

SUMMARY
OF
GRANT AWARD AGREEMENT
BETWEEN
TRIUMPH GULF COAST, INC.
AND
SANTA ROSA COUNTY, FLORIDA
(Santa Rosa County - Whiting Field MRO/Project #72)

This summarizes the basic terms of a grant award agreement (the “**Agreement**”) that has been negotiated between the staffs of Triumph Gulf Coast, Inc. (“**Triumph**”) and Santa Rosa County, Florida (the “**SRC**”) under the Triumph Gulf Coast Trust Fund. This summary is intended for notice purposes only and (a) does not constitute a grant, or an approval of a grant, by Triumph to SRC, and (b) does not create any binding obligations on Triumph or SRC 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. The final terms and conditions of the grant (the “**Grant**”) will be contained in the definitive Agreement approved by the Board of Directors of Triumph and SRC and executed by Triumph and SRC.

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 SRC's Updated Application for Funds submitted to Triumph on April 18, 2018, as supplemented on July 12, 2018 (the “Project”).

FUNDING: Not more than once per calendar month, SRC shall submit to Triumph a written Application for Disbursement for an amount not to exceed 82.6% of (1) the amount of the invoice(s) owing by SRC paid to the contractors, materialmen, or vendors under the Contracts and/or (2) the amount incurred by SRC under Incentive Packages (as defined below); provided, however,

that in no event shall the cumulative disbursements made by Triumph exceed the \$8,523,655.00 maximum amount of the Grant. Each Application for Disbursement shall have attached thereto (i) a copies invoice(s) paid by or to be paid by SRC and/or evidence of Incentive Package payments or credits, (ii) documentation evidencing the completion of the work that is the subject of the invoices, and (iii) such other documents as Triumph shall require in order to determine that the requested disbursement is consistent with the purposes of the Grant. The total cost of the Project is \$17,704,975, of which SRC has already paid \$6,086,600. Thus, the total estimated remaining cost of the Project is \$11,618,375 (\$17,704,975 minus \$6,086,600), of which SRC shall pay using the \$3,094,720 in Matching Funds (the “**Matching Funds**”) and \$8,523,655 shall be provided by the Grant. The Matching Funds includes \$1,794,720 in cash to be paid by SRC for the design and construction of the Project (the “**Cash Portion of the Matching Funds**”) and \$1,300,000 to be used by SRC for incentives to tenants of the Project (the “**Incentive Portion of the Matching Funds**”). The 82.6% disbursement percentage referenced above is based on the percentage obtained by dividing the \$8,523,655 amount of the Grant into the \$10,318,375 remaining construction cost of the Project (i.e., the \$11,618,375 total remaining cost of the Project less the \$1,300,000 incentive packages portion of the Project cost), with the remaining 17.4% (\$1,794,720 of the \$10,318,375 total remaining construction cost of the Project) being paid from the Cash Portion of the Matching Funds. “**Incentive Packages**” means incentives, cash payments, tenant improvement allowances, tax credits, tax rebates, tax reduction, or other forms of consideration actually provided to lessees of the Project.

None of the amounts paid by SRC in connection with the invoices submitted in an Application for Disbursement and then disbursed by Triumph shall also have been or will in the future be in any manner (a) reimbursed, returned, refunded, rebated, or otherwise credited to, SRC by any contractor, materialman, vendor, or any other person or entity, or (b) paid, reimbursed, returned, refunded, rebated, or otherwise credited to SRC by the State of Florida, the United States, or any agency or instrumentality of any of the foregoing, whether under any grant or loan program or other method of contribution, it being expressly understood an agreed that SRC shall not receive payments, refunds, reimbursements, rebates or credits from any sources in amounts collectively exceeding 100% of the invoices under each Contract.

Triumph will honor requests for reimbursement to SRC; however, Triumph may elect by notice in writing not to make a payment if, among other things:

- (a) Missing or incomplete documentation;
- (b) The Application for Disbursement seeks disbursement for more than 82.6% of the amounts actually invoiced by contractors, materialmen, or vendors under the Contracts (as defined in the Agreement);
- (c) The amount requested for disbursement under the Application for Disbursement, together with all amounts previously disbursed under the Grant, would exceed the \$8,523,655.00 maximum amount of the Grant;
- (d) SRC made a misrepresentation or omission of a material nature in the Grant Application, or any supplement or amendment to the Grant Application, or with respect to any document or data furnished with the Grant Application or pursuant to the Agreement;
- (e) There is any pending litigation with respect to the performance by SRC of any of its duties or obligations which may jeopardize or adversely affect the Project, the Agreement, or disbursement of the Grant;
- (f) SRC has taken any action pertaining to the Project which, under the Agreement, requires the approval of Triumph, and SRC failed to obtain such approval;
- (g) There has been a violation of Sections 9.1, 9.4, and/or 9.5 of the Agreement;
- (h) SRC is in material violation, default, or breach of or under any provision of the Agreement;
- (i) SRC is in breach of any material representation or warranty contained in the Agreement;
- (j) Any federal, state, or local agency (including SRC) providing financial assistance to the Project has revoked, suspended, or terminated that financial assistance to the Project, including, but not limited to, the Matching Funds;
- (k) With respect to previous disbursements of the Grant and payments under Contracts, SRC has failed to pay, or has failed to provide Triumph with evidence of payment of, the Cash Portion of the Matching Funds (17.4%) toward completion of the Project;
- (l) Prior to the Completion Deadline (as defined in the Agreement), SRC has abandoned or discontinued the Project, or for any reason the commencement, prosecution, or timely completion of the Project by SRC is rendered improbable, infeasible, impossible, or illegal;

(m) All or any portion of the requested disbursement includes disbursement for improvements that are outside the scope of the Project that is contemplated under the Budget (as defined in the Agreement); or

(n) One or more of the Contracts have been modified, amended, or terminated without the prior consent or approval of Triumph; provided, however, that any change order under \$25,000 shall not be subject to approval under the Agreement.

CONTRACTS: SRC shall contract for construction of the Project pursuant to the Consultant's Competitive Negotiation Act as set forth in Section 287.055, Florida Statutes. Triumph shall have the right to review and approve all Contracts.

ELIGIBLE COSTS/
DOCUMENT-
ATION:

The total estimated cost of the Project is based upon the Budget. SRC shall monitor the Budget and submit an amended Budget to Triumph in the event that the Budget increases or decreases by greater than five percent (5%) in the aggregate of the total cost of the Project. Any increase or decrease by greater than five percent (5%) in the aggregate of the total cost of the Project as compared to the most recently approved Budget shall require approval of Triumph. Triumph shall have fifteen (15) days from the receipt of a proposed amended Budget to notify SRC of its approval or disapproval of such change. If Triumph fails to approve or disapprove the amended Budget within such fifteen (15) day period, the amended Budget shall be deemed approved as submitted. If SRC fails to obtain Triumph's approval or deemed approval, that failure shall be sufficient cause for nonpayment by Triumph. Using the Grant, its own funds, and funds from other grants, if any, SRC agrees to bear the entire cost and expense of the Project, including but not limited to, all costs and all expenses in excess of the total estimated cost of the Project, it being expressly understood and agreed that the Grant shall operate only to pay, on and subject to the terms and conditions set forth herein, a portion of the costs and expenses of the Project. The schedule of completion of the Project shall be developed by SRC as Contracts and change orders are approved as provided herein, and executed by SRC, and such schedule shall be updated and revised from time to time by SRC (the "**Completion Schedule**"). SRC shall take all steps reasonably necessary to maintain the Completion Schedule in order to meet the Completion Deadline (as defined in the Agreement). SRC shall notify Triumph of any anticipated changes to the Completion Schedule and shall

work with Triumph to update and revise the Completion Schedule such that it reflects the anticipated schedule of completion of the Project.

MAINTENANCE
OF RECORDS:

SRC shall submit to Triumph such data, reports, records, contracts and other documents relating to the Project as Triumph may require. During the Construction portion of the Project, SRC shall on a quarterly basis submit to Triumph an activity report which outlines the progress of Construction and the cost of the Project incurred to date. Upon completion of the Project, SRC shall send Triumph a notice certifying that the Project was completed in accordance with the plans and specifications, the Contracts, and all applicable standards, statutes, rules and regulations, including all applicable laws regarding public records, labor laws, and civil rights laws. 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 to determine if it was in fact completed in accordance with the plans and specifications. If so, and subject to Triumph's receipt of an approved Application for Disbursement, Triumph shall disburse final payment of the Grant to SRC; if not, no Grant funds shall be disbursed unless and until SRC 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, SRC 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. Once construction is completed and Triumph has approved such completion, and until such time as SRC has achieved at least one of the performance metrics described below, SRC shall, on an annual basis within thirty (30) days of the end of its fiscal year, submit to Triumph an activity report on the operations of the Project and the progress of satisfaction of the performance metrics, which reports shall include, among other things, its most recent audited financial statements. Triumph shall have the right, at any time and from time to time upon reasonable notice to SRC, to access the Project and inspect the work being performed or as completed.

SRC shall establish separate accounts to be maintained within its existing accounting system or establish independent accounts with respect to the Project. Such accounts are referred to herein collectively as the "**Project account.**" Records of costs incurred under terms of the Agreement shall be maintained in the Project account and made available upon request to Triumph at all times during the period of the Agreement and for eight (8) years after final payment of the Grant is made. Copies of these documents and records shall be made available to Triumph upon request. Records of

costs incurred include SRC's general accounting records and the Project records, together with supporting documents and records, of SRC and all consultants performing work on the Project and all other records of SRC and consultants considered necessary by Triumph for a proper audit of costs. If any litigation, claim, or audit is started before the expiration of the eight (8) year period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved.

AUDITS: The Grant shall be subject to audits and/or monitoring by Triumph and applicable public records laws.

TERMINATION
OR SUSPENSION
OF PROJECT:

If SRC abandons, suspends, or discontinues the Project, or fails to complete the Project by the Completion Deadline (subject to *force majeure* events), or for any other reason, the commencement, prosecution, or timely completion of the Project by SRC is rendered improbable, infeasible, impossible, or illegal, Triumph shall have the right, by written notice to SRC, to (i) suspend any further disbursements of the Grant and/or any or all of Triumph's other obligations under the Agreement until such time as the event or condition resulting in such abandonment, suspension, or discontinuation has ceased or been corrected, and/or (ii) revoke and terminate the Grant. If Triumph issues a final termination or revocation notice, then SRC shall, upon written demand by Triumph, repay to Triumph all portions of the Grant theretofore disbursed to and received by SRC

APPROVAL OF
CONTRACTS:

Triumph shall have the right to review and approve any and all proposed Contracts and any proposed change orders to said Contracts before SRC executes or obligates itself in any manner; provided, however, that any Contract or change order that was approved by either (i) the State of Florida, or (ii) any executive agency thereof that is subject to budget oversight authority of the Florida Legislature shall not require Triumph's approval. Any change order to any Contract under \$25,000 shall also not be subject to approval under the Agreement. Triumph shall have fifteen (15) days from receipt of a proposed Contract or change order to notify SRC of its approval or disapproval of such Contract or change order. If Triumph fails to approve or disapprove of a Contract or change order within such fifteen (15) day period, the subject Contract or change order shall be deemed

approved. If SRC fails to obtain approval from Triumph or the State of Florida or any executive agency thereof that is subject to budget oversight authority of the Florida Legislature, that failure shall be sufficient cause for nonpayment by Triumph. Triumph also reserves unto itself the right to review the qualifications of any consultant or contractor and to approve or disapprove the employment of same.

COMPLIANCE
WITH LAWS:

SRC shall also comply with all applicable laws regarding third party contracts, labor laws, and civil rights laws. The Agreement shall also have prohibitions on conflicts of interest.

INSURANCE:

At all times during the term of the Agreement, SRC shall maintain or cause to be maintained casualty insurance on all improvements, fixtures, and equipment, the cost of which was in whole or in part was reimbursed using Triumph grant funds, to the extent such improvements, fixtures, and equipment can in fact be insured. In the event of the loss of such improvements, fixtures, and equipment SRC shall either replace the same or reimburse Triumph to the extent the Grant was used to purchase or construct the same.

CLAWBACK:

Any Grant funds disbursed by Triumph to SRC shall be subject in being repaid (“clawed back”) in the event (i) SRC abandons, suspends or discontinues the Project, or fails to complete the Project by Completion Deadline, and/or (ii) SRC made any materially false certification or representation to Triumph in connection with its application for the Grant, under the Agreement, and/or in connection with any request for reimbursement, and/or (iii) SRC breaches any obligation under the Agreement, and/or (iv) SRC fails to achieve at least one of the following performance metrics:

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 such average wage shall be maintained for a period of three (3) years thereafter.

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 be maintained for a period of three (3) years thereafter.

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 be maintained for a period of three (3) years thereafter.

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.

The calculation of the performance metrics shall be made by Rick Harper or another similarly qualified economist or analyst selected by Triumph.

Triumph shall have the discretion to waive, reduce, extend, or defer any clawback amounts due if it determines in its sole and absolute discretion that (i) a breach of a representation and warranty herein or in the Grant Application, or a breach, violation, or default of or under any other provision of the Agreement, was not material in nature, (ii) based on quantitative evidence, the performance metrics were not achieved due to negative economic conditions beyond SRC's reasonable control, (iii) SRC made a good faith effort to achieve full performance of at least one of the performance metrics and its failure to do so does not substantially frustrate the general purpose of the Grant, and/or (iv) based on quantitative evidence, the effects of a named hurricane or tropical storm, or specific acts of

terrorism, adversely affected SRC's ability to achieve at least one of the performance metrics.

In addition to the above clawbacks, in the event SRC fails to fully pay the full \$1,300,000 Incentive Portion of the Matching Funds (whether such incentives are paid in the form of cash payments, tenant improvement allowances, tax credits, tax rebates, tax reduction, or other forms of consideration) by the date which is the tenth (10th) anniversary of the date on which the last disbursement of the Grant occurred, SRC shall, within thirty (30) days after written demand by Triumph, repay to Triumph an amount equal to 73.4% of the positive difference between (i) \$1,300,000, minus (ii) the amount of the Incentive Portion of the Matching Funds actually paid, together with interest at the rate *Wall Street Journal Prime Rate* plus three percent (3%) per annum on such amounts to be repaid. Such interest shall accrue commencing on the date of such written demand by Triumph and shall continue to accrue until the amount demanded is repaid in full.

OTHER TERMS
AND
CONDITIONS:

This is a summary only. The Agreement contains such other covenants, representations and warranties, and other terms and conditions as agreed to by Triumph and SRC.