

SUMMARY
OF
GRANT AWARD AGREEMENT
BETWEEN
TRIUMPH GULF COAST, INC.
AND
CHARTER SCHOOLS USA, INC.

(Warrington Preparatory Academy /Project #319)

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 Charter Schools USA, INC., a Delaware corporation (“**Grantee**”) 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 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. 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 Grantee and executed by Triumph and Grantee.

GRANT AMOUNT: Seven Million Four Hundred Fifty Four Thousand Eight Hundred Sixty Seven and 00/100 Dollars (\$7,454,867) (the “**Grant**”).

PURPOSE: To provide partial funding partial funding the following project (the “**Project**”): (i) building renovations to Warrington Preparatory Academy in Pensacola, Florida, to support hands-on activities for students and their families that will allow it to deliver at least 3,479 net new industry-recognized Florida Department of Education-approved Career Technical Education (CTE) credentials (“**Certificates**”), (ii) salaries and personnel costs, (iii) equipment costs, and (iv) curriculum and transportation costs, all as further described in Grantee’s Application for Funds submitted to Triumph (the “**Grant Application**”).

COMPETITIVE
BIDS:

For contracts and/or purchases exceeding \$325,000, Grantee shall obtain competitive bids when required under the applicable laws, statutes, ordinances, rules and regulations when purchasing services or commodities, or contracting for construction or renovations to public property, and Grantee shall upload a copy of the applicable standards or procedures to Triumph's SmartSheet system. When awarding contracts according to the applicable laws, statutes, ordinances, rules and regulations, Grantee shall award the contract to the lowest cost qualified responsive bidder considering the selection criteria contained within the solicitation. Triumph shall have the right to review and approve the proposed award.

FUNDING:

The Grant shall be allocated as more fully shown in the Budget attached hereto as **Exhibit "A"**.

Grantee shall submit to Triumph a separate Request for Funding for each Budget category in accordance with the Budget and shall submit information pursuant to a SmartSheet system by Grantee's authorized users. After the first Request for Funding, each subsequent Request for Funding may only be submitted after Triumph's approval of the immediately preceding Request for Funding. Each Request for Funding shall include the following items (A) through (H): (A) completed detailed Project account spreadsheet (i.e., in a tab on the Budget), (B) a completed Expense Itemization Sheet for each category of funds requested and for Matching Funds (as defined below) category, together with invoices, receipts, or contracts from vendors providing equipment, materials, and services; (C) payroll ledgers, percentage of time dedicated to the Project, and job descriptions as they relate to the Project, (D) documentation evidencing the completion of the work that is the subject of the requested funding, (E) to the extent that any portion of the current funding request is for reimbursement of amounts already paid by Grantee, copies of front and back of cancelled checks for funding, (F) to the extent that all or any portion of the prior funding was a disbursement for items to be paid rather than a reimbursement of amounts already paid, a completed Expense Itemization Sheet and receipts or other documentation evidencing that the funds disbursed previously were in fact paid in the proper amounts to the proper vendors for such items, including copies of front and back of cancelled checks for funding, (G) copies of the insurance policies required under the Agreement and evidence that such policies are in current force and effect, and (H) such other documents as Triumph shall require in order to determine that the funding is consistent with the purposes of the Grant. Grantee shall notify the Triumph Program Administrator via email each time a Request for Funding is submitted. Other than the final Request for Funding, no single Request for Funding shall be submitted for a funding

request amount of less than \$186,372. In no event shall the cumulative fundings made by Triumph exceed the \$7,454,867 maximum amount of the Grant. Upon Triumph's receipt of (a) notification to the Program Administrator, and (b) a Request for Funding that includes all required supporting documents, Triumph shall have forty-five (45) days from receipt to review and either approve or disapprove of a Request for Funding. If Triumph approves a Request for Funding, then it shall fund the approved amount to Grantee within thirty (30) days after approval. If Triumph disapproves a Request 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 Grantee's submittal of missing or corrective items, Grantee shall have thirty (30) days following receipt of the notice of disapproval to submit such missing or corrective items. If Triumph fails to notify Grantee of its disapproval of the Request for Funding within forty-five (45) days of receipt, such Request for Funding shall be deemed disapproved.

All amounts funded to Grantee pursuant to a Request for Funding shall be paid to Grantee as a reimbursement of amounts Grantee has already paid to vendors supplying equipment, materials, or services, and/or to employees performing work, in each case consistent with the Budget, in which case the Grant funds shall be retained by Grantee.

None of the Grant shall be used as a reimbursement of items purchased by Grantee prior to the date of the Agreement. None of the amounts paid by Grantee in connection with the invoices submitted in a Request 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, Grantee by any contractor, materialman, vendor, or any other person or entity, or (b) paid, reimbursed, returned, refunded, rebated, or otherwise credited to Grantee 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 Grantee shall not receive payments, refunds, reimbursements, rebates or credits from any sources in amounts collectively exceeding 100% of the amounts paid or owing by Grantee. The final funding shall not be funded unless and until Grantee has provided to Triumph satisfactory evidence that all Matching Funds have been expended on the Project.

None of the Grant funds or the Matching Funds shall be used to pay, reimburse, or recover any overhead or other indirect costs, including, but not limited to, general and/or administrative overhead, continuing education fees, and auxiliary fees.

Grantee shall seek funding only for costs of the Project as shown or contemplated under the Budget. All amounts paid by Grantee and/or any private person or entity providing Matching Funds 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. 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.

Triumph will honor requests for funding; provided, however, that Triumph may elect by notice in writing not to make a payment if:

(a) There is any missing or incomplete documentation in the Request for Funding;

(b) The Request for Funding seeks funding for items other than as shown in the Budget or seeks funding for more than amounts actually invoiced by contractors, materialmen, or other vendors under any contracts;

(c) The amount requested for funding under the Request for Funding, together with all amounts previously funded under the Grant, would exceed the \$7,454,867 maximum amount of the Grant; or the amount requested for funding under the Request 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 Grantee failed to use any Grant funds funded to date in the amounts and for the purposes stated in the Budget;

(d) Grantee 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 Grantee of any of its duties or obligations pursuant to the Grant which may jeopardize or adversely affect the Project, the Agreement, or funding of the Grant;

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

(g) There has been a violation of the prohibited interest provisions of the Agreement;

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

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

(j) Any federal, state, or local organization or agency (including Grantee) 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) Not all of the Matching Funds required to be secured as of the date of the Request for Funding have been secured and/or not all of the Matching Funds have been used for the intended purposes and in the amounts and at the times as set forth in the Budget, and/or Grantee has failed to provide Triumph with evidence that such Matching Funds have been timely used toward completion of the Project;

(l) With respect to previous fundings of the Grant and payments under contracts, Grantee 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 ledgers, state and federal payroll returns, job descriptions, front and back of cancelled checks, wire transfer confirmations;

(m) Grantee has abandoned or discontinued the Project, or for any reason the commencement, prosecution, or timely completion of the Project by Grantee is rendered improbable, infeasible, impossible, or illegal, or Grantee has failed to make substantial progress toward student attainment of achieving not less than 3,479 Certificates;

(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, 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 \$65,000 shall not be subject to approval under the Agreement;

(p) Intentionally omitted;

(q) 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 increased or decreased by more than 5%;

(r) Completion the Project is not on schedule for completion by the Completion Deadline (December 31, 2034), and it is objectively unlikely that the Project will be completed by the Completion Deadline.

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

(t) Grantee is not in substantial compliance with all applicable environmental laws and regulations in accordance with the Agreement;

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

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

ELIGIBLE COSTS/ DOCUMENTATION:

The total cost of the Project is \$10,384,867, of which (i) a match is being contributed by Grantee and others in the amount of \$2,930,000(the "**Matching Funds**"), and (ii) \$7,454,867 is being provided by the Grant. The total estimated cost of the Project is based upon the Budget. To the extent that the actual cost of the Project exceeds \$10,384,867, Grantee shall be solely responsible for such excess. Grantee shall monitor the Budget and submit an amended Budget to Triumph in the event that (a) the total cost of the Project cumulatively increases or decreases by greater than five percent (5%), (b) total the Budget cumulatively increases or decreases by greater than five percent (5%), (c) the Budget cumulatively increases or decreases by greater than five percent (5%) within a particular Budget category, and/or (d) Grantee's portion of the Matching funds cumulatively increases or decreases by greater than five percent (5%). If Grantee proposes an increase or decrease by greater than five percent (5%) as described above as compared to the most recently approved Budget, such proposal shall be submitted to Triumph in writing along with a proposed amended Budget, and Triumph shall have the right to approve or disapprove both the proposed Budget category increase or decrease and the proposed

amended Budget. If Grantee fails to obtain Triumph's approval, that failure shall be sufficient cause for nonpayment by Triumph as provided in Section 4.2(f) of the Agreement. Using the Grant, its own funds, and funds from other grants (including, but not limited to, the Matching Funds), Grantee 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, Grantee 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:

Grantee shall submit to Triumph such data, reports, records, contracts and other documents relating to the Project as Triumph may require at any time and from time to time and continuing for a period of one (1) year after the Completion Deadline. In addition, Grantee shall on an annual basis on or before October 31 of each year submit to Triumph an activity report which contains, in addition to any other information requested by Triumph (a) the progress of the Project, (b) costs incurred to date, (c) how Grantee is progressing with student attainment toward achieving not less than 3,479 Certificates, and (d) Grantee's most recent audited financial statements. Grantee's failure to be making substantial progress toward student attainment of achieving not less than 3,479 Certificates shall be grounds for suspension or termination of funding any unfunded portion of the Grant. In addition, Triumph shall have the right, at any time and from time to time upon reasonable notice to Grantee, to access the Project and inspect any work being performed or as completed. Grantee shall also make available to Triumph copies of any and all invoices, contracts, plans and specifications, and other documentation relating to the Project.

Grantee shall establish and maintain within its existing accounting system or independently from its accounting system a detailed listing of all expenses related to the project. Records of costs incurred under terms of the Agreement shall be maintained in the listing along with supporting documentation and be made available upon request to Triumph during the period of the Agreement and for five (5) years after final payment of the Grant is made.

AUDITS: The Grant shall be subject to audits and/or monitoring by Triumph and applicable public records laws.

TERMINATION
OR SUSPENSION
OF PROJECT:

If Grantee 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 Grantee is rendered improbable, infeasible, impossible, or illegal, Triumph shall have the right, by written notice to Grantee, 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 Grantee shall, upon written demand by Triumph, repay to Triumph all portions of the Grant theretofore disbursed to and received by Grantee.

APPROVAL OF
CONTRACTS
AND CHANGE
ORDERS:

Triumph shall have the right to review and approve the plans and specifications for the construction and any proposed changes to said plans and specifications. Triumph shall have thirty (30) days from receipt of the plans and specifications or proposed change to notify Grantee of its approval or disapproval. If Triumph fails to approve or disapprove of the plans and specifications or proposed change within such thirty (30) day period, the plans and specifications or proposed change shall be deemed approved. If Grantee fails to obtain approval from Triumph, that failure shall be sufficient cause for nonpayment by Triumph. Triumph shall have the right to review and approve any and all proposed contracts and/or proposed change orders with a value in excess of \$65,000 before Grantee executes or obligates itself in any manner. Triumph shall have fifteen (15) days from receipt of a contract or change order to notify Grantee of its approval or disapproval. If Triumph fails to approve or disapprove within such fifteen (15) day period, the contract or change order shall be deemed approved.

COMPLIANCE
WITH LAWS:

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

INSURANCE:

Grantee shall keep and maintain or cause to be maintained (i) casualty insurance on all improvements, fixtures, and equipment, that constitute the Project, the cost of which was in whole or in part funded using the Grant, but only to the extent that such equipment and improvements can in fact be insured, and (ii) workers compensation insurance with respect to the construction or renovation of any improvements. In the event of the loss of such equipment or improvements, Grantee shall either replace the improvements, fixtures, and equipment, or reimburse Triumph to the extent the Grant was used to purchase or such improvements, fixtures, and equipment.

PERFORMANCE
METRICS:

Any Grant funds disbursed by Triumph to Grantee shall be subject in being repaid (“clawed back”) in the event (i) Grantee abandons, suspends or discontinues the Project, or fails to complete the Project by the Completion Deadline, and/or (ii) 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 reimbursement, and/or (iii) Grantee breaches any obligation under the Agreement, and/or (iv) Grantee fails to award a cumulative total of at least 3,479 Certificates by the Completion Deadline, then Grantee shall upon written demand by Triumph repay to Triumph an amount equal to (A) \$2,243, multiplied by (B) the sum of (a) 3,479, minus (b) the actual number of Certificates issued as of the Completion Deadline. The foregoing is collectively referred to herein as the “**Performance Metrics.**”

CLAWBACKS:

Upon the occurrence of any of the events described in items (i), (ii), or (iii) above under Performance Metrics, then, upon written demand by Triumph, Grantee shall within ninety (90) days of such demand repay to Triumph all amounts of the Grant that were theretofore funded to and received by Grantee, together with interest at the rate *Wall Street Journal Prime Rate* plus three percent (3%) per annum on such amounts to be repaid. Such

interest shall accrue commencing on the date of such written demand by Triumph and shall continue to accrue until the amount demanded is repaid in full. In the event that Grantee fails to award at least 3,479 Certificates by the Completion Deadline as described in item (iv) above under Performance Metrics, then, upon written demand by Triumph, Grantee shall within ninety (90) days of such demand repay to Triumph the amount due under such item (iv), together with interest at the rate *Wall Street Journal Prime Rate* plus three percent (3%) per annum on such amounts to be repaid. Such interest shall accrue commencing on the date of such written demand by Triumph and shall continue to accrue until the amount demanded is repaid in full. Notwithstanding the foregoing, Triumph shall have the discretion to waive, reduce, extend, or defer any 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 issuance of not less than 3,479 Certificates was not achieved due to negative economic conditions beyond Grantee's reasonable control, (iii) Grantee made a good faith effort to award not less than 3,479 Certificates, and/or (iv) based on quantitative evidence, the effects of a named hurricane or tropical storm, or specific acts of terrorism, adversely affected Grantee's ability to award not less than 3,479 Certificates.

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 Grantee.

EXHIBIT "A"

BUDGET

[see attached]

Exhibit B

Project #, name

WARRINGTON PREP ACADEMY CAREER CERTIFICATION DEVELOPMENT PROGRAM

REQUEST

Budget

\$ 7,454,867.00

Estimated construction start date if applicable

2024-02-01 DESIGN PHASE

Estimated education component start date if applicable

2024-02-01

	GRANT COMPLIANCE	RENOVATION & CONSTRUCTION	PERSONNEL	EQUIPMENT	CURRICULUM & TRANSPORTATION	Total
Please change year # to actual year						
Project Total						
Calendar Year 2024	22,890.00	255,000.00	361,640.00	657,180.00	125,000.00	1,421,710.00
Calendar Year 2025	45,780.00	326,250.00	523,280.00	250,348.00	135,000.00	1,280,658.00
Calendar Year 2026	48,069.00	339,187.00	531,858.00	359,872.00	145,000.00	1,423,986.00
Calendar Year 2027	50,472.00	4,672,619.00	620,906.00	759,516.00	155,000.00	6,258,513.00
Project Total	167,211.00	5,593,056.00	2,037,684.00	2,026,916.00	560,000.00	10,384,867.00
Triumph						
Calendar Year 2024	22,890.00	75,000.00	81,640.00	657,180.00		836,710.00
Calendar Year 2025	45,780.00	86,250.00	163,280.00	250,348.00		545,658.00
Calendar Year 2026	48,069.00	99,187.00	171,858.00	359,872.00		678,986.00
Calendar Year 2027	50,472.00	4,402,619.00	180,906.00	759,516.00		5,393,513.00
Triumph Total	167,211.00	4,663,056.00	597,684.00	2,026,916.00		7,454,867.00
Grantee						
Calendar Year 2024	\$	180,000.00	\$	280,000.00	125,000.00	585,000.00
Calendar Year 2025	\$	240,000.00	\$	360,000.00	135,000.00	735,000.00
Calendar Year 2026	\$	240,000.00	\$	360,000.00	145,000.00	745,000.00
Calendar Year 2027	\$	270,000.00	\$	440,000.00	155,000.00	865,000.00
Grantee Total		930,000.00		1,440,000.00	560,000.00	2,930,000.00