

TERM SHEET  
FOR  
GRANT AWARD AGREEMENT  
BETWEEN  
TRIUMPH GULF COAST, INC.  
AND  
HANEY TECHNICAL CENTER/BAY COUNTY SCHOOL DISTRICT

This Term Sheet summarizes the basic terms upon which Triumph Gulf Coast, Inc. (“Triumph”) is considering awarding a grant to the Bay County School District for the Tom P. Haney Technical Center (the “District”) under the Triumph Gulf Coast Trust Fund. This Term Sheet is intended for discussion and negotiation purposes only and (a) does not constitute a grant, or an approval of a grant, by Triumph to the District, and (b) does not create any binding obligations on Triumph or the District with respect to (i) any grant, (ii) any approval of a grant, or (iii) engaging in any further discussions or negotiations with respect to a grant. Any binding agreement between Triumph and the District with respect to any grant must be contained in a definitive grant award agreement (the “Agreement”), approved by the Board of Directors of Triumph and the District and executed by Triumph and the Superintendent on behalf of the District. At any time prior to such execution of the Agreement, either Triumph or the District may terminate negotiations, and upon such termination, neither party shall have any liabilities or obligations to the other.

GRANT AMOUNT: \$614,000.00

PURPOSE: To provide partial funding for the following projects (collectively, the “Project”): (i) design/professional fees, building renovations, construction contract contingency fees, and furnishings for an HVAC teaching lab at the Tom P. Haney Technical Center (collectively, the “Construction”), (ii) purchasing of lab equipment (tools and materials) for the HVAC program (the “Equipment”), (iii) design and implementation of an enhanced skills training pilot program (the “Pilot Program”), and (iv) other HVAC-related materials and supplies (the “Other Supplies”), all as further described in the District’s Application for Funds submitted to Triumph on \_\_\_\_\_, 2018 (the “Grant Application”).

FUNDING: Thirty Thousand Dollars (\$30,000) of the Grant shall be allocated for the Pilot Program. Of that amount, Fifteen Thousand Dollars (\$15,000) shall be disbursed within thirty (30) days of the execution of the Agreement, and

Fifteen Thousand Dollars (\$15,000) shall be disbursed thirty (30) days after submission to Triumph of a report evaluating the success of the Pilot Program after its conclusion (anticipated in June 2021). The District shall provide copies of invoices, payroll records, and other documents evidencing the use of grant funds in connection with the Pilot Program.

Four Hundred Fifty Thousand Dollars (\$450,000) of the Grant shall be allocated for the Construction, and shall be disbursed from time to time as invoices for completed work are submitted to Triumph. Triumph shall have forty-five (45) days from receipt to review and approve or disapprove of an application for disbursement, and if approved, thirty (30) days to disburse the funds to the District.

One Hundred Thirty Four Thousand Dollars (\$134,000) of the Grant shall be allocated for the purchase of the Equipment, and shall be disbursed from time to time as copies of contracts, purchase orders, invoices, or other documentation evidencing the Equipment to be purchased are submitted to Triumph. Triumph shall have forty-five (45) days from receipt to review and approve or disapprove of an application for disbursement, and if approved, thirty (30) days to disburse the funds to the District. Within thirty (30) days after purchase of the Equipment, the District shall deliver to Triumph copies of receipts and proof of payment. None of the grant funds shall be used as a reimbursement of items purchased by the District prior to the date of the Agreement. Notwithstanding the foregoing, none of the grant funds allocated for the purchase of Equipment shall be disbursed until the District has first expended the District's \$58,400 matching funds stated in the Grant Application for Equipment (\$36,000) and the Other Supplies (\$22,400).

Obligation to Seek  
Business Support:

The District shall make reasonable good faith efforts to solicit and obtain financial contributions to support the Project and/or in-kind contributions of services and/or tools and other equipment from businesses and industry that would support the Project ("Business Donations"). Such reasonable good faith efforts shall include sending letters to area businesses, building a file or database of business names in area to annually solicit donations, and maintaining records of donations. The District shall provide Triumph with documentation and other evidence of such reasonable good faith efforts, which documentation shall include, but not be limited to, the District's good faith estimate of the fair market value of such Business Donations. The maximum amount of the grant shall be reduced by 50% of the fair market value of any Business Donations. Triumph shall have the right to approve, disapprove, or modify the District's good faith estimate of the fair market value of such Business Donations.

Triumph will honor requests for disbursement; however, Triumph may elect by notice in writing not to make a disbursement payment if, among other things:

- (a) There is missing or incomplete documentation;
- (b) The request for disbursement seeks disbursement for items other than the Equipment and the Construction;
- (c) The amount requested for disbursement under a request for disbursement, together with all amounts previously disbursed under the grant, would exceed the \$614,000 maximum amount of the grant (as reduced by any Business Donations (as defined below));
- (d) The District 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 to Triumph;
- (e) There is any pending litigation with respect to the performance by the District of any of its duties or obligations which may jeopardize or adversely affect the Project, the Agreement, or the disbursement of the grant;
- (f) The District has taken any action pertaining to the Project which requires the approval of Triumph, and the District failed to obtain such approval;
- (g) There has been a violation of the prohibited interests (conflicts of interests) provisions the Agreement;
- (h) The District is in violation, default, or breach of or under any provision of the Agreement;
- (i) The District is in breach of any representation or warranty contained in the Agreement;
- (j) Any federal, state or local agency providing financial assistance to the Project (including the District) has revoked, suspended, or terminated that financial assistance to the Project, including, but not limited to, the \$58,400 matching funds stated in the Grant Application;
- (k) Prior to Triumph's disbursement of grant funds for the purchase of the Equipment, the District has failed to pay, and failed to provide Triumph with evidence of payment of, the \$58,400 matching fund toward the purchase of Equipment and the Other Supplies;
- (l) The District has abandoned or, before completion, discontinued the Project, or for any reason the commencement, prosecution, or timely completion of the Project by the District will be rendered improbable, infeasible, impossible, or illegal;
- (m) All or any portion of the requested disbursement includes costs that are not shown or contemplated under the budget for the Project;
- (n) One or more of the contracts for Construction or purchase of Equipment previously approved or deemed approved by Triumph have been

modified, amended, or terminated without the actual or deemed prior consent or approval of Triumph; provided, however, that any change order under \$5,000 shall not be subject to approval under the Agreement; or

(o) The District shall have failed to make reasonable good faith efforts to obtain Business Donations, and/or shall have failed to provide Triumph with satisfactory evidence of such efforts

ELIGIBLE COSTS/  
DOCUMENT-  
ATION:

The District shall seek disbursement only for costs of the as shown or contemplated under the budget attached to the Agreement. All amounts paid by the District with respect to the Project shall be supported by properly executed invoices, contracts, or vouchers evidencing in proper detail the nature and propriety of the charges. Any check or order drawn by the District 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 the District 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:

The District 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 the District's general accounting records and the Project records, together with supporting documents and records, of the District and all consultants and sub-consultants performing work on the Project and all other records of the District 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. During Construction the District shall submit quarterly reports to Triumph reporting on the progress of Construction. In addition, the District shall

submit an annual report to Triumph in or about August 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 the District's audited financial statements.

TERMINATION  
OR SUSPENSION  
OF PROJECT:

If the District abandons or, before completion, finally discontinues the Project; or for any other reason, the commencement, prosecution, or timely completion of the Project by the District is rendered improbable, infeasible, impossible, or illegal, Triumph will, by written notice to the District, 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, the District 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 the District executes or obligates itself in any manner requiring the disbursement of Triumph funds, including construction/renovation, consultant, architect, engineering, and purchase of commodities contracts or amendments thereto. The District 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, the District 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.

CLAWBACK:

Any grant funds disbursed by Triumph to the District shall be subject in being repaid ("clawed back") in the event (i) the District 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 disbursement, and/or (ii) the District breached, violated, or is in any way in default under any of its obligations under the Agreement, and/or (iii) the District fails to achieve at least one (1) of the

following performance metrics: (1) that between the beginning of the 2018-2019 school year and the end of the 2022 school year, at least 815 industry certifications shall have been issued among the following categories: NCCER HVAC Level 1, NCCER HVAC Level 2, NCCER HVAC Level 3, NCCER HVAC Level 4, NATE AC Service Tech, NATE, AC Installation, NATE Air to Air Heat Pump Tech, NATE Air to Air Heat Pump Service, OSHA 10; or (2) that between the beginning of the 2018-2019 school year and the end of the 2020-2021 school year, at least seventy percent (70%) of those enrolled in a certification program actually complete the program and obtain a certificate; or (3) based on State of Florida datasets on wages paid to individuals (adjusted for regional cost of living differences), between the beginning of the 2018-2019 school year and the end of the 2020-2021 school year with respect to those students that have graduated from the post-secondary program and for whom employment wage data is available from the State of Florida, one year after certification, or within three (3) months after data becomes available with the Department of Education, at least one-half of the students, shall have wages (appropriately de-identified) equal to or greater than the average entry-level wage for that occupation in this geographic area as identified by CareerSource Florida or a similar source approved for this purpose by Triumph. 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 the District's control, (ii) it determines in its sole and absolute discretion that the District made a good faith effort to achieve full performance metrics and its failure to fully achieve the metrics does not substantially frustrate the general purpose of the grant, or (iii) it determines in its sole and absolute discretion that, based on quantitative evidence, the effects of a named hurricane or tropical storm, or specific acts of terrorism, adversely affected the District'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 the District, and (b) does not create any binding obligations on Triumph or the District with respect to (i) any grant, (ii) any

approval of a grant, or (iii) engaging in any further discussions or negotiations with respect to a grant. Any binding agreement between Triumph and the District with respect to any grant must be contained in a definitive grant award Agreement, approved by the Board of Directors of Triumph and the Bay County School Board and executed by Triumph and the District. At any time prior to such execution of the Agreement either Triumph or the District may terminate negotiations, and upon such termination neither party shall have any liabilities or obligations to the other.

Dated: \_\_\_\_\_, 2018

Triumph Gulf Coast, Inc.

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

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

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

Bay County School District

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

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

Title: Superintendent