

SUMMARY
OF
FIRST AMENDMENT TO
GRANT AWARD AGREEMENT
BETWEEN
TRIUMPH GULF COAST, INC.
AND

THE CITY OF PANAMA CITY AND EASTERN SHIPBUILDING, INC. (Project #185)

This summarizes the basic terms of a First Amendment to Grant Award Agreement (the “**Amendment**”) that has been negotiated among Triumph Gulf Coast, Inc. (“**Triumph**”) and the City of Panama City, a Florida municipal corporation (“City”), and Eastern Shipbuilding, Inc., a Florida Corporation (“ESG”), under the Triumph Gulf Coast Trust Fund with respect to that certain Grant Award Agreement dated August 1, 2019, between Triumph, the City, and ESG (the “Agreement”). This summary is intended for notice purposes only and does not create any binding obligations on Triumph, the City, or ESG with respect to (i) any amendments to the Agreement, or (ii) engaging in any further discussions or negotiations with respect to any amendments to the Agreement. The final terms and conditions of any amendment will be contained in the definitive Amendment approved by the Board of Directors of Triumph, the City and ESG, and executed by Triumph, the City, and ESG.

AMENDMENTS TO
AGREEMENT:

The total amount of the Grant is not changing. The only changes to the Agreement relate to the number of “Net New Jobs” and the measurement period relating thereto contained in the Performance Metrics. Accordingly, the Amendment provides that Section 8.3 of the Agreement is being deleted and replaced in its entirety with the following:

“8.3 Performance Metrics. In the event ESG fails to timely achieve the performance metrics set forth below, then in accordance with Section **8.4** below the City and ESG shall, upon written demand by Triumph, repay to Triumph all portions of Grant theretofore disbursed to and received by the City.

(a) On or before August 1, 2028, at least 900 “Net New Jobs” (as defined below) shall have been created at the ESG Nelson Street Facility over and above the existing 497 FTE (as defined below) jobs, and such 900 Net New Jobs shall have been maintained for a period of three (3) years.

(b) As used herein, a “Net New Job” shall mean a job that was (a) created after the quarter ending December 31, 2017, (b) resulted in a net

increase in overall employment on or at the ESG Nelson Street Facility related specifically to contracts obtained with respect to the United States Coast Guard Offshore Patrol Cutter (“USCG OPC Project”), and (c) is performed by a FTE (2080 man-hours/year) at the ESG Nelson Street Facility specific to the USCG OPC Project 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

Notwithstanding the foregoing, in the event ESG does not win the United States Coast Guard (“USCG”) contract for offshore patrol cutters (“OPC”) 5 or up to 25, then the City can retain any Grant received as long as at least the 900 Net New Jobs described above are maintained at the ESG Nelson Street Facility and Allanton Facility which are devoted to local, state, federal, or commercial shipbuilding and the Lease shall remain in full force and effect.

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 ESG’s reasonable control, (iii) ESG 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 ESG’s ability to achieve at least one of the performance metrics.

At any time and from time to time, upon written request by Triumph, the City and ESG shall, within thirty (30) days of such request, deliver to Triumph such data, reports, payroll records, financial statements and reporting, and other documents, instruments, State of Florida employment reporting forms, and such other information in its possession or control as Triumph requires in order to determine whether ESG achieved the above performance metrics (collectively, “Back-up Data”). The City’s and/or ESG’s refusal or failure to timely provide any requested Back-up Data and other information described above shall be deemed a breach of a material obligation of this Agreement.”

OTHER TERMS
AND
CONDITIONS:

This is a summary only. The Amendment shall contain all of the terms and conditions as agreed to by Triumph, the City, and ESG.