

TERM SHEET  
FOR  
GRANT AWARD AGREEMENT  
BETWEEN  
TRIUMPH GULF COAST, INC.  
AND  
GULF COAST STATE COLLEGE (Project #210)

This Term Sheet summarizes the basic terms upon which Triumph Gulf Coast, Inc. ("**Triumph**") is considering awarding a grant to the Gulf Coast State College ("**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 Board of Directors of Triumph and the Board of Trustees of 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.

GRANT AMOUNT: \$2,259,063.00

PURPOSE: To provide partial funding to Grantee for the following items in order to implement a Career/Technical Education (CTA) certificate program in unmanned aerial systems (UAS) intended to facilitate the transition of separating military and military spouses into private sector employment in the UAS sector for students who are residents of one of the eight disproportionately affected counties under Section 288.8012(3), Florida Statutes (Bay, Escambia, Franklin, Gulf, Okaloosa, Santa Rosa, Walton, and Wakulla) (the "**Project**"): (i) purchase of equipment, infrastructure, modular training classroom/lab and scenario based asset props (collectively, "**Equipment**"), and (ii) industry certification prep and examination fees ("**Fees**"), all as further described in Grantee's Application for Funds submitted to Triumph (the "**Grant Application**").

FUNDING: Grantee is contributing \$955,937.00 toward the Project and the Unmanned Safety Institute ("**USI**") is contributing \$790,000.00 toward the Project (collectively, the "**Matching Funds**"). The total Project cost is estimated to be \$4,005,000.00, of which (i) Grantee's Matching Funds shall total not less than \$955,937.00 and USI's Matching Funds shall not be less than \$790,000.00, and (ii) Triumph shall provide a maximum of \$2,259,063.00 under the grant. To the extent that the actual cost of the Project exceeds \$4,005,000.00, Grantee shall be solely responsible for such excess. As will be shown on the budget/timeline that will be attached to the Agreement (the "**Budget**"), the grant funds shall be allocated as follows:

Equipment	\$ 800,000
Fees:	\$1 459 063

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(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 \$5,000 shall not be subject to approval under the Agreement;

(p) Without the prior approval of Triumph, the total Project cost as set forth in the Budget, the overall Budget, and/or a particular Budget category, has been increased or decreased by more than 5%; and/or Grantee's share of the Matching Funds has decreased by more than 5%;

(q) Completion of the Project is not on schedule for completion by the completion date;

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

(s) Grantee is not in compliance with all applicable environmental laws and regulations;

(t) Grantee is not in compliance with the competitive bidding requirements set forth in the Agreement; and/or

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

**ELIGIBLE COSTS/  
DOCUMENT-  
ATION:**

Grantee shall seek funding only for costs of the Project as shown or contemplated under the Budget attached to the Agreement. All amounts paid by Grantee 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 Grantee 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 Grantee 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:**

Grantee 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 Grantee's general accounting records and the Project



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

**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.

**INSURANCE:**

At all times during the term of the Agreement, Grantee 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 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, and/or (iii) Grantee fails to (A) timely achieve the following performance metric (the "Performance Metric"):

By December 31, 2023, not less than 700 industry-recognized certificates (excluding FAA introductory certifications) in UAS shall have been issued (students may obtain multiple certificates and each non-duplicative certificate shall count toward the 700 even if the student does not complete the normal 8 sequential certificates) to students who are residents of one of the eight disproportionately affected counties under Section 288.8012(3), Florida Statutes (Bay, Escambia, Franklin, Gulf, Okaloosa, Santa Rosa, Walton, and Wakulla).

In the event that by the end of the time period described above Grantee has failed to issue at least 700 industry-recognized certificates (excluding FAA introductory certifications), then Grantee shall pay to Triumph an amount calculated based on the following formula: (A) (i) 700, minus (ii) the actual number of industry-recognized certificates (excluding FAA introductory certifications), multiplied by (B) \$3,227.23.

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 Performance Metric was not achieved due to negative economic conditions beyond Grantee's control, (ii) it determines in its sole and absolute discretion that Grantee made a good faith effort to achieve full Performance Metric and its failure to fully achieve the Performance Metric 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 Grantee's ability to achieve the Performance Metric.

Grantee shall also use reasonable good faith efforts to continue the certification program beyond the satisfaction of the Performance Metric as long as there is a demand, as offered in Grantee's March 26, 2020, letter to Triumph that is part of the Grant Application.

#### 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 Grantee of Directors of Triumph and the 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.

Dated: April 20, 2020  
April 30, 2020 - Gaetz

TRIUMPH:

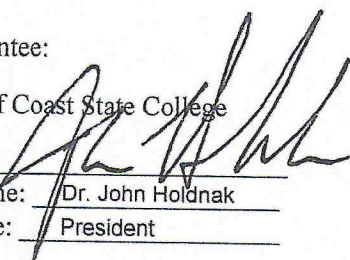
Triumph Gulf Coast, Inc.

By:   
Name: Don Gaetz  
Title: Chair

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Grantee:

Gulf Coast State College

By:   
Name: Dr. John Holdnak  
Title: President

