

SUMMARY  
OF  
GRANT AWARD AGREEMENT  
BETWEEN  
TRIUMPH GULF COAST, INC.  
AND  
GULF COUNTY SCHOOL DISTRICT  
(Project #153)

This summarizes the basic terms of a grant award agreement (the “**Agreement**”) that has been negotiated between the staffs of Triumph Gulf Coast, Inc. (“**Triumph**”) and Gulf County School District (“**GCSD**”) under the Triumph Gulf Coast Trust Fund. This summary is intended for notice 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. The final terms and conditions of the grant (the “**Grant**”) will be contained in the definitive Agreement approved by the Board of Directors of Triumph and GCSD and executed by Triumph and GCSD.

GRANT AMOUNT: Seven Hundred Fifty Thousand Dollars (\$750,000)

PURPOSE: To provide partial funding for the following projects (collectively, the “**Project**”): (i) five (5) year salary and benefits for a Drone Aviation Technician (“**Salaries**”), (ii) professional development/stipends for training beyond the regular work day (“**Stipends**”), (iii) purchasing of drones, computers, and related equipment (the “**Equipment**”), (iv) development and implementation of on-line curricula, textbooks, and assessment fees (“**Curricula**”), (v) purchase of storage buildings (“**Storage Buildings**”), (vi) supplies and materials (“**Supplies**”), and (vii) organization fees and dues (“**Dues**”), all as further described in GCSD’s Application for Funds submitted to Triumph (the “**Grant Application**”).

FUNDING: \$350,000 of the Grant funds shall be allocated for the Salaries and shall be disbursed in annual lump-sum payments of \$70,000, the first of which shall be upon application for disbursement (“**Application for Disbursement**”).

submitted by GCSD at such time as GCSD is first prepared to enroll students (e.g., for Spring 2019 semester), and for four years thereafter on or about the anniversary date thereof \$70,000 shall be disbursed. In each case 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 GCSD.

\$100,000 of the Grant funds shall be allocated for the Stipends and shall be disbursed in annual lump-sum payments of \$20,000 coinciding with the disbursements for Salaries.

\$30,000 of the Grant funds shall be allocated for the Dues and shall be disbursed in annual lump-sum payments of \$6,000 coinciding with the disbursements for Salaries.

\$150,000 of the Grant funds shall be allocated for the Equipment, \$75,000 of the Grant funds shall be allocated for the Curricula, \$25,000 of the Grant funds shall be allocated for the Storage Buildings, and \$20,000 of the Grant funds shall be allocated for the Supplies, in each case disbursed from time to time as copies of contracts, purchase orders, invoices, or other documentation evidencing the Equipment, Curricula, Storage Building, and Supplies to be purchased are submitted to Triumph. 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 GCSD. Within thirty (30) days after any purchase, GCSD shall deliver to Triumph copies of receipts and proof of payment.

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.

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

- (a) Missing or incomplete documentation;
- (b) The Application for Disbursement seeks disbursement for more than the amounts actually invoiced by contractors, materialmen, or vendors under the Contracts;
- (c) The amount requested for disbursement under the Application for Disbursement, together with all amounts previously disbursed under the Grant, would exceed the \$750,000 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 prohibited interests, lobbying, or non-interest 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;

- (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) Prior to the Completion Deadline (December 31, 2024), 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; or
- (o) GCSD shall have failed to make reasonable good faith efforts to obtain Business Donations in accordance with the Agreement, 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/  
DOCUMENTATION:

The total cost of the Project is \$1,402,000, of which (i) GCSD shall pay using \$652,000 toward salaries and benefits for instructors (the "**Matching Funds**"), and (ii) \$750,000 shall be provided by the Grant. The total estimated cost of the Project is based upon the budget set forth in **Exhibit "B"** of the Agreement (the "**Budget**"). GCSD shall monitor the Budget and submit an amended Budget to Triumph in the event that the Budget increases or decreases by greater than five percent (5%) in the aggregate of the total cost of the Project. Any increase or decrease by greater than five percent (5%) in the aggregate of the total cost of the Project as compared to the most recently approved Budget shall require approval of Triumph. Triumph shall have fifteen (15) days from the receipt of a proposed amended Budget to notify GCSD of its approval or disapproval of such change. If Triumph fails to approve or disapprove the amended Budget within such fifteen (15) day period, the amended Budget shall be deemed approved as submitted. If GCSD fails to obtain Triumph's approval or deemed approval, that failure shall be sufficient cause for nonpayment by Triumph. Using the Grant, its own funds, and funds from other grants,

if any, GCSD agrees to bear the entire cost and expense of the Project, including but not limited to, all costs and all expenses in excess of the total estimated cost of the Project, it being expressly understood and agreed that the Grant shall operate only to pay, on and subject to the terms and conditions set forth herein, a portion of the costs and expenses of the Project.

#### MAINTENANCE OF RECORDS:

GCSD shall submit to Triumph such data, reports, records, contracts and other documents relating to the Project as Triumph may require, which reports shall include, among other things, its most recent audited financial statements. GCSD shall on an annual basis submit to Triumph an activity report which outlines the progress of the Project, costs incurred to date, and the progress of satisfaction of the performance metrics described below. In connection with its inspection of the Project, GCSD shall make available to Triumph copies of any and all invoices, contracts, plans and specifications, and other documentation relating to the Project. Triumph shall have the right, at any time and from time to time upon reasonable notice to GCSD, to access the Project and inspect any Equipment and work being performed or as completed.

GCSD shall establish separate accounts to be maintained within its existing accounting system or establish independent accounts with respect to the Project, including, but not limited to, payroll records, class schedules, and job descriptions with respect to personnel used in connection with the Matching Funds. Such accounts are referred to herein collectively as the “**Project account.**” Records of costs incurred under terms of the Agreement 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 payment of the Grant is made. Copies of these documents and records shall be made available 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 performing work on the Project and all other records of GCSD and consultants considered necessary by 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 and applicable public records laws.

TERMINATION  
OR SUSPENSION  
OF PROJECT:

If GCSD abandons, suspends, or discontinues the Project, or fails to complete the Project by the Completion Deadline (subject to *force majeure* events), or for any other reason, the commencement, prosecution, or timely completion of the Project by GCSD is rendered improbable, infeasible, impossible, or illegal, Triumph shall have the right, by written notice to GCSD, to (i) suspend any further disbursements of the Grant and/or any or all of Triumph's other obligations under the Agreement until such time as the event or condition resulting in such abandonment, suspension, or discontinuation has ceased or been corrected, and/or (ii) revoke and terminate the Grant. If Triumph issues a final termination or revocation notice, then GCSD shall, upon written demand by Triumph, repay to Triumph all portions of the Grant theretofore disbursed to and received by GCSD

APPROVAL OF  
CONTRACTS:

Triumph shall have the right to review and approve any and all proposed contracts in connection with the Project (each, a "**Contract**," and collectively, the "**Contracts**") and any proposed changes to the Contracts before GCSD executes or obligates itself in any manner. Triumph shall have fifteen (15) days from receipt of a proposed Contract or change order to notify GCSD of its approval or disapproval of such Contract or change order. If Triumph fails to approve or disapprove of a Contract or change order within such fifteen (15) day period, the subject Contract or change order shall be deemed approved. Triumph also reserves unto itself the right to review the qualifications of any consultant or contractor and to approve or disapprove the employment of same.

COMPLIANCE  
WITH LAWS:

GCSD shall also comply with all applicable laws regarding third party contracts, labor laws, and civil rights laws. The Agreement shall also have prohibitions on conflicts of interest.

INSURANCE:

At all times during the term of the Agreement, GCSD shall maintain or cause to be maintained casualty insurance on all improvements, fixtures, and equipment, the cost of which was in whole or in part was reimbursed

using Triumph grant funds, to the extent such improvements, fixtures, and equipment can in fact be insured. In the event of the loss of such improvements, fixtures, and equipment GCSO shall either replace the same or reimburse Triumph to the extent the Grant was used to purchase or construct the same.

**CLAWBACK:**

Any Grant funds disbursed by Triumph to GCSO shall be subject in being repaid (“clawed back”) in the event (i) GCSO abandons, suspends or discontinues the Project, or fails to complete the Project by Completion Deadline, and/or (ii) GCSO 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 reimbursement, and/or (iii) GCSO breaches any obligation under the Agreement, and/or (iv) GCSO fails to achieve at least one of the following performance metrics:

- (a) Performance Metric #1: By May 31, 2024, not less than 200 students will have obtained the Small Unmanned Aerial Systems (UAS) Safety Certification, and by May 31, 2023, not less than 125 students will have obtained the Agricultural Use of UAS Technology Certification, and by May 31, 2024, not less than 200 students will have completed the Visual Line of Sight Operator (VOS) Certification.
- (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 Bay 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.

The calculation of the performance metrics shall be made by Rick Harper or another similarly qualified economist or analyst selected by Triumph.

Triumph shall have the discretion to waive, reduce, extend, or defer any clawback amounts due if it determines in its sole and absolute discretion that (i) a breach of a representation and warranty herein 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 performance metrics were not achieved due to

negative economic conditions beyond GCSD's reasonable control, (iii) GCSD made a good faith effort to achieve full performance of at least one of the performance metrics and its failure to do so does not substantially frustrate the general purpose of the Grant, and/or (iv) 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 at least one of the performance metrics.

OTHER TERMS  
AND  
CONDITIONS:

This is a summary only. The Agreement contains such other covenants, representations and warranties, and other terms and conditions as agreed to by Triumph and GCSD.