

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

AND

THE CITY OF PENSACOLA
(Project Maeve/Project #367)

This Term Sheet summarizes the basic terms upon which Triumph Gulf Coast, Inc. (“**Triumph**”) is considering awarding a grant to the City of Pensacola (“**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 (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 (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: Up to \$76,000,000 (the “Grant”)

PURPOSE: To provide partial funding to support a major expansion that will establish a private sector company’s (the “**Company**”) Tier 2 advanced ship manufacturing facility (the “**Property**”) at the Port of Pensacola, or other City of Pensacola locations (the “**Project**”), to include construction costs associated with building two new shipbuilding facilities (collectively, the “**Facility**”), that will be leased to the Company, to support the operations of the Company, which operations will provide 2,000 Net New Jobs (as defined below), all as further described in Grantee’s Application for Funds submitted to Triumph (the “**Grant Application**”).

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) **Matching Funds.** No Grant funds shall be disbursed to Grantee unless there are irrevocable and legally enforceable Matching Funds commitments as described in the Budget (defined below) totaling not less than \$199,000,000, which will be provided by the Grantee, the Company, Florida Commerce, and other governmental entities to be exclusively used toward completion of the Project and/or Facility as shown in the Budget.

(b) **Lease.** No Grant funds shall be disbursed to Grantee unless Grantee, as lessor, and Company, as lessee, shall have entered into a binding and enforceable lease agreement (the “**Lease**”), pursuant to which Grantee agrees to lease the Facility to the Company (i) for a term of not less than twenty-five (25) years; (ii) with a covenant that the Company must pay to Triumph any Performance Metric Clawback Amount (as defined below) owed to Triumph in the Performance Agreement (as defined below), and (iii) such other terms as the parties shall agree. Triumph shall have the right to review and approve the Lease. Triumph shall have fifteen (15) days from receipt of the Lease to approve or disapprove it, and Triumph’s failure to either approve or disapprove the Lease within such fifteen (15) day period shall be deemed approval. In the event of disapproval, Grantee shall have thirty (30) days to cure any specific objections raised by Triumph.

(c) **Performance Agreement.** No Grant funds shall be disbursed unless and until (i) Grantee has delivered to Triumph, concurrently with the execution of this Agreement, a Performance Guaranty Agreement (“**Performance Agreement**”) in the form attached hereto as Exhibit “A”, executed by the Company, pursuant to which the Company agrees to assume the liability and obligation for the satisfaction of the Performance Metrics (as defined below), the payment of the Performance Metric Clawback Amount (as defined below), and to contribute to the Project not less than \$176,724,834 in Matching Funds (as defined below), of which at least \$31,724,834 shall be used exclusively toward completion of the Facility as shown in the Budget, and (ii) Triumph approves, in its sole and absolute discretion, such Performance Agreement. All parties, including the Company, acknowledge that the Performance Agreement represents a legally enforceable commitment from the Company to provide not less than \$176,724,834 in total Matching Funds.

APPROVAL OF
THE COMPANY:

Triumph shall have the right to approve the selection of the Company, and the Company must qualify as being within a designated target industry under Section 288.005(7), Florida Statutes.

COMPETITIVE
BIDS:

For contracts and/or purchases exceeding \$325,000, Grantee shall obtain competitive bids when required under the applicable laws, statutes, ordinances, rules and regulations when purchasing services or commodities, or contracting for construction or renovations to public property, and Grantee shall upload a copy of the applicable standards or procedures to Triumph’s SmartSheet system and submit for Triumph review. When awarding contracts according to the applicable laws, statutes, ordinances, rules and regulations, Grantee shall award the contract to the lowest cost qualified responsive bidder considering the selection

criteria contained within the solicitation.

PLANS AND

SPECIFICATIONS:

Grantee shall upload to SmartSheet for Triumph’s review and approval of the plans and specifications for the construction and any proposed changes to said plans and specifications \$65,000 or greater. Triumph shall have fifteen (15) days from receipt of the plans and specifications or proposed change to notify Grantee of its approval or disapproval, which approval shall not be unreasonably withheld. Any disapproval shall be in writing and shall state with specificity the reason(s) for such disapproval. Upon any disapproval, Grantee may revise plans and specifications or proposed change (“Revised Plans”) for resubmission for approval or disapproval by Triumph. Triumph shall have fifteen (15) days from receipt of the Revised Plans to notify Grantee of its approval or disapproval of Revised Plans. If Triumph fails to approve or disapprove of the plans and specifications or proposed change or Revised Plans within such fifteen (15) day periods, the plans and specifications or proposed change or Revised Plans shall be deemed approved. **If Grantee fails to upload and notify Triumph, that failure shall be sufficient cause for nonpayment by Triumph.**

Triumph and Grantee agree for the Company to have review and approval rights related to the design and construction of the Facility incorporated into the Lease, to the extent permitted under applicable law, provided that Triumph shall have the authority to review and approve any changes, modifications, or comments proposed by the Company after exercising its right to review and approve.

COMPLIANCE WITH
CONSULTANTS’

COMPETITIVE

NEGOTIATION:

Grantee shall be deemed an “Agency” under, and shall comply in full with, the provisions of Chapter 287.055, Florida Statutes, Consultants’ Competitive Negotiation Act with respect to engineering, architecture or surveying services, and shall certify to Triumph that all selections have been accomplished in compliance with said statute.

OWNERSHIP OF
EQUIPMENT AND

IMPROVEMENTS:

All buildings and permanent improvements purchased with Grant funds shall be owned by Grantee. The Company shall own all of the furniture, fixtures, and equipment that the Company purchases without Triumph funds.

FUNDING:

The total cost of the Project is \$275,000,000, which is comprised of the following: (i) a match is being contributed by Grantee and others in the amount of \$199,000,000 (the “**Matching Funds**”), and (ii) up to \$76,000,000 is being provided by the Grant. The total estimated cost of

the Project is based upon the Budget attached hereto as Exhibit “B” (the “**Budget**”). To the extent that the actual cost of the Project exceeds \$275,000,000, Grantee and Company shall be responsible for such excess.

Grantee shall submit to Triumph a separate Request for Funding for each Budget category (a “**Request for Funding**”) in accordance with the Budget and shall submit information pursuant to a SmartSheet system by Grantee’s authorized users. Each Request for Funding shall request no more than fifty-eight and forty-six hundredths percent (58.46%) of the amount of the invoice(s) actually paid to the contractor, architect, engineers, materialmen, and other vendors performing the construction, which represents Triumph’s percentage share of the construction cost of the Project (with Grantee incurring the remaining costs out of the Matching Funds), provided that Triumph shall have the discretion to deviate from this percentage share to the benefit of Grantee for the final payment made hereunder. Each Request for Funding may only be submitted after Triumph’s approval of the immediately preceding Request for Funding. Each Request for Funding shall include the following items (A) through (H): (A) completed detailed Project account spreadsheet (i.e., in a tab on the Budget); (B) a completed Expense Itemization Sheet in a form provided by Triumph (“**Expense Itemization Sheet**”) for each category of funds requested and for Matching Funds category, together with invoices, receipts, or contracts from vendors providing equipment, materials, labor, and services; (C) payroll ledgers, percentage of time dedicated to the Project, and job descriptions as they relate to the Project; (D) documentation evidencing the completion of the work that is the subject of the requested funding; (E) to the extent that any portion of the current funding request is for reimbursement of amounts already paid by Grantee, copies of front and back of cancelled checks for funding; (F) to the extent that all or any portion of the prior funding was a disbursement for items to be paid rather than a reimbursement of amounts already paid, a completed Expense Itemization Sheet and receipts or other documentation evidencing that the funds disbursed previously were in fact paid in the proper amounts to the proper vendors for such items, including copies of front and back of cancelled checks for funding; (G) copies of the insurance policies required under the Agreement and evidence that such policies are in current force and effect; and (H) such other documents as Triumph shall require in order to determine that the funding is consistent with the purposes of the Grant. Grantee shall notify the Triumph Program Administrator via email each time a Request for Funding is submitted. Other than the first and final Request for Funding, no single Request for Funding shall be submitted for a funding request amount of less than \$1,900,000. For Grantee’s first Request for Funding, Grantee shall be permitted to submit a request for a funding amount of not less than \$760,000. In no event shall the cumulative fundings made by Triumph exceed the \$76,000,000 maximum amount of the Grant. Upon Triumph’s receipt of (a) notification to the Program

Administrator, and (b) a Request for Funding that includes all required supporting documents, Triumph shall have forty-five (45) days from receipt to review and either approve or disapprove of a Request for Funding. If Triumph approves a Request for Funding, then it shall fund the approved amount to Grantee within thirty (30) days after approval. If Triumph disapproves a Request for Funding, Triumph shall deliver a notice of disapproval within such forty-five (45) day period that states the reasons for such disapproval. If the stated reasons for disapproval can be cured by Grantee's submittal of missing or corrective items, Grantee shall have thirty (30) days following receipt of the notice of disapproval to submit such missing or corrective items. If Triumph fails to notify Grantee of its decision to approve or disapprove of the Request for Funding within forty-five (45) days of receipt, such Request for Funding shall be deemed disapproved.

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

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

Triumph will honor Requests for Funding; provided, however, that Triumph may elect by notice in writing to reject all or a portion of a Request for Funding if:

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

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

(c) The amount requested for funding under the Request for Funding, together with all amounts previously funded under the Grant, would exceed the \$76,000,000 maximum amount of the Grant; or the amount requested for funding under the Request for Funding for a particular Budget category, together with all amounts previously funded for such Budget category, would exceed the maximum amount allocated to such Budget category; or Grantee failed to use any Grant funds funded to date in the amounts and for the purposes stated in the Budget;

(d) Grantee made a misrepresentation or omission of a material nature in the Grant Application, or any supplement or amendment to the Grant Application, or with respect to any document or data furnished with the Grant Application or pursuant to the Agreement;

(e) There is any pending litigation that directly relates to the Project, this Agreement, or Grantee's ability to complete the Project, and which may jeopardize or materially adversely affect the Project, this Agreement, or funding of the Grant, to be determined in Triumph's full and absolute discretion;

(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, the Company, and/or any federal, state, or local government, organization or agency providing financial assistance to the Project has revoked, suspended, or terminated that financial assistance to the Project, including, but not limited to, the Matching Funds;

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

(l) With respect to previous fundings of the Grant and payments under contracts, Grantee has failed to pay, or has failed to

provide Triumph with evidence of payment of, the Grant for the purposes of such funding. Such evidence shall include, but not be limited to, payroll ledgers, state and federal payroll returns, job descriptions, invoices, cancelled checks, wire transfer confirmations;

(m) Prior to the earlier of ten (10) years after the Ramp-Up Deadline or December 31, 2045 (the “**Project Completion Deadline**”) and May 1, 2029 (the “**Construction Completion Deadline**”), Grantee has abandoned or discontinued the Project, or for any reason the commencement, prosecution, or timely completion of the Project by Grantee is rendered improbable, infeasible, impossible, or illegal, or the Company has failed to make substantial progress toward achieving not less than 2,000 Net New Jobs as reported in Grantee’s annual report submitted by October 31 of each funding year;

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

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

(p) Intentionally omitted;

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

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

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

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

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

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

ELIGIBLE
COSTS/
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. All checks, invoices, contracts, vouchers, orders, or other accounting documents pertaining in whole or in part to the Project shall be clearly identified and readily accessible.

MAINTENANCE
OF RECORDS:

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

AUDITS:

The Grant shall be subject to audits and/or monitoring by Triumph. Grantee shall on an annual basis on or before October 31 of each year submit to Triumph an activity report which contains, in addition to any other information requested by Triumph (a) the progress of the Project, (b) costs incurred to date, (c) how the Company is progressing toward achieving not less than 2,000 Net New Jobs, (d) Grantee's most recent audited financial statements, (e) a completed detailed Project account spreadsheet (i.e., in a tab on the Budget), (f) a completed Expense Itemization Sheet for each category of Grant funds previously disbursed and for Matching Funds category, together with invoices, receipts, or contracts from vendors providing equipment, materials, and services, (g) documentation evidencing the completion of the work to date, and (h) such other documents as Triumph shall require in order to determine that the Grant funds previously disbursed and Matching Funds used to date are consistent with the purposes of the Grant. The Company's failure to be making substantial progress toward achieving not less than 2,000 Net New

Jobs, to be reported in Grantee's annual report submitted by October 31 of each funding year, shall be grounds for suspension or termination of funding any unfunded portion of the grant.

During the construction of the Facility, the Grantee shall on a quarterly basis to begin after initial groundbreaking and until obtainment of certificate of occupancy or other similar designation, submit to Triumph an activity report, which includes, at a minimum, (a) the progress of construction of the Facility and Project generally, including documentation evidencing the completion of the work to date, (b) the cost of the Project incurred to date, (c) contractor monthly reports, (d) reports evidencing the payment of Grant funds and/or Matching Funds toward construction of the Facility, which reports shall include copies of invoices, receipts, or contracts from vendors providing labor, materials and other in connection with the construction of the Facility, together with any of the other items listed in (A) – (H) of "Funding" above, (d) evidence that the insurance required under the Grant Award Agreement is being maintained by the party responsible therefor, (e) an overview of planned future activity for the following quarter, and (e) such other documents as Triumph shall reasonably require in order to determine that construction of the Facility is being completed in accordance with the Plans and Specifications and that Matching Funds used to date are consistent with the purposes of the Grant. Said quarterly construction/renovation reports must be submitted one month following the end of each quarter, or on or before April 30, July 31, October 31, and January 31 of each year so monitored. Upon completion of construction of the Facility, Grantee shall provide Triumph with (a) a certificate of occupancy for the Facility issued by the applicable governmental agency, and (b) a certificate from the architect of the Facility certifying that the Facility has been completed substantially in accordance with, and without material deviation from, the Plans and Specifications and that the Facility complies with all applicable laws and ordinances, including but not limited to, applicable building, health, and safety codes, and development orders, and is in all respects ready for occupancy.

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.

RESTRICTIONS
ON USE OF
REVENUE:

With respect to the lease revenue received by Grantee with respect to the use of the Facility by a Company (the "**Lease Revenue**"), such Lease Revenue shall be used solely for (i) economic development activities that do not supplant, or otherwise deduct from the funding of, other economic

development activities typically funded by Grantee, and (ii) the operation, maintenance, and repair of the Facility. Upon request by Triumph, Grantee shall provide to Triumph records confirming the receipt and use of Lease Revenue as described above.

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 shall have the right, by written notice to Grantee, to 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, and if not timely corrected, 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/
COMPLIANCE
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, or cause to be kept and maintained (i) casualty insurance on all improvements and equipment, the cost of which was in whole or in part was paid for using Triumph grant funds, but only to the extent that such improvements and equipment can in fact be insured, and (ii) workers compensation insurance with respect to the construction of any improvements.

PERFORMANCE
METRICS/
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 materially breached, violated, or is in any way in material default under any of its obligations under the Agreement, as determined in Triumph’s sole and absolute discretion, then Grantee shall upon written demand by Triumph repay to Triumph all portions of Grant

theretofore funded to and received by Grantee (“**Grantee Clawback**”). In addition, in the event both of the following performance metrics (the “**Performance Metrics**”) set forth in subparagraphs (a) and (b) below are not achieved, then pursuant to the Performance Agreement, the Company shall upon written demand by Triumph be solely liable to repay to Triumph the Performance Metric Clawback Amount (as defined below):

(a) **Performance Metric #1:** By the date (the “**Ramp-Up Deadline**”) which is the earlier of (i) five (5) years after the date that the construction of the Facility has been substantially completed as evidenced by certificate(s) of occupancy or other reasonable evidence, or (ii) December 31, 2035, the Company will have created at least 2,000 Net New Jobs within the eight disproportionately affected counties under Section 288.8012(3) (the “**Triumph Affected Counties**”); and

(b) **Performance Metric #2:** All of the 2,000 Net New Jobs shall have been maintained for at least seven (7) out of the ten (10) years after the Ramp-Up Deadline.

As used herein, a “**Net New Job**” shall mean a full-time equivalent (FTE) job with the Company at the Facility or within Triumph Affected Counties, which would qualify as being within a designated target industry under Section 288.005(7), Florida Statutes, paying a wage that is at or above 115% of the 2025 Escambia County, Florida, average wage (based on the Florida Department of Commerce 2025 incentive wage chart) that (a) was created after the date on which Grantee submitted the Grant Application, (b) could not be sustained absent the availability of the Facility, and (c) is performed by a full-time employee or a full-time equivalent employee working at least 35 paid hours per week. The Grantee shall cause the Company to provide documentation attesting under penalty of perjury that the Net New Job is not being counted as a net new job in another Triumph Grant Award Agreement. Net New Jobs shall also include (i) all labor employed by the Company and (ii) Company-appointed labor hire and subcontractors. In addition to any documents requested under “Back-up Data” defined below, to be counted as a Net New Job, hours worked by labor hires and subcontractors must be visible in the Company project management software, with hours and tasks identified per person and per labor hire/subcontractor. The Company must provide sufficient detail as to the labor hire and subcontractors’ employment status before the Company-related work was accepted and demonstrate to Triumph’s satisfaction that any jobs to be counted are in fact net new jobs. Jobs are not considered Net New Jobs if they are (A) moved from one 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 Facility, or temporary or seasonal jobs associated with cyclical business activities or to substitute for permanent employees on a leave of absence.

“Triumph Affected Counties” is comprised of the following counties: Bay, Escambia, Franklin, Gulf, Okaloosa, Santa Rosa, Wakulla and Walton.

The calculation of the number of Net New Jobs shall be made by Rick Harper or another similarly qualified economist or analyst selected by Triumph using a Full-Time Equivalent (FTE) methodology as follows: one (1) Net New Job targeted at 35 hours per week equals one (1) FTE; the Company shall provide Triumph with the total cumulative hours worked by all allowable jobs across a full calendar year; such total cumulative hours shall be divided by 1,820 hours (35 hours x 52 weeks) to arrive at the total FTE employed for the year. Grantee shall, and shall cause the Company to, within thirty (30) days of such request, deliver to Triumph such data, reports, payroll ledgers and payroll reporting, internal labor hours reporting, state and federal payroll returns, audited financial statements and reporting, and other documents, instruments, and information, as well as supporting State of Florida employment reporting forms, including any Form RT 6s (collectively, “**Back-up Data**”) as Triumph reasonably requires in order to determine whether the Company achieved any or all of the above Performance Metrics, including any Net New Job the Grantee and/or the Company seek to count towards the Company’s 2,000 Net New Job commitment. In the event the requisite Back Up Data is not provided for any Net New Job, the Grantee and the Company cannot attribute that Net New Job towards the Company’s 2,000 Net New Job commitment. Personal information (names, social security numbers, etc.) shall be redacted, provided that the last four numbers of the social security number shall remain visible.. The Company shall maintain such reporting, together with reasonably supporting books and records, in a manner that is reasonably auditable by Triumph or its designee for a period of not less than five (5) years following the end of the calendar year to which the report relates.

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 materially breached, violated, or is in any way in material default under any of its obligations under the Agreement and such breach, violation or default is not remedied following thirty (30) days’ written notice from Triumph, then Triumph shall have the

right to demand payment of all amounts of the Grant that were theretofore funded, together with interest at the *Wall Street Journal Prime Rate* plus three percent (3%) per annum on such amounts to be repaid.

In the event the Company fails to timely achieve the Performance Metrics as described above, then pursuant to the Performance Agreement, the Company shall within (90) days of such demand repay to Triumph an amount of the Grant proportional to the jobs shortfall, based on \$38,000 per job (see the basis for this number below). For example, if there is a shortfall of 1 job (1,999 jobs created or maintained instead of 2,000), then the amount owed would be \$38,000 (1 x \$38,000), and if there is a shortfall of 25 jobs (1,975 jobs created or maintained instead of 2,000), then the amount owed would be \$950,000 (25 x \$38,000). The \$38,000 per job amount is determined by dividing the \$76,000,000 Grant amount by the 2,000 promised jobs. All amounts owed shall be repaid with interest at the rate *Wall Street Journal Prime Rate* plus three percent (3%) per annum on such amounts to be repaid. Such interest shall accrue commencing on the date of such written demand by Triumph and shall continue to accrue until the amount demanded is repaid in full. The amount due, including interest thereon, is referred to herein as the “**Performance Metric Clawback Amount**”).

Grantee shall (i) bear fifty percent (50%) of Triumph’s reasonable attorneys’ fees and costs incurred in connection with any enforcement actions under the Performance Agreement against the Company; and (ii) cooperate in all reasonable respects with Triumph’s efforts to enforce the clawbacks under the Performance Agreement; provided that (a) Triumph shall provide to Grantee copies of invoices for such attorneys’ fees and costs as and when received by Triumph, (b) Triumph shall provide to Grantee copies of all documents, correspondence and pleadings related to such enforcement actions, unless such documents are subject to attorney-client privilege, and (c) Triumph shall, upon Grantee’s request from time to time, provide to Grantee verbal briefings by Triumph and its attorneys concerning the status and progress of such enforcement actions.

Notwithstanding the foregoing, Triumph shall have the discretion to waive, reduce, extend, or defer any Performance Metric Clawback Amount due if it determines in its sole and absolute discretion that (i) a breach of a representation and warranty herein or in the Grant Application, or a breach, violation, or default of or under any other provision of the Agreement, was not material in nature, (ii) based on quantitative evidence, the Performance Metrics were not achieved due to negative economic conditions beyond the Company’s and Grantee’s reasonable control, (iii) the Company and Grantee made a good faith effort to achieve the Performance Metrics, and/or (iv) based on quantitative evidence, the effects of a named hurricane or tropical storm, or specific acts of terrorism, adversely affected the

Grantee or the Company's ability to achieve the Performance Metrics.

OTHER
TERMS
AND

CONDITIONS: The Agreement shall contain such other terms and conditions as required by Triumph and its counsel.

EXPIRATION OF
TERM SHEET:

This Term Sheet shall expire, and Triumph shall close its file on, and take no further action with respect to, the Project, if a definitive Grant Award Agreement is not executed by Triumph and Grantee by the date which is twelve (12) months after the date of this Term Sheet (the "Expiration Date"); provided, however, that at any time within sixty (60) days prior to such Expiration Date, Grantee may request a six (6) month extension of said Expiration Date. Said request may be granted or denied by the Triumph Board in its sole and absolute discretion.

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 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 and/or Grantee may terminate negotiations, and upon such termination neither party shall have any liabilities or obligations to the other.

[signature page follows]

Dated: _____, 2026

TRIUMPH:

Triumph Gulf Coast, Inc.

By: _____
Name: _____
Title: _____

GRANTEE:

THE CITY OF PENSACOLA

By: _____
Name: _____
Title: _____

ATTEST:

Ericka Burnett, City Clerk

Approved as to substance:

Lance Scott, Port Director

Approved as to form:

Adam C. Cobb, City Attorney

EXHIBIT "A"

Performance Agreement

(see attached)

EXHIBIT "B"

BUDGET

(see attached)

Project Maeve
Budget

		Construction	Equipment	Total
Project Total				
	2026	\$ 12,068,792.00		\$ 12,068,792.00
	2027	\$ 34,568,792.00	\$ 36,250,000.00	\$ 70,818,792.00
	2028	\$ 30,431,208.00	\$ 36,250,000.00	\$ 66,681,208.00
	2029	\$ 30,431,208.00	\$ 36,250,000.00	\$ 66,681,208.00
	2030	\$ 22,500,000.00	\$ 36,250,000.00	\$ 58,750,000.00
Project Total		\$ 130,000,000.00	\$ 145,000,000.00	\$ 275,000,000.00

Triumph

	2026			\$ -
	2027	\$ 19,000,000.00		\$ 19,000,000.00
	2028	\$ 19,000,000.00		\$ 19,000,000.00
	2029	\$ 19,000,000.00		\$ 19,000,000.00
	2030	\$ 19,000,000.00		\$ 19,000,000.00
Triumph Total		\$ 76,000,000.00	\$ -	\$ 76,000,000.00

Company Capital Investment (Possible Other Grants)

	2026	\$ 7,931,209.00		\$ 7,931,209.00
	2027	\$ 7,931,209.00	\$ 36,250,000.00	\$ 44,181,209.00
	2028	\$ 7,931,208.00	\$ 36,250,000.00	\$ 44,181,208.00
	2029	\$ 7,931,208.00	\$ 36,250,000.00	\$ 44,181,208.00
	2030		\$ 36,250,000.00	\$ 36,250,000.00
Match Source 1 Total		\$ 31,724,834.00	\$ 145,000,000.00	\$ 176,724,834.00

City Match (EDA + JGGF + other grants)

	2026	\$ 4,137,583.00		\$ 4,137,583.00
	2027	\$ 7,637,583.00		\$ 7,637,583.00
	2028	\$ 3,500,000.00		\$ 3,500,000.00
	2029	\$ 3,500,000.00		\$ 3,500,000.00
	2030	\$ 3,500,000.00		\$ 3,500,000.00
Match Source 2 Total		\$ 22,275,166.00	\$ -	\$ 22,275,166.00