

SUMMARY
OF
GRANT AWARD AGREEMENT
BETWEEN
TRIUMPH GULF COAST, INC.
AND
NORTHWEST FLORIDA STATE COLLEGE
(Project #187)

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 Northwest Florida State College (“**NWFSC**”) 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 NWFSC, and (b) does not create any binding obligations on Triumph or NWFSC 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 NWFSC and executed by Triumph and NWFSC.

GRANT AMOUNT: Two Million Seven Hundred Sixty Three Thousand Seven Hundred Sixteen and 00/100 Dollars (\$2,763,716.00)

PURPOSE: To provide partial funding to establish workforce training programs in the Walton Works Training Center of Excellence at its Chautauqua Center in Walton County, Florida, and at a Fire Tower to be constructed at the Walton County Sheriff’s Office in DeFuniak Springs, in the following areas (collectively, the “**Project**”): Industrial Trades (electrical, plumbing, construction, welding, and millwright), Cybersecurity, Unmanned Vehicle Systems Operations, Law Enforcement, Fire Science, and Emergency Medical Technician, all as further described in NWFSC’s Application for Funds submitted to Triumph (the “**Grant Application**”).

DISBURSEMENT: The Grant shall be allocated as follows:

a) \$654,419 of the Grant funds shall be allocated for instructor salaries and fringe benefits, to be disbursed in the amounts and at the times as set forth in the Budget (as defined in Section 5.2 below);

b) \$109,297 of the Grant funds shall be allocated for the purchase of equipment, to be disbursed in the amounts and at the times as set forth in the Budget;

c) \$1,600,000 of the Grant funds shall be allocated for construction of a new industrial trade building with drone arena at NWFSC's Chautauqua Center in DeFuniak Springs and fire training tower at the Walton County Sheriff's Office in DeFuniak Springs, to be reimbursed in the amounts and at the times as set forth in the Budget; and

d) \$400,000 of the Grant funds shall be allocated for renovation of existing buildings, to be reimbursed in the amounts and at the times as set forth in the Budget.

The Grant shall be disbursed from time to time as NWFSC submits to Triumph an Application for Disbursement, together with reports in budget categories with copies of general ledger detail for the Project account (as defined below) showing itemized expenditures. Triumph shall have the right to request further detail or copies of any expenditure, including, but not limited to (A) invoices from architects, engineers, contractors, materialmen, and other vendors performing the construction; (B) invoices, purchase orders, or contracts from vendors providing equipment, materials, and services; (C) payroll and other employment data, (D) documentation evidencing the completion of the work that is the subject of the requested disbursement, and (E) such other documents as Triumph shall require in order to determine that the requested disbursement is consistent with the purposes of the Grant. None of the Grant shall be used as a reimbursement of items purchased by the NWFSC prior to the date of the Agreement. In addition, none of the amounts paid by NWFSC 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, NWFSC by any contractor, materialman, vendor, or any other person or entity, or (b) paid, reimbursed, returned, refunded, rebated, or otherwise credited to NWFSC 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 NWFSC shall not receive payments, refunds, disbursements,

rebates or credits from any sources in amounts collectively exceeding 100% of the invoices.

Within forty-five (45) days of receipt of an Application for Disbursement, Triumph shall either approve or disapprove of the Application for Disbursement in a written notice to NWFSC. If Triumph approves the Application for Disbursement, then it shall disburse the approved amount to NWFSC within thirty (30) days after delivery of the notice of approval. If Triumph disapproves the Application for Disbursement, Triumph shall state in the notice of disapproval the reasons for such disapproval. If the stated reasons for disapproval can be cured by NWFSC's submittal of missing or corrective items, NWFSC shall have thirty (30) days following receipt of the notice of disapproval to submit such missing or corrective items. If Triumph fails to approve or disapprove of the Application for Disbursement within forty-five (45) days of receipt, such Application for Disbursement shall be deemed disapproved.

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

- (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 contracts;
- (c) The amount requested for disbursement under the Application for Disbursement, together with all amounts previously disbursed under the Grant, would exceed the \$2,763,716.00 maximum amount of the Grant, or the amount requested for disbursement under the Application for Disbursement for a particular budget category, together with all amounts previously disbursed for such budget category, would exceed the maximum amount allocated to such budget category;
- (d) NWFSC 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 NWFSC of any of its duties or obligations which may jeopardize or adversely affect the Project, the Agreement, or disbursement of the Grant;

- (f) NWFSC has taken any action pertaining to the Project which, under the Agreement, requires the approval of Triumph, and NWFSC 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) NWFSC is in material violation, default, or breach of or under any provision of the Agreement;
- (i) NWFSC is in breach of any material representation or warranty contained in the Agreement;
- (j) Any federal, state, or local agency (including NWFSC) 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 amount and at the times as set forth in a schedule of expenses approved by Triumph, and/or NWFSC has failed to provide Triumph with evidence of payment of the Matching Funds toward completion of the Project;
- (l) With respect to previous disbursements of the Grant, NWFSC has failed to pay, or has failed to provide Triumph with evidence of payment of, the Grant for the purposes of such disbursement. 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), NWFSC has abandoned or discontinued the Project, or for any reason the commencement, prosecution, or timely completion of the Project by NWFSC 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 (as defined below); or
- (o) NWFSC shall have failed to make reasonable good faith efforts to obtain Business Donations, 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 NWFSC'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:

NWFSC 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. NWFSC shall provide Triumph with documentation and other evidence of such reasonable good faith efforts, which documentation shall include, but not be limited to, NWFSC’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 NWFSC’s good faith estimate of the fair market value of such Business Donations.

ELIGIBLE COSTS/
DOCUMENTATION:

The total cost of the Project is \$5,734,367, of which (i) NWFSC shall pay \$1,470,651 toward salaries and benefits over a five (5) year period as shown in the Budget and Walton County shall pay \$1,500,000 toward the purchase of equipment over a three (3) year period as shown in the Budget (collectively, the “**Matching Funds**”), and (ii) \$2,763,716 shall be provided by the Grant. The total estimated cost of the Project is based upon the Budget set forth in the Agreement. NWFSC 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 NWFSC 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 NWFSC 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), NWFSC 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, NWFSC 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 the Agreement.

MAINTENANCE OF RECORDS:

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

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

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

NWFSC 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, NWFSC 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 NWFSC 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 NWFSC shall be subject in being repaid (“clawed back”) in the event (i) NWFSC abandons, suspends or discontinues the Project, or fails to complete the Project by Completion Deadline, and/or (ii) NWFSC 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) NWFSC breaches any obligation under the Agreement, and/or (iv) NWFSC fails to timely achieve at least one (1) of the three (3) following performance metrics set forth in subparagraphs (a), (b), and (c) below (the “Initial Performance Metrics”), and/or (v) NWFSC fails to timely achieve the performance metric set forth subparagraph (d) below (the “Maintenance Performance Metric”), then as described below NWFSC shall upon written demand by Triumph repay to Triumph all portions of Grant theretofore disbursed to and received by NWFSC fails to achieve at least one of the following performance metrics:

- (a) Performance Metric #1: By May 31, 2025, not less than 1,570 students will have obtained industry-recognized certificates in Aerospace and Defense, Architecture and Construction, Law Enforcement, Public Safety, Corrections and Security, and Cybersecurity.
- (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 Walton 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.
- (d) Maintenance Performance Metric: The certificate programs described in subparagraph (a) above are intended to be durable and must be continued for at least eight (8) years after the date of this Agreement using NWFSC’s own funds after the Grant funds have been fully disbursed. Accordingly, in addition to satisfying one of the Initial Performance Metrics set forth in subparagraphs (a), (b), or (c) above,

NWFSC must also satisfy the following Maintenance Performance Metric: Commencing on the date on which NWFSC has satisfied one of the Initial Performance Metrics set forth in subparagraphs (a), (b), and (c) above, at least 413 certificates shall be obtained for each school year thereafter until the end of the fifth (5th) anniversary of the date of this Agreement. Such annual rate shall be obtained regardless of which performance metric described in subparagraphs (a), (b) or (c) above was used to satisfy the Initial Performance Metrics. Notwithstanding the foregoing, in the event NWFSC desires to change the subject areas of certification programs described in subparagraph (a) above, NWFSC 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 NWFSC's reasonable control, (iii) NWFSC 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 NWFSC'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 NWFSC.