negotiated increases shall be implemented as of the first day of the applicable Renewal Term. For purposes of this Section 7.2, "Net Rail Operating Costs" means any increase in operating costs required to comply with Future Laws, minus any reduction in operating costs resulting from compliance with (or otherwise from changes in) Future Laws; provided that, in calculating Net Rail Operating Costs, general and administrative costs shall not be counted, and provided further that eligible costs incurred by Transtar in anticipation of enactment of a Future Law shall not be counted unless a Future Law requiring Transtar to incur such costs is enacted within one (1) year of the date upon which Transtar actually incurs such costs.

7.3 To the extent that any Unindexed Regulatory Cost Increase implemented pursuant to Section 7.2 arises from capital expenditures made by any Transtar Party in order to comply with Future Laws, such capital expenditures shall be deemed to amortize over the useful life of the applicable asset beginning in the year such capital expense is actually incurred (whether or not actually so amortized by the Transtar Parties), such that the rate increase in respect thereof shall terminate at the conclusion of such amortization period. In no event shall a rate increase attributable to capital expenditures incurred by Transtar to comply with Future Laws exceed the amount of such capital expenditure as so amortized.

7.4 In the event that all or a portion of an Unindexed Regulatory Cost Increase that results in an increase to the applicable Base Fees, Base Local Rate & Material Handling Rates and/or Divisions is subsequently captured directly or indirectly in a revision to the [***] or is otherwise captured through imposition of a surcharge tariff or similar assessment that is paid by USS in addition to payment of Transtar's Division in accordance with Section 3.8.3, then the applicable Base Fees, Base Local Rate & Material Handling Rates and/or Divisions (as applicable) shall be reduced, as of the calendar quarter in which [***] all or a portion of such Unindexed Regulatory Cost Increase or in which such surcharge tariff or similar assessment comes into effect, by the amount of such increase that is attributable to the portion of such Unindexed Regulatory Cost Increase that is subsequently [***].

7.5 In connection with the good faith negotiations and other provisions of this Section 7, the Transtar Parties shall provide USS with such books and records as USS may reasonably request.

8. AUDIT AND INSPECTION; ENVIRONMENTAL COMPLIANCE; INDEMNITY; INSURANCE.

8.1 The Transtar Parties shall maintain, in accurate and complete order, all books and records (whether in printed, electronic or other format) associated with the Services performed and charges invoiced to and paid by USS pursuant to this

Agreement. All books and records of the Transtar Parties relating to this Agreement shall be open to inspection and audit by representatives of USS (at USS's cost and expense) during reasonable business hours and upon reasonable notice not more than once per year during the Term and for a period of 3 years thereafter.

8.2 The Transtar Parties shall comply with the provisions of Exhibit 8.2 in respect of environmental matters.

8.3 Certain procedures for seeking indemnification under this Agreement are set forth on Exhibit 8.3.

8.4 The Transtar Parties shall maintain at all times insurance having the coverages and in the amounts specified in Exhibit 8.4.

9. SEVERABILITY. It is the desire of the Parties hereto that this Agreement be enforced to the fullest extent permissible under the laws and public policies to be applied thereto. Accordingly, if any provision of this Agreement shall be adjudicated to be void, invalid or unenforceable, this Agreement shall be deemed to be amended to modify such provision of the agreement to reflect as closely as possible the intent of the parties as evidenced by the language of this Agreement, or if such modification is not possible, to delete such provision herefrom, and this Agreement shall be interpreted only as broadly as is enforceable.

10. DISPUTE RESOLUTION.

10.1 General Provisions. The Parties shall use their respective commercially reasonable efforts to settle amicably any and all disputes, controversies or claims (whether sounding in contract, tort, common law, statutory law, equity or otherwise) arising out of or relating to this Agreement, including any question regarding its existence or scope, the meaning of its provisions, the rates and fees provided for herein, or the proper performance of any of its terms by any Party, or its breach, termination or invalidity (each such dispute, controversy or claim, a "Dispute"). Except as otherwise expressly provided herein, any Dispute shall be resolved in accordance with the procedures set forth in this Section 10. For purposes of this Section 10, the term "Party" shall refer to either USS, on the one hand, or the Transtar Parties collectively, on the other hand.

10.2 Resolution by Senior Executives. If a Dispute cannot be resolved at an operational level, a Party may give written notice to the other Party, requesting that senior management or senior representatives of each Party attempt to resolve the Dispute. Within five (5) business days after such a request, the other Party shall provide a written response. The notice and the response shall designate such Party's senior executive and provide a statement of the Party's position and a summary of reasons supporting that position. The designated senior executives or representatives shall meet in person at a mutually acceptable place, or by telephone, within five (5)

business days after receiving the response to seek a resolution. If no resolution is reached by the expiration of thirty (30) calendar days from the date of the notice of Dispute, either Party may submit the Dispute to resolution as further provided herein.

10.3 Arbitration.

10.3.1 If the Parties are unable to reach a resolution pursuant to Section 10.2, the Parties may submit the Dispute for resolution by binding arbitration under the administration of the American Arbitration Association (the "AAA") in accordance with its Rules for Arbitration in effect at the time of the arbitration, subject to such modifications set forth in this Agreement.

10.3.2 In any Dispute, the arbitral tribunal shall be composed of three arbitrators, selected as follows: (a) each Party shall designate one arbitrator within twenty (20) calendar days after the request for arbitration is filed; (b) the first two arbitrators shall select the third arbitrator (who shall be a person who possesses significant experience with operating and commercial matters in the railroad industry) within thirty (30) calendar days after the last of the first two arbitrators has been nominated, which third arbitrator shall not be affiliated with either Party; and (c) in the event that the initial two arbitrators fail to agree to a third arbitrator, the third arbitrator shall be chosen by the AAA (who shall be a person who possesses significant experience with operating and commercial matters in the railroad industry). The arbitration proceedings shall be conducted in the English language. The arbitration shall be conducted in Pittsburgh, Pennsylvania, which shall be the seat of the arbitration. Each Party shall be permitted to present its case, witnesses and evidence, if any, in the presence of the other Party. Either Party can request a written transcript of the proceedings at that Party's cost. The arbitral tribunal shall determine the Dispute consistent with the substantive law described in Section 14, and shall apply this Agreement according to its terms.

10.3.3 The Parties agree that any Dispute resolved pursuant to this Section 10 is commercial in nature. The Parties agree to be bound by any award or order resulting from arbitration conducted hereunder, notwithstanding any country's laws or treaties with the United States to the contrary. The Parties agree that in the context of an attempt by either Party to enforce an arbitral award or order, any defenses relating to any other Parties' capacity or the validity of this Agreement or any related agreement under any law are waived. Any judgment on an award or order resulting from an arbitration conducted under this Section 10 may be entered and enforced in any court, in any country, having jurisdiction over either Party or their assets.

10.3.4 Each Party shall bear its own fees and expenses, including fees and expenses of its appointed arbitrator, financial and legal advisors and other outside consultants, in connection with any arbitration conducted under this Section 10.

10.4 Admissibility into Evidence. All offers of compromise or settlement between the Parties or their Representatives in connection with the attempted resolution of any Dispute (a) shall be deemed to have been delivered in furtherance of a Dispute settlement, (b) shall be exempt from discovery and production and (c) shall not be admissible into evidence (whether as an admission or otherwise) in any proceeding for the resolution of the Dispute.

10.5 Proceedings Confidential. Except to the extent necessary to enforce any arbitral award, to enforce other rights of the Parties, or as required by applicable law or the applicable rules of any stock exchange, each Party shall ensure that it and its affiliates, and all of their respective representatives and expert witnesses, shall maintain as confidential the existence of the arbitration proceedings, the arbitral award, all filings and submissions exchanged or produced during the arbitration proceedings and briefs, memoranda, witness statements or other documents prepared in connection with such arbitration; provided, however, that a Party may disclose such information to its affiliates and all of its and its affiliates' respective directors, officers, managers, employees, professional advisors and expert witnesses; provided further that the Transtar Parties may also disclose such information to FIG LLC and its affiliates and all of its and their respective directors, officers, managers, employees, professional advisors and expert witnesses. Each Party shall, prior to disclosing such information to any person permitted by this Section 10.5, inform such person of the confidential nature of the existence of any such arbitration proceedings, arbitral award, filings and submissions, briefs, memoranda, witness statements and other documents and will direct such person to treat the foregoing as confidential in accordance with the terms of this Agreement and each Party will be responsible for the compliance by its affiliates and all of its and its affiliates' respective directors, officers, managers, employees, professional advisors and expert witnesses with this Section 10.5. This Section 10.5 shall survive the termination of the arbitral proceedings.

10.6 Privilege. Legal professional privilege, including privileges protecting attorney-client communications and attorney work product of each Party from disclosure or use in evidence, as recognized by applicable laws governing each Party's relationship with its counsel, including in-house counsel, shall apply to and be binding in any arbitration proceeding under this Section 10.

11. CONFIDENTIALITY. Except to the extent that disclosure of information contained in this Agreement is required by law, governing regulatory authority, judicial, arbitral or administrative process, or the rules and regulations of any applicable stock exchange, the contents of this Agreement shall remain confidential and shall not be disclosed or released by any Party without the prior written consent of each of the other Parties; provided, however, that a Party may disclose such information without the consent of the other Party to its affiliates and all of its and its affiliates' respective directors, officers, managers, employees, and professional advisors; provided further that the Transtar Parties may also disclose such information without the consent of USS

to FIG LLC and its affiliates and all of its and their respective directors, officers, managers, employees, and professional advisors. In the event of a request for disclosure required by law, governing regulatory authority, or judicial, arbitral or administrative process, the disclosing Party shall give at least five (5) days' written notice to the other Parties prior to making such disclosure, to give such other Parties an opportunity to object or take further legal action to protect the confidentiality of this Agreement. Except as otherwise provided herein, all Parties shall use all reasonable efforts to keep the contents of this Agreement confidential. Notwithstanding anything to the contrary herein, the Transtar Parties agree that, in the event a Transtar Party or any of their respective directors, officers, managers, employees, contractors, consultants, agents and professional advisors record any film, video or other recorded media on USS's property in connection with this Agreement, the Transtar Parties agree that they shall not disclose any portion of such recorded media to third parties to the extent it depicts USS's facilities, assets and operations, except (a) upon the prior consent of USS, (b) as required by law, governing regulatory authority, judicial, arbitral or administrative process, or rules and regulations of any applicable stock exchange, provided that such party shall (to the extent permitted by applicable law) provide USS with prompt notice of any such requirement to enable USS to seek an appropriate protective order or confidential treatment and shall disclose only that portion of such recorded media so required to be disclosed by law, governing regulatory authority, judicial, arbitral or administrative process, or rules and regulations of any applicable stock exchange or (c) to FIG LLC and its affiliates and all of its and the Transtar Parties' respective directors, officers, managers, employees, consultants, auditors, insurers and professional advisors.

12. ASSIGNMENT; CHANGE IN CONTROL.

12.1 For purposes of this Section 12, "Change in Control" means (a) with respect to any Transtar Party (which, for purposes of this Section 12, shall include all successors and assigns of the businesses, rights and assets of any Transtar Party): in one or in a series of related transactions, (i) the sale or lease of all or a majority of all the assets of any Transtar Party, (ii) any direct or indirect change in the ownership of more than 50% of the capital stock or other voting securities of a Transtar Party (including by way of any direct or indirect merger, consolidation or acquisition of a Transtar Party or any affiliate of any Transtar Party with, by or into another corporation, entity or person), and (iii) except as otherwise permitted by this clause (iii), the sale or lease of all or a majority of the assets of any Transtar Party to, or any direct or indirect transfer of the capital stock or other voting securities of a Transtar Party (including by way of any direct or indirect merger, consolidation or acquisition of a Transtar Party or any affiliate of any Transtar Party with, by or into another corporation, entity or person) to any person or entity that is a Competitor or affiliate thereof, except, in the case of such direct or indirect transfers of capital stock, any open-market purchase or underwritten public offering of the publicly traded equity interests of FTAI or any applicable IPO Entity (other than such open-market purchases or underwritten public

offerings (x) that result in the applicable Competitor (or affiliate thereof) holding more than 20% of the capital stock or other voting securities of FTAI or the applicable IPO Entity, (y) that result in, or are otherwise made in connection with, the applicable Competitor (or affiliate thereof) obtaining a contractual right to appoint a member to the board of directors or board of managers of FTAI or the applicable IPO Entity or (z) following which the applicable Competitor (or affiliate thereof) nominates one or more individuals to the board of directors or board of managers of FTAI or the applicable IPO Entity and such individuals are subsequently elected to such board of directors or board of managers as a result of such nomination (the matters described in the foregoing clauses (x) through (z) are referred to herein as an "FTAI Competitor Change of Control")); provided, however, that none of the following transactions shall be deemed to be a Change in Control with respect to any Transtar Party by reason of clauses (i) or (ii) of this Section 12.1 (but not, for the avoidance of doubt, with respect to clause (iii)): (1) a direct or indirect transfer of some or all of the equity interests of a Transtar Party to an affiliate of Transtar or to FIG LLC or any of its affiliates, (2) a direct or indirect transfer of some or all of the equity interests of Fortress Transportation and Infrastructure Investors LLC ("FTAI"), (3) a direct or indirect transfer of some or all of the equity interests or assets of a Transtar Party if the acquiror of such equity interests or such assets is a short-line railroad holding company with greater than $[***] (or, in years subsequent to 2021, $[***] as adjusted by changes in the Consumer Price Index published by the Bureau of Labor Statistics (or any applicable successor inflation index promulgated by the United States federal government) with reference to the year ended December 31, 2021) of annual gross revenue derived from short-line railroad operations (excluding, for the avoidance of doubt, revenue that would be derived from any Transtar Party following such acquisition), (4) a direct or indirect transfer of some or all of the equity interests of FIG LLC or a change of manager of FTAI, (5) any transaction whereby any entity owning, directly or indirectly, the equity interests of a Transtar Party, becomes an entity with equity interests that are publicly traded (an "IPO Entity") (with no stockholder other than FTAI and its affiliates owning more than 50% of the voting securities of such entity) and, after such transaction, any direct or indirect transfer of some or all of the equity interests of such entity, or the change of manager of such entity or (6) grants of equity to employees, officers, directors and consultants of FTAI or a Transtar Party, in each case in the ordinary course of business of the applicable equity issuer; and (b) with respect to USS or any Plant: in one or in a series of related transactions, (i) the sale of all or a majority of all the assets of USS, the subject Plant or the entity that owns the subject Plant or (ii) any direct or indirect change in the ownership of the capital stock or other voting securities of USS (that causes greater than 50% of the voting securities of USS to be held by a single entity or group of related entities) or the entity that owns such Plant (that causes greater than 50% of the voting securities of the entity that owns such Plant to be owned by an entity unaffiliated with USS) (including by way of any direct or indirect merger, consolidation or acquisition of USS or the entity that owns such Plant with, by or into another corporation, entity or person). The Transtar Parties shall provide USS with no less than sixty (60) days' written notice prior to any Change in Control of

any Transtar Party. No Change in Control of Transtar, or of any Railroad, may be consummated without USS's prior written consent (which consent may not be unreasonably withheld, conditioned or delayed, unless such Change in Control is to a Competitor). Upon a Change in Control of USS or any Plant, USS shall require the party acquiring control of USS or such Plant (as applicable) to assume in writing all of USS's obligations under this Agreement (including, only as applicable, USS's obligations under this Agreement with respect to the specific Plant). Notwithstanding any Change in Control of USS or any individual Plant, USS shall remain liable to Transtar in respect of the full amount of the MAVR.

12.2 In the event that USS does not provide prior written consent to the Change in Control of any one or more of the Railroads (where such consent is required by Section 12.1), and such Change in Control is consummated in violation of this Section 12, USS may elect to terminate USS's obligations under this Agreement only with respect to such Railroad or Railroads without any further liability or obligation to USS. In the event that USS does not provide such prior written consent to the Change in Control of Transtar (where such consent is required by Section 12.1), and such Change in Control is consummated in violation of this Section 12, USS may elect to terminate this Agreement in its entirety without any further liability or obligation to USS (other than such liabilities and obligations that have arisen prior to the effective date of such Change in Control). Notwithstanding anything to the contrary herein, in the event that USS does not provide prior written consent to an FTAI Competitor Change in Control (where such consent is required by Section 12.1), and such FTAI Competitor Change of Control is consummated in violation of this Section 12, USS's sole remedy shall be to terminate this Agreement in its entirety without any further liability or obligation to USS (other than such liabilities and obligations that have arisen prior to the effective date of such FTAI Competitor Change of Control).

12.3 No Party to this Agreement shall assign or transfer this Agreement or any interest herein, without the prior written consent of the other Parties, such consent not to be unreasonably withheld, conditioned or delayed. Subject to the provisions of this Section 12.3, this Agreement shall inure to the benefit of and be binding upon the successors and assigns of the Parties. Notwithstanding any provision herein to the contrary, (a) USS, and its successors and assigns, may assign, without the prior written consent of any other Party, its interest in this Agreement in connection with the sale by USS, or its successors or assigns, of all or substantially all of the assets of any applicable USS Plant; provided, that USS shall remain liable to Transtar in respect of the MAVR; (b) Transtar may assign, without the prior written consent of any other Party, its interest in this Agreement to an affiliate and to FIG LLC and any of its affiliates; and (c) Transtar (or a Railroad) may assign, without the prior written consent of any other Party, its interest in this Agreement in connection with the sale of all or substantially all of the stock, assets or business of Transtar or such Railroad (as applicable), if it has complied with the provisions of Section 12.1; provided, that, in connection with the sale of a Railroad or a Plant, USS or Transtar, as applicable, shall require the acquiring party

to enter into a rail services agreement on terms and conditions substantially similar to this Agreement with respect to the Services provided by such Railroad, and such Railroad or USS (as applicable) shall be released from this Agreement or the provisions of this Agreement related to such Plant, (as applicable) and shall no longer be deemed a Transtar Party or "USS", as applicable, for purposes of this Agreement. All references in this Agreement to the Parties hereto shall be considered to include their permitted successors and assigns, including permitted successors and assigns of permitted successors and assigns.

13.NOTICES. Unless otherwise specified herein, any and all notices under this Agreement shall be in writing and shall be delivered to the Party entitled to receive the same: (a) by hand delivery; (b) by registered or certified mail, return receipt requested; (c) by overnight delivery service which provides proof of delivery; or (d) by e-mail with customary evidence of transmission as follows:

If to USS:

United States Steel Corporation
600 Grant Street
Pittsburgh, PA 15219
Attention: Richard Fruehauf
Mark Furry
Email: [***]

with a copy to:

Jones Day
500 Grant Street, Suite 4500
Pittsburgh, PA 15219
Attention: David A. Grubman
Email: [***]

If to any Transtar Party:

Percy Acquisition LLC
c/o Fortress Investment Group LLC
1345 Avenue of the Americas, 45th Floor
New York, NY 10105
Attention: Kenneth J. Nicholson
Frank Carfora
Email: [***]

with a copy to:

Sidley Austin
1501 K Street, N.W.
Washington, D.C. 20005
Attention: Terence M. Hynes
Email: [***]

14. LAW GOVERNING, VENUE AND CONSENT TO JURISDICTION. This Agreement shall be construed in accordance with the laws of the State of Delaware, excluding its conflict of laws provision. In order to enforce the provisions of this Agreement and to enforce any arbitration award which may be entered pursuant to the terms hereof, each of the Parties (a) submits and consents to the personal jurisdiction of the State and Federal Courts of the State of Delaware with respect to any suit, action or proceeding relating to this Agreement or any of the transactions contemplated hereby and, except as respects the exercise or prosecution of claims or causes of action for equitable relief (for which the Parties shall have the right to proceed in any court of appropriate jurisdiction), agrees to file any such suit, action or proceeding with such court(s), (b) waives any objection which such Party may now or hereafter have to the laying of venue of any such suit, action or proceeding brought in any such court(s), and waives any claim that any such suit, action or proceeding brought in any such court(s) has been brought in an inconvenient forum, (c) waives the right to object that any such court(s) does not have personal jurisdiction over such Party, and (d) consents to the service of process in any such suit, action or proceeding upon the receipt through the United States mail of copies of such process to such Party by certified mail to the address set forth in Section 13 or at such other address of which the other Parties shall have received written notice.

15. RELATIONSHIP OF PARTIES. The relationship between USS and the Transtar Parties under this Agreement shall be that of independent contractors. Nothing in this Agreement shall be deemed to constitute a relationship of agency, joint venture, partnership or any other relationship not expressly set forth in this Agreement. Transtar shall be jointly liable for the obligations of each Railroad hereunder. Except as provided in Section 21, no event, development, change, occurrence or circumstance arising as between any Transtar Party and any third party shall be construed to excuse the performance of and compliance with the covenants and agreements contained herein by the Transtar Parties. The Transtar Parties may, in their discretion, (a) amend, modify, or terminate the contracts and agreements in effect as of the Closing with any third party that directly or indirectly support the provision of the Services, and (b) replace such existing contracts and agreements (or enter into additional contracts and agreements) with different third parties; provided, that such amendment, modification, termination or substitution does not impair or interfere with the Transtar Parties' ability to provide Services to USS in the manner and within the time schedule set forth in this Agreement (and the Exhibits hereto); and provided further that the Transtar Parties, in all events, (i)

shall cause to remain in full force and effect (including as necessary through extensions of the terms of) all of, and (ii) shall not (a) amend, modify or terminate, and shall not permit the amendment, modification or termination (including, in both events, the termination in accordance with the terms of) any of, or (b) waive, surrender or fail to enforce any material rights or claims under any of, the contracts and agreements in effect as of the Closing between any Transtar Party and the Candian National Railway and its affiliates, to the extent such agreements directly or indirectly support the provision of the Services or contain provisions directly or indirectly for the benefit of USS.

16. REPRESENTATIONS AND WARRANTIES.

16.1 USS represents to the Transtar Parties that, as of the date hereof: (a) it is validly existing and in good standing in the jurisdiction of its organization and has all requisite corporate power and authority to execute this Agreement and to perform its obligations hereunder; (b) neither the execution, delivery and performance of this Agreement by USS, nor the consummation by USS of the transactions contemplated hereby, will: (i) conflict with, constitute an event of default under or result in a breach of or a violation of the provisions of the Certificate of Incorporation or By-Laws of USS; (ii) result in a violation of any law, rule or regulation applicable to USS; or (iii) violate any order or judgment applicable to USS; (c) the execution, performance and consummation of this Agreement by USS have been duly authorized by all necessary corporation action by USS; (d) this Agreement constitutes the valid and binding obligation of USS, enforceable in accordance with its respective terms, except as the same may be limited or otherwise affected by applicable law; and (e) no consents of any Federal, State or local governmental authority are required for the execution or performance of this Agreement by USS. USS further represents to the Transtar Parties that the service standards, rates and schedules for the performance of Services set forth in the Exhibits to this Agreement fairly and accurately reflect the service standards, rates and schedules under which such services are performed by the Transtar Parties as of the date of Closing.

16.2 The Transtar Parties represent to USS that, as of the date hereof, (a) each has all requisite corporate power and authority to execute this Agreement and to perform its obligations hereunder; (b) the execution, performance and consummation of this Agreement by each Transtar Party have been duly authorized by all necessary corporate action by such Transtar Party; and (c) this Agreement constitutes the valid and binding obligation of each Transtar Party, enforceable in accordance with its respective terms, except as the same may be limited or otherwise affected by applicable law.

17. INTENT OF THE PARTIES - FOR ARBITRATION PURPOSES. The Parties hereto intend that USS shall be entitled to receive the Services hereof at service and rate levels in accordance with the standards set forth on the Exhibits hereto.

18. PAYMENT. Unless otherwise set forth in the applicable tariffs and AAR rules regarding car repair, interchange and interline settlement, each applicable Railroad will invoice USS monthly for the services provided to USS by such Railroad as provided for herein, provided that rail transport and material handling services provided by the Gary Railway may be invoiced more frequently in accordance with historical practices. Payment of such invoices will be due (a) fifteen (15) days after receipt for all invoices for Services rendered pursuant to Section 3.8 of this Agreement, and (b) sixty (60) days after receipt for all other Services. Each Railroad shall be entitled to collect interest at a rate not to exceed 1.5% per month on any invoice that remains unpaid thirty (30) days after the due date for payment of such invoice.

19. ENTIRE AGREEMENT; AMENDMENTS. This Agreement constitutes the entire agreement of the Parties with respect to the subject matter hereof. No amendment, change, modification, or alteration of this Agreement shall be effective unless reduced to writing and signed by the Parties. Waiver of any breach of the Agreement by a Party shall not be construed as a waiver of any other breach. Neither Party shall by any act, delay, omission, custom, forbearance, or otherwise be deemed to have waived any of its rights or remedies hereunder unless such waiver is in writing and signed by the Party sought to be charged, and then only to the extent specifically set forth therein.

20. EQUITABLE RELIEF. The Parties acknowledge and agree that each Party may be irreparably harmed if any of the provisions of this Agreement are breached, that money damages may not be a sufficient remedy therefor, and that each Party will be entitled to equitable relief, including injunction and specific performance, in the event of any breach or threatened breach of the provisions of this Agreement, it being agreed that the other Party will not be permitted to raise the defense of an adequate remedy at law. Each Party further agrees that it will not seek, and agrees to waive, any requirement for the securing or posting of a bond in connection with a Party seeking or obtaining such relief. Such remedies are not to be the exclusive remedies for a breach of this Agreement, but will be in addition to all other remedies available at law or equity or pursuant to the express terms hereof.

21. FORCE MAJEURE. Subject to the terms of this Section 21, no Party will be liable for delays or failures in performing its obligations under this Agreement to the extent such delay or failure in performing is due to contingencies beyond its reasonable control, including as a result of the following force majeure events (each, a "Force Majeure Event"): riots, floods, extreme weather, accidents, Acts of God, acts of terrorism, war, civil disturbance, strike, pandemic or other major natural causes beyond the control of the Party invoking this Section 21 as an excuse for nonperformance. Subject to the terms of this Section 21, if a Party is impacted by a Force Majeure Event, such Party will promptly notify the other Party (or Parties, as applicable) by telephone, and such Party's obligations hereunder will be suspended for so long as the Parties are in agreement that a Force Majeure Event has occurred and that it continues, provided that the impacted Party (a) provides the other Parties prompt and full notice in writing of

occurrence of the Force Majeure Event, a detailed explanation of why the impacted Party believes the event in issue qualifies as a Force Majeure Event (including why the event renders the Party incapable of performing its obligations hereunder), and notice of its delay or failure to perform and (b) uses its commercially reasonable efforts to, as soon as practicable, remedy the event claimed to constitute the Force Majeure Event and resume its compliance with this Agreement. A Force Majeure Event will be deemed not to include changes in conditions in any national economy or the global economy or capital or financial markets generally, including changes in interest or exchange rates, and market-wide changes in any industry sector (including the rail or steel sectors). Further, the provisions of this Section 21 will not extend to any corporate or operational decision taken by any Party. The fact that this Agreement has become uneconomic for any Party or other financial distress shall not constitute a Force Majeure Event. No obligation of USS to make a payment to any Transtar Party will be relieved by a Force Majeure Event; except that the MAVR will be tolled for the period during which any Force Majeure Event was in effect; provided, however, that USS shall be obligated to pay (as and to the extent otherwise required by this Agreement) the remaining amount of the MAVR for the applicable period upon cessation of the subject Force Majeure Event. Upon cessation of any Force Majeure Event, the invoking Party shall promptly notify the other Party.

22. INTERPRETIVE MATTERS.

22.1 The words “hereof”, “herein” and “hereunder” and words of like import used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement.

22.2 The headings and captions herein are included for convenience of reference only and shall be ignored in the construction or interpretation hereof.

22.3 References to Articles, Sections or Exhibits are to Articles and Sections of, and Exhibits to, this Agreement unless otherwise specified.

22.4 All Exhibits annexed hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein.

22.5 Any capitalized terms used in any Exhibit but not otherwise defined therein shall have the meaning as defined in this Agreement.

22.6 Where there is any inconsistency between the definitions set out in this Section 22 and the definitions set out in any other Section or any Schedule (including the Seller Disclosure Schedule) or Exhibit, then, for the purposes of construing such Section, Schedule or Exhibit, the definitions set out in such Section, Schedule or Exhibit shall prevail.

22.7 The word “extent” in the phrase “to the extent” shall mean the degree to which a subject or other theory extends and such phrase shall not mean “if”.

22.8 The Parties have participated jointly in the negotiation and drafting of this Agreement and, in the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as jointly drafted by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any provision of this Agreement.

22.9 Any singular term in this Agreement shall be deemed to include the plural, and any plural term the singular.

22.10 References to one gender shall include all genders.

22.11 Whenever the words “include”, “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “, but not limited to,”, whether or not they are in fact followed by those words or words of like import.

22.12 “Writing”, “written” and comparable terms refer to printing, typing and other means of reproducing words (including electronic media) in a visible form.

22.13 References to any statute shall be deemed to refer to such statute as amended from time to time and to any rules or regulations promulgated thereunder.

22.14 References to any agreement or contract are to that agreement or contract as amended, modified or supplemented from time to time in accordance with the terms thereof.

22.15 References to any Person include the successors and permitted assigns of that Person.

22.16 References from or through any date mean, unless otherwise specified, from and including or through and including, respectively.

22.17 References to “$” are to United States dollars.

22.18 When calculating the period of time before which, within which or following which any act is to be done or step taken pursuant to this Agreement, the date that is the reference date in calculating such period shall be excluded. If the last day of such period is a non-business day, the period in question shall end on the next succeeding business day.

22.19 The word “or” is not exclusive, unless the context otherwise requires.

22.20 Unless otherwise specified herein, undefined terms shall be given the meaning customarily applied to such terms in the railroad industry in the United States.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the day and year first above written.

United States Steel Corporation	**Transtar, LLC**
By: /s/ Richard Fruehauf	By: /s/ Jonathan Carnes
Name: Richard Fruehauf	Name: Jonathan Carnes
Title: Senior Vice President – Chief Strategy & Sustainability Officer	Title: President

Delray Connecting Railroad Company

By: /s/ Jonathan Carnes
Name: Jonathan Carnes
Title: President

Fairfield Southern Company, Inc.

By: /s/ Jonathan Carnes
Name: Jonathan Carnes
Title: President

Gary Railway Company

By: /s/ Jonathan Carnes
Name: Jonathan Carnes
Title: President

Lake Terminal Railroad Company

By: /s/ Jonathan Carnes
Name: Jonathan Carnes
Title: President

Texas & Northern Railway Company

By: /s/ Jonathan Carnes
Name: Jonathan Carnes
Title: President

Union Railroad Company, LLC

By: /s/ Jonathan Carnes
Name: Jonathan Carnes
Title: President

EXHIBIT 31.1

SECTION 302 CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Joseph P. Adams. Jr., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Fortress Transportation and Infrastructure Investors LLC (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

July 29, 2021
(Date)

/s/ Joseph P. Adams, Jr.
Joseph P. Adams, Jr.
Chief Executive Officer

EXHIBIT 31.2

SECTION 302 CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Scott Christopher, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Fortress Transportation and Infrastructure Investors LLC (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

July 29, 2021
(Date)

/s/ Scott Christopher
Scott Christopher
Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Fortress Transportation and Infrastructure Investors LLC (the "Company") for the quarterly period ended June 30, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Joseph P. Adams, Jr., as Chief Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Joseph P. Adams, Jr.
Joseph P. Adams, Jr.
Chief Executive Officer
July 29, 2021

EXHIBIT 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Fortress Transportation and Infrastructure Investors LLC (the "Company") for the quarterly period ended June 30, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Scott Christopher, as Chief Financial Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Scott Christopher
Scott Christopher
Chief Financial Officer
July 29, 2021