

SUMMARY
OF
GRANT AWARD AGREEMENT
BETWEEN
TRIUMPH GULF COAST, INC.
AND
FRANKLIN COUNTY SCHOOL BOARD
(Project #157)

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 Franklin County School Board (“FCSB”) 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 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. 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 FCSB and executed by Triumph and FCSB.

GRANT AMOUNT: Two Million Three Hundred Thirty Seven Thousand Three Hundred Twenty Two Dollars (\$2,327,322)

PURPOSE: To provide partial funding for the following projects (collectively, the “Project”): (i) design and construction (“construction”) of a facility for the welding program at Franklin County School (the “Welding Facility”), (ii) construction of a facility for the computer program at Apalachicola Bay Charter School (the “Computer Facility”), and (iii) supplies, materials, transportation, and teacher salaries for the summer camp elementary and middle school computer program at the Medical Academy at Franklin County School (collectively, the “Summer Program Costs”), all as further described in FCSB’s Application for Funds submitted to Triumph (the “Grant Application”),

FUNDING:

(a) \$1,978,722 of the Grant shall be allocated for the construction of the Welding Facility, and shall be disbursed from time to time as invoices for

completed work are submitted to Triumph. FCSB shall submit to Triumph one or more Applications for Disbursement on the form attached to the Agreement as **Exhibit “A”** (an “**Application for Disbursement**”), which shall include (A) invoices from architects, engineers, contractors, materialmen, and other vendors performing the construction under Contracts (as defined below); (B) documentation evidencing the completion of the work that is the subject of the invoices, and (C) such other documents as Triumph shall require in order to determine that the requested disbursement is consistent with the purposes of the Grant. FCSB shall not submit more than one (1) Application for Disbursement in any single calendar month. All amounts disbursed to FCSB pursuant to an Application for Disbursement shall then be paid by FCSB to architects, engineers, contractors, materialmen, and other vendors performing the construction under Contracts or, to the extent that FCSB has already paid amounts due under Contracts for work or materials described in the Application for Disbursement, such amounts already paid shall be retained by FCSB as a reimbursement for such payments. None of the amounts paid by FCSB in connection with the invoices submitted in an Application for Disbursement and then disbursed by Triumph shall also have been or will in the future be in any manner (a) reimbursed, returned, refunded, rebated, or otherwise credited to, FCSB by any contractor, materialman, vendor, or any other person or entity, or (b) paid, reimbursed, returned, refunded, rebated, or otherwise credited to FCSB 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 FCSB shall not receive payments, refunds, reimbursements, rebates or credits from any sources in amounts collectively exceeding 100% of the invoices under each Contract. All amounts disbursed pursuant to an Application for Disbursement shall be paid to architects, engineers, contractors, materialmen, and other vendors performing the construction under Contracts or, to the extent FCSB has already paid amounts due under Contracts, retained by FCSB as a reimbursement for such payments.

(b) \$335,000 of the Grant shall be allocated for the construction of the Computer Facility, and shall be disbursed from time to time as invoices for completed work are submitted to Triumph. FCSB shall submit to Triumph one or more Applications for Disbursement, which shall include (A) invoices from architects, engineers, contractors, materialmen, and other vendors performing the construction under Contracts; (B) documentation evidencing the completion of the work that is the subject of the invoices, and (C) such other documents as Triumph shall require in order to determine that the requested disbursement is consistent with the purposes of the Grant. FCSB shall not submit more than one (1) Application for Disbursement in any single calendar month. All amounts disbursed to FCSB pursuant to an Application for Disbursement shall then be paid by FCSB to architects,

engineers, contractors, materialmen, and other vendors performing the construction under Contracts or, to the extent that FCSB has already paid amounts due under Contracts for work or materials described in the Application for Disbursement, such amounts already paid shall be retained by FCSB as a reimbursement for such payments. None of the amounts paid by FCSB in connection with the invoices submitted in an Application for Disbursement and then disbursed by Triumph shall also have been or will in the future be in any manner (a) reimbursed, returned, refunded, rebated, or otherwise credited to, FCSB by any contractor, materialman, vendor, or any other person or entity, or (b) paid, reimbursed, returned, refunded, rebated, or otherwise credited to FCSB 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 FCSB shall not receive payments, refunds, reimbursements, rebates or credits from any sources in amounts collectively exceeding 100% of the invoices under each Contract. All amounts disbursed pursuant to an Application for Disbursement shall be paid to architects, engineers, contractors, materialmen, and other vendors performing the construction under Contracts or, to the extent FCSB has already paid amounts due under Contracts, retained by FCSB as a reimbursement for such payments.

(c) \$13,600 of the Grant shall be allocated for the Summer Program Costs, and shall be disbursed from time to time as copies of contracts, purchase orders, invoices, payroll records, or other documentation evidencing the Summer Program Costs are submitted to Triumph along with an Application for Disbursement. None of the Grant shall be used as a reimbursement of items purchased by the FCSB prior to the date of the Agreement. In addition, none of the amounts paid by FCSB 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, FCSB by any contractor, materialman, vendor, or any other person or entity, or (b) paid, reimbursed, returned, refunded, rebated, or otherwise credited to FCSB 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 FCSB 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 FCSB; 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 \$2,327,322 maximum amount of the Grant;
- (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 with the Grant Application or pursuant to the Agreement;
- (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 disbursement of the Grant;
- (f) FCSB has taken any action pertaining to the Project which, under the Agreement, requires the approval of Triumph, and FCSB failed to obtain such approval;
- (g) There has been a violation of the prohibited interests, lobbying, or non-interest provisions of the Agreement;
- (h) FCSB is in material violation, default, or breach of or under any provision of the Agreement;
- (i) FCSB is in breach of any material representation or warranty contained in the Agreement;
- (j) Any federal, state, or local agency (including FCSB) 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, FCSB 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 (July 31, 2021), FCSB has abandoned or discontinued the Project, or for any reason the commencement, prosecution, or timely completion of the Project by FCSB 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) FCSB 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 FCSB'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 \$3,311,822.00, of which (i) FCSB shall incur using \$984,500.00 toward salaries and benefits for instructors, operational costs of the Project, and FCSB's contribution of the land on which the Welding Facility and the Computer Facility will be constructed and operated (the "**Matching Funds**"), and (ii) \$2,327,322.00 shall be provided by the Grant. The total estimated cost of the Project is based upon the budget set forth in **Exhibit "B"** attached to and incorporated into the Agreement (the "**Budget**"). FCSB 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 FCSB 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 FCSB fails to obtain Triumph's approval or deemed approval, that failure shall be sufficient cause for nonpayment by Triumph as provided in Section 4.2(f). Using the Grant, its own funds, and funds from other grants, if any, FCSB 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:

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

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

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

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

- (a) Performance Metric #1: That between the beginning of the 2018-2019 school year and the end of the 2022-2023 school year, there shall have been issued at least 750 certifications in digital tools and/or nursing, and at least 27 certifications in welding.
- (b) Performance Metric #2: That between the beginning of the 2019-2020 school year and the end of the 2023-2024 school year, at least seventy percent (70%) of those enrolled in a certification program actually complete the program and obtain a certificate.
- (c) Performance Metric #3: Based on State of Florida datasets on wages paid to individuals (adjusted for regional cost of living differences), between the beginning of the 2019-2020 school year and the end of the 2023-2024 school year with respect to those students that have graduated from the post-secondary program and for whom employment wage data is available from the State of Florida, one year after certification, or within three (3) months after data becomes available with the Department of Education, at least one-half of the students, shall have wages (appropriately de-identified) equal to or greater than the average entry-level wage for that occupation in this geographic area as identified by CareerSource Florida or a similar source approved for this purpose by Triumph.
- (d) Performance Metric #4: At least 20% of the seniors who graduate high school by June 20, 2022, or at least 25% of the seniors who graduate high school by June 30, 2023, graduate with both a high school diploma and an Associates degree (AA or AS).

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 FCSB's reasonable control, (iii) FCSB 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 FCSB'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 FCSB.