

AFFIDAVIT OF CRAIG COFFEY

STATE OF FLORIDA
COUNTY OF OKALOOSA

BEFORE ME the undersigned authority, personally appeared CRAIG COFFEY, who being first duly sworn deposes and says:

1. I, CRAIG COFFEY, am over the age of 18 and have personal knowledge of the matters set forth herein.

2. I am currently employed as a Deputy County Administrator for Okaloosa County, Florida (the "County"). I have held that position since November 2019 and have over 36 years of public sector experience. My duties include overseeing over 800 employees and hundreds of millions of dollars in annually budgeted funds within the following departments: Airports, Tourism Development, Public Safety, Public Works, Utilities, and Facilities and Parks. In addition to the oversight responsibilities above, additional duties include the negotiation of contracts/land acquisitions, coordination with multiple boards and public entities, and special projects as assigned on behalf of the County.

3. On August 26, 2024, after over a month of negotiations, the County and The SS United States Conservancy (the "Conservancy") entered into a Purchase and Sale Agreement (the "Agreement") for the sale and conveyance of the SS United States ("SSUS"). The Agreement is attached hereto as Exhibit "A".

4. The Agreement contained four contingencies, the first two of which are readily achievable and rests with the County which are: 1) the approval of the agreement by the Okaloosa County Board of County Commissioners (the "Board"); and 2) a viable proposal from a contractor to transport, clean, prepare and ultimately reef the SSUS.

5. As to the first contingency, the Agreement was placed on the Board's September 3, 2024, meeting agenda for the Board's consideration. However, in light of the County's interactions with Penn Warehouse & Distribution, Inc. ("Penn") this item was postponed until the September 17, 2024 Board meeting upon advice of the County's legal counsel.

6. The second contingency was addressed by the County by engaging Coleen Marine, Inc. ("Contractor") in early August, for over \$60,000, to conduct full and complete due diligence. The scope of work included testing, investigating, and pricing all necessary activities to remove the SSUS from the current Pier 82 location to a remediation site and all necessary environmental remediation and preparation at the new site, all the way to final deployment as an artificial reef.

7. The County engaged the Contractor, at risk, approximately three weeks prior to reaching an Agreement with the Conservancy, and in turn, the Conservancy allowed the Contractor complete access to the SSUS, at a cost of \$740 per each full day, also at risk if the SSUS is not sold, all in an attempt to meet the Court's September 12th deadline to relocate the SSUS from Pier 82.

8. To date, the Contractor has completed the fuel tank soundings of over 120 tanks, performed laboratory testing and obtained results for 139 polychlorinated biphenyl ("PCB") samples, completed a professional trip-in-tow survey report for movement, obtained and reviewed hydrographic survey analysis, coordinated with a receiving pier in Norfolk, VA, began US Coast Guard approval process, and completed other inspections and investigations to support and prepare the SSUS for departure from Pier 82 and in preparation to enter into a contractual agreement with the County for deploying the SSUS as an artificial reef.

9. The County is finalizing the agreement with the Contractor to remove this contingency and will bring it to the Board for its consideration on September 17, 2024 for the remaining cleaning, preparation, towing and deployment, which would fully satisfy the second County contingency.

10. The remaining two contingencies in the Agreement are beyond the parties' control and are related to safely and legally removing the SSUS from Pier 82. They are as follows: 1) the County securing a separate agreement with Penn related to dockage of the SSUS by October 4, 2024; and 2) the parties seeking the Court's approval to extend the September 12, 2024, deadline to remove the SSUS from Pier 82 and/or obtaining Penn's agreement to waive such deadline.

11. To that end, Alex Fogg, the County's Natural Resources Chief, has been in communications with Craig Mills, attorney representing Penn since June. Based on such communications, the County sincerely believed Penn and the County had a mutual goal of relocating the SSUS off Pier 82 as quickly, as possible.

12. In fact, prior to the County discussing entering an Agreement with the Conservancy, Penn offered to sell the SSUS to the County for \$2,500,000.00. The County ultimately declined the offer, primarily due to Penn not having ownership of the SSUS and many other details to include the purchase price and not providing for any due diligence. According to the contract offered to the County, Penn was willing to allow the SSUS to remain at Pier 82 after the closing date, with thirty (30) days of free rent and rent of \$1,700 dollars a day thereafter.

13. The County then advised Penn it was working directly with the Conservancy to acquire the SSUS and attempted to negotiate a pier agreement with Penn, anticipating having to remain at Pier 82 for a short period after the closing date. The County did this at the same time it was negotiating with the Conservancy and working with the Contractor, all as part of the County's overall due diligence. Unfortunately, Mr. Mills declined any further discussions about the pier agreement or any other terms until the County entered into an agreement to purchase the SSUS from the Conservancy.

14. Immediately after entering into the Agreement for purchase of the SSUS, the County set up a meeting with Mr. Mills on the afternoon on August 29th to discuss the terms and conditions under which the SSUS could remain at Pier 82 after the closing date. During that meeting, Mr. Mills repeatedly demanded payment of \$3,000,000.00 and the meeting ended shortly thereafter.

15. Following the meeting, the County immediately discussed the issue with the Conservancy and redirected the Contractor's efforts from further investigations, to developing an immediate plan to remove the SSUS from the Pier as quickly as possible, ideally on or before September 12th. Despite the Contractor's best efforts, a local pier capable of supporting this large of a vessel, a movement survey, subcontractors for tugs and other support, insurance, and Coast Guard coordination could not be accomplished prior to the September 12th deadline. However, the Contractor submitted a relocation proposal to the parties on September 6, 2024 that, when accepted, should allow relocation later this month at the earliest, but in any case, no later than October 12, 2024.

16. As a result of the parties' inability to reach an agreement with Penn, the County and Conservancy are working together to amend the Purchase and Sale Agreement to provide for the Conservancy to relocate the SSUS from Pier 82 outside of the Penn Warehousing and Port Authority areas and allow up to an additional thirty (30) days to contract, prepare the SSUS for transport, coordinate the move with the Coast Guard, as well as pre-close on the SSUS in escrow.

FURTHER AFFIANT SAYETH NOT.

Craig M Coffey
CRAIG COFFEY

STATE OF FLORIDA
COUNTY OF OKALOOSA

Sworn to (or affirmed) and subscribed before me by means of physical presence or online notarization, this 9th day of September, 2024, by Craig Coffey. Who is _____
Personally Known OR _____ Produced Identification. Type of Identification Produced _____

Roland C. Sims, Jr.

Notary Public
Printed Name: Roland C. Sims Jr.
Expiration of Commission:

