

TERM SHEET  
FOR  
GRANT AWARD  
AGREEMENT BETWEEN  
TRIUMPH GULF COAST,  
INC. AND  
PANAMA CITY-BAY COUNTY  
AIRPORT AND INDUSTRIAL  
DISTRICT  
(Project Gator/Project #231)

This Term Sheet summarizes the basic terms upon which Triumph Gulf Coast, Inc. (“**Triumph**”) is considering awarding a grant to Panama City – Bay County Airport and Industrial District (“**Grantee**”), 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 Grantee, and (b) does not create any binding obligations on Triumph or Grantee with respect to 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 Grantee with respect to any grant must be contained in a definitive grant award agreement (the “**Agreement**”), approved by Grantee and the Board of Directors of Triumph and executed by Triumph and Grantee. At any time prior to such execution of the Agreement, either Triumph or Grantee may terminate negotiations, and upon such termination, neither party shall have any liabilities or obligations to the other.

GRANT AMOUNT: \$4,780,800

PURPOSE: To provide partial funding for a project (the “**Project**”) that includes the construction of a 65,000 sq.ft two-bay narrow body hangar (“**Hangar**”) to be located at the Northwest Florida Beaches International Airport that will be owned by Space Florida, a State of Florida chartered governmental entity (“**Space Florida**”), who in turn will lease it to [Project Gator], an aviation and aerospace company (the “**Company**”), under a long-term ground lease (the “**Ground Lease**”), all as further described in Grantee’s Application for Funds submitted to Triumph (the “**Grant Application**”).

COMPETITIVE  
BIDS:

Grantee shall ensure that Space Florida obtain competitive bids for completion of the Project. Grantee shall ensure that Space Florida issue an invitation to bid to solicit competitive bids for materials and labor for the construction portion of the Project pursuant to Sections 180.24 and 255 et seq., Florida Statutes, or pursuant to the Consultant’s Competitive Negotiation Act as set forth in Section 287.055, Florida Statutes, as applicable (the “**CCNA**”). In awarding the contract pursuant to Sections 180.24 and 255 et seq., Florida Statutes, Grantee shall ensure that Space Florida award the contract to the lowest, responsive bidder considering the selection criteria contained within the invitation to bid, or in awarding the contract pursuant to CCNA, Grantee shall ensure that Space Florida award

the contract as provided in the CCNA and may include Company as a party or guarantor to the contract. Triumph shall have the right to approve the proposed award and the final contract (the “**Contract**”). Triumph shall have fifteen (15) days from the receipt of the submitted material to notify Grantee of its approval or disapproval of such proposed Contract. If Triumph fails to approve or disapprove of the Contract within such fifteen (15) day period, the Contract shall be deemed approved.

**FUNDING:**

The total cost of the Project is \$26,147,000, of which (i) Grantee is contributing \$2,600,000 for the construction of the infrastructure (Aircraft Parking Ramp), (ii) the Florida Department of Transportation (“**FDOT**”) is contributing \$2,600,000 for the construction of the infrastructure (Aircraft Parking Ramp), and (iii) the Company is contributing \$16,166,200 toward construction of the Hangar and purchase of equipment (items (i), (ii), and (iii) are collectively referred to herein as the “**Matching Funds**”), and (iv) \$4,780,800 is being provided by the Grant. The total estimated cost of the Project is based upon the Budget/Timeline attached hereto as Exhibit “A” (the “**Budget**”). To the extent that the actual cost of the Project exceeds \$26,147,000, Company shall be solely responsible for such excess.

Provided that (i) the Grantee is irrevocably committed to leasing to Space Florida the real property on which the Hangar is to be located, (ii) the FDOT portion of the Matching Funds have been irrevocably committed to the Project, (iii) the Company’s portion of the Matching Funds have been irrevocably committed to the Project, (iv) the Company and Space Florida have executed a binding and enforceable Ground Lease, (v) Space Florida and the Company have executed a binding and enforceable construction contract for the construction of the Hangar with a reputable commercial contractor, which contract shall provide for a commencement and prosecution of construction on a timeline substantially in accordance with the Budget/Timeline attached hereto (the “**Budget**”), and (vi) Grantee, Space Florida and the Company have submitted to Triumph satisfactory evidence of all of the foregoing, then thereafter, and not more than once per calendar month, Grantee may submit to Triumph a written Request for Funding (an “**Request for Funding**”) for the amounts of the invoice(s) owing by Grantee to Space Florida or by Space Florida to the contractors, materialmen, or vendors under the Contract for the Hangar construction portion of the Project; provided, however, that in no event shall the cumulative fundings made by Triumph exceed the \$4,780,800 maximum amount of the grant. Each Request for Funding shall include (A) reports in budget categories with copies of general ledger detail for the Project account (as defined below) showing itemized expenditures, (B) invoices from architects, engineers, contractors, materialmen, and other vendors performing construction; (C) invoices, purchase orders, or contracts from vendors providing equipment, materials, and services; (D) payroll ledgers, state and federal payroll returns, and other employment data, (E) documentation evidencing the completion of the work that is the subject of the requested funding, (F) to the extent that any portion of the current funding request is

for reimbursement of amounts already paid by Grantee or Space Florida, copies of cancelled checks evidencing that Grantee or Space Florida paid vendors, and to the extent that all or any portion of the prior month's funding was a disbursement for items to be paid rather than a reimbursement of amounts already paid, receipts evidencing that the funds disbursed in the prior month were in fact paid in the proper amounts to the proper vendors for such items, (G) evidence of payment and use of Matching Funds, 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 \$100,000. In no event shall the cumulative fundings made by Triumph exceed the \$4,780,800 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.

None of the grant shall be used as a reimbursement of items purchased by Grantee, Space Florida or the Company 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.

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

(a) Grantee fails to satisfy the conditions for funding 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 \$4,780,800 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 this Agreement;

(e) There is any pending litigation with respect to the performance by Grantee of any of its duties or obligations which may jeopardize or adversely affect the Project, this Agreement, or funding of the Grant;

(f) Grantee has taken any action pertaining to the Project which, under this 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) The Company and/or any federal, state, or local organization or agency (including Grantee, FDOT, **and QTI**) 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 a schedule of expenses approved by Triumph, 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, cancelled checks, wire transfer confirmations;

(m) Prior to the completion deadline for construction of the Hangar (December 31, 2022), (x) 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 (y) the Company has abandoned or discontinued construction and completion of the Hangar, or for any reason the commencement, prosecution, or timely completion of the Hangar by the Company is rendered improbable, infeasible, impossible, or illegal, or the Company has breached or defaulted under the Ground Lease resulting in the termination of the Ground Lease;

(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 this 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 increased or decreased by more than 5%; and/or Grantee's share of the Matching Funds has decreased by more than 5%;

(r) Completion of the Project is not on schedule for completion by the Completion Deadline;

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

(t) Grantee is not in 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.

HANGAR  
CONSTRUCTION/  
GROUND LEASE:

Grantee will enter into an agreement with Space Florida regarding the design and construction of the Hangar for the Company and Grantee's contribution toward the cost of design and construction. Grantee will process invoices for payment presented by Space Florida in accordance with the laws of the State of Florida and those described in the Agreement. Space Florida or the Company will be responsible for any cost over runs in the development, design and construction of the Hangar.

Grantee will execute a Ground Lease with Space Florida for the entire area associated with the Hangar and associated aircraft, vehicle and other ancillary parking or required ground leased areas.

ELIGIBLE  
COSTS/  
DOCUMENT-  
ATION:

Grantee shall seek funding only for costs of the Project as shown or contemplated under the Budget. All amounts paid by Grantee with respect to the Project shall be supported by properly executed invoices, contracts, and other records evidencing in proper detail the nature and propriety of the charges and use of the Matching Funds. Any check or order drawn by Grantee with respect to any item which is or will be chargeable against the Project account (as defined below) will be drawn only in accordance with a properly signed voucher then on file in the office of Grantee stating in proper detail the purpose for which such check or order is drawn. All checks, invoices, contracts, vouchers, orders, or other accounting documents pertaining in whole or in part to the Project shall be clearly identified, readily accessible, and, to the extent feasible, kept separate and apart from all other such documents.

MAINTENANCE  
OF RECORDS:

Grantee shall establish separate accounts to be maintained within its existing accounting system or establish independent accounts (the "Project account"). Records of costs incurred 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 grant payment is made. Copies of these documents and records shall be furnished to Triumph upon request. Records of costs incurred include Grantee's general accounting records and the Project records, together with supporting documents and records, of Grantee and all consultants and sub-consultants performing work on the Project and all other records of Grantee and consultants considered necessary by the 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. Grantee shall submit an annual report to Triumph on or before October 31 of each year reporting on the progress of the Project and the achievement of the forecasted number of certifications. Such annual report shall include copies of Grantee's audited financial statements.

TERMINATION  
OR  
SUSPENSION  
OF PROJECT:

If Grantee abandons or, before completion, finally discontinues the Project;

or for any other reason, the commencement, prosecution, or timely completion of the Project by Grantee is rendered improbable, infeasible, impossible, or illegal, Triumph will, by written notice to Grantee, suspend any or all of its obligations under the Agreement 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 Agreement. Upon receipt of any final termination or suspension notice, Grantee shall upon demand by Triumph remit to Triumph all or a portion of the grant previously received.

APPROVAL  
OF  
CONTRACTS/  
COM-  
PLIANCE  
WITH LAWS:

Triumph shall have the right to review and approve any and all third-party contracts (including the Contract) with respect to the Project before Grantee executes or obligates itself in any manner requiring the funding of Triumph funds. Grantee shall also comply with all applicable laws regarding public records, third party contracts, labor laws, civil rights laws, and environmental laws.

INSURANCE:

At all times during the term of the Agreement, Space Florida and the Company shall keep and maintain casualty insurance on all improvements, 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 can in fact be insured.

CLAWBACK:

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 the Grant Application, 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, and/or (iii) the Company fails to timely achieve both of the following performance metrics (the “Performance Metrics”):

(a) **Performance Metric #1:** As of the Ramp-up Date (as defined below), not less than 96 New Jobs (as defined below) shall have been created and exist at the Project. As used herein, the term “**Ramp-up Date**” shall mean the date which is three (3) years after the Commencement Date (as defined below). As used herein, “**Commencement Date**” shall mean the date which is the earlier to occur of (i) the date on which the Project is completed, or (ii) December 31, 2022. As used herein a “**New Job**” shall mean a full- time equivalent (FTE) job that qualifies under the Florida Qualified Target Industry (QTI) Tax Refund Program, paying a wage of not less than

\$46,875; and

(b) **Performance Metric #2:** The 96 New Jobs described in subparagraph (a) above are intended to be durable. Accordingly, during each consecutive one (1) year period after the Ramp-up Date, for a total of three (3) consecutive one (1) year periods, not less than 96 New Jobs shall be maintained at the Project.

In the event that, at the end of each of the Ramp-up Date and/or each consecutive one (1) year period after the Ramp-up Date, Company has failed to achieve the creation and maintenance of 96 New Jobs, Grantee shall pay to Triumph upon demand an amount calculated based on the following formula: (A) (1) 96 minus, (2) the actual number of New Jobs as of the applicable date, multiplied by (B) \$49,800.

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 were not achieved due to negative economic conditions beyond Company's control, (ii) it determines in its sole and absolute discretion that Company 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 Company's ability to achieve the metrics.

OTHER  
TERMS AND  
CONDITIONS:

The Agreement 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 Agreement 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 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. Any binding agreement between Triumph and Grantee with respect to any grant must be contained in a definitive grant award Agreement, approved by the Board of Directors of Triumph and Grantee and executed by Triumph and Grantee. At any time prior to such execution of the Agreement either Triumph or Grantee may terminate negotiations, and upon such termination neither party shall have any liabilities or obligations to the other.

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Dated: \_\_\_\_\_, 2020

TRIUMPH:GRANTEE:

Triumph Gulf Coast, Inc.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

A3990045.DOCX

Panama City – Bay County  
Airport and Industrial  
District

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

SPACE FLORIDA:

Space Florida

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

# EXHIBIT "A"

## BUDGET/TIMELINE

**Exhibit A**  
**Project #, name** Project Gator- Bay County Florida- Northwest Florida Beaches International Airport  
**Budget** Aug-20  
**Estimated construction start date if applicable** 1-May-21  
**Estimated education component start date if applicable** Phase 2 of Project is planned to begin in 2023

	Recruitment	Certs Completed	Personnel & Operations	Construction and Equipment	Total
Please change year # to actual year					
<b>Project Total</b>					
	2020	-	-	-	-
	2021	-	-	19,960,250.00	19,960,250.00
	2022	-	-	6,186,750.00	6,186,750.00
Calendar Year 4	-	-	-	-	-
Calendar Year 5	-	-	-	-	-
Calendar Year 6	-	-	-	-	-
Calendar Year 7	-	-	-	-	-
Calendar Year 8	-	-	-	-	-
Calendar Year 9	-	-	-	-	-
Calendar Year 10	-	-	-	-	-
Calendar Year 11	-	-	-	-	-
<b>Project Total</b>		-	-	26,147,000.00	26,147,000.00
<b>Triumph</b>					
	2020	-	-	-	-
	2021	-	-	4,000,000.00	4,000,000.00
	2022	-	-	780,800.00	780,800.00
Calendar Year 4	-	-	-	-	-
Calendar Year 5	-	-	-	-	-
Calendar Year 6	-	-	-	-	-
Calendar Year 7	-	-	-	-	-
Calendar Year 8	-	-	-	-	-
Calendar Year 9	-	-	-	-	-
Calendar Year 10	-	-	-	-	-
Calendar Year 11	-	-	-	-	-
<b>Triumph Total</b>		-	-	4,780,800.00	4,780,800.00
<b>Grantee- ECP Airport Authority</b>					
	2020	-	-	-	-
	2021	-	-	2,000,000.00	2,000,000.00
	2022	-	-	600,000.00	600,000.00
Calendar Year 4	-	-	-	-	-
Calendar Year 5	-	-	-	-	-
Calendar Year 6	-	-	-	-	-
Calendar Year 7	-	-	-	-	-
Calendar Year 8	-	-	-	-	-
Calendar Year 9	-	-	-	-	-
Calendar Year 10	-	-	-	-	-
Calendar Year 11	-	-	-	-	-
<b>Grantee Total</b>		-	-	2,600,000.00	2,600,000.00
<b>Match Source 1- Project Gator Company (Space Florida for construction)</b>					
Calendar Year 1	-	-	-	-	-
Calendar Year 2	-	-	-	11,960,250.00	11,960,250.00
Calendar Year 3	-	-	-	4,205,950.00	4,205,950.00
Calendar Year 4	-	-	-	-	-
Calendar Year 5	-	-	-	-	-
Calendar Year 6	-	-	-	-	-
Calendar Year 7	-	-	-	-	-
Calendar Year 8	-	-	-	-	-
Calendar Year 9	-	-	-	-	-
Calendar Year 10	-	-	-	-	-
Calendar Year 11	-	-	-	-	-
<b>Match Source 1 Total</b>		-	-	16,166,200.00	16,166,200.00
<b>Match Source 2- Florida Department of Transportation</b>					
Calendar Year 1	-	-	-	-	-
Calendar Year 2	-	-	-	2,000,000.00	2,000,000.00
Calendar Year 3	-	-	-	600,000.00	600,000.00
Calendar Year 4	-	-	-	-	-
Calendar Year 5	-	-	-	-	-
Calendar Year 6	-	-	-	-	-
Calendar Year 7	-	-	-	-	-
Calendar Year 8	-	-	-	-	-
Calendar Year 9	-	-	-	-	-
Calendar Year 10	-	-	-	-	-
Calendar Year 11	-	-	-	-	-
<b>Match Source 2 Total</b>		-	-	2,600,000.00	2,600,000.00
<b>Match Source 3- State of Florida and Bay County Qualified Target Industry Tax Refund (QTI)</b>					
	2020	-	-	-	-
	2021	-	-	-	-

	2022	-	-
	2023	-	-
	2024	19,500.00	19,500.00
	2025	42,000.00	42,000.00
	2026	42,000.00	42,000.00
	2027	72,000.00	72,000.00
	2028	52,500.00	52,500.00
	2029	30,000.00	30,000.00
	2030	30,000.00	30,000.00
<b>Match Source 2 Total</b>		<b>288,000.00</b>	<b>61,500.00</b>