

PERFORMANCE AGREEMENT

This Performance Agreement (this “**Agreement**”) is made and entered into as of April 29, 2019 by and between Triumph Gulf Coast, Inc., a Florida not-for-profit corporation (“**Triumph**”) and VT Mobile Aerospace Engineering, Inc., an Alabama corporation (“**VT**”).

RECITALS:

WHEREAS, Triumph and the City of Pensacola, Florida (the “**City**”) are parties to that certain Grant Award Agreement dated April __, 2019 (the “**Grant Agreement**”).

WHEREAS, pursuant to the Grant Agreement, and subject to the terms and conditions therein, Triumph has agreed to make a grant to the City in the maximum amount of \$66,000,000 (the “**Grant**”) to provide partial funding for the planning and construction of an aircraft Maintenance, Repair, Overhaul Aviation Campus (MRO Campus) consisting of following projects (collectively, “**Project Titan**”) at Pensacola International Airport (the “**Airport**”):

- Hangar 2 – 173,000 square feet
- Hangar 3 – 191,000 square feet
- Hangar 4 – 191,000 square feet
- Warehouses/shops/support facilities – 100,000 square feet
- Administrative Offices – 120,000 square feet
- Aircraft taxiways accessing the hangar aprons
- Aircraft aprons at the hangars
- Automobile ingress and egress roadways and auto parking

WHEREAS, VT, as lessee, and the City, as lessor, are entering into a separate lease agreement pursuant to which VT will occupy all or a portion of Project Titan (the “**MRO Lease**”).

WHEREAS, VT and the City are entering into a separate Development Agreement which governs the construction and development of Project Titan (the “**MRO Development Agreement**”).

WHEREAS, Section 8.4 of the Grant Agreement contains certain job creation performance metrics that must be satisfied by VT.

WHEREAS, the Grant Agreement provides that, as a condition to Triumph making the Grant to the City, VT shall enter into this Agreement, pursuant to which, among other things, VT

agrees to re-pay to Triumph certain "clawback" amounts in the event the job creation performance metrics are not timely satisfied.

WHEREAS, VT will derive a substantial benefit from the making of the Grant to the City and the completion of Project Titan and has received and thus is receiving good and valuable consideration for entering into this Agreement.

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

1. Accuracy of Recitals. Triumph and VT acknowledge and agree that the foregoing Recitals are true and accurate.

2. Performance Metrics. VT hereby covenants and agrees as follows:

(a) VT hereby covenants and agrees that:

(1) (A) Tier 1 Jobs: During the Tier 1 Jobs Ramp-Up Period (as defined below), VT shall hire and develop its workforce in order to achieve the performance metrics described herein. Prior to the end of the Job Maintenance Review Period for Tier 1 Jobs (as defined below), VT shall (i) create at least nine hundred ninety four (994) [75% of 1,325] net new, private sector, full-time equivalent jobs (defined as 2,080 man-hours per year) for Project Titan in Escambia County (but excluding Project Stallion jobs until the number of Project Stallion jobs reaches 400); and (ii) maintain an annual average of 994 jobs for at least seven (7) years (which seven years need not be consecutive) during the ten (10) year period from the initiation of the Job Maintenance Review Period for Tier 1 Jobs. Such annual average jobs shall be calculated by dividing by seven (7) the highest aggregate number of jobs created in any period of seven years (which seven years need not be consecutive) during such ten-year period. The new jobs required herein are referred to as "Project Jobs." As used herein, "Project Jobs" shall have the meaning set forth in Section 288.106(2)(i), Florida Statutes. The parties hereto acknowledge and agree that the "Tier 1 Jobs Ramp-Up Period" shall be for a period of time starting on the Date of Beneficial Occupancy of Hangar 4 of Project Titan and ending five (5) years thereafter. In order for a Project Job under this paragraph (A) to have been maintained for seven (7) years in accordance with the terms of this Agreement, it must have been maintained for at least seven (7) years (which seven years need not be consecutive) out of the ten (10) year period after the Tier 1 Jobs Ramp-Up Period. Such ten-year period is herein referred to as the "**Job Maintenance Review Period for Tier 1 Jobs.**"

(B) Tier 2 Jobs: VT shall (i) create at least three hundred thirty one (331) [25% of 1,325] additional net new, private sector, full-time equivalent jobs (defined as 2,080 man-hours per year) for Project Titan in Escambia County (but excluding Project Stallion jobs until the number of Project Stallion jobs reaches 400); and

(ii) maintain an annual average of 331 jobs for at least seven (7) years (which seven years need not be consecutive) during the period beginning upon the termination of the Job Maintenance Review Period for Tier 1 Jobs and ending ten (10) years thereafter. Such ten-year period is herein referred to as the “**Job Maintenance Review Period for Tier 2 Jobs.**” Such annual average jobs shall be calculated by dividing by seven (7) the highest aggregate number of jobs created in any period of seven years (which seven years need not be consecutive) during such ten-year period. The new jobs required herein are referred to as “Project Jobs.” As used herein, “Project Jobs” shall have the meaning set forth in Section 288.106(2)(i), Florida Statutes. Only Project Jobs in excess of a base of nine hundred ninety-four (994) Project Jobs in any year during the Job Maintenance Review Period for Tier 2 Jobs may be used to meet the requirements of this paragraph (B). However, Project Jobs created and maintained for at least a year during the Tier 1 Jobs Ramp-Up Period and the Job Maintenance Review Period for Tier 1 Jobs which are in excess of those required to meet the requirements of paragraph (A) above may be applied in any year and used to meet the requirements of this paragraph (B). Further, Project Jobs created and maintained for at least a year during the Job Maintenance Period for Tier 2 Jobs which are in excess of a base of nine hundred ninety-four (994) Project Jobs for such year may be applied in any year and used to meet the requirements of this paragraph (B).

(C) During the Tier 1 Jobs Ramp-Up Period, if in any year or years the Project Jobs exceed 1,325, then such year or years will count toward satisfaction of the jobs requirements of paragraphs (A) and (B) above. Also, if the average of the Project Jobs during the Tier 1 Jobs Ramp-Up Period equals or exceed 1,325 (i.e. 6,625 jobs/ 5 years), then all five years will count toward satisfaction of the jobs requirements of paragraphs (A) and (B) above.

(D) Once 1,325 Project Jobs have been created in Escambia County and maintained in accordance with paragraphs (A), (B) and (C) above, (i) the jobs creation requirements of this Agreement shall be considered satisfied; (ii) the Grant Performance Completion Date (hereinafter defined) shall be deemed to have occurred; and (iii) this Agreement shall be deemed to be terminated without any further action being required by the parties. As a start-up project, Project Titan will not have a “**Base Period**” for the calculation of Project Jobs. No Project Jobs may be transferred by VT from other parts of the State of Florida in fulfillment of the jobs creation requirements described herein.

(2) The average annual wage of Project Jobs, to be created and maintained hereunder as specified in Paragraph (a) above, will be at least \$44,461, excluding benefits, for each year during the term of this Agreement. Unless otherwise indicated, compliance with this paragraph (2) shall be required in establishing compliance with the requirements for “maintaining” or “maintenance” of Project Jobs hereunder.

(3) The “Grant Performance Completion Date” shall be the later of (a) the date on which the entirety of the Grant has been disbursed as described herein; or (b)

the date on which VT shall have established as required herein that it has satisfied each requirement of this Paragraph (a).

(b) VT acknowledges that the Grant Agreement may be terminated by Triumph upon failure of VT to comply with any material term or condition of the MRO Lease and/or the MRO Development Agreement to be performed or complied with by VT that has not been cured within thirty (30) days of VT's receipt of written notice of default thereof, or a decision by VT not to proceed with Project Titan. Notwithstanding the foregoing, a cure period shall be extended for an appropriate period of time should such default arise beyond the reasonable control of VT, provided that VT is making diligent efforts to cure the default.

(c) VT acknowledges that any termination under Paragraph (b) will result in the City's loss of eligibility for receipt of the Grant payments previously authorized. In addition, VT will be required to pay to Triumph an amount equal to all amounts of the Grant disbursed as of the date of termination, together with interest thereon at a rate per annum determined as set forth in Paragraph (h) below from the date of termination until the applicable Grant is repaid. VT will be given credit against its payment obligations in the amount of \$49,811.32 [$\$66,000,000 / 1,325$] for each Project Job created and maintained for three years in accordance with the requirements of this Agreement and for any payments that have been previously required.

(d) In the event that at the end of the Job Maintenance Review Period for Tier 1 Jobs VT has failed to achieve the creation and maintenance of 994 [75% of 1,325] Project Jobs, on average annually, in accordance with Paragraph (A) or (C) above during at least seven years during the Job Maintenance Review Period for Tier 1 Jobs (which seven years need not be consecutive), then VT shall pay to Triumph an amount calculated based on the following formula: the number of Project Jobs by which VT failed to comply with Paragraph (A) multiplied by \$49,811.32.

(e) In the event that at the end of the Job Maintenance Review Period for Tier 2 Jobs VT has failed to achieve the creation and maintenance of 331 [25% of 1,325] additional Project Jobs, on average annually, in accordance with Paragraph (B) or (C) above during at least seven years during the Job Maintenance Review Period for Tier 2 Jobs (which seven years need not be consecutive), then VT shall pay to Triumph an amount calculated based on the following formula: the number of Project Jobs by which VT failed to comply with Paragraph (B) multiplied by \$49,811.32.

(f) If during the Job Maintenance Review Period for Tier 1 Jobs VT fails to achieve the creation and maintenance of 994 Project Jobs, then VT will submit for approval of Triumph a plan to return to compliance with the jobs creation and maintenance schedule (the "**Compliance Plan**"). Such plan will include dated benchmarks. The benchmarks for the creation and maintenance of Project Jobs set forth in any compliance schedule will be used to determine compliance with the requirements of Paragraphs (d) and (e) above. In the event VT fails to comply with the benchmarks in

