

TERM SHEET FOR
GRANT AWARD AGREEMENT BETWEEN
TRIUMPH GULF COAST, INC.

AND

OKALOOSA COUNTY SCHOOL DISTRICT
(Okaloosa Technical College North /Project #326)

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

GRANT AMOUNT: Up to \$7,850,000 (the “**Grant**”)

PURPOSE: To provide partial funding for the following project (the “**Project**”): (i) purchase of 5660 John Givens Road, Crestview, Florida (the “**Property**”); (ii) building renovations to the Property, (iii) purchase of equipment, supplies, software, exams, and utilities, and (iv) personnel and project management expenses, to support Grantee’s Okaloosa Technical College North’s programs for students that will deliver at least 2,904 industry-recognized Florida Department of Education-approved Career Technical Education (CTE) credentials in Advanced Manufacturing and Production, Welding, Electronic Systems, Automotive Service, Plumbing, and Applied Cybersecurity (“**Certificates**”), all as further described in Grantee’s Application for Funds submitted to Triumph (the “**Grant Application**”).

CONDITIONS
FOR PURCHASE
OF THE
PROPERTY:

No Grant funds shall be disbursed to Grantee with respect to Grantee’s purchase of the Property unless and until (i) Triumph has reviewed and

approved the purchase and sale agreement for the Property (“**Purchase Agreement**”), which Purchase Agreement shall provide for, among other things, Grantee to purchase fee simple title to the Property for a purchase price of not more than \$3,700,000, (ii) Grantee and the seller of the Property are ready, willing, and able to consummate the purchase and sale of the Property on and subject to the terms set forth in the Purchase Agreement, (iii) the closing and consummation of the purchase and sale of the Property on and subject to the terms set forth in the Purchase Agreement (the “**Closing**”) is scheduled for a date certain with a title insurance company or law firm (“**Closing Agent**”) reasonably acceptable to Triumph, and (iv) Triumph has reviewed and approved the deed and the settlement statement for the closing of the transaction. In the event the Closing does not occur for any reason, then any Grant funds funded by Triumph to the Closing Agent shall be to Triumph.

**COMPETITIVE
BIDS:**

For contracts and/or purchases exceeding \$325,000, Grantee shall obtain competitive bids when required under the applicable laws, statutes, ordinances, rules and regulations when purchasing services or commodities, or contracting for construction or renovations to public property, and Grantee shall upload a copy of the applicable standards or procedures to Triumph’s SmartSheet system. When awarding contracts according to the applicable laws, statutes, ordinances, rules and regulations, Grantee shall award the contract to the lowest cost qualified responsive bidder considering the selection criteria contained within the solicitation. Triumph shall have the right to review and approve the proposed award.

**PLANS AND
SPECIFICATIONS:**

Grantee shall upload to SmartSheet system for Triumph’s review and approval the plans and specifications for the renovations and any proposed changes to said plans and specifications. Triumph shall have fifteen (15) days from receipt of the plans and specifications or proposed change to notify Grantee of its approval or disapproval. If Triumph fails to approve or disapprove of the plans and specifications or proposed change within such fifteen (15) day period, the plans and specifications or proposed change shall be deemed approved. If Grantee fails to obtain approval or deemed from Triumph, that failure shall be sufficient cause for Triumph to not fund a request for funding of the Grant.

COMPLIANCE
WITH
CONSULTANTS'
COMPETITIVE
NEGOTIATION

Grantee shall be deemed an "Agency" under, and shall comply in full with, the provisions of Chapter 287.055, Florida Statutes, Consultants' Competitive Negotiation Act with respect to engineering, architecture or surveying services, and shall certify to Triumph that all selections have been accomplished in compliance with said statute.

FUNDING:

The total cost of the Project is \$19,690,040, of which (i) a match is being contributed by Grantee in the amount of \$11,840,040 (the "**Matching Funds**"), and (ii) \$7,850,000 is being provided by the Grant. The total estimated cost of the Project is based upon the Budget attached hereto as Exhibit "B" (the "**Budget**"). To the extent that the actual cost of the Project exceeds \$19,690,040, Grantee shall be solely responsible for such excess.

Grantee shall submit to Triumph a separate Request for Funding for each Budget category (a "**Request for Funding**") in accordance with the Budget and shall submit information pursuant to a SmartSheet system by Grantee's authorized users. After the first Request for Funding, each subsequent Request for Funding may only be submitted after Triumph's approval of the immediately preceding Request for Funding. Each Request for Funding shall include the following items (A) through (H): (A) completed detailed Project account spreadsheet (i.e., in a tab on the Budget), (B) a completed Expense Itemization Sheet in a form provided by Triumph ("**Expense Itemization Sheet**") for each category of funds requested and for Matching Funds category, together with invoices, receipts, or contracts from vendors providing equipment, materials, and services; (C) payroll ledgers, percentage of time dedicated to the Project, and job descriptions as they relate to the Project, (D) documentation evidencing the completion of the work that is the subject of the requested funding, (E) to the extent that any portion of the current funding request is for reimbursement of amounts already paid by Grantee, copies of front and back of cancelled checks for funding, (F) to the extent that all or any portion of the prior funding was a disbursement for items to be paid rather than a reimbursement of amounts already paid, a completed Expense Itemization Sheet and receipts or other

documentation evidencing that the funds disbursed previously were in fact paid in the proper amounts to the proper vendors for such items, including copies of front and back of cancelled checks for funding (G) copies of the insurance policies required under the Agreement and evidence that such policies are in current force and effect, and (H) such other documents as Triumph shall require in order to determine that the funding is consistent with the purposes of the Grant. Grantee shall notify the Triumph Program Administrator via email each time a Request for Funding is submitted. Other than the final Request for Funding, no single Request for Funding shall be submitted for a funding request amount of less than \$196,250. In no event shall the cumulative fundings made by Triumph exceed the \$7,850,000 maximum amount of the Grant. Upon Triumph's receipt of (a) notification to the Program Administrator, and (b) a Request for Funding that includes all required supporting documents, Triumph shall have forty-five (45) days from receipt to review and either approve or disapprove of a Request for Funding. If Triumph approves a Request for Funding, then it shall fund the approved amount to Grantee within thirty (30) days after approval. If Triumph disapproves a Request for Funding, Triumph shall deliver a notice of disapproval within such forty-five (45) day period that states the reasons for such disapproval. If the stated reasons for disapproval can be cured by Grantee's submittal of missing or corrective items, Grantee shall have thirty (30) days following receipt of the notice of disapproval to submit such missing or corrective items. If Triumph fails to notify Grantee of its disapproval of the Request for Funding within forty-five (45) days of receipt, such Request for Funding shall be deemed disapproved.

None of the Grant funds shall be used as a reimbursement of items purchased by Grantee prior to the date of the Agreement. None of the amounts paid by Grantee in connection with the invoices submitted in a Request for Funding and then funded by Triumph shall also have been or will in the future be in any manner (a) reimbursed, returned, refunded, rebated, or otherwise credited to, Grantee by any contractor, materialman, vendor, or any other person or entity, or (b) paid, reimbursed, returned, refunded, rebated, or otherwise credited to Grantee 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 Grantee shall not receive payments, refunds, reimbursements, rebates or credits from any sources in amounts collectively exceeding 100% of the amounts paid or owing by Grantee.

None of the Grant funds or the Matching Funds shall be used to pay, reimburse, or recover any overhead or other indirect costs, including, but not limited to, general and/or administrative overhead, facilities overhead, continuing education fees, and auxiliary fees.

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

- (a) There is missing or incomplete documentation;
- (b) The Request for Funding seeks funding for items other than as shown in the Budget or seeks funding for more than amounts actually invoiced by contractors, materialmen, or other vendors under any contracts;
- (c) The amount requested for funding under the Request for Funding, together with all amounts previously funded under the Grant, would exceed the \$7,850,000 maximum amount of the Grant; or the amount requested for funding under the Request 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 Grantee failed to use any Grant funds funded to date in the amounts and for the purposes stated in the Budget;
- (d) Grantee 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 Grantee of any of its duties or obligations which may jeopardize or adversely affect the Project, the Agreement, or funding of the Grant;
- (f) Grantee has taken any action pertaining to the Project which, under the Agreement, requires the approval of Triumph, and Grantee failed to obtain such approval;
- (g) There has been a violation of the prohibited interests provisions of the Agreement;
- (h) Grantee is in material violation, default, or breach of or under any provision of the Agreement;
- (i) Grantee is in breach of any material representation or warranty contained in the Agreement;
- (j) Grantee and/or any federal, state, or local government, organization or agency 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;

(k) The Matching Funds are not being used for the intended purposes and in the amounts and at the times as set forth in the Budget, and/or Grantee has failed to provide Triumph with evidence of payment of the Matching Funds toward completion of the Project;

(l) With respect to previous fundings of the Grant and payments under contracts, Grantee 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 ledgers, state and federal payroll returns, job descriptions, cancelled checks, wire transfer confirmations;

(m) Prior to December 31, 2030 (the “**Completion Deadline**”) for the Project, Grantee has abandoned or discontinued the Project, or for any reason the commencement, prosecution, or timely completion of the Project by Grantee is rendered improbable, infeasible, impossible, or illegal, or Grantee has failed to make substantial progress toward student attainment of achieving not less 2,904 Certificates;

(n) All or any portion of the requested funding includes funding for items that are outside the scope of the Project that is contemplated under the Budget;

(o) One or more of the contracts previously approved or deemed approved by Triumph have been modified, amended, or terminated, or have been subject to a change order, without the prior written consent or deemed approval of Triumph; provided, however, that any change order under \$65,000 shall not be subject to approval under the Agreement;

(p) Intentionally omitted;

(q) Without the prior approval of Triumph, the overall Budget, and/or a particular Budget category, has been cumulatively increased or decreased by more than 5%; and/or the Matching Funds have cumulatively increased or decreased by more than 5%;

(r) Completion of the Project is not on schedule for completion by the Completion Deadline;

(s) Grantee has failed to maintain in full force and effect all insurance required under the Agreement;

(t) Grantee is not in compliance with all applicable environmental laws and regulations in accordance with the Agreement;

(u) Grantee is not in compliance with the competitive bidding requirements described above; and/or

(v) Grantee is not in compliance with the equal employment opportunity and other labor provisions as required by the Agreement.

ELIGIBLE
COSTS/
DOCUMENT-
ATION:

Grantee shall seek funding only for costs of the Project as shown or contemplated under the Budget. All amounts paid by Grantee with respect to the Project shall be supported by properly executed invoices, contracts, and other records evidencing in proper detail the nature and propriety of the charges and use of the Matching Funds. 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.

MAINTENANCE
OF RECORDS:

Grantee shall establish and maintain within its existing accounting system or independently from its accounting system a detailed listing of all expenses related to the project. Records of costs incurred under terms of this Agreement shall be maintained in the listing along with supporting documentation and be made available upon request to Triumph during the period of this Agreement and for five (5) years after final payment of the Grant is made.

AUDITS:

The Grant shall be subject to audits and/or monitoring by Triumph. Grantee shall on an annual basis on or before October 31 of each year submit to Triumph an activity report which contains, in addition to any other information requested by Triumph (a) the progress of the Project, (b) costs incurred to date, (c) how Grantee is progressing with student attainment toward achieving not less 2,904 Certificates, and (d) Grantee's most recent audited financial statements. Grantee's failure to be making substantial progress toward student attainment of achieving not less 2,904 Certificates shall be grounds for suspension or termination of funding any unfunded portion of the Grant. In addition, Triumph shall have the right, at any time and from time to time upon reasonable notice to Grantee, to access the Project and inspect any work being performed or as completed. Grantee shall also make available to

Triumph copies of any and all invoices, contracts, plans and specifications, and other documentation relating to the Project.

TERMINATION
OR
SUSPENSION
OF PROJECT:

If Grantee abandons or, before completion, finally discontinues the Project; or for any other reason, the commencement, prosecution, or timely completion of the Project by Grantee is rendered improbable, infeasible, impossible, or illegal, Triumph will, by written notice to Grantee, 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, Grantee 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 Grantee executes or obligates itself in any manner requiring the funding of Triumph funds. Grantee shall also comply with all applicable laws regarding public records, third party contracts, labor laws, civil rights laws, and environmental laws.

APPROVAL OF
TENANTS:

Triumph shall have the right to approve, in its sole and absolute discretion, any tenant or subtenant that would occupy the Property.

INSURANCE:

At all times during the term of the Agreement, Grantee shall keep and maintain (i) casualty insurance on all improvements, fixtures, and equipment, that constitute the Project, the cost of which was in whole or in part funded using the Grant, but only to the extent that such equipment and improvements can in fact be insured, and (ii) workers

compensation insurance with respect to the construction or renovation of any improvements.

CLAWBACK: Any Grant funds funded by Triumph to Grantee shall be subject to being repaid (“clawed back”) in the event (i) Grantee 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) Grantee breached, violated, or is in any way in default under any of its obligations under the Agreement, then Grantee shall upon written demand by Triumph repay to Triumph all portions of Grant theretofore funded to and received by Grantee. In addition, in the event Grantee fails to award a cumulative total of at least 2,904 Certificates by December 31, 2030, then Grantee shall upon written demand by Triumph repay to Triumph an amount equal to (A) \$2,703, multiplied by (B) the sum of (a) 2,904, minus (b) the actual number of Certificates issued as of December 31, 2030.

Triumph shall have the discretion to waive, reduce, extend, or defer any amounts due above if it determines in its sole and absolute discretion that (i) a breach of a representation and warranty in the Agreement or in the Grant Application, or a breach, violation, or default of or under any other provision of the Agreement, was not material in nature, (ii) based on quantitative evidence, the issuance of not less than 2,904 Certificates was not achieved due to negative economic conditions beyond Grantee’s reasonable control, (iii) Grantee made a good faith effort to award not less than 2,904 Certificates, and/or (iv) based on quantitative evidence, the effects of a named hurricane or tropical storm, or specific acts of terrorism, adversely affected Grantee’s ability to award not less than 2,904 Certificates.

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

[signature page follows]

Dated: _____, 2024

TRIUMPH:

Triumph Gulf Coast, Inc.

By: _____

Name: _____

Title: _____

GRANTEE:

Okaloosa County School District

By: _____

Name: _____

Title: _____

A5206974.DOCX

BUDGET

[see attached]

Exhibit B

Project #, name OTC-North 326
 Budget 20,690,040
 Estimated Renovation start date if applicable Summer of 2024
 Estimated education component start date if applicable Fall of 2025

	Property Acquisition	Equipment, Supplies, Software, Exams, Utilities	Personnel and Project Management	Renovation	Total
Please change year # to actual year					
Project Total					
Calendar Year 1	3,700,000.00	120,000.00	100,000.00	3,000,000.00	6,920,000.00
Calendar Year 2	-	1,839,277.90	1,047,395.50	-	2,886,673.40
Calendar Year 3	-	1,289,277.90	1,047,395.50	-	2,336,673.40
Calendar Year 4	-	839,277.90	1,047,395.50	-	1,886,673.40
Calendar Year 5	-	839,277.90	1,047,395.50	-	1,886,673.40
Calendar Year 6	-	839,277.90	1,047,395.50	-	1,886,673.40
Calendar Year 7	-	839,277.90	1,047,395.50	-	1,886,673.40
Calendar Year 8	-	-	-	-	-
Calendar Year 9	-	-	-	-	-
Calendar Year 10	-	-	-	-	-
Calendar Year 11	-	-	-	-	-
Calendar Year 12	-	-	-	-	-
Project Total	3,700,000.00	6,605,667.40	6,384,373.00	3,000,000.00	19,690,040.40

Triumph

2024	3,700,000.00		100,000.00	2,000,000.00	5,800,000.00
2025		1,000,000.00	100,000.00		1,100,000.00
2026		450,000.00	100,000.00		550,000.00
2027			100,000.00		100,000.00
2028			100,000.00		100,000.00
2029			100,000.00		100,000.00
2030			100,000.00		100,000.00
Calendar Year 8					
Calendar Year 9					
Calendar Year 10					
Calendar Year 11					
Calendar Year 12					
Triumph Total	3,700,000.00	1,450,000.00	700,000.00	2,000,000.00	7,850,000.00

Grantee

2024		120,000.00		1,000,000.00	1,120,000.00
2025		839,277.90	947,395.50		1,786,673.40
2026		839,277.90	947,395.50		1,786,673.40
2027		839,277.90	947,395.50		1,786,673.40
2028		839,277.90	947,395.50		1,786,673.40
2029		839,277.90	947,395.50		1,786,673.40
2030		839,277.90	947,395.50		1,786,673.40
Calendar Year 8					
Calendar Year 9					
Calendar Year 10					
Calendar Year 11					
Calendar Year 12					
Grantee Total		5,155,667.40	5,684,373.00	1,000,000.00	11,840,040.40

Match Source 1

Calendar Year 1					
Calendar Year 2					
Calendar Year 3					
Calendar Year 4					
Calendar Year 5					
Calendar Year 6					
Calendar Year 7					
Calendar Year 8					
Calendar Year 9					
Calendar Year 10					
Calendar Year 11					
Calendar Year 12					
Match Source 1 Total					

Match Source 2