

SUMMARY
OF
GRANT AWARD
AGREEMENT BETWEEN
TRIUMPH GULF COAST, INC.,
AND
DEFUNIAK SPRINGS AIRPORT
(Project #284)

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 DeFuniak Springs Airport ("**Grantee**") 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 Grantee, and (b) does not create any binding obligations on Triumph or Grantee 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 executed by Triumph and Grantee.

GRANT AMOUNT: Up to Four Million, Two Hundred Twenty Nine Thousand Dollars (\$4,229,000) (the "**Grant**").

PURPOSE:

Using Grant funds, the construction at the DeFuniak Springs Airport of three (3) new airplane hangars and an access road (collectively, the "**Facility**"), and using Matching Funds (as defined) for the design, engineering, and construction of the Facility, which Facility will be leased to one or more private sector companies to be determined (collectively, the "**Companies**"), to support the operations of the Companies, which operations will provide at least 100 Net New Jobs (as defined) paying an average wage of 115% of the current prevailing average wage in Walton County, Florida, using the Florida Commerce 2023 Wage Data Effective 1/1/2025, all as further described in Grantee's Application for Funds submitted to Triumph (the "**Grant Application**"), which Grant Application is incorporated herein by reference.

CONTINGENCIES
FOR GRANT:

Triumph's approval of the Grant, and any obligation to disburse the Grant, are expressly conditioned and contingent upon the following:

- (a) **Matching Funds.** No Grant funds shall be disbursed to Grantee unless there are Matching Funds commitments from Grantee and others as described in the Budget (as defined below) totaling not less than \$6,751,550 to be used exclusively toward completion of the Project as shown in the Budget.
- (b) **Competitive Bids.** For contracts and/or purchases exceeding \$325,000, Grantee shall obtain competitive bids when required under the applicable laws, statutes, ordinances, rules and regulations when purchasing services or commodities, or contracting for construction or renovations to public property, and Grantee shall upload a copy of the applicable standards or procedures to Triumph's SmartSheet system and submit for Triumph review. When awarding contracts according to the applicable laws, statutes, ordinances, rules and regulations, Grantee shall award the contract to the lowest cost qualified responsive bidder considering the selection criteria contained within the solicitation.

FUNDING:

The total cost of the Project is \$10,980,550, of which (i) a match is being contributed by Grantee and others in the amount of \$6,751,550 (the "**Matching Funds**"), and (ii) up to \$4,229,000 is being provided by the Grant. The total estimated cost of the Project is based upon the Budget attached hereto as Exhibit "B" (the "**Budget**"). To the extent that the actual cost of the Project exceeds \$10,980,550, Grantee shall be solely responsible for such excess.

Grantee shall submit to Triumph a separate Request for Funding for each Budget category (a "**Request for Funding**") in accordance with the Budget and shall submit information pursuant to a SmartSheet system by Grantee's authorized users. After the Request for Funding for the Initial Funding, each subsequent Request for Funding may only be submitted after Triumph's approval of the immediately preceding Request for Funding. Each Request for Funding shall include the following items (A) through (H): (A) completed detailed Project account spreadsheet (i.e., in a tab on the Budget), (B) a completed Expense Itemization Sheet in a form provided by Triumph ("**Expense Itemization Sheet**") for each category of funds requested and for Matching Funds category, together with invoices, receipts, or contracts from vendors providing equipment, materials, labor, and services; (C) payroll ledgers, percentage of time dedicated to the

Project, and job descriptions as they relate to the Project, (D) documentation evidencing the completion of the work that is the subject of the requested funding, (E) to the extent that any portion of the current funding request is for reimbursement of amounts already paid by Grantee, copies of front and back of cancelled checks for funding, (F) to the extent that all or any portion of the prior funding was a disbursement for items to be paid rather than a reimbursement of amounts already paid, a completed Expense Itemization Sheet and receipts or other documentation evidencing that the funds disbursed previously were in fact paid in the proper amounts to the proper vendors for such items, including copies of front and back of cancelled checks for funding (G) copies of the insurance policies required under the Agreement and evidence that such policies are in current force and effect, and (H) such other documents as Triumph shall require in order to determine that the funding is consistent with the purposes of the Grant. Grantee shall notify the Triumph Program Administrator via email each time a Request for Funding is submitted. Other than the final Request for Funding, no single Request for Funding shall be submitted for a funding request amount of less than \$105,725. In no event shall the cumulative fundings made by Triumph exceed the \$4,229,000 maximum amount of the Grant. Upon Triumph's receipt of (a) notification to the Program Administrator, and (b) a Request for Funding that includes all required supporting documents, Triumph shall have forty-five (45) days from receipt to review and either approve or disapprove of a Request for Funding. If Triumph approves a Request for Funding, then it shall fund the approved amount to Grantee within thirty (30) days after approval. If Triumph disapproves a Request for Funding, Triumph shall deliver a notice of disapproval within such forty-five (45) day period that states the reasons for such disapproval. If the stated reasons for disapproval can be cured by Grantee's submittal of missing or corrective items, Grantee shall have thirty (30) days following receipt of the notice of disapproval to submit such missing or corrective items. If Triumph fails to notify Grantee of its disapproval of the Request for Funding within forty-five (45) days of receipt, such Request for Funding shall be deemed disapproved. Grantee shall submit a Request for Funding and satisfactory evidence of the expenditures of Matching Funds no less frequently than once during each twelve (12) month period ending on October 31, unless the Budget did not require that any Grant funds or Matching Funds be spent during such period. If no Grant funds are expended or requested for a twelve (12) month period ending on October 31, Grantee shall provide a written explanation or update of such circumstance in the Grantee's annual report submitted pursuant to Section 5.3 below. Invoices, proof of payment, payroll records, or other evidences of expenditures may not be submitted if they are older than eighteen (18) months. Any invoices, proof of payment, payroll

records, or expenditures that are older than eighteen (18) months may not be reimbursed with Grant funds or counted as Matching Funds, except for any pre-award Matching Funds described in this Agreement and/or in the Budget. The final Request for Funding and satisfactory evidence of the expenditure of all Matching Funds shall be submitted by Grantee no later than one hundred eighty (180) days following the Completion Deadline.

None of the Grant funds shall be used as a reimbursement of items purchased by Grantee prior to the date of the Agreement. None of the amounts paid by Grantee in connection with the invoices submitted in a Request for Funding and then funded by Triumph shall also have been or will in the future be in any manner (a) reimbursed, returned, refunded, rebated, or otherwise credited to, Grantee by any contractor, materialman, vendor, or any other person or entity, or (b) paid, reimbursed, returned, refunded, rebated, or otherwise credited to Grantee 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 and agreed that Grantee shall not receive payments, refunds, reimbursements, rebates or credits from any sources in amounts collectively exceeding 100% of the amounts paid or owing by Grantee.

None of the Grant funds or the Matching Funds shall be used to pay, reimburse, or recover any overhead or other indirect costs, including, but not limited to, general and/or administrative overhead, facilities overhead, continuing education fees, and auxiliary fees.

Triumph will honor requests for funding; provided, however, that Triumph may elect by notice in writing not to make a payment if:

(a) Any of the conditions and contingencies described above have not been satisfied, and/or there is missing or incomplete documentation;

(b) The Request for Funding seeks funding for items other than as shown in the Budget or seeks funding for more than amounts actually invoiced by contractors, materialmen, or other vendors under any contracts;

(c) The amount requested for funding under the Request for Funding, together with all amounts previously funded under the Grant, would exceed the \$4,229,000 maximum amount of the Grant; or the amount requested for funding under the Request for Funding for a particular Budget category, together with all amounts previously funded for such Budget category, would exceed the maximum amount allocated to such Budget category; or Grantee failed to use any Grant funds funded to date in the amounts and for the purposes stated in the Budget;

(d) Grantee 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 which may jeopardize or adversely affect the Project, this Agreement, or funding of the Grant; or a receiver or trustee has been appointed for Grantee and/or any of the Companies or a substantial portion of their respective assets; or any involuntary petition for relief under any bankruptcy or insolvency law has been filed against Grantee and/or any of the Companies and has not been dismissed within sixty (60) days; or Grantee and/or any of the Companies has voluntarily petitioned for relief under, or otherwise sought the benefit of, any bankruptcy, reorganization, arrangement or insolvency law, or made an assignment for the benefit of creditors;

(f) Grantee has taken any action pertaining to the Project which, under the Agreement, requires the approval of Triumph, and Grantee failed to obtain such approval;

(g) There has been a violation of the prohibited interests provisions of the Agreement;

(h) Grantee is in material violation, default, or breach of or under any provision of the Agreement;

(i) Grantee is in breach of any material representation or warranty contained in the Agreement;

(j) Grantee, and/or any federal, state, or local government, organization or agency 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) The Matching Funds are not being used for the intended purposes and in the amounts and at the times as set forth in the Budget, and/or Grantee has failed to provide Triumph with evidence of payment of the Matching Funds toward completion of the Project;

(l) With respect to previous fundings of the Grant and payments under contracts, Grantee has failed to pay, or has failed to provide Triumph with evidence of payment of, the Grant for the purposes of such funding. Such evidence shall include, but not be limited to, payroll ledgers, state and federal payroll returns, job descriptions, invoices, cancelled checks, wire transfer confirmations;

(m) Prior to December 31, 2031 (the “**Completion Deadline**”), Grantee has abandoned or discontinued the Project, or for any reason the commencement, prosecution, or timely completion of the Project by Grantee is rendered improbable, infeasible, impossible, or illegal, or Grantee has failed to make substantial progress toward achieving not less than 100 Net New Jobs;

(n) All or any portion of the requested funding includes funding for items that are outside the scope of the Project that is contemplated under the Budget;

(o) One or more of the contracts previously approved or deemed approved by Triumph have been modified, amended, or terminated, or have been subject to a change order, without the prior written consent or deemed approval of Triumph; provided, however, that any change order under \$65,000 shall not be subject to approval under the Agreement;

(p) Intentionally omitted;

(q) Without the prior approval of Triumph, the total Project cost as set forth in the Budget, the overall Budget, and/or a particular Budget category, has been cumulatively increased or decreased by more than 5%; and/or the Matching Funds have cumulatively increased or decreased by more than 5%;

(r) Completion of the Project is not on schedule for completion by the Completion Deadline and it is objectively unlikely that the Project will be completed by the Completion Deadline;

(s) Grantee has failed to maintain in full force and effect all insurance required under the Agreement;

(t) Grantee is not in substantial compliance with all applicable environmental laws and regulations in accordance with the Agreement;

(u) Grantee is not in compliance with the competitive bidding requirements described above; and/or

(v) Grantee is not in compliance with the equal employment opportunity and other labor provisions as required by the Agreement.

ELIGIBLE COSTS/
DOCUMENTATION/
DEADLINES

The total estimated cost of the Project is \$10,980,550. To the extent that the actual cost of the Project exceeds \$10,980,550, the Grantee shall be

responsible for such excess, not Triumph. Grantee shall monitor the Budget and submit an amended Budget to Triumph in the event that (a) the total cost of the Project cumulatively increases or decreases by greater than five percent (5%), (b) the total Budget cumulatively increases or decreases by greater than five percent (5%), (c) the Budget cumulatively increases or decreases by greater than five percent (5%) within a particular Budget category, and/or (d) Grantee's portion of the Matching Funds cumulatively increases or decreases by greater than five percent (5%). If Grantee proposes a cumulative increase or decrease as described above, such proposal shall be submitted to Triumph in writing along with a proposed amended Budget, and Triumph shall have the right to approve or disapprove both the proposed Budget category increase or decrease and the proposed amended Budget. Triumph shall have sixty (60) days from receipt of the proposed amended budget to notify Grantee of its approval or disapproval. If Triumph fails to approve or disapprove of the proposed amended budget within such sixty (60) day period, the proposed amended budget shall be deemed disapproved. Using the Grant, its own funds, and funds from other sources (including, but not limited to, the Matching Funds), Grantee 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. Furthermore, Grantee agrees to spend, or cause the Company to spend, all of the Matching Funds as contemplated in the Budget, and agrees that its failure to do so shall be deemed a material breach of this Agreement..

MAINTENANCE OF RECORDS:

Grantee shall on an annual basis on or before October 31 of each year submit to Triumph an activity report which contains, in addition to any other information requested by Triumph (a) the progress of the Project, (b) costs incurred to date, (c) how the Companies are progressing toward achieving not less than 100 Net New Jobs, and (d) Grantee's most recent audited financial statements. Grantee's failure to be making substantial progress toward achieving not less than 100 Net New Jobs shall be grounds for suspension or termination of funding any unfunded portion of the grant. In addition, Triumph shall have the right, at any time and from time to time upon reasonable notice to Grantee, to access the Project and inspect any work being performed or as completed. Grantee shall also make available to Triumph copies of any and all invoices, contracts, plans and specifications, and other documentation relating to the Project. Triumph shall have the right, at any time and from time to time upon reasonable notice to access the Project and inspect any work being performed or as

completed. Pursuant to Section 3.5 of the Agreement, Grantee shall provide to Triumph records confirming the receipt and use of Lease Revenue as described herein.

Grantee shall establish and maintain within its existing accounting system or independently from its accounting system a detailed listing of all expenses related to the project. Records of costs incurred under terms of this Agreement shall be maintained in the listing along with supporting documentation and be made available upon request to Triumph during the period of this Agreement and for five (5) years after final payment of the Grant is made.

AUDITS:

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

TERMINATION OR SUSPENSION OF PROJECT:

If Grantee and/or the Company abandons, suspends, or discontinues the construction of the Facility, or fails to complete the Facility by the Construction Completion Deadline set forth in Section 5.1 above (subject to *force majeure* events), or for any other reason, the commencement, prosecution, or timely completion of the Project by Grantee and/or the Company is rendered infeasible, impossible, or illegal, Triumph shall have the right, by written notice to Grantee to terminate the Grant.

BREACHES OF AGREEMENT:

In the event Grantee shall (i) have made any misrepresentation 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 this Agreement, (ii) have breached a representation or warranty of a material nature made in this Agreement, and/or (iii) have materially breached, violated, or defaulted under any of its obligations under this Agreement, and Grantee fails to cure such misrepresentation, breach, violation or default within thirty (30) days after notice from Triumph to Grantee specifying the facts constituting such misrepresentation, breach, violation or default, or if the misrepresentation, violation, breach or default is not reasonably capable of being cured within such thirty (30) day period, then for such longer period of time as long as Grantee is diligently prosecuting the cure of such default, then in accordance with Section 8.4 below Grantee shall, upon written demand by Triumph

repay to Triumph all portions of the Grant theretofore funded.

In the event Triumph shall (i) have breached a representation or warranty of a material nature made in this Agreement, and/or (ii) have materially breached, violated, or defaulted under any of its obligations under this Agreement, and Triumph fails to cure such misrepresentation, breach, violation or default within thirty (30) days after notice from Grantee to Triumph specifying the facts constituting such misrepresentation, breach, violation or default, or if the misrepresentation, violation, breach or default is not reasonably capable of being cured within such thirty (30) day period, then for such longer period of time as long as Triumph is diligently prosecuting the cure of such default, Grantee shall have all remedies available at law and in equity.

COMPLIANCE WITH LAWS:

Grantee shall also comply with all applicable laws regarding public records, third party contracts, labor laws, civil rights laws, and environmental laws.. The Agreement also has prohibitions on conflicts of interest.

INSURANCE:

During the term of the Agreement, Grantee shall keep and maintain, or cause to be kept and maintained (i) casualty insurance on all improvements and equipment, the cost of which was in whole or in part was paid for using Triumph grant funds, but only to the extent that such improvements and equipment can in fact be insured, and (ii) workers compensation insurance with respect to the construction of any improvements.

PERFORMANCE METRICS:

Any grant funds funded by Triumph to Grantee shall be subject to being repaid (“clawed back”) in the event (i) Grantee 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 funding, and/or (ii) Grantee breached, violated, or is in any way in default under any of its obligations under the Agreement, then Grantee shall upon written demand by Triumph repay to Triumph all portions of Grant theretofore funded to and received by Grantee. In addition, in the event both of the following performance metrics (the “**Performance Metrics**”) set forth in subparagraphs (a) and (b) below are not achieved, then Grantee shall repay to Triumph the Performance Metric Clawback Amount (as defined below):

(a) **Performance Metric #1:** By the date (the “**Ramp-Up Deadline**”) which is the earlier of (i) three (3) years after the date that the construction of the Facility has been substantially completed as evidenced by a certificate of occupancy or other reasonable evidence, or (ii) by December 31, 2031, the Companies will have created at least 100 Net New Jobs; and

(b) **Performance Metric #2:** All of the 100 Net New Jobs shall have been maintained for at least three (3) years after the Ramp-Up Deadline.

As used herein, a “**Net New Job**” shall mean a full-time equivalent (FTE) job with any of the Companies at the Facility which would qualify as being within a designated target industry under Section 288.005(7), Florida Statutes, paying a wage that is at or above 115% of the current prevailing average wage in Walton County, Florida, using the Florida Commerce 2023 Wage Data Effective 1/1/2025 that (a) was created after May 31, 2025, (b) could not be sustained absent the availability of the Facility, and (c) is performed by a full-time employee or a full-time equivalent employee working at least 35 paid hours per week. Jobs are not considered Net New Jobs if they are (A) moved from one to another business within any of the Companies 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 Facility, 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 number of Net New Jobs shall be made by Rick Harper or another similarly qualified economist or analyst selected by Triumph.

Upon the occurrence of (i) Grantee having 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 funding, and/or (ii) Grantee having breached, violated, or is in any way in material default under any of its obligations under the Agreement, then Triumph shall have the right to demand payment of all amounts of the Grant that were theretofore funded, together with interest at the rate *Wall Street Journal Prime Rate* plus three percent (3%) per annum on such amounts to be repaid.

CLAWBACKS:

In the event the Performance Metrics are not timely achieved as described

above, then Grantee shall repay to Triumph an amount of the Grant proportional to the jobs shortfall, based on \$42,290 per job (see the basis for this number below). For example, if there is a shortfall of 1 job (99 jobs created or maintained instead of 100), then the amount owed would be \$42,290 (1 x \$42,290), and if there is a shortfall of 25 jobs (75 jobs created or maintained instead of 100), then the amount owed would be \$1,057,250 (25 x \$42,290). The \$42,290 per job amount is determined by dividing the \$4,229,000 Grant amount by the 100 promised jobs. All amounts owed shall be repaid 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. The amount due, including interest thereon, is referred to herein as the “**Performance Metric Clawback Amount**”).

Notwithstanding the foregoing, Triumph shall have the discretion to waive, reduce, extend, or defer any Performance Metric Clawback Amount 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 the Companies’ and Grantee’s reasonable control, (iii) the Companies and Grantee made a good faith effort to achieve the Performance Metrics, and/or (iv) based on quantitative evidence, the effects of a named hurricane or tropical storm, or specific acts of terrorism, adversely affected the Grantee’s ability to achieve the Performance Metrics.

Upon the occurrence of any of the events described in Section 8.1, 8.2, and 8.3 above, which are not cured pursuant to the terms thereof, then Grantee shall pay to Triumph, within thirty (30) days of demand therefor, all amounts of the Grant that were actually theretofore funded. The amount due is referred to herein as the “**Grantee Clawback Amount.**” Notwithstanding the foregoing, Triumph shall have the discretion to waive, reduce, extend, or defer any Grantee Clawback Amount due if it determines in its sole and absolute discretion that 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.

In no event shall the total amount clawed back as the Grantee Clawback Amount for events described in Sections 8.1 and 8.2 and 8.3 above exceed the total amount of the Grant actually funded to Grantee, plus interest at the rate *Wall Street Journal Prime Rate* plus three percent (3%) per annum on such amounts to be repaid and attorneys’ fees and costs incurred by Triumph in connection with enforcing this Agreement. Grantee and Triumph acknowledge and agree that any amounts clawed back under Section 8.4 above are intended as a repayment of Grant funds conditionally

funded to Grantee and are due and payable to Triumph as a result of the occurrence of any of the events described in Sections 8.1 or 8.2 or 8.3. Such amounts are not intended as and shall not be deemed damages or a penalty. Notwithstanding the foregoing, to the extent that for any reason such amounts are deemed damages, Grantee and Triumph agree that (i) such amounts shall constitute liquidated damages, (ii) the actual damages suffered by Triumph would be unreasonably difficult to determine, (iii) Triumph would not have a convenient and adequate alternative to the liquidated damages, (iv) the amounts due Triumph bear a reasonable relationship to any anticipated harm and is a genuine pre-estimate suffered by Triumph, and (v) Grantee irrevocably waives any right that it may have to raise as a defense that any such liquidated damages are excessive or punitive.

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 Grantee.

EXHIBIT "B"

BUDGET

(see attached)

Project # 284, DeFuniak Airport Phase 1 (Construction of Hangars, Access Road)

Budget \$ 10,980,550.00

Estimated construction start date if applicable 4/1/2026

Estimated education component start date if applicable N/A

	Design & Engineering	Construction	Total
Project Total			
2025	1,262,000.00	-	1,262,000.00
2026	-	4,859,275.00	4,859,275.00
2027	-	4,859,275.00	4,859,275.00
2028	-	-	-
2029	-	-	-
2030	-	-	-
Project Total	1,262,000.00	9,718,550.00	10,980,550.00
Triumph			
2025			-
2026		2,114,500.00	2,114,500.00
2027		2,114,500.00	2,114,500.00
2028			-
2029			-
2030			-
2031			-
Triumph Total	-	4,229,000.00	4,229,000.00
Grantee			
2025	1,262,000.00		1,262,000.00
2026			-
2027			-
2028			-
2029			-
2030			-
2031			-
Grantee Total	1,262,000.00	-	1,262,000.00
Match Source 1			
2025			-
2026		2,744,775.00	2,744,775.00
2027		2,744,775.00	2,744,775.00
2028			-
2029			-
2030			-
2031			-
Match Source 1 Total	-	5,489,550.00	5,489,550.00