

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

This Term Sheet summarizes the basic terms upon which Triumph Gulf Coast, Inc. (“Triumph”) is considering awarding a grant to the Franklin County School Board (the “Board”) 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 Board, and (b) does not create any binding obligations on Triumph or the Board 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 Board 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 Board and executed by Triumph and the Board. At any time prior to such execution of the Agreement, either Triumph or the Board may terminate negotiations, and upon such termination, neither party shall have any liabilities or obligations to the other.

GRANT AMOUNT: \$2,327,322.00

PURPOSE: To provide partial funding for the following projects (collectively, the “Project”): (i) design and construction (“Construction”) of a facility for the welding program at Franklin County School (the “Welding Facility”), (ii) Construction of a facility for the computer program at Apalachicola Bay Charter School (the “Computer Facility”), and (iii) curriculum, materials, and teacher salaries for the elementary and middle school computer programs and the Medical Academy at Franklin County School (the “Curriculum”), all as further described in the Board’s Application for Funds submitted to Triumph (the “Grant Application”).

FUNDING:

\$1,978,722 of the grant funds shall be allocated for the Construction of the Welding Facility, 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 Board.

\$335,000 of the grant funds shall be allocated for the Construction of the Computer Facility, 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 Board.

\$13,600 of the grant funds shall be allocated for Curriculum, and shall be disbursed from time to time as copies of contracts, purchase orders, invoices, payroll records, or other documentation 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 Board.

None of the grant funds shall be used as a reimbursement of items purchased by the Board prior to the date of the Agreement.

The Board 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 Board shall provide Triumph with documentation and other evidence of such reasonable good faith efforts, which documentation shall include, but not be limited to, the Board’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 Board’s good faith estimate of the fair market value of such Business Donations.

The Board shall be responsible for providing \$984,500 in matching funds for the Project, which shall consist of instructor salaries, operational costs, and real property.

Triumph will honor requests for disbursement; provided, however, that 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 Construction of the Welding Facility, Computer Facility, and the purchase of the Curriculum;
- (c) The amount requested for disbursement under a request for disbursement, together with all amounts previously disbursed under the grant, would exceed the \$2,327,322 maximum amount of the grant;
- (d) The Board 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 Board 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 Board has taken any action pertaining to the Project which requires the approval of Triumph, and the Board failed to obtain such approval;
- (g) There has been a violation of the prohibited interests (conflicts of interests) provisions the Agreement;
- (h) The Board is in violation, default, or breach of or under any provision of the Agreement;
- (i) The Board 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 Board) has revoked, suspended, or terminated that financial assistance to the Project, including, but not limited to, the \$984,500 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 Board has abandoned or, before completion, discontinued the Project, or for any reason the commencement, prosecution, or timely completion of the Project by the Board 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 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 Board 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 Board shall seek disbursement only for costs of the Project as shown or contemplated under the budget attached to the Agreement. All amounts paid by the Board with respect to the Project shall be supported by properly executed invoices, contracts, vouchers, and payroll records evidencing in proper detail the nature and propriety of the charges and use of the matching funds. Any check or order drawn by the Board 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 Board stating in proper detail the purpose for which such check or order is drawn. All checks, invoices, contracts, vouchers, orders, payroll records, 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 Board 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 Board's general accounting records and the Project records, together with supporting documents and records, of the Board and all consultants and sub-consultants performing work on the Project and all other records of the Board 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 Board shall submit quarterly reports to Triumph reporting on the progress of Construction. In addition, the Board 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 Board's audited financial statements.

TERMINATION OR SUSPENSION OF PROJECT: If the Board abandons or, before completion, finally discontinues the Project; or for any other reason, the commencement, prosecution, or timely completion of the Project by the Board is rendered improbable, infeasible, impossible, or illegal, Triumph will, by written notice to the Board, 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 Board 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 Board executes or obligates itself in any manner requiring the disbursement of Triumph funds. The Board 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 Board 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 Board shall be subject to being repaid ("clawed back") in the event (i) the Board 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 Board breached, violated, or is in any way in default under any of its obligations under the Agreement, and/or (iii) the Board 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 2022-2023 school year, there shall have been issued at least 750 certifications in digital tools and/or nursing, and at least 27 certifications in welding; (2) that between the beginning of the 2019-2020 school year and the end of the 2023-2024 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 2019-2020 school year and the end of the 2023-2024 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 Board's control, (ii) it determines in its sole and absolute discretion that the Board 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 Board'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 Board, and (b) does not create any binding obligations on Triumph or the Board 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 Board with respect to any grant must be contained in a definitive grant award Agreement, approved by the Board of Directors of Triumph and the Franklin County School Board and executed by Triumph and the Board. At any time prior

to such execution of the Agreement either Triumph or the Board 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:

Franklin County School Board

By: _____

Name: _____

Title: Superintendent

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