

TERM SHEET  
FOR  
GRANT AWARD AGREEMENT  
BETWEEN  
TRIUMPH GULF COAST, INC.  
AND  
WAKULLA COUNTY SCHOOL BOARD (Project #198)

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

GRANT AMOUNT: \$1,780,000.00

PURPOSE: To provide partial funding for the following projects in connection with WCSB’s Unmanned Aircraft Systems/Visual Line of Sight Operations Program (collectively, the “**Project**”): (i) salaries (“**Salaries**”), (ii) equipment (“**Equipment**”), (iii) teaching supplies (“**Curriculum**”), (iv) professional development (“**Training**”), (v) consumables and other student supplies (“**Supplies**”), and (vi) fuel, bus drivers, and other transportation (“**Transportation**”), all as further described in WCSB’s Application for Funds submitted to Triumph (the “**Grant Application**”).

FUNDING: The grant funds shall be allocated as follows:

Salaries:	\$ 600,000
Equipment:	\$ 750,000
Training:	\$ 120,000
Curriculum:	\$ 160,000
<u>Supplies:</u>	<u>\$ 160,000</u>
Total	\$1,780,000

The grant funds shall be disbursed over a seven (7) year period in the amounts per year per funding category as set forth in the Budget/Timeline attached hereto. WCSB shall request a disbursement pursuant to an application for disbursement that includes copies of contracts, purchase orders, invoices, payroll records, and other documentation necessary for Triumph to evaluate the request. 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 WCSB.

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

WCSB shall make reasonable good faith efforts to (i) request 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**”).

WCSB shall be responsible for providing \$226,525.30 in Matching Funds (“**Matching Funds**”) for the Project, which Matching Funds shall be used for Transportation.

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 Salaries, Equipment, Curriculum, Training, and Supplies;
- (c) The amount requested for disbursement, together with all amounts previously disbursed under the grant, would exceed the \$1,780,000.00 maximum amount of the grant, or the amount requested for disbursement for a particular budget category described above, together with all amounts previously disbursed for such budget category, would exceed the maximum amount allocated to such budget category described above;
- (d) WCSB 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 WCSB of any of its duties or obligations which may jeopardize or adversely affect the Project, the Agreement, or the disbursement of the grant;

(f) WCSB has taken any action pertaining to the Project which requires the approval of Triumph, and WCSB failed to obtain such approval;

(g) There has been a violation of the prohibited interests (conflicts of interests) provisions the Agreement;

(h) WCSB is in violation, default, or breach of or under any provision of the Agreement;

(i) WCSB 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 WCSB) has revoked, suspended, or terminated that financial assistance to the Project, including, but not limited to, the \$226,525.30 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 and/or WCSB has failed to provide Triumph with evidence of payment of the Matching Funds toward completion of the Project;

(l) With respect to previous disbursements of the grant, WCSB has failed to pay, or has failed to provide Triumph with evidence of payment of, the grant for the purposes of such disbursement. Such evidence shall include, but not be limited to, payroll records and job descriptions;

(m) WCSB has abandoned or, before completion, discontinued the Project, or for any reason the commencement, prosecution, or timely completion of the Project by WCSB will be rendered improbable, infeasible, impossible, or illegal;

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

(o) One or more of the contracts 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

(p) WCSB shall have failed to request Business Community Involvement, and/or shall have failed to provide Triumph with satisfactory evidence of such request.

**ELIGIBLE COSTS/  
DOCUMENT-  
ATION:**

WCSB shall seek disbursement only for costs of the Project as shown or contemplated under the budget attached to the Agreement. All amounts paid by WCSB 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 WCSB 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 WCSB 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:**

WCSB 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 WCSB's general accounting records and the Project records, together with supporting documents and records, of WCSB and all consultants and sub-consultants performing work on the Project and all other records of WCSB 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. WCSB shall submit an annual report to Triumph on or before October 31 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 WCSB's audited financial statements.

**TERMINATION  
OR SUSPENSION  
OF PROJECT:**

If WCSB abandons or, before completion, finally discontinues the Project; or for any other reason, the commencement, prosecution, or timely completion of the Project by WCSB is rendered improbable, infeasible, impossible, or illegal, Triumph will, by written notice to WCSB, 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, WCSB 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 WCSB executes or obligates itself in any manner requiring the disbursement of Triumph funds. WCSB 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, WCSB 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 WCSB shall be subject to being repaid (“clawed back”) in the event (i) WCSB 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) WCSB breached, violated, or is in any way in default under any of its obligations under the Agreement, and/or (iii) WCSB fails to (A) timely achieve the following performance metrics (the “Performance Metrics”):

(a) **Performance Metric #1:** by December 31, 2026, not less than 175 students will have obtained industry-recognized certificates in Visual Sight Operation (VSO) and not less than 175 students will have obtained industry-recognized certificates in Unmanned Aircraft Systems (UAS); and

(b) **Performance Metric #2:** The certificate programs described in subparagraph (a) above are intended to be durable and must be continued for at least seven (7) years after the date of the Agreement using WCSB’s own funds after the Grant funds have been fully disbursed. Accordingly, in addition to satisfying the Performance Metric described in subparagraph (a) above, WCSB must also satisfy the following Performance Metric: During each of the 2024-2025 school year and the 2025-2026 school year, at least 30 certificates in VSO and at least 30 certificates in UAS shall be obtained. Notwithstanding the foregoing, in the event WCSB desires to change the subject areas of certification programs described in subparagraph (a) above, WCSB 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 WCSB's control, (ii) it determines in its sole and absolute discretion that WCSB 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 WCSB'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 WCSB, and (b) does not create any binding obligations on Triumph or WCSB 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 WCSB with respect to any grant must be contained in a definitive grant award Agreement, approved by WCSB of Directors of Triumph and the WCSB and executed by Triumph and WCSB. At any time prior to such execution of the Agreement either Triumph or WCSB 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: \_\_\_\_\_

**WCSB:**

Wakulla County School Board

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

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

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

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**EXHIBIT "A"**

<b>WAKULLA PROJECT #198</b>								
<b>Projected Expenses</b>								
	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>	<b>Year 7</b>	<b>Project Total</b>
Personnel	\$85,714.29	\$85,714.29	\$85,714.29	\$85,714.29	\$85,714.26	\$85,714.29	\$85,714.29	\$600,000.00
Equipment	\$107,142.86	\$107,142.86	\$107,142.86	\$107,142.86	\$107,142.86	\$107,142.86	\$107,142.84	\$750,000.00
Training	\$17,142.86	\$17,142.86	\$17,142.84	\$17,142.86	\$17,142.86	\$17,142.86	\$17,142.86	\$120,000.00
Curriculum	\$21,428.57	\$21,428.57	\$21,428.57	\$21,428.57	\$21,428.57	\$21,428.57	\$21,428.57	\$150,000.00
Supplies	\$22,857.14	\$22,857.14	\$22,857.14	\$22,857.14	\$22,857.14	\$22,857.14	\$22,857.14	\$160,000.00
	<b>\$254,285.72</b>	<b>\$254,285.72</b>	<b>\$254,285.70</b>	<b>\$254,285.72</b>	<b>\$254,285.69</b>	<b>\$254,285.72</b>	<b>\$254,285.70</b>	<b>\$1,780,000.00</b>
<b>Grant/Match Funds</b>								
<i>Wakulla (\$226,525)</i>								
Transportation Salary	\$32,360.71	\$32,360.71	\$32,360.71	\$32,360.71	\$32,360.71	\$32,360.71	\$32,360.71	\$226,524.97
<i>Triumph (\$1,780,000)</i>								
Personnel	\$85,714.26	\$85,714.29	\$85,714.29	\$85,714.29	\$85,714.29	\$85,714.29	\$85,714.29	\$600,000.00
Equipment	\$107,142.86	\$107,142.84	\$107,142.86	\$107,142.86	\$107,142.86	\$107,142.86	\$107,142.86	\$750,000.00
Training	\$17,142.86	\$17,142.84	\$17,142.86	\$17,142.86	\$17,142.86	\$17,142.86	\$17,142.86	\$120,000.00
Curriculum	\$21,428.57	\$21,428.57	\$21,428.57	\$21,428.57	\$21,428.57	\$21,428.57	\$21,428.57	\$150,000.00
Supplies	\$22,857.14	\$22,857.14	\$22,857.14	\$22,857.14	\$22,857.14	\$22,857.14	\$22,857.14	\$160,000.00
	<b>\$254,285.69</b>	<b>\$254,285.68</b>	<b>\$254,285.72</b>	<b>\$254,285.72</b>	<b>\$254,285.72</b>	<b>\$254,285.72</b>	<b>\$254,285.72</b>	<b>\$1,780,000.00</b>