

TERM SHEET FOR
GRANT AWARD AGREEMENT BETWEEN
TRIUMPH GULF COAST, INC.

AND

FLORIDA INSTITUTE FOR HUMAN AND MACHINE COGNITION, INC.

(Magnet Innovation Center – Emerald Coast Technical Center /Project #233)

This Term Sheet summarizes the basic terms upon which Triumph Gulf Coast, Inc. (“**Triumph**”) is considering awarding a grant (“**Grant**”) the Florida Institute for Human and Machine Cognition, Inc., a Florida not-for-profit corporation (“**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: \$6,078,795

PURPOSE: To provide partial funding for a project (the “**Project**”) that is intended to seed rapid growth of a business cluster focused on human performance by establishing a Center of Excellence focused on expanding work into the cutting-edge field of Human Healthspan, Resilience and Performance, all as further described in Grantee’s Application for Funds submitted to Triumph (the “**Grant Application**”).

FUNDING: The total cost of the Project is \$31,039,813, of which (A) (i) Grantee is contributing \$5,961,018, (ii) a private donor is contributing \$1,000,000, (iii) external matching grants will be contributing \$18,000,000 (collectively, the “**Matching Funds**”), and (B) \$6,078,795 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 \$31,039,813, Grantee shall be solely responsible for such excess.

Not more than once per calendar quarter, 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 equipment vendors for equipment purchased and/or for personnel costs paid, in each case as provided in the Budget. 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, purchase orders, or contracts from vendors providing equipment, materials, and services; (C) payroll ledgers, state and federal payroll returns, and other employment data, (D) other documentation evidencing purchase of supplies and equipment and completion of 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 cancelled checks evidencing that Grantee 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, (F) evidence of payment and use of Matching Funds as contemplated in the Budget, and (G) 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 \$6,078,795 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 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) 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 \$6,078,795 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 Grantee and/or any private person, federal, state, or local organization or agency, or any other organization, 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 the Project, 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;

(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;

(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 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.

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 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 Grantee is progressing toward satisfaction of the Performance Metrics (as defined below), and (d) Grantee's most recent audited financial statements. 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.

**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 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, Grantee shall keep and maintain casualty insurance on all 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 can in fact be insured.

CLAWBACK:

Any and all 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, and/or (iii) Grantee fails to timely achieve both of the following performance metrics (the “Performance Metrics”):

(a) **Performance Metric #1:** As of December 31, 2031, Grantee shall have been awarded not less than Eighteen Million Dollars (\$18,000,000) in competitively awarded research grants that support the broader objectives of the Project; and

(b) **Performance Metric #2:** Grantee shall have provided substantive collaborative assistance and mentoring in local entrepreneurial outreach and support to at least 45 different businesses within the eight disproportionately affected counties under Section 288.8012(3), Florida Statutes (Bay, Escambia, Franklin, Gulf, Okaloosa, Santa Rosa, Walton, and Wakulla) (the “**Affected Counties**”), in accordance with the following schedule: 10 such business during the first year following the execution of the Agreement; 15 such business during the second year following the execution of the Agreement; and 20 such business during the third year following the execution of the Agreement. This outreach support will be executed via collaboration with Andrews Research and Educational Foundation (AREF), JAG Consulting, Oxefit, TechFarm Capital, other venture capital and incubation organizations, and personalized medicine

organizations with technology transfer capabilities. During the first three years of the effort, Grantee shall hold quarterly commercialization meetings with AREF, Oxefit, JAG Consulting and other local technology transfer organizations to investigate the current state of Grantee's human performance research commercialization opportunities, other human performance organization opportunities, and further human performance cluster spin-off establishment and growth in the Northwest Florida region

Triumph shall have the discretion to waive, reduce, extend, or defer any amounts due above if it determines in its sole and absolute discretion that (i) a breach of a representation and warranty in the Agreement or in the Grant Application, or a breach, violation, or default of or under any other provision of this Agreement, was not material in nature, (ii) based on quantitative evidence, Grantee's failure to achieve one or both of the Performance Metrics was due to negative economic conditions beyond Grantee's reasonable control, (iii) Grantee made a good faith effort to achieve both of 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 Grantee's ability to achieve one or both of the Performance 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.

Dated: January 22, 2021

TRIUMPH:

Triumph Gulf Coast, Inc.

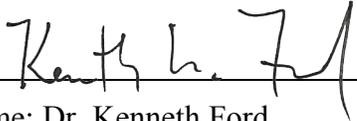
By: _____

Name: _____

Title: _____

GRANTEE:

Florida Institute for Human and Machine
Cognition, Inc., a Florida not-for-profit
corporation

By:  _____

Name: Dr. Kenneth Ford

Title: Director/Chief Executive Officer

EXHIBIT "A"

BUDGET/TIMELINE

[see attached]

Exhibit A
 IHMC Center for Human Healthspan, Resilience and Performance (the Center)
 Budget

		Supplies & Equipment	Personnel	Facilities	External Match	Total
Project Total						
	2020	732,621.72	2,937,445.23	-	-	3,670,066.95
	2021	805,060.00	1,225,332.00	7,560.00	-	2,037,952.00
	2022	748,615.33	1,860,416.33	7,560.00	-	2,616,591.67
	2023	748,615.33	2,472,715.33	7,560.00	-	3,228,890.67
	2024	798,615.33	687,696.33	-	3,000,000.00	4,486,311.67
	2025	-	-	-	-	-
	2026	-	-	-	-	-
	2027	-	-	-	-	-
	2028	-	-	-	-	-
	2029	-	-	-	-	-
	2030	-	-	-	-	-
		-	-	-	15,000,000.00	15,000,000.00
Project Total		3,833,527.72	9,183,605.23	22,680.00	18,000,000.00	31,039,812.95
Triumph						
	2020					-
	2021	805,060.00	614,800			1,419,860.00
	2022	748,615.33	837,696			1,586,311.67
	2023	748,615.33	837,696			1,586,311.67
	2024	798,615.33	687,696			1,486,311.67
	2025					-
	2026					-
	2027					-
	2028					-
	2029					-
	2030					-
	2031					-
Triumph Total		3,100,906.00	2,977,889.00	-	-	6,078,795.00
Grantee						
	2020	732,621.72	1,937,445.23			2,670,066.95
	2021		610,532.00	7,560.00		618,092.00
	2022		1,022,720.00	7,560.00		1,030,280.00
	2023		1,635,019.00	7,560.00		1,642,579.00
	2024					-
	2025					-
	2026					-
	2027					-
	2028					-
	2029					-
	2030					-
	2031					-
Grantee Total		732,621.72	5,205,716.23	22,680.00	-	5,961,017.95
Private Donor						
	2020		1,000,000.00			1,000,000.00
	2021					-
	2022					-
	2023					-

Exhibit A
 IHMC Center for Human Healthspan, Resilience and Performance (the Center)
 Budget

	Supplies & Equipment	Personnel	Facilities	External Match	Total
2024					-
2025					-
2026					-
2027					-
2028					-
2029					-
2030					-
2031					-
Match Source 1 Total	-	1,000,000.00	-		1,000,000.00
External Match					
2020					
2021					-
2022					-
2023					-
2024				3,000,000.00	3,000,000.00
2025					-
2026					-
2027					-
2028					-
2029					-
2030					-
2031				15,000,000.00	15,000,000.00
Match Source 2 Total	-	-	-	18,000,000.00	18,000,000.00

Exhibit A

IHMC Center for Human Healthspan, Resilience and Performance (the Center)

Detail of Project Account to Date

	Date	Supplies & Equipment	Personnel	Facilities	External Match	Total
Project Total		3,833,527.72	9,183,605.23	22,680.00	18,000,000.00	31,039,812.95
Triumph		3,100,906.00	2,977,889.00	-	-	6,078,795.00
Funding Request #1		-	-	-	-	-
Funding Request #2		-	-	-	-	-
Funding Request #3		-	-	-	-	-
Funding Request #4		-	-	-	-	-
Funding Request #5		-	-	-	-	-
Funding Request #6		-	-	-	-	-
Funding Request #7		-	-	-	-	-
Funding Request #8		-	-	-	-	-
Funding Request #9		-	-	-	-	-
Funding Request #10		-	-	-	-	-
Funding Request #11		-	-	-	-	-
Funding Request #12		-	-	-	-	-
Funding Request #13		-	-	-	-	-
Funding Request #14		-	-	-	-	-
Funding Request #15		-	-	-	-	-
Funding Request #16		-	-	-	-	-
Funding Request #17		-	-	-	-	-
Funding Request #18		-	-	-	-	-
Triumph Total		-	-	-	-	-
Remaining		3,100,906.00	2,977,889.00	-	-	6,078,795.00
Total Grantee Documented Funds Expended		-	-	-	-	-
Grantee Funding #1		-	-	-	-	-
Grantee Funding #2		-	-	-	-	-
Grantee Funding #3		-	-	-	-	-
Grantee Funding #4		-	-	-	-	-
Grantee Funding #5		-	-	-	-	-
Grantee Funding #6		-	-	-	-	-
Grantee Funding #7		-	-	-	-	-
Grantee Funding #8		-	-	-	-	-
Grantee Funding #9		-	-	-	-	-
Grantee Funding #10		-	-	-	-	-
Grantee Funding #11		-	-	-	-	-
Grantee Funding #12		-	-	-	-	-
Grantee Total		-	-	-	-	-
Remaining		-	-	-	-	-
Proof of payment		-	-	-	-	-
Other Sources expended #1		-	-	-	-	-
Other Sources expended #2		-	-	-	-	-
Other Sources expended #3		-	-	-	-	-
Other Sources expended #4		-	-	-	-	-
Other Sources expended #5		-	-	-	-	-
Other Sources expended #6		-	-	-	-	-
Other Funding Sources Total		-	-	-	-	-