

TERM SHEET  
FOR  
GRANT AWARD AGREEMENT  
BETWEEN  
TRIUMPH GULF COAST, INC.  
AND  
WALTON COUNTY SHERIFFS OFFICE  
(Project #98)

This Term Sheet summarizes the basic terms upon which Triumph Gulf Coast, Inc. (“**Triumph**”) is considering awarding a grant to the Walton County Sheriffs Office (“**WCSO**”) 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 WCSO, and (b) does not create any binding obligations on Triumph or WCSO 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 WCSO with respect to any grant must be contained in a definitive grant award agreement (the “**Agreement**”), approved by WCSO of Directors of Triumph and WCSO and executed by Triumph and WCSO. At any time prior to such execution of the Agreement, either Triumph or WCSO may terminate negotiations, and upon such termination, neither party shall have any liabilities or obligations to the other.

GRANT AMOUNT: \$2,217,965.00

PURPOSE: To provide partial funding for the following projects (collectively, the “**Project**”): (i) design and construction (“**Construction**”) of a driving pad and classrooms on WCSO property that will allow the establishment of a commercial driving license (“**CDL**”) program (the “**WCSO Facility**”), (ii) Construction of pole barn facilities on the campus of Emerald Coast Technical College (“**ECTC**”)to house an enhanced welding classroom, AWS testing facility, and HVAC enhanced classroom (the “**ECTC Facility**”), (iii) instructor salaries for CDL, welding, and HVAC instructors (“**Salaries**”), (iv) capitalized furniture, fixtures, and equipment for classrooms (“**Equipment**”), and (v) non-capitalized computer equipment for instruction and industry certification test preparation and examination delivery (“**Computers**”), all as further described in WCSO’s Application for Funds submitted to Triumph (the “**Grant Application**”).

FUNDING:

\$35,000 of the grant funds shall be allocated for the Salaries and shall be disbursed within thirty (30) days of full execution of the Agreement, provided that WCSO furnishes to Triumph satisfactory evidence that it has committed or otherwise allocated \$110,000 of its own Matching Funds (as described below) for the Salaries.

\$1,043,465 of the grant funds shall be allocated for the Construction of the WCSO Facility, and shall be disbursed from time to time as contractor 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 WCSO. Triumph shall disburse to WCSO 80.7% of each invoice for completed work (the other 19.3% being paid by WCSO as part of their Matching Funds for the WCSO Facility).

\$1,000,000 of the grant funds shall be allocated for the Construction of the ECTC Facility, and shall be disbursed from time to time as contractor 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 WCSO. Triumph shall disburse to WCSO 50% of each invoice for completed work (the other 50% being paid by WCSO as part of their Matching Funds for the ECTC Facility).

\$109,500 of the grant funds shall be allocated for the Equipment, and shall be disbursed from time to time as copies of contracts, purchase orders, invoices, 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 WCSO. Triumph shall disburse to WCSO 55.6% of each invoice for completed work (the other 44.4% being paid by WCSO as part of their Matching Funds for the Equipment).

\$30,000 of the grant funds shall be allocated for the Computers, and shall be disbursed from time to time as copies of contracts, purchase orders, invoices, 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 WCSO.

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

WCSO shall request that ECTC make reasonable good faith efforts to (i) 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, and (ii) coordinate and collaborate with the regional Career Source Florida organization to build relationships with local businesses to develop curriculum and generally support the success of the Project (collectively, the “**Business Community Involvement**”).

WCSO shall be responsible for providing \$2,233,600 in Matching Funds (“**Matching Funds**”) for the Project, which Matching Funds shall be allocated as follows: \$110,000 for Salaries; \$250,000 for construction of the WCSO Facility; \$1,000,000 for construction of the ECTC Facility; \$625,000 for the purchase of a dump truck and heavy equipment simulation equipment; \$87,500 for the Equipment; \$40,500 for training materials; and \$120,600 for dues/fees for tuition support for students and industry certification test fees.

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 \$2,217,965 maximum amount of the grant;
- (d) WCSO 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 WCSO of any of its duties or obligations which may jeopardize or adversely affect the Project, the Agreement, or the disbursement of the grant;
- (f) WCSO has taken any action pertaining to the Project which requires the approval of Triumph, and WCSO failed to obtain such approval;
- (g) There has been a violation of the prohibited interests (conflicts of interests) provisions the Agreement;

- (h) WCSO is in violation, default, or breach of or under any provision of the Agreement;
- (i) WCSO 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 WCSO) has revoked, suspended, or terminated that financial assistance to the Project, including, but not limited to, the \$2,233,600 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) WCSO has abandoned or, before completion, discontinued the Project, or for any reason the commencement, prosecution, or timely completion of the Project by WCSO 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) WCSO shall have failed to request that ECTC solicit Business Community Involvement, and/or shall have failed to provide Triumph with satisfactory evidence of such request.

ELIGIBLE COSTS/  
DOCUMENT-  
ATION:

WCSO shall seek disbursement only for costs of the Project as shown or contemplated under the budget attached to the Agreement. All amounts paid by WCSO 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 WCSO 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 WCSO 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: WCSO 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 WCSO's general accounting records and the Project records, together with supporting documents and records, of WCSO and all consultants and sub-consultants performing work on the Project and all other records of WCSO 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 WCSO shall submit quarterly reports to Triumph reporting on the progress of Construction. In addition, WCSO 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 WCSO's audited financial statements.

TERMINATION  
OR SUSPENSION  
OF PROJECT: If WCSO abandons or, before completion, finally discontinues the Project; or for any other reason, the commencement, prosecution, or timely completion of the Project by WCSO is rendered improbable, infeasible, impossible, or illegal, Triumph will, by written notice to WCSO, 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, WCSO 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 WCSO executes or obligates itself in any manner requiring the disbursement of Triumph funds. WCSO

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, WCSO 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 WCSO shall be subject to being repaid (“clawed back”) in the event (i) WCSO 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) WCSO breached, violated, or is in any way in default under any of its obligations under the Agreement, and/or (iii) WCSO fails to achieve at least one (1) of the following performance metrics: (1) that between the beginning of the 2020-2021 school year and the end of the 2023-2024 school year, there shall have been issued at least 502 certifications/licenses in Class B Commercial Driver Licenses (CDL), Welding Technology, HVAC, or Career and Professional Education NS Industry Certification such as Certified Internet Web (CIW) Specialist, Autodesk, Adobe, and Microsoft; or (2) that between the beginning of the 2020-2021 school year and the end of the 2023-2024 school year, at least seventy percent (70%) of those enrolled in a certification/licensing program that take a certification/licensing exam actually pass the exam; 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 program and for whom employment wage data is available from the State of Florida, one year after certification/licensing, 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 WCSO’s control, (ii) it determines in its sole and absolute discretion that WCSO 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 WCSO'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 WCSO, and (b) does not create any binding obligations on Triumph or WCSO 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 WCSO with respect to any grant must be contained in a definitive grant award Agreement, approved by WCSO of Directors of Triumph and the WCSO and executed by Triumph and WCSO. At any time prior to such execution of the Agreement either Triumph or WCSO may terminate negotiations, and upon such termination neither party shall have any liabilities or obligations to the other.

Dated: \_\_\_\_\_, 2019

TRIUMPH:

Triumph Gulf Coast, Inc.

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

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

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

WCSO:

Walton County Sheriffs Office

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

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

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