

SUMMARY
OF
GRANT AWARD AGREEMENT
BETWEEN
TRIUMPH GULF COAST, INC.
AND
OKALOOSA COUNTY

This summarizes the basic terms upon which Triumph Gulf Coast, Inc. (“Triumph”) is considering awarding a grant to the Okaloosa County (“Okaloosa County”) 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 Okaloosa County, and (b) does not create any binding obligations on Triumph or Okaloosa County 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 must be contained in a definitive grant award agreement (the “Agreement”), approved by the respective Boards of Directors of Triumph and Okaloosa County and executed by Triumph and Okaloosa County.

GRANT AMOUNT: One Million Five Hundred Thousand Dollars (\$1,500,000)

PURPOSE: To provide partial funding for a project (the “**Project**”) to extend water and sewer mains along Highway 90 East to an area being primed for industrial, residential, and commercial growth, which includes the parcel known as the “Shoal River Ranch Mega Site,” as further described in the Okaloosa County’s Application for Funds submitted to Triumph on March 22, 2018 (the “Grant Application”).

COMPETITIVE

BIDS: Okaloosa County shall issue an Invitation to Bid to solicit competitive bids for materials and labor for the construction and completion of the Project pursuant to Sections 180.24 and 255 et seq., Florida Statutes. Okaloosa County may submit a bid and compete for the award of the Project just as any other proposed vendor. In awarding the contract for the Project, Okaloosa County shall award the contract to the lowest, responsive bidder considering the selection criteria contained within the Invitation to Bid. Upon determination as to which vendor is the lowest, responsive bidder,

the County shall submit to Triumph for its approval, the name of the proposed vendor and all documentation relating to the evaluation of the various bids submitted. Triumph shall have fifteen (15) days from the receipt of the submitted material to notify Okaloosa County of its approval or disapproval of such proposed award. If Triumph fails to approve or disapprove of the election within such fifteen (15) day period, the award shall be deemed approved. Upon approval, the County shall issue its intent to award to that vendor.

FUNDING:

Okaloosa County shall first pay the contractors, materialmen, and other vendors performing work on the Project under the contracts for the Project (each, a “**Contract**,” and collectively, the “**Contracts**”) as invoices are received in accordance with the Contracts. Okaloosa County shall then submit to Triumph for approval, at the address set forth in Section 10.10 below, a written application for reimbursement (“Application for Reimbursement”) for 54.3% the amount of the invoice(s) actually paid to the contractor, materialman, or vendor under the Contracts, and/or the actual cost of Okaloosa County’s own manpower and equipment utilized for the work that is the subject of the Application for Reimbursement (such 54.3% being determined as follows: the amount necessary to complete the Project is \$2,760,000, of which Triumph will fund a maximum amount of \$1,500,000 (54.3% of \$2,760,000) and the County will fund \$1,260,000 as “Matching Funds” (45.7% of \$2,760,00)); provided, however, that in no event shall the cumulative reimbursements made by Triumph exceed the \$1,500,000.00 maximum amount of the Grant. Each Application for Reimbursement shall have attached thereto (i) a copy of the invoice(s) paid by Okaloosa County or, in the case of Okaloosa County furnishing its own manpower and equipment, documentation evidencing the actual cost of such manpower and equipment, (ii) evidence of Okaloosa County’s payment of the invoice(s), (iii) documentation evidencing the completion of the work that is the subject of the invoices, and (iv) such other documents as Triumph shall require in order to determine that the requested reimbursement is consistent with the purposes of the Grant, including, with respect to the first Request for Disbursement, evidence that Okaloosa County expended the entire Matching Funds (described below).

Triumph will honor requests for reimbursement to Okaloosa County; 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 Reimbursement seeks reimbursement for more than 54.3% of the amounts actually paid to contractors, materialmen, or

- vendors under the Contracts or, in the case of Okaloosa County furnishing its own manpower and equipment, documentation evidencing the actual cost of such manpower and equipment;
- (c) The amount requested for disbursement under the Application for Reimbursement, together with all amounts previously disbursed under the Grant, would exceed the \$1,500,000.00 maximum amount of the Grant;
 - (d) Okaloosa County 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 Okaloosa County of any of its duties or obligations which may jeopardize or adversely affect the Project, the Agreement, or disbursement of the Grant;
 - (f) Okaloosa County has taken any action pertaining to the Project which, under the Agreement, requires the approval of Triumph, and Okaloosa County failed to obtain such approval;
 - (g) There has been a violation of the prohibited interests provisions of the Agreement;
 - (h) Okaloosa County is in violation, default, or breach of or under any provision of the Agreement;
 - (i) Okaloosa County is in breach of any representation or warranty contained in the Agreement;
 - (j) Any federal, state, or local agency (including Okaloosa County) 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) Okaloosa County has failed to pay, and failed to provide Triumph with evidence of payment of, (A) the \$1,443,171 for planning, design, permitting, and construction already expended, and (B) the Matching Funds;
 - (l) Okaloosa County has abandoned or, before completion, discontinued the Project, or for any reason the commencement, prosecution, or timely completion of the Project by Okaloosa County will be rendered improbable, infeasible, impossible, or illegal;
 - (m) All or any portion of the requested reimbursement includes reimbursement for improvements that are outside the scope of the Project that is contemplated under the Budget (as defined below); or
 - (n) One or more of the Contracts have been modified, amended, or terminated without the prior consent or approval of (i) Triumph, or (ii) the State of Florida, or (iii) any executive agency thereof that is subject to budget oversight authority of the Florida Legislature that materially changes the scope of the Project.

ELIGIBLE COSTS/
DOCUMENT-
ATION:

The total estimated cost of the Project is \$4,203,171.00, of which \$1,443,171 has already been spent by the Okaloosa County Water and Sewer Department for planning, design, permitting, and construction, leaving \$2,760,000 needed to complete the Project, of which \$1,260,000 shall be funded with the Matching. Prior to any disbursements of the Grant, Okaloosa County shall provide Triumph with written evidence (invoices, Contracts, receipts, payroll records, or other evidence of payment) that (i) the \$1,443,171 has been spent on the Project by the Okaloosa County Water and Sewer Department for planning, design, permitting, and construction, and (ii) the Matching Funds have been utilized or expended by Okaloosa County toward completion of the Project. The Completion Deadline is December 31, 2020. The total estimated cost of the Project is based upon the budget attached to and incorporated into the Agreement (the "**Budget**"). Okaloosa County 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 Okaloosa County of its approval or disapproval of such change. If Triumph fails to approve or disapprove of the amended Budget within such fifteen (15) day period, the amended Budget shall be deemed approved as submitted. If Okaloosa County fails to obtain Triumph's approval or deemed approval, that failure shall be sufficient cause for nonpayment by. The schedule of completion of the Project shall be developed by Triumph and Okaloosa County as Contracts and change orders are approved as provided herein, and executed by Okaloosa County, as such schedule shall be updated and revised from time to time by Triumph and Okaloosa County (the "**Completion Schedule**"). Okaloosa County shall take all steps reasonably necessary to maintain the Completion Schedule. Okaloosa County shall notify Triumph of any anticipated changes to the Completion Schedule and shall work with Triumph

to update and revise the Completion Schedule such that it reflects the anticipated schedule of completion of the Project.

MAINTENANCE
OF RECORDS:

Okaloosa County shall submit to Triumph such data, reports, records, contracts and other documents relating to the Project as Triumph may require. During construction of the Project, Okaloosa County shall on a quarterly basis submit to Triumph an activity report the progress of construction and the cost of the Project incurred to date. Upon completion of the Project, Okaloosa County shall send Triumph a notice certifying that the Project was completed in accordance with the plans and specifications, the Contracts, and all applicable standards, statutes, rules and regulations, including all applicable laws regarding public records, labor laws, and civil rights laws. Within thirty (30) days after receipt of certification of completion, Triumph and/or its agents, engineers, and consultants shall have the right to inspect the Project to determine if it was in fact completed in accordance with the plans and specifications. If so, Triumph shall disburse final payment of the Grant to Okaloosa County within thirty (30) days of such determination; if not, no Grant funds shall be disbursed unless and until Okaloosa County promptly corrects any deficiencies and Triumph thereafter determines that it was finally completed in accordance with the plans and specifications. In connection with its inspection of the Project, Okaloosa County shall make available to Triumph copies of any and all invoices, contracts, plans and specifications, and other documentation relating to the construction and completion of the Project. Once construction is completed and Triumph has approved such completion, Okaloosa County shall, on an annual basis within thirty (30) days of the end of its fiscal year, submit to Triumph an activity report on the operations of the Project and the progress of satisfaction of the performance metrics set forth in Section 8.3 below, which reports shall include, among other things, audited financial statements. The activity report will include details of the progress of the Project towards completion. Triumph shall have the right, at any time and from time to time upon reasonable notice to Okaloosa County, to access the Project and inspect the work being performed or as completed.

Okaloosa County shall establish separate accounts to be maintained within its existing accounting system or establish independent accounts with respect to the Project. 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 Okaloosa County's general accounting records and the Project records, together with supporting documents and records, of Okaloosa County and all consultants performing work on the Project and all other records of Okaloosa County 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 Okaloosa County abandons or, before completion, finally discontinues the Project; or if for any other reason, the commencement, prosecution, or timely completion of the Project by Okaloosa County is rendered improbable, infeasible, impossible, or illegal, Triumph will, by written notice to Okaloosa County, suspend any or all of its obligations under the Contract 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 Contract. Upon receipt of any final termination or suspension notice, Okaloosa County shall remit to Triumph all or a portion of the grant previously received as is determined by Triumph.

APPROVAL OF
CONTRACTS:

Triumph shall have the right to review and approve any and all third party contracts with respect to the Project before Okaloosa County executes or obligates itself in any manner requiring the disbursement of Triumph funds, including consultant, purchase of commodities contracts or amendments thereto. Triumph shall have fifteen (15) days from receipt of a proposed Contract or change order requiring approval to notify Okaloosa County 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.

COMPLIANCE
WITH LAWS:

Okaloosa County shall also comply with all applicable laws regarding third party contracts, labor laws, and civil rights laws. The Contract shall also have prohibitions on conflicts of interest.

INSURANCE:

At all times during the term of the Contract, Okaloosa County shall self-insure or keep and maintain casualty insurance on all improvements, the cost of which was in whole or in part was reimbursed using Triumph grant funds, to the extent such improvements can in fact be insured.

CLAWBACK:

Any grant funds disbursed by Triumph to Okaloosa County shall be subject in being repaid (“clawed back”) in the event (i) Okaloosa County abandons or, before completion, suspends or discontinues the Project, or fails to complete the Project by Completion Deadline, and/or (ii) Okaloosa County made any materially false certification or representation to Triumph in connection with its application for the grant, under the Contract, and/or in connection with any request for reimbursement, and/or (iii) Okaloosa County breaches any obligation under the Contract, and/or (iv) Okaloosa County fails to achieve at least one of the following performance metrics:

a) **Performance Metric #1:** By the date which is the third (3rd) anniversary of the date on which the last disbursement of the Grant occurred, at least 250 “**Net New Jobs**” (as defined below) shall have been created at the Shoal River Ranch Mega Site at greater than the Okaloosa County, Florida average wage as of the year the Project is completed (based on the EFI/DEO incentive wage chart) in one of Florida's targeted industries, and such 250 Net New Jobs at or above such average wage shall have been maintained for a period of three (3) years thereafter.

b) **Performance Metric #2:** By the date which is the third (3rd) anniversary of the date on which the last disbursement of the Grant occurred, at least 150 Net New Jobs shall have been created at the Shoal River Ranch Mega Site at or above 150% of the County average wage as of the year the Project is completed (based on the EFI/DEO incentive wage chart) in one of Florida's targeted industries, and such 150 Net New Jobs at or above such 150% wage ratio shall have been maintained for a period of three (3) years thereafter.

c) **Performance Metric #3:** By the date which is the fifth (5th) anniversary of the date on which the last disbursement of the Grant occurred, at least 500 Net New Jobs shall have been created at the Shoal River Ranch Mega Site at greater than the County average wage as of the year the Project is completed (based on the EFI/DEO incentive wage chart)

in one of Florida's targeted industries, and such 500 Net New Jobs shall have been maintained for a period of three (3) years thereafter.

d) **Performance Metric #4:** By the date which is the third (3rd) anniversary of the date on which the last disbursement of the Grant occurred, at least Twenty Five Million Dollars (\$25,000,000) in new capital investment shall have been made at the Shoal River Ranch Mega Site by a company that is in one of Florida's targeted industries, and such Twenty Five Million Dollars (\$25,000,000) in new capital investment shall have been maintained for a period of three (3) years thereafter.

As used herein, a “**Net New Job**” shall mean a job that was (a) created after the Effective Date, (b) resulted in a net increase in overall employment on or at the Shoal River Ranch Mega Site, and (c) is performed by a full-time employee or a full-time equivalent employee on or at the Shoal River Ranch Mega Site who works at least 35 paid hours per week. Jobs are not considered Net New Jobs if they are (A) moved from other workplaces in Florida, unless the relocated positions are back-filled with net new-to-Florida full-time-equivalent jobs paying at least the wage of the transferred position(s); or (B) temporary construction jobs involved with the construction of the Project, or temporary or seasonal jobs associated with cyclical business activities or to substitute for permanent employees on a leave of absence.

The calculation of the number of Net New Jobs and the other 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 in Okaloosa County's business beyond its reasonable control, (iii) Okaloosa County 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 Okaloosa County's ability to achieve at least one of the performance metrics. In considering whether to exercise the clawback and the extent of Grant funds that would be subject to the clawback, Triumph shall consider the extent to which the performance metrics have been achieved by the County and whether some pro rata apportionment would be equitable, but

Triumph shall make any final determinations as to the clawback amount in its sole and absolute discretion.

OTHER TERMS
AND
CONDITIONS:

This is a summary only. The Contract shall contain such other covenants, representations and warranties, and other terms and conditions as required by Triumph and its counsel.