

TERM SHEET
FOR
GRANT AWARD AGREEMENT
BETWEEN
TRIUMPH GULF COAST, INC.
AND
GULF COUNTY SCHOOL DISTRICT

This Term Sheet summarizes the basic terms upon which Triumph Gulf Coast, Inc. (“Triumph”) is considering awarding a grant to the Gulf County School District (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 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: \$750,000.00

PURPOSE: To provide partial funding for the following projects (collectively, the “Project”): (i) five (5) year salary and benefits for a Drone Aviation Technician (“Salaries”), (ii) professional development/stipends for training beyond the regular work day (“Stipends”), (iii) purchasing of drones, computers, and related equipment (the “Equipment”), (iv) development and implementation of on-line curricula, textbooks, and assessment fees (“Curricula”), (v) purchase of storage buildings (“Storage Buildings”), (vi) supplies and materials (“Supplies”), and (vii) organization fees and dues (“Dues”), all as further described in the District’s Application for Funds submitted to Triumph (the “Grant Application”).

FUNDING:

\$350,000 of the grant funds shall be allocated for the Salaries and shall be disbursed in annual lump-sum payments of \$70,000, the first of which shall be upon application for disbursement submitted by the District at such time as the District is first prepared to enroll students (e.g., for Spring 2019 semester), and for four years thereafter on or about the anniversary date thereof \$70,000 shall be disbursed. In each case 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.

\$100,000 of the grant funds shall be allocated for the Stipends and shall be disbursed in annual lump-sum payments of \$20,000 coinciding with the disbursements for Salaries.

\$30,000 of the grant funds shall be allocated for the Dues and shall be disbursed in annual lump-sum payments of \$6,000 coinciding with the disbursements for Salaries.

\$150,000 of the grant funds shall be allocated for the Equipment, \$75,000 of the grant funds shall be allocated for the Curricula, \$25,000 of the grant funds shall be allocated for the Storage Buildings, and \$20,000 of the grant funds shall be allocated for the Supplies, in each case disbursed from time to time as copies of contracts, purchase orders, invoices, or other documentation evidencing the Equipment, Curricula, Storage Building, and Supplies 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 any purchase, 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.

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 Salaries, Stipends, Equipment, Curricula, Storage Buildings, Supplies, and Fees;
- (c) The amount requested for disbursement under a request for disbursement, together with all amounts previously disbursed under the grant, would exceed the \$750,000 maximum amount of the grant;

(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 \$652,000 matching funds stated in the Grant Application;

(k) The matching funds are not being used for the intended purposes and in the amount and at the times as set forth in a schedule of expenses approved by Triumph;

(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; or

(m) All or any portion of the requested disbursement includes costs that are not shown or contemplated under the budget for the Project

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. The District shall submit quarterly reports to Triumph reporting on the progress of the Project. 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. 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 equipment and 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) by May 31, 2024, not less than 200 students will have obtained the Small Unmanned Aerial Systems (UAS) Safety Certification, and by May 31, 2023, not less than 125 students will have obtained the Agricultural Use of UAS Technology Certification, and by May 31, 2024, not less than 200 students will have completed the Visual Line of Sight Operator (VOS) Certification; (2) for the first year for which DEO wage data are available for students that participated in the certification programs, at least 50% of students for whom DEO wage data is available will be earning the entry level wage for Bay County as reported in the OES data for the corresponding year of employment as reported by the Florida Research and Economic Information Database Application (FREIDA); or (3) by the first anniversary of the date on which the final grant funds were disbursed, at least 70% of students who enrolled in the certification programs completed the certificates . 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 Gulf 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:

Triumph Gulf Coast, Inc.

By: _____

Name: _____

Title: _____

DISTRICT:

Gulf County School Board

By: _____

Name: _____

Title: Superintendent