

TERM SHEET
FOR
GRANT AWARD CONTRACT
BETWEEN
TRIUMPH GULF COAST, INC.
AND
CITY OF PENSACOLA

This Term Sheet summarizes the basic terms upon which Triumph Gulf Coast, Inc. ("Triumph") is considering awarding a grant to the City of Pensacola (the "City") 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 City, and (b) does not create any binding obligations on Triumph or the City 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 City 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 Pensacola City Council and executed by Triumph and the City. At any time prior to such execution of a Contract, either Triumph or the City may terminate negotiations, and upon such termination, neither party shall have any liabilities or obligations to the other.

GRANT AMOUNT	Fifty Six Million Dollars (\$56,000,000)
PURPOSE:	<p>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 ("Airport"):</p> <ul style="list-style-type: none"> • 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 <p>All as further described in the City's Updated Application for Funds submitted to Triumph on July 5, 2018.</p>

<p>CONTINGENCIES FOR GRANT APPROVAL</p>	<p>Triumph's approval of the grant is expressly contingent upon the City having by December 31, 2018 cash in hand or firm and enforceable commitments for funding covering the entire planning and construction cost of Project Titan. The estimated total planning and construction cost of Project Titan is \$210,125,000, with the Triumph grant being \$56,000,000, so the City's cash or other funding commitments must total approximately \$154,125,000, of which \$35,000,000 has been committed by MRO Lessee. The City must provide Triumph with evidence satisfactory to Triumph that such funding commitments are in place. In the event cash and funding commitments totaling approximately \$154,125,000 are not in place by December 31, 2018, the grant shall be deemed automatically rescinded and revoked and the Contract shall be deemed automatically terminated.</p> <p>Further, Triumph's obligations under the Contract shall be expressly contingent upon the City and the construction manager at risk ("CMAR") agreeing upon a guaranteed maximum price within the Project Titan budget no later than December 31, 2020. The City must provide Triumph with evidence satisfactory to Triumph that such guaranteed maximum price is in place. In the event that such guaranteed maximum price is not in place by December 31, 2020, the grant shall be deemed automatically rescinded and revoked and the Contract shall be deemed automatically terminated.</p>
<p>DISBURSEMENTS</p>	<p>Subject to the satisfaction of the contingencies set forth below, the full amount of the grant (\$56,000,000) shall be available for disbursement as of the date of execution of the grant agreement out of uncommitted funds currently held by Triumph. The grant will be drawn down periodically in accordance with the requirements under "FUNDING MECHANISM" below. It is anticipated that the grant funds will be drawn down generally pursuant to the projected funding schedule attached hereto. All disbursements shall be contingent upon (i) cash and/or funding from all other sources for Project Titan continuing to be in hand or fully committed as described in "CONTINGENCIES FOR GRANT APPROVAL" above, and (ii) satisfaction of the other funding contingencies under "FUNDING MECHANISM" below.</p>

	<p>The City acknowledges that grant funds are not and shall not be deemed a general obligation of the State of Florida, nor are the grant funds backed by the full faith and credit of the State of Florida.</p>
FUNDING MECHANISM	<p>Prior to the initial disbursement of any grant funds, all applicable permits, development orders, concurrency certificates, and other governmental approvals ("Permits") necessary for the construction of Hangar 3 shall have been obtained; prior to disbursement of grant funds in excess of \$20,000,000, all Permits necessary for the construction of Hangar 4 shall have been obtained; and prior to any subsequent disbursement of any grant funds, such Permits shall remain in full force and effect.</p> <p>The grant funds shall be used only to pay the amounts due and owing from time to time by the City to the Construction Manager at Risk ("CMAR") under and in accordance with the CMAR contract for Project Titan. At the end of each month, the City shall submit documentation to Triumph documenting the extent of completion of each eligible element of Project Titan and the cost of each eligible element of Project Titan incurred to that point. The City shall also submit an application for reimbursement ("Application for Reimbursement") for a portion of the costs of Project Titan incurred to that point; provided that at any point in time prior to the completion of Project Titan, the cumulative amount disbursed by Triumph shall not exceed thirty-five percent (35%) of the total cumulative amount disbursed by all funding sources including Triumph; and provided further that upon completion of Project Titan, the cumulative amount disbursed by Triumph shall not exceed 27% of the total cumulative amount disbursed by all funding sources including Triumph (i.e., \$56,000,000 / \$210,125,000). The current anticipated funding schedule is attached hereto. 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 City. If Triumph approves the Application for Reimbursement, then it shall disburse the approved amount to the City 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. The City shall have thirty (30) days to address the reasons for disapproval and submit documentation for reconsideration of the Application for Reimbursement.</p> <p>Triumph will honor requests for reimbursement to the City;</p>

	<p>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 an amount in excess of the amount permitted by the 35% and 26.65% limitations set forth above; (c) The amount requested for disbursement under the Application for Reimbursement, together with all amounts previously disbursed under the Grant, would exceed the \$56,000,000.00 maximum amount of the Grant; (d) The City 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 City of its duties or obligations which may materially jeopardize or adversely affect Project Titan, the Contract, or the disbursement of the grant; (f) The City shall have taken any action pertaining to Project Titan which requires the approval of Triumph, and the City has failed to obtain such approval; (g) There has been any material violation of the prohibited interests (conflicts of interest) provisions of the Contract; (h) The City is in material violation, default, or breach of or under any provision of the Contract; (i) The City is in breach of any material representation or warranty contained in the Contract; (j) Any federal, state or local agency or municipality (including the City and Escambia County), or VT Mobile Aerospace Engineering, Inc. ("MRO Lessee") providing financial assistance to Project Titan as stated in the Contract has revoked, suspended or terminated that financial assistance to Project Titan, including but not limited to the City's matching amount stated in the Contract and MRO Lessee's \$35,000,000 funding commitment; (k) The City has abandoned or, before completion, discontinued Project Titan, or for any reason (other than force majeure as defined in the Contract) the commencement, prosecution or timely completion of Project Titan 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; or (m) The CMAR contract has been materially modified, amended, or terminated without the prior consent or approval of Triumph. <p>Upon completion of elements of Project Titan that have been funded in whole or in part by Triumph grant funds, the City shall send</p>
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	<p>Triumph a notice certifying that elements of Project Titan 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 Titan 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 City within thirty (30) days of such determination; if not, no grant funds shall be disbursed unless and until the City 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 City 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>
ELIGIBLE COSTS/ DOCUMENTATION	<p>The City shall seek reimbursement only for costs of Project Titan construction as shown or contemplated under the budget attached to the Contract. All amounts paid by the City with respect to Project Titan 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 City with respect to any item which is or will be chargeable against the Project Titan account will be drawn only in accordance with a properly signed voucher then on file in the office of the City 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 Project Titan shall be clearly identified, readily accessible, and, to the extent feasible, kept separate and apart from all other such documents.</p>
MAINTENANCE OF RECORDS:	<p>Records of costs incurred shall be maintained in the Project Titan account and made available upon request to Triumph at all times during the period of the Contract and for five (5) years after final grant payment is made. Copies of these documents and records shall be furnished to Triumph upon request. Records of costs incurred include the City's general accounting records and the Project Titan records, together with supporting documents and records, of the City and all sub-consultants performing work on Project Titan and all other records of the City 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 the five (5) year period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved.</p>
AUDITS:	<p>Triumph, the Chief Financial Officer of the State of Florida, the Auditor General of the State of Florida, the Florida Office of</p>

	<p>Program Policy Analysis and Government Accountability or representatives of the federal government and their duly authorized representatives shall have access to any of the City's books, documents, papers, and records, including electronic storage media, as they may relate to Project Titan, for the purposes of conducting audits or examinations or making excerpts or transcriptions.</p>
<p>TERMINATION OR SUSPENSION OF PROJECT:</p>	<p>If the City abandons or, before completion, finally discontinues Project Titan; or for any other reason (other than force majeure as defined in the Contract), the commencement, prosecution, or timely completion of Project Titan by the City is rendered improbable, infeasible, impossible, or illegal, Triumph will, by written notice to the City, 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 City 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, Project Titan 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 Project Titan activities and contracts, and other undertakings the cost of which are otherwise includable as Project Titan 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 City shall comply with all applicable laws regarding third party contracts, labor laws, civil rights laws, and other matters as set forth in any existing Joint Participation Agreement ("JPA") related to Project Titan between the City and FDOT.</p> <p>The Parties hereto agree that Triumph funds will be used for the construction of facilities. The City intends to use the Construction Manager at Risk (CMAR) with a guaranteed maximum price method of project delivery. Triumph shall have the right to review and approve the CMAR contracts that will be paid for, in whole or part, with Triumph funds, and any material amendments thereto. Triumph's agrees that its approvals shall not be unreasonably delayed, conditioned, or withheld. Triumph shall have fifteen (15) days from receipt thereof to approve or disapprove such CMAR contracts and any material amendments thereto; 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 City 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</p>

	<p>funds, to the extent such improvements can in fact be insured. Prior to the Date of Beneficial Occupancy, the CMAR will maintain builder's risk insurance on the improvements. From the Date of Beneficial Occupancy, the MRO Lease will require the MRO Lessee to maintain casualty insurance on the improvements.</p>
CLAWBACK:	<p>Clawback from City</p> <p>Any grant funds disbursed by Triumph to the City shall be subject to being clawed back (a "clawback") if the City 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 the Contract, (ii) have breached a material representation or warranty made in the Contract, or (iii) have materially breached, violated, or is in any way in material default under any of its obligations under the Contract. If a substantial portion of Project Titan is not constructed, all grant funds disbursed by Triumph to the City shall be subject to repayment to Triumph.</p> <p>Clawback from MRO Lessee</p> <p>Prior to the initiation of Project Titan, the City will lease Project Titan ("MRO Lease") to MRO Lessee. The Contract will provide that the MRO Lease and the MRO Guaranty (as defined below) will each contain a clawback provision that provides for the following:</p> <p>(a) In order for the City to remain qualified for the Grant authorized in the Contract and for MRO Lessee to avoid imposition of sanctions as further set forth below, the MRO Lessee must meet the conditions below:</p> <p>(1) (A) Tier 1 Jobs: Prior to the end of the Job Maintenance Review Period for Tier 1 Jobs (as defined below), creation of 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) in Escambia County and maintenance of each of those jobs for at least three (3) years from the date of their creation. 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. In order for a Project Job under this paragraph (A) to have been created and maintained for three 3 years in accordance with the terms of this Agreement, it must have been created no later than three (3) years after the Date of Beneficial Occupancy of Hangar 4 of Project Titan, and maintained for at least three years after creation.</p>

	<p>Such period is herein referred to as the "Job Maintenance Review Period for Tier 1 Jobs."</p> <p>(B) Tier 2 Jobs: Creation of at least three hundred thirty one (331) [25% of 1,325] additional net new, private sector, full-time equivalent jobs in Escambia County and maintenance of each of those jobs during any three (3) years (which three years need not be consecutive) during the period beginning upon the termination of the Job Maintenance Review Period for Tier 1 Jobs and ending four (4) years thereafter. Such period is herein referred to as the "Job Maintenance Review Period for Tier 2 Jobs." 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 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).</p> <p>(C) Once 1,325 Project Jobs have been created in Escambia County and maintained in accordance with paragraphs (a)(1) (A) and (a)(1)(B) above, the jobs creation requirements of the Contract shall be considered satisfied and the Grant Performance Completion Date (hereinafter defined) shall be deemed to have occurred. As a start-up project, the Project will not have a "Base Period" for the calculation of Project Jobs. No Project Jobs may be transferred by the MRO Lessee from other parts of the State of Florida in fulfillment the jobs creation requirements described herein.</p> <p>(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 the Contract. <i>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.</i></p>
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(3) The "Grant Performance Completion Date" shall be the later of (a) the date on which the entirety of the Grant Award has been disbursed as described herein; or (b) the date on which the MRO Lessee shall have established as required herein that it has satisfied each requirement of this Paragraph (a).

(b) This Agreement may be terminated by Triumph upon failure of the MRO Lessee to comply with any material term or condition of the Contract to be performed or complied with by the MRO Lessee that has not been cured within thirty (30) days of MRO Lessee's receipt of written notice of default from Triumph, or a decision by the MRO Lessee not to proceed with the Project Titan. Notwithstanding the foregoing, the Triumph agrees to use its best efforts to accommodate MRO Lessee by extending the cure period for an appropriate period of time should such default arise beyond the reasonable control of the MRO Lessee, provided that the MRO Lessee is making diligent efforts to cure the default.

(c) Any termination under Paragraph (b) will result in the loss of eligibility for receipt of the Grant payments previously authorized. In addition, the MRO Lessee will be required to repay 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. MRO Lessee will be given credit against its repayment obligations in the amount of \$42,264.15 [$\$56,000,000 / 1,325$] for each Project Job created and maintained for three years in accordance with the requirements of the Contract and for any repayments that have been previously required.

(d) For any year during the Job Maintenance Review Period for Tier 1 Jobs that the average number of Project Jobs falls below 795 [80% of 994; 994 being 75% of 1,325], then the MRO Lessee shall repay an amount equal to one-fifth (1/5) of the Grant, together with interest thereon at a rate per annum determined as set forth in Paragraph (h) below from the date noncompliance is established until the applicable portion of the Grant is repaid.

(e)(1) For any year during the Job Maintenance Review Period for Tier 1 Jobs, that the average number of Project Jobs is between 795 and 993, then the MRO Lessee shall repay an amount calculated based on the following formula: the difference between 994 and the average number of Project Jobs for the applicable year multiplied by \$42,264.15, together with interest thereon at a rate per annum determined as set forth in Paragraph (h)

	<p>below from the date noncompliance is established until the applicable portion of the Grant is repaid.</p> <p>(e)(2) In the event that at the end of the Job Maintenance Review Period for Tier 2 Jobs the MRO Lessee has failed to achieve the creation and maintenance of 331 [25% of 1,325] additional Project Jobs in accordance with Paragraph (a)(1)(B) above during at least three years during the Job Maintenance Review Period for Tier 2 (which three years need not be consecutive), then the MRO Lessee shall repay an amount calculated based on the following formula: the number of Project Jobs by which the MRO Lessee failed to comply with Paragraph (a)(1)(B) multiplied by \$42,264.15.</p> <p>(f) If during the Job Maintenance Review Period for Tier 1 Jobs the MRO Lessee fails to achieve the creation and maintenance of 994 Project Jobs, then the MRO Lessee 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 MRO Lessee fails to comply with the benchmarks in the Compliance Plan within one (1) year of its institution, the Contract may be terminated by Triumph and the MRO Lessee shall be required to repay the Grant as described in Paragraph (b) above.</p> <p>(g) If the Grant Performance Completion Date has not occurred by the end of the Job Maintenance Review Period for Tier 2 Jobs (or such later date as may be agreed upon in the Compliance Plan described in paragraph (f) above), then the MRO Lessee shall be required to repay the Grant as described in Paragraph (c) above.</p> <p>(h) The interest rate per annum shall be determined by the annualized interest rate received by the State on funds in the State's Special Purpose Investment Account in January of the year in which the performance standard was not met by the MRO Lessee. This rate is published online at http://fltreaury.org. Additionally, the same interest penalty may be imposed for any period for which the required performance report is overdue, or during which period the MRO Lessee, after being notified in writing of any inadequacies in the performance report and/or the supporting documentation and being provided a 30-day period, or such longer period as contemplated by Paragraph (a) above, to cure any such inadequacies, has failed to correct the specified inadequacies.</p> <p>(i) The amount of any payment made by the MRO Lessee pursuant to Paragraph (d) and (e) shall be reduced by the amount, if any, of any prior recapture payments made by the</p>
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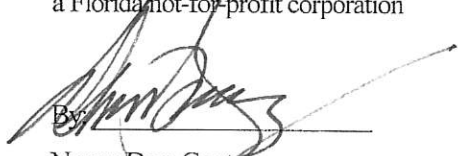
	<p>MRO Lessee in prior years. The amount required to be repaid pursuant to this Paragraph shall never exceed the value of the total Grant award plus interest as determined in Paragraph (h) above.</p> <p>(j) Any required undisputed repayment, together with interest thereon, is due to Triumph within thirty (30) days of receipt of written notice from Triumph.</p> <p>(k) Triumph, or its designated agent, may conduct on site visits of the Project facilities to verify the MRO Lessee's investment, employment and wage records and MRO Lessee will provide access to its facility during normal business working hours and to its financial records to accommodate such inspections. Triumph or its designated agent must provide the MRO Lessee notice of at least ten (10) business days before an impending on-site visit. All payments under this provision will be made by the MRO Lessee directly to Triumph.</p> <p>The MRO Lessee will be solely liable to Triumph for all such clawback payments. Such liability shall be established pursuant to a written guaranty agreement by MRO Lessee in favor of Triumph (the "MRO Guaranty") in form and substance satisfactory to Triumph and executed concurrently with the execution of the Contract. With regard to the clawback provision in the MRO Lease, Triumph will be designated a Third-Party Beneficiary to the MRO Lease with rights thereunder and may enforce the clawback provisions therein as if it were a party to the MRO Lease.</p> <p>If and to the extent City may lawfully do so, the City shall (i) bear fifty percent (50%) of the cost of Triumph's attorneys fees and costs incurred in connection with any enforcement actions of the clawback provision against MRO Lessee; and (ii) cooperate in all reasonable respects with Triumph's efforts to enforce the clawbacks, and/or the Contract shall provide that the City shall enforce the clawback provisions in the MRO Lease against the MRO Lessee and that any recovery shall be applied to the amounts owed Triumph under the clawback provisions. The parties agree that the Contract shall include more detailed provisions regarding the terms and conditions of the City's obligations under this paragraph.</p> <p>If during the Measurement Period there occurs (i) a United States recession as determined by the National Bureau of Economic Research (NBER) or (ii) significant damage to Facilities (more than fifty (50%) destroyed) due to one or more Force Majeure events that materially and adversely affect the MRO Lessee's business and its ability to comply with the Minimum Jobs Level, the MRO Lessee may exercise a one-time election to extend the Measurement Period by twenty four months without repayment penalty.</p> <p>Triumph shall have the discretion to waive, reduce, extend, or defer any amounts due under the claw back provisions if (i) it determines in its sole and absolute discretion that, based on quantitative evidence, the metrics</p>
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	were not achieved due to negative economic conditions beyond the City's control, including but not limited to MRO Lessee's inability to hire sufficient qualified workers, (ii) it determines in its sole and absolute discretion that the City's MRO Lessee made a good faith effort to achieve full performance metrics and its failure to fully achieve the 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 City's MRO Lessee's ability to achieve the metrics.
TRAINING OF QUALIFIED WORKFORCE	As soon as practicable after execution of the Contract, Triumph and MRO Lessee will develop a Memorandum of Understanding to jointly fund the establishment of an Aerospace Academy to train a qualified workforce for the aerospace and aviation industry in Northwest Florida. Such an academy may be operated by a public school district, institution of higher education, charter school, or other qualified provider eligible to apply for funding from Triumph.
ASSIGNMENT OF CONTRACT	Upon the corporate dissolution of Triumph, Triumph shall have the right to assign its right and obligations under the Contract to any person or entity.
OTHER TERMS AND CONDITIONS:	The Contract shall contain such other terms and conditions as required by Triumph and its counsel.

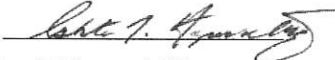
By signing below, the parties are indicating a willingness to proceed with having a draft grant award Contract prepared on substantially the terms set forth herein. However, as indicated above, this Term Sheet is merely intended for discussion and negotiation purposes only and (a) does not constitute a grant, or an approval of a grant, by Triumph to the City, and (b) does not create any binding obligations on Triumph or the City 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 City 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 Pensacola City Council and executed by Triumph and the City. At any time prior to such execution of a Contract either Triumph or the City may terminate negotiations, and upon such termination neither party shall have any liabilities or obligations to the other.

Dated: 10/23, 2018

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

By: 
Name: Don Gaetz
Title: Chairman

City of Pensacola
a Florida municipal corporation

By: 
Ashton J. Hayward, III
Mayor

