

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

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 Wakulla County School Board (“**WCSB**”) 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 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. 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 WCSB and executed by Triumph and WCSB.

GRANT AMOUNT: One Million Seven Hundred Eighty Thousand and 00/100 Dollars
(\$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 shall be allocated as follows:

a) \$600,000.00 of the Grant funds shall be allocated for Salaries, to be funded in the amounts and at the times as set forth below and in the Budget (as defined below);

- b) \$750,000.00 of the Grant funds shall be allocated for the purchase of Equipment, to be funded in the amounts and at the times as set forth below and in the Budget;
- c) \$120,000.00 of the Grant funds shall be allocated for Training, to be funded in the amounts and at the times as set forth below and in the Budget;
- d) \$150,000.00 of the Grant funds shall be allocated for Curriculum, to be funded in the amounts and at the times as set forth below and in the Budget; and
- e) \$160,000.00 of the Grant funds shall be allocated for Supplies, to be funded in the amounts and at the times as set forth below and in the Budget.

As used in 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; Year 5 shall mean the calendar year 2024; Year 6 shall mean the calendar year 2025; and Year 7 shall mean the calendar year 2026. On or before November 1 of each calendar year, WCSB shall submit to Triumph an Application for Funding for the next calendar Year. The Application for Funding for Year 1 shall be submitted on or before November 1, 2019. 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. WCSB shall notify the Triumph Program Administrator via email each time an Application for Funding is submitted. Within forty-five (45) days of notification and receipt of an Application for Funding under Section 4.1 above that includes all required supporting documents, Triumph shall either approve or disapprove of the Application for Funding. If Triumph approves the Application for Funding, then it shall fund the approved amount to WCSB within thirty (30) days after approval. If Triumph disapproves the Application 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 WCSB's submittal of missing or corrective items, WCSB shall have thirty (30) days following receipt of the notice of disapproval to submit such missing or corrective items. If Triumph fails to notify WCSB of its disapproval of the Application for Funding within forty-five (45) days of receipt, such Application for Funding shall be deemed disapproved.

WCSB shall not submit more than one (1) Application for Funding in any funding Year. All amounts funded to WCSB pursuant to an Application for Funding shall be paid by WCSB to employees performing work or vendors supplying equipment, materials, or services, or, to the extent WCSB has already paid amounts, the Grant funds funded shall be retained by WCSB as a reimbursement for such payments, consistent with the Budget. None of the Grant shall be used as a reimbursement of items purchased by WCSB prior to the date of the Agreement. None of the amounts paid by WCSB in connection with the invoices submitted in an Application 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, WCSB by any contractor, materialman, vendor, or any other person or entity, or (b) paid, reimbursed, returned, refunded, rebated, or otherwise credited to WCSB 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 an agreed that WCSB shall not receive payments, refunds, reimbursements, rebates or credits from any sources in amounts collectively exceeding 100% of the amounts paid or owing by WCSB.

WCSB shall seek funding only for costs of the as shown or contemplated under the Budget. All amounts paid by WCSB with respect to the Project shall be supported by properly executed invoices, contracts, or vouchers evidencing in proper detail the nature and propriety of the charges. Any check or order drawn by WCSB 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 WCSB stating in proper detail the purpose for which such check or order is drawn. 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, kept separate and apart from all other such documents.

Reasons for disapproving an Application for Disbursement must include one or more of the following:

(a) Missing or incomplete documentation;

(b) The Application for Funding seeks funding for items other than the Salaries, Equipment, Curriculum, Training, and Supplies or seeks funding for more than amounts actually invoiced by contractors, materialmen, or other vendors under the Contracts;

(c) The amount requested for funding under the Application for Funding, together with all amounts previously funded under the Grant, would exceed the \$1,780,000.00 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 WCSB 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) 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 with the Grant Application or pursuant to the Agreement;

(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 funding of the Grant;

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

(g) There has been a violation of Sections 9.1, 9.4, and/or 9.5 of the Agreement;

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

(i) WCSB is in breach of any material representation or warranty contained in the Agreement;

(j) Any federal, state, or local agency (including WCSB) 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 (as defined below);

(k) The Matching Funds are not being used for the intended purposes and in the amounts 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 fundings of the Grant and payments under Contracts, WCSB 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) Prior to the Completion Deadline (as defined in the Agreement), WCSB has abandoned or discontinued the Project, or for any reason the commencement, prosecution, or timely completion of the Project by WCSB is rendered improbable, infeasible, impossible, or illegal;

(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 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 annually failed to make reasonable good faith efforts to obtain Business Donations in accordance with Section 5.12 below, 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 WCSB'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.

BUSINESS DONATIONS:

WCSB shall make reasonable good faith efforts, up until the Completion Deadline, to solicit and obtain financial contributions to support the Project and/or in-kind contributions of services and/or equipment from businesses and industry that would support the Project (“**Business Donations**”). Such reasonable good faith efforts shall include sending letters to area businesses, building a file or database of business names in area to annually solicit donations, and maintaining records of donations. WCSB shall provide Triumph with documentation and other evidence of such reasonable good faith efforts, which documentation shall include, but not be limited to, WCSB's good faith estimate of the fair market value of such Business

Donations. The maximum amount of the Grant shall be reduced by an amount equal to fifty percent (50%) of the fair market value of any Business Donations. Triumph shall have the right to approve, disapprove, or modify WCSB's good faith estimate of the fair market value of such Business Donations.

ELIGIBLE COSTS/
DOCUMENTATION:

The total cost of the Project is \$2,107,135.42, of which (i) WCSB shall pay \$327,135.42 toward salaries and benefits over a seven (7) year period as shown in the Budget (collectively, the "**Matching Funds**"), and (ii) \$1,780,000.00 shall be provided by the Grant. The total estimated cost of the Project is based upon the budget/timeline attached hereto and to the Agreement (the "**Budget**"). WCSB 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%) within a particular Budget category. Any increase or decrease by greater than five percent (5%) within a particular Budget category 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 WCSB 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 WCSB 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 (including, but not limited to, the Matching Funds), WCSB 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. Furthermore, WCSB agrees to spend all of the Matching Funds as contemplated in the Grant Application, and agrees that its failure to do so shall be deemed a material breach of this Agreement.

MAINTENANCE
OF RECORDS:

WCSB 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. WCSB shall on an annual basis on or before October 31 of each

year 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, WCSB 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 WCSB, to access the Project and inspect any Equipment and work being performed or as completed.

WCSB 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 WCSB's general accounting records and the Project records, together with supporting documents and records, of WCSB and all consultants performing work on the Project and all other records of WCSB 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 WCSB 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 WCSB is rendered improbable, infeasible, impossible, or illegal, Triumph shall have the right, by written notice to WCSB, 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 WCSB shall, upon written demand by Triumph, repay to Triumph all portions of the Grant theretofore disbursed to and received by WCSB

**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 WCSB executes or obligates itself in any manner. Triumph shall have fifteen (15) days from receipt of a proposed Contract or change order to notify WCSB 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:**

WCSB 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, WCSB 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 WCSB 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 WCSB shall be subject in being repaid (“clawed back”) in the event (i) WCSB abandons, suspends or discontinues the Project, or fails to complete the Project by Completion Deadline, and/or (ii) 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

reimbursement, and/or (iii) WCSB breaches any obligation under the Agreement, and/or (iv) WCSB fails to timely achieve the following performance metrics (the “Performance Metrics”), then WCSB shall upon written demand by Triumph repay to Triumph all portions of Grant theretofore funded to and received by WCSB:

(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).

(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 funded. 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.

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 WCSB’s reasonable control, (iii) WCSB 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 WCSB’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 WCSB.

EXHIBIT “B”
BUDGET/TIMELINE

WAKULLA PROJECT #198									
Projected Expenses									
	2019	2020	2021	2022	2023	2024	2025	2026	Project Total
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
Transportation Salary/Private	\$10,000.00	\$45,305.06	\$45,305.06	\$45,305.06	\$45,305.06	\$45,305.06	\$45,305.06	\$45,305.06	\$327,135.42
		\$299,590.78	\$299,590.78	\$299,590.76	\$299,590.78	\$299,590.75	\$299,590.78	\$299,590.76	\$2,107,135.42
Grant/Match Funds									
<i>Wakulla (\$327,135.42)</i>									
Transportation Salary/Private	\$10,000.00	\$45,305.06	\$45,305.06	\$45,305.06	\$45,305.06	\$45,305.06	\$45,305.06	\$45,305.06	\$327,135.42
<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
		\$254,285.69	\$254,285.68	\$254,285.72	\$254,285.72	\$254,285.72	\$254,285.72	\$254,285.72	\$1,780,000.00