

TERM SHEET
FOR
GRANT AWARD AGREEMENT
BETWEEN
TRIUMPH GULF COAST, INC.
AND
GULF COUNTY SCHOOL DISTRICT
(Project #180)

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: \$250,000.00

PURPOSE: To provide partial funding to purchase equipment necessary to expand the welding 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 materials, equipment, and construction services in the amounts set forth:

Electrical Work to Upgrade	
Existing Vocational Building:	\$95,000
Construction of Welding Booths	
And Ventilation:	\$17,000

Materials:	\$20,000
Purchase Welding Equipment:	\$75,000
<u>Purchase Hand Tools:</u>	<u>\$43,000</u>
Total:	\$250,000

The Grant shall be disbursed from time to time as GCSD submits to Triumph an Application for Disbursement, together with copies of contracts, purchase orders, invoices, or other documentation (i) evidencing the items purchased or to be purchased, or (ii) in the case of construction that has been completed, evidencing that the work being invoiced has in fact been completed. 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 \$250,000 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 \$494,575 Matching Funds;
- (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;

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 in 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 (A) timely achieve at least one (1) of the three (3) following performance metrics set forth in subparagraphs (a), (b), and (c) below (the “Initial Performance Metrics”), and/or (B) timely achieve the performance metric set forth subparagraph (d) below (the “Maintenance Performance Metric”):

- (a) Performance Metric #1: By the end of the 2019-2020 school year, and for each school year thereafter to and including the 2023-2024 school year, not less than 10 students will have obtained industry-recognized certificates in welding.
- (b) Performance Metric #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).

- (c) Performance Metric #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.

- (d) Maintenance Performance Metric: The certificate programs described in subparagraph (a) above are intended to be durable and must be continued for at least eight (8) years after the date of the Agreement using GCSD's own funds after the Grant funds have been fully disbursed. Accordingly, in addition to satisfying one of the Initial Performance Metrics set forth in subparagraphs (a), (b), or (c) above, GCSD must also satisfy the following Maintenance Performance Metric: Commencing with the 2024-2025 school year, and each school year thereafter until then end of the eight (8th) anniversary of the date of the Agreement, at least ten (10) students shall have obtained a certificate as described in subparagraph (a) above. Such annual rate shall be maintained regardless of which performance metric described in subparagraphs (a), (b) or (c) above was used to satisfy the Initial Performance Metrics. Notwithstanding the foregoing, in the event GCSD desires to change the subject areas of certification programs described in subparagraph (a) above, GCSD shall submit a written request for such change. Triumph shall have thirty (30) days from the date of receipt of such request to approve or disapprove of such change. Triumph's failure to either approve or disapprove of such change within such thirty (30) day period shall be deemed disapproval.

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: 7/19, 2019

TRIUMPH:

Triumph Gulf Coast, Inc.

By: [Signature]
Name: Don Gaetz
Title: Chair

GCSD:

Gulf County School District

By: [Signature]
Name: Jill Norwood
Title: Superintendent