

TERM SHEET  
FOR  
GRANT AWARD AGREEMENT  
BETWEEN  
TRIUMPH GULF COAST, INC.  
AND  
SANTA ROSA COUNTY, FLORIDA  
(Project #209)

This Term Sheet summarizes the basic terms upon which Triumph Gulf Coast, Inc. (“**Triumph**”) is considering awarding a grant to Santa Rosa County, Florida, acting by and through its Board of County Commissioners (“**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 the Board of County Commissioners of Grantee and the Board of Directors of Triumph 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:     \$3,484,728.00

PURPOSE:            To provide partial funding for an infrastructure project (the “**Project**”) that will construct approximately 2,300 feet of roadway, a retention pond, and sewer improvements serving the Grantee’s I-10 Industrial Park (the “**Park**”) to support Project Lionheart, a medical device and pharmaceutical distribution company seeking to expand its operations in the Park (the “**Company**”), as well as future tenants of the Park, all as further described in Grantee’s Application for Funds submitted to Triumph (the “**Grant Application**”).

COMPETITIVE  
BIDS:                Grantee shall obtain competitive bids for completion of the Project. Grantee shall issue an invitation to bid to solicit competitive bids for materials and labor for the construction portion of the Project pursuant to Sections 180.24 and 255 et seq., Florida Statutes, or pursuant to the Consultant’s Competitive Negotiation Act as set forth in Section 287.055, Florida Statutes, as applicable (the “**CCNA**”). In awarding the contract pursuant to Sections 180.24 and 255 et seq., Florida Statutes, Grantee shall award the contract to the lowest, responsive bidder considering the selection criteria contained within the invitation to bid, or in awarding the contract pursuant to CCNA, Grantee shall award the contract as provided in the CCNA. Triumph shall have the right to approve the proposed award and the final contract (the “**Contract**”).

FUNDING:            Grantee is contributing land in the Park valued at \$400,000 (the “**Land**”), the State of Florida Economic Development Transportation Fund (the “**EDTF**”) is contributed \$1,246,415, and the Company has committed to spending \$5,185,586

toward construction of a warehouse (the “**Warehouse**”) on the Land (collectively, the “**Matching Funds**”). The total Project cost is estimated to be \$10,316,729.00, of which (i) Grantee’s contribution of the Land, the EDTF Funds, and the Company’s construction of the Warehouse, as Matching Funds shall collectively total not less than \$6,832,001, and (ii) Triumph shall provide a maximum of \$3,484,728.00 under the grant. To the extent that the actual cost of the Project exceeds \$10,316,729.00, Grantee shall be solely responsible for such excess.

Provided that (i) the Grantee is irrevocably committed to contributing the Land to the Project, (ii) the EDTF Funds have been irrevocably committed to the Project, (iii) the Company has executed a binding and enforceable construction contract for the construction of the Warehouse at a cost of not less than \$5,185,586, with a reputable commercial contractor, which contract shall provide for a commencement and prosecution of construction on a timeline substantially concurrent with construction of the Project, and (iv) Grantee and the Company have submitted to Triumph satisfactory evidence of the foregoing, then thereafter, and not more than once per calendar month, Grantee may submit to Triumph a written Request for Funding (an “**Request for Funding**”) for the amounts of the invoice(s) owing by Grantee to the contractors, materialmen, or vendors under the Contract for the Project; provided, however, that in no event shall the cumulative fundings made by Triumph exceed the \$3,484,728.00 maximum amount of the grant. Each Request for Funding shall have attached thereto (i) a copies invoice(s) paid or to be paid by Grantee, (ii) documentation evidencing the completion of the work that is the subject of the invoices, and (iii) such other documents as Triumph shall require in order to determine that the requested 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. 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 approve or disapprove of a Request for Funding, and if approved, thirty (30) days to fund the grant funds to Grantee. If Triumph disapproves the 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.

None of the grant funds shall be used as a reimbursement of items purchased by Grantee prior to the date of the Agreement. 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.

Triumph will honor requests for funding; provided, however, that Triumph may elect

- (a) Missing or incomplete documentation;
- (b) The Request for Funding seeks funding for items other than as shown on the budget/timeline attached hereto (the “**Budget**”) or seeks funding for more than amounts actually invoiced by contractors, materialmen, or other vendors under the Contracts;
- (c) The amount requested for funding under the Request for Funding, together with all amounts previously funded under the grant, would exceed the \$3,484,728.00 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 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 interests 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 and the State of Florida with respect to the QTI Funds) 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 amounts and at the times as set forth in a schedule of expenses approved by Triumph, and/or Grantee has failed to provide Triumph with evidence of payment of the Matching Funds 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, cancelled checks, wire transfer confirmations;

(m) Prior to the completion date of the Project, (x) 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 (y) the Company has abandoned or discontinued construction and completion of the Warehouse, or for any reason the commencement, prosecution, or timely completion of the Warehouse by the Company is rendered improbable, infeasible, impossible, or illegal;

(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 \$50,000 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. All amounts paid by Grantee with respect to the Project shall be supported by properly executed invoices, contracts, and other 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 (as defined below) 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, 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 (including the Contract) 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 improvements, the cost of which was in whole or in part

was paid for using Triumph grant funds, but only to the extent that such improvements can in fact be insured.

**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 the Grant Application, 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) the Company fails to timely achieve both of the following performance metrics (the “Performance Metrics”):

(a) **Performance Metric #1:** As of the Ramp-up Date (as defined below), not less than 90 New Jobs (as defined below) shall have been created and exist at the Park. As used herein, the term “**Ramp-up Date**” shall mean the date which is four (4) years after the Commencement Date (as defined below). As used herein, “**Commencement Date**” shall mean the date which is the earlier to occur of (i) the date on which the Project is completed, or (ii) the date which is three (3) years from the date of this Agreement. As used herein a “**New Job**” shall mean a full-time equivalent (FTE) job that qualifies under the Florida Qualified Target Industry (QTI) Tax Refund Program, paying a wage that is at or above 150% of the Santa Rosa County average wage as of the Commencement Date (based on the EFI/DEO incentive wage chart) in one of Florida's Qualified Target Industries; and

(b) **Performance Metric #2:** The 90 New Jobs described in subparagraph (a) above are intended to be durable. Accordingly, during each consecutive one (1) year period after the Ramp-up Date, for a total of three (3) consecutive one (1) year periods, not less than 90 New Jobs shall be maintained at the Park.

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 metrics were 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 metrics and its failure to fully achieve the metrics 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 metrics.

**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 the Board of Directors of Triumph and the Board of County Commissioners 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.

Dated: \_\_\_\_\_, 2020

TRIUMPH:

Triumph Gulf Coast, Inc.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

GRANTEE:

Santa Rosa County, Florida

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

A3699451.DOCX

## Budget/Timeline

PROJECT LIONHEART INFRASTRUCTURE YEARLY BUDGET - PROJECT #209					
	PreAward	Year 1	Year 2	Year 3	Total
<b>Santa Rosa County</b>					
EDTF Grant for infrastructure improvements	\$1,246,415	\$0	\$0	\$0	\$1,246,415
Land Acquisition		\$400,000	\$0	\$0	\$400,000
<b>Total</b>	<b>\$1,246,415</b>	<b>\$400,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,646,415</b>
<b>Company</b>					
Design & Engineering of 100,000 sq. ft. warehouse	\$0	\$518,559	\$0	\$0	\$518,559
Construction of 100,000 sq. ft. warehouse	\$0	\$0	\$2,667,027	\$2,000,000	\$4,667,027
<b>Total</b>	<b>\$0</b>	<b>\$518,559</b>	<b>\$2,667,027</b>	<b>\$2,000,000</b>	<b>\$5,185,586</b>
<b>Triumph</b>					
Design & Engineering of Infrastructure	\$0	\$387,192	\$0	\$0	\$387,192
Construction of Infrastructure	\$0	\$500,000	\$1,298,768	\$1,298,768	\$3,097,536
<b>Total</b>	<b>\$0</b>	<b>\$887,192</b>	<b>\$1,298,768</b>	<b>\$1,298,768</b>	<b>\$3,484,728</b>
<b>Grand Total</b>	<b>\$1,246,415</b>	<b>\$1,805,751</b>	<b>\$3,965,795</b>	<b>\$3,298,768</b>	<b>\$10,316,729</b>

\*\*\*QTI application submitted to State in the amount of \$360,000 with a BOCC approved match of \$72,000

\*\*\*EDTF Grant was for Phase I Infrastructure. Triumph request is for Phase II Infrastructure.