

SUMMARY
OF
GRANT AWARD AGREEMENT
BETWEEN
TRIUMPH GULF COAST, INC.
AND
FLORIDA STATE UNIVERSITY
(Project #69)

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 Florida State University (“FSU”) 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 FSU, and (b) does not create any binding obligations on Triumph or FSU 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 Grant Award Agreement (the “**Agreement**”) approved by the Board of Directors of Triumph and FSU and executed by Triumph and FSU.

GRANT AMOUNT: Seven Million Nine Hundred Ninety Eight Thousand Six Hundred Seventy Nine Dollars (\$7,998,678).

PURPOSE: To provide partial funding for the following projects (collectively, the “Project”):

1. The purpose of the Apalachicola Bay System Initiative (ABSI) is to develop a science-based plan of action for restoring the health of the Apalachicola Bay ecosystem and the oyster reefs therein and create an overall management plan for the bay that we envision serving as a model for other bays along the Florida Panhandle within the Triumph Gulf Coast Inc. purview.
2. In parallel, ABSI will partner with Franklin County community members as well as government, academic and NGO stakeholders to build lines of communication with the appropriate Federal, State and NGO entities to secure the necessary resources that will ultimately be required for bay restoration.
3. After completion of steps 1 and 2 above, the restoration partners will then implement the restoration plan and monitor its progress using the external

resources leveraged using Triumph Gulf Coast funds, the initial FSU cost-share and the FSU long-term commitment (years 6-15) to ABSI.

4. In addition to items 1-3 above, the Project includes the following:
 - a. Formation of the Community Advisory Board (CAB) and development and approval of the broad research plan by the CAB within 18 months of initial funding.
 - b. Completion of assessment of the temporal and spatial changes in oyster communities in Apalachicola Bay within 24 months of initial funding.
 - c. Availability of oyster larvae for experiments on responses to different environmental conditions within 24 months of initial funding.
 - d. Completion and dissemination of a bio-physical model that allows prediction of oyster recruitment and population connectivity with 30 months of initial funding.
 - e. Development of monitoring plan and two full years of data on oyster communities and their environment within 36 months of initial funding.
 - f. Substantial progress towards the ABSI management and restoration plan within 48 months of initial funding.
 - g. Establishment of a restoration partnership working group of private sector, academic, government and NGO entities and development of lines of communication with potential Federal, State and NGO funders of the restoration effort with 24 months of initial funding.
 - h. Completion and dissemination of coupled ecosystem-life history model which can be used to forecast oyster productivity under different environmental scenarios within 60 months of initial funding,

all as further described in FSU's Application for Funds submitted to Triumph (the "**Grant Application**"), which Grant Application is incorporated herein by reference.

FUNDING:

(a) \$250,601 of the Matching Funds (as defined in below) shall be allocated in years 1 and 2 to the salaries of the ABSI Scientific Director (0.25 FTE) and Project Manager (1.0 FTE).

(b) \$700,000 of the Matching Funds shall be allocated to renovating FSUCML infrastructure specifically needed for the conduct of ABSI research and outreach operations including; (1) improvements to the capacity and water quality of the sea water system, (2) enhancements to existing research laboratories supporting ABSI functionalities and (3) modifications to space to accommodate net growth of faculty, staff and students at FSUCML.

(c) \$251,322 (year 1) and \$249,399 (year 2) of the Matching Funds (for a total of \$500,721) shall be allocated to research and outreach operations during years 1 and 2 of the Project (excluding salaries for

personnel) during years 1 and 2 of the Project. This includes acquisition of materials and equipment need to accommodate algal culture and oyster broodstock maintenance. This will allow preliminary research to be started with oyster larvae prior to the completion of the hatchery. Research and outreach activities may require hiring of additional temporary staff beyond those requested below under short-term staff at FSUCML.

(d) \$50,000 of the Matching Funds shall be allocated to developing the program for the pilot-scale, experimental oyster hatchery at FSUCML. Program development will involve visits to regional oyster hatcheries and the hiring of a design consultant to assemble the program elements for the hatchery.

(e) \$404,806 of the Grant shall be allocated to the salaries of the Scientific Director (0.25 FTE) and Project Manager (1.0 FTE) of ABSI in years 3, 4 and 5. Forty-five (45) days prior to reappointment of staff for the fiscal year, FSU will submit a request to Triumph for salary and fringe benefits. Triumph shall have forty-five (45) days from receipt to review and approve or disapprove of an application for disbursement, and if approved, thirty (30) days to disburse the funds to FSU.

(f) \$380,000 of the Grant shall be allocated to scientific consultants supporting the elements of the on-going research effort. Specific tasks for these consultants include (but are not limited to) development of a bio-physical model for oyster recruitment and population connectivity, analysis of the oyster genetic structure of Apalachicola Bay and adjacent populations and development of a coupled ecosystem life-history model. These costs are reimbursed to FSU on completion of each research contract.

(g) \$1,303,618 of the Grant shall be allocated for the hiring of research faculty at FSUCML (all will be 1.0 FTE). Appointments at FSU extend through each fiscal year (June 30) and are automatically renewed, based on satisfactory performance, at the beginning of each fiscal year thereafter. FSUCML will provide to Triumph a copy of the initial appointment papers for each new employee, requesting funds in the appointment period for salary and fringe benefits.

(h) \$792,691 of the Grant shall be allocated for the hiring of short-term staff (including graduate students) at FSUCML. Appointments for staff members will be 1.0 FTE while graduate students will be 0.5 FTE appointments with FSU-required tuition and fringe benefits. Appointments at FSU extend through each fiscal year (June 30) and may be renewed at the beginning of each fiscal year thereafter. FSUCML will provide to Triumph a copy of the initial appointment papers for each new employee, requesting funds in the appointment period for salary and fringe benefits.

(i) \$968,297 of the Grant shall be allocated for the hiring of permanent research support personnel at FSUCML. Appointments will be at 1.0 FTE. Appointments at FSU extend through each fiscal year (June 30) and are automatically renewed at the beginning of each fiscal year thereafter. FSUCML will provide to Triumph a copy of the initial appointment papers for each new employee, requesting funds in the appointment period for salary and fringe benefits.

(j) \$200,000 of the Grant shall be allocated for the design and permitting of the pilot-scale, experimental oyster hatchery at FSUCML, and shall be disbursed from time to time as invoices for completed work are submitted to Triumph.

(k) \$2,664,524 of the Grant shall be allocated for the construction of the pilot-scale, experimental oyster hatchery at FSUCML, and shall be disbursed from time to time as invoices for completed work are submitted to Triumph.

(l) \$350,000 (year 3), \$350,000 (year 4), and \$334,743 (year 5) of the Grant shall be allocated for research and outreach operations. FSU will provide a summary of expenditures at the end of each operations year. Research and outreach activities may require the hiring of additional temporary staff beyond those requested above under short-term temporary staff at FSUCML.

(m) \$250,000 of the Grant shall be set aside as a contingency to support responses to unforeseen events, issues or opportunities. FSU will provide a detailed request to Triumph, as necessary for allocation of such funds.

At such time as FSU is entitled to a Grant disbursement in accordance with the Budget (as defined below), FSU shall submit to Triumph one or more Applications for Disbursement on the form attached to the Agreement (an "Application for Disbursement"). Each Application for Disbursement shall include (as applicable) (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. FSU shall notify the Triumph Program Administrator via email each time an Application for Disbursement is submitted. Within forty-five (45) days of notification and receipt of an Application for Disbursement that includes all required supporting documents, Triumph shall either approve or disapprove of the Application for Disbursement. If Triumph approves

the Application for Disbursement, then it shall disburse the approved amount to FSU within thirty (30) days after approval. If Triumph disapproves the Application for Disbursement, 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 FSU's submittal of missing or corrective items, FSU shall have thirty (30) days following receipt of the notice of disapproval to submit such missing or corrective items. If Triumph fails to notify FSU of its disapproval of the Application for Disbursement within forty-five (45) days of receipt, such Application for Disbursement shall be deemed disapproved.

FSU shall not submit more than one (1) Application for Disbursement for each Project category under subparagraphs (e)-(m) above in any single calendar month, and all Applications for Disbursement for a single month for each Project category under subparagraphs (e)-(m) above must be submitted simultaneously. All amounts disbursed to FSU pursuant to an Application for Disbursement shall then be paid by FSU to architects, engineers, contractors, materialmen, and other vendors performing work or supplying equipment, materials, or services, or, to the extent that FSU has already paid amounts, the Grant funds disbursed shall be retained by FSU as a reimbursement for such payments. None of the Grant shall be used as a reimbursement of items purchased by FSU prior to the date of the Agreement. None of the amounts paid by FSU in connection with the invoices submitted in an Application for Disbursement and then disbursed by Triumph shall also have been or will in the future be in any manner (a) reimbursed, returned, refunded, rebated, or otherwise credited to, FSU by any contractor, materialman, vendor, or any other person or entity, or (b) paid, reimbursed, returned, refunded, rebated, or otherwise credited to FSU 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 FSU shall not receive payments, refunds, reimbursements, rebates or credits from any sources in amounts collectively exceeding 100% of the amounts paid or owing by FSU.

No Grant funds shall be disbursed for Year 2 of the Project unless and until FSU has provided satisfactory evidence to Triumph that all Matching Funds to be spent during Year 1 of the Project have in fact been spent and/or encumbered for the proposed purposes as shown on the Budget during Year 1. No Grant funds shall be disbursed for Year 3 of the Project unless and until FSU has provided satisfactory evidence to Triumph that all Matching Funds to be spent during Year 2 of the Project have in fact been spent or encumbered for the proposed purposes as shown on the Budget during Year 2.

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;
- (c) The amount requested for disbursement under the Application for Disbursement, together with all amounts previously disbursed under the Grant, would exceed the \$7,998,679 maximum amount of the Grant;
- (d) FSU 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 FSU of any of its duties or obligations which may jeopardize or adversely affect the Project, the Agreement, or disbursement of the Grant;
- (f) FSU has taken any action pertaining to the Project which, under the Agreement, requires the approval of Triumph, and FSU failed to obtain such approval;
- (g) There has been a violation of the anti-lobbying and prohibited interest provisions of the Agreement;
- (h) FSU is in material violation, default, or breach of or under any provision of the Agreement;
- (i) FSU is in breach of any material representation or warranty contained in the Agreement;
- (j) Any federal, state, or local agency (including FSU) 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 amount and at the times as set forth in a schedule of expenses approved by Triumph, unless prior approval for such a change is obtained;
- (l) With respect to previous disbursements of the Grant, FSU has failed to pay, or has failed to provide Triumph with evidence of payment of, the Grant for the purposes of such disbursement;
- (m) Prior to June 30, 2024 (the “Completion Deadline”), FSU has abandoned or discontinued the Project, or for any reason the commencement, prosecution,

or timely completion of the Project by FSU 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; or
- (o) One or more of the Contracts previously approved or deemed approved by Triumph have been modified, amended, or terminated without the actual or deemed prior consent or approval of Triumph; provided, however, that any change order under \$25,000 shall not be subject to approval under the Agreement.

ELIGIBLE COSTS/
DOCUMENTATION:

The total cost of the Project is \$9,500,000, of which (i) \$1,501,322 shall be paid by FSU as matching funds (the "Matching Funds"), and (ii) \$7,998,678 shall be provided by the Grant. The total estimated cost of the Project and the allocation of Matching Funds is based upon the budget attached to the Agreement (the "Budget"). Triumph and FSU acknowledge and agree that by its very nature, research needs change as data and information are accumulated, thus, it may be necessary to adjust the on-going effort by reallocation of resources among Budget categories. Accordingly, the Budget shall be broadly divided between funds to be used for construction (including materials and equipment) and funds to be used for personnel and research/outreach operations. Requests for such changes, coupled with detailed justifications, will be provided to Triumph for approval. Rebudgeting of funds less than 25% of the total budgeted amount within either the construction or personnel and research/outreach operations category shall not require prior approval of Triumph. No funds budgeted for personnel and research/outreach operations shall re-budgeted for construction, and no funds budgeted for construction shall be re-budgeted for personnel and research/outreach operations. Using the Grant, the Matching Funds, its other own funds, and funds from other grants, if any, FSU 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

MAINTENANCE
OF RECORDS:

FSU 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 within six (6) months after its fiscal year end. FSU shall also, on an annual basis by March 31 or 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 set forth below. In connection with its inspection of the Project, FSU shall make available to Triumph copies of any and all invoices, payroll records, job descriptions, 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 FSU, to access the Project and inspect any Equipment and work being performed or as completed.

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

**APPROVAL OF
CONTRACTS:**

Triumph shall have the right to review and approve any and all proposed contracts (other than subcontracts with faculty) in connection with the Project (each, a “Contract,” and collectively, the “Contracts”) and any proposed changes to the Contracts before FSU executes or obligates itself in any manner. Triumph shall have fifteen (15) days from receipt of a proposed Contract or change order to notify FSU 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:**

FSU 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:

Triumph hereby acknowledges and agrees that FSU is a state agency and/or public entity of the State of Florida and is thereby covered for comprehensive general and professional liability by its State Risk Management and/or self-insurance programs pursuant to Florida law and subject to the limitations set forth in Section 768.28, Florida Statutes (\$200,000/\$300,000) and that said coverage shall be deemed sufficient and acceptable in meeting all FSU’s obligations with regard to general and professional liability insurance requirements as required by the Agreement..

CLAWBACK:

Any Grant funds disbursed by Triumph to FSU shall be subject in being repaid (“clawed back”) in the event (i) FSU abandons, suspends or discontinues the Project, or fails to complete the Project by Completion Deadline, and/or (ii) FSU 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) FSU breaches any obligation under the Agreement, and/or (iv) FSU fails to achieve at least one of the following performance metrics:

- (a) Performance Metric #1: The addition of two (2) net new FTE faculty positions with primary research specializations supporting the broader objectives of the ABSI project by the end of the Spring 2021.
- (b) Performance Metric #2: Submission of Eight Million Dollars (\$8,000,000) in competitively awarded research grant proposals focused on the broader objectives of ABSI within 5 years of the first disbursement of grant funds.
- (c) Performance Metric #3: Providing substantive collaborative assistance in entrepreneurial outreach and support to at least 45 different businesses in the impacted counties that are dependent on oysters, other fisheries and the health of Apalachicola Bay of at least 30 contact hours per entity. FSU shall ensure that appropriate credentialing is available for participants in these collaborative assistance activities.

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 FSU's reasonable control, (iii) FSU 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 FSU's ability to achieve at least one of the performance metrics.

INTELLECTUAL PROPERTY RIGHTS:

As between Triumph and FSU, all legal title in and to any patent, trademark or copyright, or application for the same, or any other intellectual property

right to, the work developed or produced by FSU with respect to the Project shall be the property of FSU. Notwithstanding the foregoing, FSU agrees that, to the extent that FSU receives any royalties related to such intellectual property and other research conducted in connection with the Project, it shall use such royalties solely for the benefit of the oyster industry in Florida consistent with established FSU policy on distribution of royalties and other commercial proceeds (<http://hr.fsu.edu/PDF/Publications/UFFAgreement-CBA-2016-19.pdf>). FSU shall use its reasonable good faith discretion in determining the beneficial use of such royalties for the oyster industry in Florida, including what parties shall receive them and when, how much a party is to receive, for what purposes the funds may be used, what other conditions or restrictions shall be placed on the use of the funds, and such other factors as it shall deem appropriate.

**SUPPORT
COMMITMENTS:**

Prior to the disbursement of any Grant funds, FSU shall submit to Triumph letters of support for the Project from the Deans/Directors of the Florida Center for Conflict Resolution, the Jim Moran Institute for Entrepreneurship, and the FSU College of Business.

**REPORT OF
FINDINGS:**

Upon substantial completion of the Project, FSU shall prepare a report detailing its activities and findings with respect to the Project, as well as recommendations for future activities and research. Such report shall be submitted to Triumph, the Florida Department of Agriculture, and the Florida Legislature.

**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 FSU.