

TERM SHEET FOR
GRANT AWARD AGREEMENT BETWEEN
TRIUMPH GULF COAST, INC.
AND
PENSACOLA-ESCAMBIA PROMOTION AND DEVELOPMENT COMMISSION
(Project #259)

This Term Sheet summarizes the basic terms upon which Triumph Gulf Coast, Inc. (“**Triumph**”) is considering awarding a grant to the Pensacola-Escambia Promotion and Development Commission, Inc. (“**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: \$2,500,000 (the “**Grant**”)

PURPOSE: To provide partial funding for a project (the “**Project**”) to acquire land and renovate a 172,000+- square foot building thereon (collectively, the “**Property**”) at Ellyson Field Industrial Park in Pensacola, Florida, which Property will then be leased by Grantee to a pharmaceutical drug research and manufacturing company to be named later (the “**Company**”) all as further described in Grantee’s Application for Funds submitted to Triumph (the “**Grant Application**”).

TOTAL PROJECT
COST:

The estimated total cost of the Project is \$17,665,000, as more fully shown in the Budget attached hereto as **Exhibit “A”** and incorporated herein (the “**Budget**”), with the Grant providing \$2,500,000 of that amount and other funding sources providing \$15,165,000 of that amount (the “**Matching Funds**”).

CONDITIONS
FOR GRANT:

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

(a) **Contract for Purchase of the Property/Closing.** No Grant funds shall be disbursed to Grantee unless Grantee and the current owner of the Property, Hitachi Cable America, Inc. (“**Seller**”) shall have entered into a binding and enforceable purchase and sale agreement (the “**Purchase Agreement**”), pursuant to which Grantee agrees to purchase, and Seller agrees to sell, the Property. In addition, no Grant funds shall be disbursed to Grantee (i) unless and until all conditions precedent to Grantee’s obligations under the Purchase Agreement have been satisfied or have been waived by Grantee, (ii) if any event or condition has arisen that could reasonably be expected to render the timely purchase and renovation of the Property as contemplated in the Grant Application by December 31, 2023 infeasible, impracticable, or illegal, (iii) unless and until Grantee and Seller are ready, willing, and able to consummate the purchase and sale of the Property on and subject to the terms set forth in the Purchase Agreement, (iv) unless and until the closing and consummation of the purchase and sale of the Property on and subject to the terms set forth in the Purchase Agreement (the “**Closing**”) is scheduled for a date certain with a title insurance company or law firm (“**Closing Agent**”) reasonably acceptable to Triumph, (v) unless and until Triumph has reviewed and approved the deed and the settlement statement for the closing of the transaction, and (vi) unless and until the Closing Agent has executed closing instructions acceptable to Triumph, pursuant to which, among other things, the Closing Agent agrees that, if the Closing fails to occur for any reason, Closing Agent agrees to return to Triumph any Grant funds provided by Triumph to the Closing Agent (whether such Grant funds were delivered directly by Triumph to Closing Agent or delivered by Triumph to Grantee, who in turn delivered them to Closing Agent). In the event the Closing does not occur for any reason, then upon the return of the Grant funds to Triumph, the Grant shall be deemed automatically rescinded and revoked and the Agreement shall be deemed automatically terminated and of no further force or effect and the parties hereto shall have no further liabilities or obligations to each other.

(b) **Matching Funds.** No Grant funds shall be disbursed to Grantee unless there are irrevocable and legally enforceable Matching Funds commitments from Grantee and private sector sources totaling not less than \$15,165,000 to be used exclusively toward completion of the Project as shown in the Budget.

(c) **Lease.** No Grant funds shall be disbursed to Grantee unless Grantee, as lessor, and the Company, as lessee, shall have entered into a binding and enforceable lease agreement (the “**Lease**”), pursuant to which Grantee agrees to lease the Property to the Company (i) at a rental rate of not less than fair value, for a term of not less than ten (10) years, (ii) with a covenant that the Company must pay to Grantee any Clawback Amount (as defined below) that Grantee owes to Triumph, and (iii) such other terms as the parties shall agree. Triumph shall have the right to review and approve the Lease. Triumph shall have forty-five (45) days from receipt of the Lease to approve or disapprove it, and Triumph’s failure to either approve or disapprove the Lease within such forty-five (45) day period shall be deemed approval.

FUNDING:

Concurrently with the execution of the Agreement, Grantee may submit to Triumph a Request for Funding (a “**Request for Funding**”) in the full amount of the Grant (Two Million Five Hundred Thousand Dollars (\$2,500,000)) to be used in connection with Grantee’s purchase of the Property in accordance with the Budget. The Request for Funding shall include evidence that all conditions and contingencies set forth above have been satisfied. Upon Triumph’s receipt of (a) notification to the Program Administrator, and (b) a Request for Funding that includes evidence that all conditions and contingencies set forth above have been satisfied, Triumph shall have forty-five (45) days from receipt to review and either approve or disapprove the Request for Funding. If Triumph approves the Request for Funding, then it shall fund the approved amount 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. If Triumph approves the Request for Funding, Triumph shall, at its option, fund the Grant either to Grantee or directly to the Closing Agent.

The Grant shall be used solely for the purchase of the Property (including the purchase price and customary closing costs) and for no other purposes. Without limiting the generality of the foregoing, 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 for the Purchase of the Property 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 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. Rent payments under the Lease shall not be deemed a reimbursement, return, refund, rebate, or other credit for purposes of the foregoing.

Triumph will honor the Request for Funding; provided, however, that Triumph may elect by notice in writing not to make the funding if:

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

(b) The Request for Funding seeks funding for items other than for the purchase of the Property (including the purchase price and customary closing costs);

(c) The amount requested for funding under the Request for Funding exceeds the \$2,500,000 maximum amount of the Grant;

(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 with respect to the performance by Grantee of any of its duties or obligations which may jeopardize or adversely affect the Project, the Agreement, or funding of the Grant;

(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, any federal, state, or local organization or agency, and/or any private entity providing financial assistance to the Project (including, but not limited to, any private sector sources) have revoked, suspended, or terminated that financial assistance to the Project, including, but not limited to, the Matching Funds; or

(k) 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.

ELIGIBLE
COSTS/
DOCUMENT-
ATION:

All amounts paid by Grantee with respect to the Project for both the purchase and the renovation of the Property 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. 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 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 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 five (5) 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 with attainment toward achieving the Performance Metrics (as defined below), and (d) Grantee's most recent audited financial statements. 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.

COMPLIANCE
WITH LAWS:

Grantee shall comply with all applicable laws regarding public records, third party contracts, labor laws, civil rights laws, and environmental laws.

INSURANCE:

Grantee shall keep and maintain or cause to be maintained casualty insurance on all improvements, fixtures, and equipment, that constitute the Project, the cost of which was in whole or in part funded using the Grant, but only to the extent that such equipment and improvements can in fact be insured. In the event of the loss of such equipment or improvements, Grantee shall either replace the improvements, fixtures, and equipment, or reimburse Triumph to the extent the Grant was used to purchase or such improvements, fixtures, and equipment

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 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) both of the following performance metrics (the “**Performance Metrics**”) set forth in subparagraphs (a) and (b) below are not achieved, then Grantee shall upon written demand by Triumph repay to Triumph some or all portions of Grant theretofore funded to and received by Grantee:

(a) **Performance Metric #1:** By the date (the “**Performance Commencement Date**”) which is the earlier of (i) three (3) years after the date that the renovations of the Property have been substantially completed as evidenced by a certificate of occupancy, or (ii) December 31, 2025, the Company will have created at least 63 New Jobs (as defined below); and

(b) **Performance Metric #2:** All of the 63 New Jobs shall have been maintained for at least three (3) years after the Performance Commencement Date.

As used herein, a “**New Job**” shall mean a job with the Company at the Property that (a) has an average wage of not less than \$61,204, (b) was created after November 18, 2021, (c) could not be sustained absent the availability of the Property, and (d) 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 New Jobs if they are (A) moved from one business to another business within the Company 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), (B) moved from one business unit or location of a business or any of its affiliates or subsidiaries in Florida to another business unit or location of that business or any of its affiliates or subsidiaries 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 (C) temporary construction jobs involved with the construction of the Project, 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 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.

In the event Grantee fails to timely achieve the Performance Metrics described above, then, upon written demand by Triumph, Grantee shall within ninety (90) days of such demand repay to Triumph an amount of the Grant proportional to the jobs shortfall, based on \$39,683 per job (see the basis for this number below). For example, if there is a shortfall of 1 job (62 jobs created or maintained instead of 63), then the amount owed would be \$39,683 (1 x \$39,683), and if there is a shortfall of 20 jobs (43 jobs created or maintained instead of 63), then the amount owed would be \$793,660 (20 x \$39,683). The \$39,683 per job amount is determined by dividing the \$2,500,000 Grant amount by the 63 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 “**Clawback Amount**”).

Notwithstanding the foregoing, Triumph shall have the discretion to waive, reduce, extend, or defer any 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 Grantee’s reasonable control, (iii) 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 Grantee's ability to achieve the Performance Metrics.

OTHER
TERMS AND

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.

[signature page follows]

Dated: _____, 2021

TRIUMPH:
Triumph Gulf Coast, Inc.

By: _____
Name: _____
Title: _____

GRANTEE:
Pensacola-Escambia Promotion and
Development Commission

By: _____
Name: _____
Title: _____

EXHIBIT “A”

BUDGET

[see attached]

Exhibit B as of
Project Name and Number

PIONEER #259

Budget

Estimated Construction Start Date if applicable

Estimated Education component start date if applicable

	Facility	Renovation, Equipment & Furnishings	Total
Project Total			
2022	8,400,000.00	2,415,000.00	10,815,000.00
2023	-	4,250,000.00	4,250,000.00
2024	-	1,300,000.00	1,300,000.00
2025	-	1,300,000.00	1,300,000.00
Project Total	8,400,000.00	9,265,000.00	17,665,000.00
Triumph			
2022	2,500,000.00		2,500,000.00
2023			-
2024			-
2025			-
Triumph Total	2,500,000.00	-	2,500,000.00
Match Funding			
2022	5,900,000.00	2,415,000.00	8,315,000.00
2023		4,250,000.00	4,250,000.00
2024		1,300,000.00	1,300,000.00
2025		1,300,000.00	1,300,000.00
Grantee Total	5,900,000.00	9,265,000.00	15,165,000.00