

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 (“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 GCSD, and (b) does not create any binding obligations on Triumph or GCSD 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 GCSD 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 GCSD and executed by Triumph and GCSD. At any time prior to such execution of the Agreement, either Triumph or GCSD may terminate negotiations, and upon such termination, neither party shall have any liabilities or obligations to the other.

GRANT AMOUNT: \$125,000.00

PURPOSE: To provide partial funding to purchase equipment necessary to expand the agri-science industry certification program at Wewahitchka High School (the “Project”), as further described in GCSD’s Application for Funds submitted to Triumph (the “Grant Application”).

FUNDING: The Grant shall be allocated for the purchase of the following equipment (the “Equipment”) in the amounts set forth:

Tractor and Attachments:	\$35,000
Greenhouse:	\$53,000
Storage Sheds:	\$20,000
Tools:	\$10,000
<u>Materials and Supplies:</u>	<u>\$ 7,000</u>
Total:	\$125,000

The Grant 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 along with an Application for Disbursement on the form attached to the Agreement (“**Application for Disbursement**”). None of the Grant shall be used as a reimbursement of items purchased by the GCSD prior to the date of the Agreement. In addition, none of the amounts paid by GCSD in connection with the invoices submitted in an Application for Disbursement and then reimbursed by Triumph shall also have been or will in the future be in any manner (a) reimbursed, returned, refunded, rebated, or otherwise credited to, GCSD by any contractor, materialman, vendor, or any other person or entity, or (b) paid, reimbursed, returned, refunded, rebated, or otherwise credited to GCSD 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 GCSD shall not receive payments, refunds, disbursements, rebates or credits from any sources in amounts collectively exceeding 100% of the invoices.

Within forty-five (45) days of receipt of an Application for Disbursement, Triumph shall either approve or disapprove of the Application for Disbursement in a written notice to GCSD. If Triumph approves the Application for Disbursement, then it shall disburse the approved amount to GCSD within thirty (30) days after delivery of the notice of approval. If Triumph disapproves the Application for Disbursement, Triumph shall state in the notice of disapproval the reasons for such disapproval. If the stated reasons for disapproval can be cured by GCSD’s submittal of missing or corrective items, GCSD shall have thirty (30) days following receipt of the notice of disapproval to submit such missing or corrective items. If Triumph fails to approve or disapprove of the Application for Disbursement within forty-five (45) days of receipt, such Application for Disbursement shall be deemed disapproved.

Reasons for disapproving an Application for Disbursement must include one or more of the following:

- (a) Missing or incomplete documentation;
- (b) The Application for Disbursement seeks disbursement for more than the amounts actually invoiced by contractors, materialmen, or vendors;

- (c) The amount requested for disbursement under the Application for Disbursement, together with all amounts previously disbursed under the Grant, would exceed the \$125,000 maximum amount of the Grant;
- (d) GCSD 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 with respect to the performance by GCSD of any of its duties or obligations which may jeopardize or adversely affect the Project, the Agreement, or disbursement of the Grant;
- (f) GCSD has taken any action pertaining to the Project which, under the Agreement, requires the approval of Triumph, and GCSD failed to obtain such approval;
- (g) There has been a violation of the lobbying, prohibited interest, or sharing provisions of the Agreement;
- (h) GCSD is in material violation, default, or breach of or under any provision of the Agreement;
- (i) GCSD is in breach of any material representation or warranty contained in the Agreement;
- (j) Any federal, state, or local agency (including GCSD) 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 (as defined below);
- (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) With respect to previous disbursements of the Grant, GCSD has failed to pay, or has failed to provide Triumph with evidence of payment of, the Grant for the purposes of such disbursement;
- (m) GCSD has abandoned or discontinued the Project, or for any reason the commencement, prosecution, or timely completion of the Project by GCSD is rendered improbable, infeasible, impossible, or illegal;

- (n) All or any portion of the requested disbursement includes disbursement for improvements that are outside the scope of the Project that is contemplated under the Budget (as defined below); or
- (o) GCSD shall have failed to make reasonable good faith efforts to obtain Business Donations (as defined below), and/or shall have failed to provide Triumph with satisfactory evidence of such efforts. Such evidence shall include a spreadsheet listing the Business Donations, the donors, and GCSD's determination of the fair market value of the Business Donations, together with the latest sample form of letter or other communication requesting such Business Donations.

**ELIGIBLE COSTS/  
DOCUMENT-  
ATION:**

GCSD shall seek disbursement only for costs of the as shown or contemplated under the budget attached to the Agreement (the "Budget"). All amounts paid by GCSD 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 GCSD 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 GCSD 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.

**BUSINESS  
DONATIONS:**

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

**MAINTENANCE  
OF RECORDS:**

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

**TERMINATION  
OR SUSPENSION  
OF PROJECT:**

If GCSD abandons or, before completion, finally discontinues the Project; or for any other reason, the commencement, prosecution, or timely completion of the Project by GCSD is rendered improbable, infeasible, impossible, or illegal, Triumph will, by written notice to GCSD, 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, GCSD 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 GCSD executes or obligates itself in any manner requiring the disbursement of Triumph funds. GCSD 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, GCSD 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 GCSD shall be subject to being repaid (“clawed back”) in the event (i) GCSD 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) GCSD breached, violated, or is in any way in default under any of its obligations under the Agreement, and/or (iii) GCSD fails to achieve at least one (1) of the following performance metrics: (1) by May 31, 2022, not less than 90 students will have obtained industry-recognized certificates in Agri-technology, Agri-science Foundations, or Agricultural Use of Unmanned Aerial Systems (UAS) Technology; (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 Gulf 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 GCSD’s control, (ii) it determines in its sole and absolute discretion that GCSD 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 GCSD’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 GCSD, and (b) does not create any binding obligations on Triumph or GCSD 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 GCSD 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 GCSD. At any time prior to such execution of the Agreement either Triumph or GCSD 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: \_\_\_\_\_

GCSD:

Gulf County School District

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

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

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