

TERM SHEET
FOR
GRANT AWARD AGREEMENT
BETWEEN
TRIUMPH GULF COAST, INC.
AND
FRANKLIN COUNTY SCHOOL BOARD (Project #200)

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 (“**FCSB**”) 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 FCSB, and (b) does not create any binding obligations on Triumph or FCSB 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 FCSB with respect to any grant must be contained in a definitive grant award agreement (the “**Agreement**”), approved by FCSB of Directors of Triumph and FCSB and executed by Triumph and FCSB. At any time prior to such execution of the Agreement, either Triumph or FCSB may terminate negotiations, and upon such termination, neither party shall have any liabilities or obligations to the other.

GRANT AMOUNT: \$1,215,000.00

PURPOSE: To provide partial funding for the following projects in connection with FCSB’s certificate programs in (1) unmanned aerial systems and visual sight operations, (2) EKG, CNA, and EMR, and (3) digital tools (collectively, the “**Project**”): (i) instructor salaries and benefits (“**Salaries**”), (ii) equipment (“**Equipment**”), (iii) consumables and other supplies (“**Supplies**”), and (iv) professional development and dues/fees (“**Training**”), all as further described in FCSB’s Application for Funds submitted to Triumph (the “**Grant Application**”).

FUNDING: The grant funds shall be allocated as follows:

Salaries:	\$	850,000
Equipment:	\$	165,000
Supplies:	\$	120,000
<u>Training:</u>	<u>\$</u>	<u>80,000</u>
Total	\$	1,215,000

As used in the budget/timeline attached hereto as “Exhibit “A” (the “**Budget**”), Year 1 shall mean the calendar year 2020; Year 2 shall mean the calendar year 2021; Year 3 shall mean the calendar year 2022; Year 4 shall mean the calendar year 2023; and Year 5 shall mean the calendar year 2024. An Application for Funding for Year 1 shall be submitted by FCSB on or before January 31, 2020. Thereafter, commencing on November 1, 2020, and on or before November 1 of

each subsequent calendar year, FCSB shall submit to Triumph an Application for Funding for the next calendar Year. Except with respect for the Application for Funding for Year 1, each Application for Funding shall include reports in Budget categories with copies of general ledger detail for the Project account (as defined below) showing itemized expenditures for the immediately prior funding Year, together with (A) invoices, purchase orders, or contracts from vendors providing equipment, materials, supplies, and services; (B) payroll and other employment data, (C) documentation evidencing the completion of the work that is the subject of the requested funding, and (D) such other documents as Triumph shall require in order to determine that the funding for the prior Year was used for purposes consistent with the Budget for that Year. With respect for the Application for Funding for Year 1, the Application for Funding need only include the completed Application for Funding and not any additional documentation. Triumph shall have forty-five (45) days from receipt to review and approve or disapprove of an Application for Funding, and if approved, thirty (30) days to fund the grant funds to FCSB.

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

FCSB 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**”).

FCSB shall be responsible for providing \$652,000.00 in Matching Funds (“**Matching Funds**”) for the Project, which Matching Funds shall be used for Salaries in the amounts and for the calendar Years as stated in the Budget.

Triumph will honor requests for funding; provided, however, that Triumph may elect by notice in writing not to make a funding payment if, among other things:

- (a) There is missing or incomplete documentation;
- (b) The request for funding seeks funding for items other than the Salaries, Equipment, Curriculum, Training, and Supplies;
- (c) The amount requested for funding, together with all amounts previously funded under the grant, would exceed the \$1,215,000.00 maximum amount of the grant; or the amount requested for funding under the Application for Funding for a particular Budget category, together with all amounts previously funded for such Budget category, would exceed the maximum amount allocated to such Budget category; or FCSB failed to use any Grant funds disbursed for a prior calendar Year in the amounts and for the purposes stated in the Budget for that prior calendar Year;
- (d) FCSB 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 FCSB of any of its duties or obligations which may jeopardize or adversely affect the Project, the Agreement, or the funding of the grant;
- (f) FCSB has taken any action pertaining to the Project which requires the approval of Triumph, and FCSB failed to obtain such approval;
- (g) There has been a violation of the prohibited interests (conflicts of interests) provisions the Agreement;
- (h) FCSB is in violation, default, or breach of or under any provision of the Agreement;
- (i) FCSB 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 FCSB) has revoked, suspended, or terminated that financial assistance to the Project, including, but not limited to, the \$652,000.00 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 the Budget and/or FCSB has failed to provide Triumph with evidence of payment of the Matching Funds toward completion of the Project in accordance with the Budget;
- (l) With respect to previous fundings of the grant, FCSB has failed to pay, or has failed to provide Triumph with evidence of payment of, the grant for the purposes of such funding. Such evidence shall include, but not be limited to, payroll records and job descriptions;
- (m) FCSB has abandoned or, before completion, discontinued the Project, or for any reason the commencement, prosecution, or timely completion of the Project by FCSB will be rendered improbable, infeasible, impossible, or illegal;
- (n) All or any portion of the requested funding 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) FCSB 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:

FCSB shall seek funding only for costs of the Project as shown or contemplated under the Budget attached to the Agreement. All amounts paid by FCSB 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 FCSB with respect to any item which is or will be chargeable against the Project account will be drawn only in accordance with a properly signed voucher then on file in the office of FCSB 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:

FCSB 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 FCSB's general accounting records and the Project records, together with supporting documents and records, of FCSB and all consultants and sub-consultants performing work on the Project and all other records of FCSB 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. FCSB 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 FCSB's audited financial statements.

TERMINATION
OR SUSPENSION
OF PROJECT:

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

(a) **Performance Metric #1:** By the end of the 2024-2025 school year, not less than 125 students will have obtained industry-recognized certificates in Visual Sight Operation (VSO), not less than 125 students will have obtained industry-recognized certificates in Unmanned Aircraft Systems (UAS), not less than 12 students will have obtained industry-recognized certificates in Electrocardiography (EKG), not less than 12 students will have obtained industry-recognized certificates in certified nursing assistant (CNA), not less than 12 students will have obtained industry-recognized certificates in emergency medical responder (EMR), and not less than 124 students in grades 4 and 5 will have obtained industry-recognized certificates in digital tools; 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 FCSB’s own funds after the Grant funds have been fully funded. Accordingly, in addition to satisfying the Performance Metric described in subparagraph (a) above, FCSB must also satisfy the following Performance Metric: During the 2025-2026 school year, at least 25 industry-recognized certificates in VSO, at least 25 industry-recognized certificates in UAS, at least 2 industry-recognized certificates in EKG, at least 2 industry-recognized certificates in CAN, at least 2 industry-recognized certificates in EMR, and at least 22 industry-recognized certificates in digital tools, shall be obtained. Notwithstanding the foregoing, in the event FCSB desires to change the subject areas of certification programs described in subparagraph (a) above, FCSB 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 FCSB’s control, (ii) it determines in its sole and absolute discretion that FCSB 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 FCSB'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 FCSB, and (b) does not create any binding obligations on Triumph or FCSB 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 FCSB with respect to any grant must be contained in a definitive grant award Agreement, approved by FCSB of Directors of Triumph and the FCSB and executed by Triumph and FCSB. At any time prior to such execution of the Agreement either Triumph or FCSB may terminate negotiations, and upon such termination neither party shall have any liabilities or obligations to the other.

Dated: October ____, 2019

TRIUMPH:

Triumph Gulf Coast, Inc.

By: _____

Name: _____

Title: _____

FCSB:

Franklin County School Board

By: _____

Name: _____

Title: _____

EXHIBIT "A"

FRANKLIN PROJECT #200

Projected Expenses

	Year 1	Year 2	Year 3	Year 4	Year 5	Project Total
Salaries/Benefits	\$276,806.00	\$287,486.00	\$299,236.00	\$312,158.00	\$326,314.00	\$1,502,000.00
Training, Organizational Fees and Dues	\$16,000.00	\$16,000.00	\$16,000.00	\$16,000.00	\$16,000.00	\$80,000.00
Equipment Purchase/Maintenance and Storage Shed	\$101,000.00	\$16,000.00	\$16,000.00	\$16,000.00	\$16,000.00	\$165,000.00
Curriculum and Supplies	\$24,000.00	\$24,000.00	\$24,000.00	\$24,000.00	\$24,000.00	\$120,000.00
	\$417,806.00	\$343,486.00	\$355,236.00	\$368,158.00	\$382,314.00	\$1,867,000.00

Grant/Match Funds

Franklin (\$652,000)

Salaries/Benefits	\$106,806.00	\$117,486.00	\$129,236.00	\$142,158.00	\$156,314.00	\$652,000.00
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Triumph (\$1,215,000)

Salaries/Benefits	\$170,000.00	\$170,000.00	\$170,000.00	\$170,000.00	\$170,000.00	\$850,000.00
Training, Organizational Fees and Dues	\$16,000.00	\$16,000.00	\$16,000.00	\$16,000.00	\$16,000.00	\$80,000.00
Equipment Purchase/Maintenance and Storage Shed	\$101,000.00	\$16,000.00	\$16,000.00	\$16,000.00	\$16,000.00	\$165,000.00
Curriculum and Supplies	\$24,000.00	\$24,000.00	\$24,000.00	\$24,000.00	\$24,000.00	\$120,000.00
	\$311,000.00	\$226,000.00	\$226,000.00	\$226,000.00	\$226,000.00	\$1,215,000.00