

TERM SHEET
 FOR
 GRANT AWARD CONTRACT
 BETWEEN
 TRIUMPH GULF COAST, INC.
 AND
 SANTA ROSA COUNTY

This Term Sheet summarizes the basic terms upon which Triumph Gulf Coast, Inc. ("Triumph") is considering awarding a grant to Santa Rosa County (the "County") under the Triumph Gulf Coast Trust Fund. This Term Sheet is intended for discussion and negotiation purposes only and (a) does not constitute a grant, or an approval of a grant, by Triumph to the County, and (b) does not create any binding obligations on Triumph or the County with respect to (i) any grant, (ii) any approval of a grant, or (iii) engaging in any further discussions or negotiations with respect to a grant. Any binding agreement between Triumph and the County with respect to any grant must be contained in a definitive grant award contract ("Contract"), approved by the Board of Directors of Triumph and by the Santa Rosa County Board of County Commissioners and executed by Triumph and the County. At any time prior to such execution of a Contract, either Triumph or the County may terminate negotiations, and upon such termination, neither party shall have any liabilities or obligations to the other.

GRANT AMOUNT	Eight Million Five Hundred Twenty Three Thousand Six Hundred Fifty Five Dollars (\$8,523,655)
PURPOSE:	To provide partial funding for the design and construct the infrastructure needed for the first 40 acres of the Whiting Aviation Park - to accommodate helicopter maintenance, repair, and overhaul (MRO) and simulation training, all as further described in the County's Updated Application for Funds submitted to Triumph on April 18, 2018, as supplemented on July 12, 2018 (the "Project").
MATCHING FUNDS	Triumph's approval of the grant and its obligation to disburse the grant is expressly contingent upon the County having on hand its \$1,794,720 matching amount and \$1,300,000 incentive package funds
FUNDING DISBURSEMENT MECHANISM	At the end of each month, the County shall submit documentation to Triumph documenting the extent of completion of each eligible element of the Project and the cost of each eligible element of the Project incurred to that point. The County shall also submit an

	<p>application for reimbursement (“Application for Reimbursement”) for 73.4% of the costs of the Project incurred to that point (i.e., Triumph shall only reimburse the percentage of the Triumph grant relative to the total amounts of all funding sources - \$8,523,655/\$11,618,375). Documentation and invoices shall be submitted in detail sufficient for a proper pre-audit and post-audit thereof, based on deliverables as established by the Contract. Within forty-five (45) days of receipt of an Application for Reimbursement, Triumph shall either approve or disapprove of the Application for Reimbursement in a written notice to the County. If Triumph approves the Application for Reimbursement, then it shall disburse the approved amount to the County within thirty (30) days after delivery of the notice of approval. If Triumph disapproves the Application for Reimbursement, Triumph shall state in the notice of disapproval the reasons for such disapproval.</p> <p>Triumph will honor requests for reimbursement to the County; however, Triumph may elect by notice in writing not to make a payment if:</p> <ul style="list-style-type: none"> (a) Missing or incomplete documentation; (b) The Application for Reimbursement seeks reimbursement for more than 73.4% of the amounts actually paid to contractors, materialmen, or vendors under the Contracts; (c) The amount requested for disbursement under the Application for Reimbursement, together with all amounts previously disbursed under the Grant, would exceed the \$8,523,655 maximum amount of the Grant (d) The County made a misrepresentation of a material nature in its application, or any supplement or amendment to its application, or with respect to any document or data furnished to Triumph; (e) There is any pending litigation with respect to the performance by the County of any of its duties or obligations which may jeopardize or adversely affect the Project, the Contract, or the disbursement of the grant; (f) The County shall have taken any action pertaining to the Project which requires the approval of Triumph, and the County has failed to obtain such approval; (g) There has been any violation of the prohibited interests (conflicts of interest) provisions of the Contract; (h) The County is in violation, default, or breach of or under any provision of the Contract; (i) The County is in breach of any representation or warranty contained in the Contract; (j) Any federal, state or local agency or municipality (including the County) providing financial assistance to the Project as stated in the Contract has revoked, suspended or terminated that financial assistance to the Project, including but not limited to the County’s \$1,794,720 matching amount and
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	<p>\$1,300,000 incentive packages;</p> <ul style="list-style-type: none"> (k) The County has abandoned or, before completion, discontinued the Project, or for any reason the commencement, prosecution or timely completion of the Project will be rendered improbable, infeasible, impossible, or illegal; (l) All or any portion of the requested reimbursement includes costs that are not shown or contemplated under the budget attached to the Contract. (m) One or more of the Contracts have been modified, amended, or terminated without the prior consent or approval of Triumph. <p>Upon completion of the Project, the County shall send Triumph a notice certifying that elements of the Project have been completed in accordance with the plans and specifications. Within thirty (30) days after receipt of certification of completion, Triumph and/or its agents, engineers, and consultants shall have the right to inspect the Project elements to determine if they were in fact completed in accordance with the plans and specifications. If so, Triumph shall disburse final payment of the grant to the County within thirty (30) days of such determination; if not, no grant funds shall be disbursed unless and until the County promptly corrects any deficiencies and Triumph thereafter determines that it was finally completed in accordance with the plans and specifications. In connection with its inspection of the Project, the County shall make available to Triumph copies of any and all invoices, contracts, plans and specifications, and other documentation relating to the construction and completion of the Project.</p>
<p>ELIGIBLE COSTS/ DOCUMENTATION</p>	<p>The County shall seek reimbursement only for costs of the Project construction as shown or contemplated under the budget attached to the Contract. All amounts paid by the County with respect to the Project shall be supported by properly executed payrolls, time records, invoices, contracts, or vouchers evidencing in proper detail for the nature and propriety of the charges. Any check or order drawn by the County with respect to any item which is or will be chargeable against the Project account will be drawn only in accordance with a properly signed voucher then on file in the office of the County stating in proper detail the purpose for which such check or order is drawn. All checks, payrolls, invoices, contracts, vouchers, orders, or other accounting documents pertaining in whole or in part to the Project shall be clearly identified, readily accessible, and, to the extent feasible, kept separate and apart from all other such documents.</p>

<p>MAINTENANCE OF RECORDS:</p>	<p>Records of costs incurred shall be maintained in the Project account and made available upon request to Triumph at all times during the period of the Contract and for five (5) years after the expiration of any clawback period. Copies of these documents and records shall be furnished to Triumph upon request. Records of costs incurred include the County's general accounting records and the Project records, together with supporting documents and records, of the County and all sub-consultants performing work on the Project and all other records of the County and sub-consultants considered necessary by Triumph for a proper audit of costs. If any litigation, claim, or audit is started before the expiration of any clawback period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved.</p>
<p>AUDITS:</p>	<p>Triumph, the Chief Financial Officer of the State of Florida, the Auditor General of the State of Florida, the Florida Office of Program Policy Analysis and Government Accountability or representatives of the federal government and their duly authorized representatives shall have access to any of the County's books, documents, papers, and records, including electronic storage media, as they may relate to the Project, for the purposes of conducting audits or examinations or making excerpts or transcriptions.</p>

<p>TERMINATION OR SUSPENSION OF PROJECT:</p>	<p>If the County abandons or, before completion, finally discontinues the Project; or for any other reason, the commencement, prosecution, or timely completion of the Project by the County is rendered improbable, infeasible, impossible, or illegal, Triumph will, by written notice to the County, suspend any or all of its obligations under the Contract until such time as the event or condition resulting in such suspension has ceased or been corrected, or Triumph may terminate any or all of its obligations under the Contract. Upon receipt of any final termination or suspension notice, the County shall proceed promptly to carry out the actions required in such notice, which may include any or all of the following: (1) necessary action to terminate or suspend, as the case may be, the Project activities and contracts and such other action as may be required or desirable to keep to the minimum the costs upon the basis of which the grant is to be computed; (2) furnish a statement of the Project activities and contracts, and other undertakings the cost of which are otherwise includable as the Project costs; and, (3) remit to Triumph such portion of the grant and any advance payment previously received as is determined by Triumph to be due under the provisions of the Contract.</p>
<p>APPROVAL OF CONTRACTS/COMPLIANCE WITH LAWS:</p>	<p>The County shall comply with all applicable laws regarding third party contracts, labor laws, civil rights laws, and other matters as set forth in the JPA.</p> <p>Triumph shall have the right to review and approve any consultant and construction contracts that will be paid for, in whole or part, with Triumph funds. Triumph shall have fifteen (15) days from receipt thereof to approve or disapprove such contracts; Triumph’s failure to approve or disapprove within said fifteen (15) days shall be deemed approval.</p>
<p>INSURANCE:</p>	<p>At all times during the term of the Contract, the County shall maintain or cause to be maintained casualty insurance on all improvements, the cost of which was, in whole or in part, reimbursed using Triumph grant funds, to the extent such improvements can in fact be insured.</p>
<p>PERFORMANCE METRICS:</p>	<p>The Contract shall contain the following performance metrics for the Project:</p> <p>a) Performance Metric #1: By the date which is the third (3rd) anniversary of the date on which the last disbursement of the grant occurred, at least 200 “Net New Jobs” (as defined below) shall have been created at the Whiting Aviation Park greater than 150% of the Santa Rosa County, Florida average wage as of the year the Project is completed (based on the EFI/DEO incentive wage chart) in one of Florida’s targeted industries, and such 200 Net New Jobs at or above</p>

	<p>such average wage shall have been maintained for a period of three (3) years thereafter.</p> <p>b) Performance Metric #2: By the date which is the third (3rd) anniversary of the date on which the last disbursement of the grant occurred, at least 300 Net New Jobs shall have been created at the Whiting Aviation Park at or above 115% of the County average wage as of the year the Project is completed (based on the EFI/DEO incentive wage chart) in one of Florida's targeted industries, and such 300 Net New Jobs at or above such 115% wage ratio shall have been maintained for a period of three (3) years thereafter.</p> <p>c) Performance Metric #3: By the date which is the third (3rd) anniversary of the date on which the last disbursement of the Grant occurred, at least Twenty Five Million Dollars (\$25,000,000) in new capital investment shall have been made at the Whiting Aviation Park by a company that is in one of Florida's targeted industries, and such Twenty Five Million Dollars (\$25,000,000) in new capital investment shall have been maintained for a period of three (3) years thereafter.</p> <p>As used herein, a “Net New Job” shall mean a job that was (a) created after the effective date of the Contract, (b) resulted in a net increase in overall employment on or at the Whiting Aviation Park, and (c) is performed by a full-time employee or a full-time equivalent employee on or at the Whiting Aviation Park who works at least 35 paid hours per week. Jobs are not considered Net New Jobs if they are (A) moved from other workplaces in Florida, unless the relocated positions are back-filled with net new-to-Florida full-time-equivalent jobs paying at least the wage of the transferred position(s); or (B) temporary construction jobs involved with the construction of the Project, or temporary or seasonal jobs associated with cyclical business activities or to substitute for permanent employees on a leave of absence.</p>
<p>CLAWBACK:</p>	<p>Clawback from County</p> <p>Any grant funds disbursed by Triumph to the County shall be subject in being repaid (“clawed back”) in the event (i) the County made any materially false certification or representation to Triumph in connection with the Grant Application, under the Agreement, and/or in connection with the disbursement of the grant, and/or (ii) the County breached, violated, or is in any way in default under any of its obligations under the Agreement, and/or (iii) the County fails to achieve at least one of the three performance metrics described above. Triumph shall have the discretion to waive, reduce, extend, or defer any amounts due under the clawback provisions if (i) it determines in its sole and absolute discretion that, based on quantitative evidence, the performance metrics were not achieved due to negative economic conditions beyond the County’s control,</p>

	(ii) it determines in its sole and absolute discretion that the County made a good faith effort to achieve full performance metrics and its failure to fully achieve the performance metrics does not substantially frustrate the general purpose of the grant, or (iii) it determines in its sole and absolute discretion that, based on quantitative evidence, the effects of a named hurricane or tropical storm, or specific acts of terrorism, adversely affected the County's ability to achieve the performance metrics. Interest shall accrue on the clawback amounts due at the rate of <i>Wall Street Journal Prime</i> plus 3%, commencing thirty (30) days after the date of demand by Triumph.
OTHER TERMS AND CONDITIONS:	The Contract shall contain such other terms and conditions as required by Triumph and its counsel.

By signing below, the parties are indicating a willingness to proceed with having a draft grant award Contract prepared on substantially the terms set forth herein. However, as indicated above, this Term Sheet is merely intended for discussion and negotiation purposes only and (a) does not constitute a grant, or an approval of a grant, by Triumph to the County, and (b) does not create any binding obligations on Triumph or the County with respect to (i) any grant, (ii) any approval of a grant, or (iii) engaging in any further discussions or negotiations with respect to a grant. Any binding agreement between Triumph and the County with respect to any grant must be contained in a definitive grant award Contract, approved by the Board of Directors of Triumph and by the Santa Rosa County Board of County Commissioners and executed by Triumph and the County. At any time prior to such execution of a Contract either Triumph or the County may terminate negotiations, and upon such termination neither party shall have any liabilities or obligations to the other.

Dated: _____, 2018

Triumph Gulf Coast, Inc.
a Florida not-for-profit corporation

Santa Rosa County

By: _____

By: _____

Name: _____

Name:

Title: _____

Title: Chairman of the Board of
County Commissioners

