

RURAL BUSINESS-COOPERATIVE SERVICE FINANCIAL ASSISTANCE AGREEMENT

This Agreement, which includes Attachments A and B, for the Project and Amount described below (the "Project Description") and for the Program identified below, is between the Recipient (you) and the United States of America acting through the Rural Business-Cooperative Service (RBS or we).

Type of Award (mark one):
Cooperative Agreement Grant

Program and CFDA Number (mark one):
Rural Energy for America Program (REAP) – 10.868
Rural Economic Development Grant (REDG) – 10.854
Rural Business Development Grant (RBDG) – 10.351
Rural Microenterprise Assistance Program (RMAP) – 10.870
Agricultural Marketing Resource Center (AgMRC) – 10.352
Appropriate Technology Transfer for Rural Areas (ATTRA) – 10.782
Delta Health Care Services (DHCS) – 10.874
Federal-State Research on Cooperatives (RSRC) – 10.350
Rural Cooperative Development Grant (RCDG) – 10.771
Rural Development Cooperative Agreement (RDCA) – 0.890
Socially-Disadvantaged Groups Grant (SDGG) – 10.871
✓ Value Added Producer Grant (VAPG) – 10.352
Other

I. GENERAL AWARD INFORMATION

1. Recipient Name & Address THF Hubery LLC, 30829 Foghorn Lane Hilliard, FL 32042	2. DUNS No. 080080771	3. SAM No. 7N000
5. Federal Award Identification Number (FAIN) BP1655070	4. Case No. 09-045-509746702	
7. Performance Start Date 10-01-2016	6. Award Date 09-25-2016	
9. Amount of Federal Funds Obligated for this Action, and Total Amount of Federal Funds Obligated \$15,000.00	8. Performance End Date 09-25-2016	
11. Total Project Cost (Budget Approved Amount) \$30,000.00	10. Amount of Matching Other Funds (if applicable) \$15,000.00	
13. Indirect Cost Rate (if applicable)	12. Award as Percentage of Total Project Cost 50%	
15. Recipient Contact (Name, Title, Contact Info) Angela TenBroeck, CEO/President 904-845-2627	14. Does this award involve Research & Development? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
16. Agency Contact (Name, Title, Contact Info) Flida Rogers, Area Specialist Lake City, FL 386-719-4500		

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is [0570-0050]. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

II. RESPONSIBILITIES

- A. Recipient.** The Recipient shall remain in compliance with all applicable laws, regulations, Executive Orders, and other generally applicable requirements for the duration of the Agreement including 2 CFR parts 200, 400, 415, 416, 417, 418, 421, and 422. The most commonly-referenced provisions are identified below.
- 1. Financial and Program Management.** You must follow the financial and performance management requirements in 2 CFR §§ 200.300-.309.
- a. **Financial Management.** You must maintain a financial management system in compliance with 2 CFR § 200.302. Ensure that the VAPG account is maintained in a Federally insured depository account.
- b. **Internal Controls.** You must maintain internal controls in compliance with 2 CFR § 200.303.
- c. **Payments.** You must comply with the payment requirements described in 2 CFR § 200.305. Payment must be requested by using the SF-270, "Request for Advance or Reimbursement" or SF-271, "Request for Reimbursement for Construction Programs" (as applicable). Receipts, hourly wage rate, personnel payroll records, or other documentation must be provided upon request from RBS if the request is for an advance; otherwise, the documentation must be provided at the time of the request. Requests for payment must be sent to the Agency contact listed in Section I.16.
- d. **Revisions of the Work Plan and Budget.** You must complete all elements of the Work Plan in Attachment B in accordance with that Attachment and must use project funds only for the purposes and activities specified in Attachment B - Approved Work Plan and Budget. You must further complete the outcomes shown for each Work Plan items within the time and scope constraints shown in Attachment B. You must report any changes and request prior approvals in accordance with 2 CFR § 200.308.
- e. **Period of Performance.** You may only incur costs chargeable to the award in accordance with 2 CFR § 200.309.
- f. **Bonding.** You must maintain your fidelity bond coverage in the amount of \$ 30,000.00 for the Period of Performance of the award. (See 2 CFR § 200.304.)
- g. **Program Income.** You must comply with the requirements of 2 CFR § 200.307. Additionally, if program income is earned during the period of performance, you may use it in accordance with 2 CFR § 200.307(c)(2), provided that you inform us in writing of your intent prior to the award date. However, if you earn program income in excess of what can be used under 2

CFR § 200.307(e)(2) or if you earn unanticipated program income, you must comply with 2 CFR § 200.307(e)(1). Costs incidental to the generation of program income may be deducted from gross income to determine program income, provided these costs have not been charged to the award.

2. **Procurement and Property Standards.** You must follow the procurement standards requirements in 2 CFR §§ 200.310-.326.
3. **Performance and Financial Monitoring and Reporting.** You must follow the requirements in 2 CFR Part 170, including Appendix A, and 2 CFR §§ 200.327-.329, and submit reports as outlined below. Unless otherwise directed in the addendum to this Agreement, the reports are due as indicated below.
 - a. **Form SF-425, "Financial Status Report."** Reports are due 30 calendar days after the reporting period ends. A final report is due within 90 days after the Performance End Date specified in Section I.8. of this Agreement or at the completion of your project, whichever date is sooner. Your reporting periods are below (mark one):

Semi-Annually: January 1 – June 30 and July 1 – December 31

Semi-Annually: April 1 – September 30 and October 1 – March 31

✓ Quarterly: January 1 – March 31, April 1 – June 30, July 1 – September 30, October 1 – December 31
 - b. **Performance Reports.** Reports are due 30 calendar days after the reporting period ends. A final report is due within 90 days after the Performance End Date specified in Section I.8. of this Agreement or at the completion of your project, whichever date is sooner. Your reporting periods are below (mark one):

Semi-Annually: January 1 – June 30 and July 1 – December 31

Semi-Annually: April 1 – September 30 and October 1 – March 31

✓ Quarterly: January 1 – March 31, April 1 – June 30, July 1 – September 30, October 1 – December 31
4. **Subrecipient Monitoring and Management.** You must monitor and manage any subrecipients in accordance with 2 CFR §§ 200.330-.332.

5. **Record Retention and Access.** You must retain records related to this work performed under this Agreement and allow access to them in accordance with 2 CFR §§ 200.333-.337.
 6. **Closeout.** You must comply with the closeout requirements in 2 CFR § 200.343.
 7. **Post-Closeout Adjustments and Continuing Responsibilities.** You must continue to comply with the requirements in 2 CFR § 200.344 even after the Period of Performance for this Agreement has ended.
 8. **Cost Principles.** You must comply with the provisions in 2 CFR Part 200, most of which are contained in Subpart E.
 9. **Audits.** You must comply with the provisions in 2 CFR Part 200, Subpart F.
 10. **Civil Rights Compliance.** Unless otherwise provided in the addendum, you must comply with Executive Order 12898, Executive Order 13166- Limited English Proficient, the Americans with Disabilities Act of 1990, Title VI of the Civil Rights Act of 1964, and Section 504 of the Rehabilitation Act of 1973 as applicable. Your compliance, shall include collection and maintenance of data on race, sex, and national origin of your membership, ownership, and employees. These data must be available to us for Civil Rights Compliance Reviews. Unless otherwise provided in Attachment A, you must submit to a post-award compliance review conducted after the final disbursement of grant funds have occurred.
 11. **Universal Identifier and Central Contractor Registration.** You must comply with 2 CFR Part 25, including Appendix A. Note that the Central Contractor Registration is now available through the System for Award Management at www.sam.gov.
 12. **Special Conditions.** You must comply with any special conditions identified in Attachment A – Program Addendum.
- B. Rural Business-Cooperative Service (RBS).** RBS shall remain in compliance with all applicable laws, regulations, Executive Orders, and other generally applicable requirements for the duration of the Agreement. The most commonly-referenced provisions are identified below.
1. **Payments.** We will advance or reimburse funds up to the Award Amount identified in Section I.9 upon the Recipient's proper request according to Section II.A.1.c.

2. **Monitoring and Enforcement.** We will monitor the project to ensure that you are in compliance with the terms of the award. If we find that you are not in compliance, we will enforce the terms of this Agreement using the provisions of 2 CFR §§ 200.338-.342.

C. Both Parties. The Recipient and RBS agree to the following:

1. **Invalid Clauses.** The invalidity of any one or more phrases, clauses, sentences, paragraphs, or provisions of this Agreement shall not affect the remaining portions of the Agreement.
2. **Conflict between this Agreement and Other Applicable Regulations or Laws.** If there is a conflict between this Agreement and the applicable Program Regulation, the applicable Program Regulation shall prevail. If there is a conflict between this Agreement and another law or regulation, RBS shall seek a legal opinion to determine which provision applies.
3. **Dates.** When the date fixed for the performance of an act under this Agreement is on a weekend or Federal holiday, then the performance by the close of business on the next Federal work day shall have the same force and effect as if made performed or exercised on the specified date.

The signatories below certify that they have authority to enter into this Agreement.

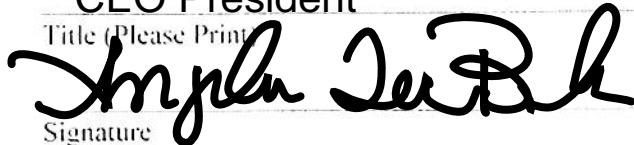
Approved by an Authorized Representative of the Recipient:

Angela TenBroeck

Name (Please Print)

CEO President

Title (Please Print)



Signature

12-15-2016

Date

Approved by the United States of America, Rural Business-Cooperative Service by:

Name (Please Print)

Title (Please Print)

Signature

Date

Attachment A – Program Addendum

PROGRAM NAME: Value-Added Producer Grant Program

AUTHORITY: 7 U.S.C. 1623a.

APPLICABLE PROGRAM REGULATIONS: 7 CFR Part 4284, subpart J

APPLICABLE FEDERAL REGISTER NOTICE: [INSERT FR REFERENCE]

ADDITIONAL PROGRAMMATIC AWARD PROVISIONS:

RBS and the Recipient agree to the following additional provisions:

Section II, Paragraph A.1.d. is retained and the following language is added:

Under extenuating circumstances, you may request a one-time, no-cost extension for up to 12 months, as long as the total Period of Performance, including the time period of the extension, does not exceed three years. Note that extending the Period of Performance for this award may affect your eligibility for additional awards. The extension must be requested at least 30 calendar days prior to the end of the period of performance, or it will not be considered. The request must be in writing and addressed to the Agency Contact listed under Section I.16. It must include the following information: (1) the time period of the extension requested; (2) a revised budget and work plan demonstrating that funds will be completely expended by the end of the extension; (3) the reason(s) why the extension is being requested; and (4) what steps will be taken by the Recipient to ensure that the project is completed by the end of the extension. Submission of a request for an extension does not guarantee that we will approve the extension. Extensions will only be approved in cases where significant circumstances beyond the Recipient's control prohibited timely performance of award activities. Extensions will not be approved for changes in scope. If the extension is approved, and you are also approved for an award in a subsequent funding cycle, this project must be completed before you may begin work on a subsequent award.

Award funds not expended by the end of the Period of Performance will be cancelled by us. Prior to cancellation, we will notify you in writing of our intent to cancel the remaining award funds.

Section II, Paragraph A.3.b. is retained with the following language added:

All Performance Reports must include a discussion on the performance benchmarks suggested in your application to determine whether the primary goals and objectives proposed in the Approved Work Plan and Budget were accomplished during the reporting period. (See 7 CFR § 4284.931(b)(2)(i)).

In the section of your report that compares actual accomplishments to the objectives for that reporting period, objectives should be reported by specific task breakdown as described in Attachment B – Approved Work Plan and Budget.

For working capital projects, all Performance Reports must include the following metrics:

- Expansion of customer base as a result of the project
- Increased revenue returned to the producer as a result of the project
- Jobs created/saved as a result of the project

For all projects, we may request additional information, including but not limited to, the following:

1. Information that will enable evaluation of the economic impact of program awards, such as:
 - (a) Business starts and clients served;
 - (b) Data associated with producer market expansion, new market penetration, and changes in customer base or revenues.
2. Information that would promote greater understanding of the key determinants of the success of individual projects or inform program administration and evaluation, such as:
 - (a) The producer's experience related to financial management, budgeting, and running a business enterprise.
 - (b) The nature of, and advantages or disadvantages of, supply chain arrangements or equitable distribution of rewards and responsibilities for Mid-tier Value Chain projects; and
 - (c) Recommendations from Beginning Farmers or Ranchers, Socially-Disadvantaged Farmers or Ranchers, or Veteran Farmers or Ranchers.
3. Information that would inform or enable the aggregation of data for program administration or evaluation purposes.

If any special conditions have been placed on the use of award funds, you must discuss your compliance with those conditions in each Performance Report.

For Final Performance Reports only, you must provide responses to the following questions:

- What have been the most challenging or unexpected aspects of this project?
- What advice would you give to other organizations planning a similar project? You should include strengths and limitations of the program. If you had the opportunity, what would you have done differently?
- If an innovative approach was used successfully, you should describe the approach in detail so that other organizations might consider replication in their areas.

Section II, Paragraph A.10, is retained with the following language added:

VAPG is a Federally conducted program. You will not be required to provide data for a Civil Rights Compliance Review.

Section II, Paragraph A.12 is retained with the following language added:

The following Special Conditions apply to your award:

[INSERT SPECIAL CONDITIONS OR N/A]

RD Instruction 4284-J,4284.960 Monitoring and reporting program performance. The requirements specified in this section shall apply to grants made under this subpart.

(a) Grantees must complete the project per the terms and conditions specified in the approved work plan and budget, and in the grant agreement and letter of conditions. Grantees will expend funds only for eligible purposes and will be monitored by Agency staff for compliance.

Section II, Paragraph A.13, is added with the following language:

Cost Sharing. You must comply with the requirements of 2 CFR § 200.306. Additionally, matching funds must be available at the same time award funds are expected to be spent and expenditures of matching funds will be pro-rated or spent in advance of award funds.

Section II, Paragraph A.14, is added with the following language:

Deliverables. You must provide deliverables for each completed task. Documentation can include, but is not limited to, feasibility studies, marketing plans, business plans, success stories, and best practices.

Attachment B – Approved Work Plan and Budget

THF Hubery, LLC

USDA Value Added Producer Grant

Transforming Tilapia Waste Into a Marketable Growth Product

Project Budget

Task	Description	Start Date	End Date	Functions	Resources	VAPG \$s	Match \$s	In Kind \$s	Payee	TOTAL
1	Product definition	Day 1	Day 45							
				Review process and equipment options for modifying fish waste into marketable products	Process SME	\$ 350	\$ 350	\$ -	Allen Skinner	
				Review biosolid sample lab reports	Industry SME	\$ 350	\$ 350	\$ -	John Wildmon	
				Per soil amendment v. fertilizer product research and product classification	Project Mgr	\$ 475	\$ 475	\$ -	Allen Skinner	
				Deliverable: Meeting Notes from Brainstorming Session						
					Expenses	\$ 100	\$ 100	\$ -	John Wildmon/Allen Skinner split	
				TOTAL TASK 1 Actual Expenditure:						\$ 2,550
				TOTAL TASK 1 in-kind:						\$ -

Task	Description	Start Date	End Date	Functions	Resources	VAPG \$s	Match \$s	In Kind \$s	Payee	TOTAL
2	Regulatory/Labeling Requirements	Day 1	Day 60							
				Research OMRI listing requirements	Industry SME	\$ 1,213	\$ 1,213	\$ -	John Wildmon	
				Research labeling requirements for soil amendment and fertilizer	Project Mgr	\$ 1,212	\$ 1,212	\$ -	Allen Skinner	
				Deliverable: Technical Memorandum summarizing key regulatory requirements and relationship to tilapia waste as fertilizer or soil amendment						
					Expenses	\$ 100	\$ 100	\$ -	John Wildmon/Allen Skinner split	
				TOTAL TASK 2 Actual Expenditure:						<u>\$ 5,050</u>
				TOTAL TASK 2 In-Kind						5

Task	Description	Start Date	End Date	Functions	Resources	VAPG \$s	Match \$s	In Kind \$s	Payee	TOTAL
3	Process Optimization	Day 15	Day 75	Develop process description and flow design	Process SME	\$ 635	\$ -	\$ 635	Allen Skinner	
				Perform material balances						
				Develop equipment descriptions						
				Review industry best practices	Industry SME	\$ 635	\$ 405	\$ 230	John Wildmon	
				Communicate with specific target customers to determine interest and price thresholds						
				Develop rough capital and cost expenditures	Financial Consultant	\$ 635	\$ -	\$ 635	Barbi Coyne	
				Deliverable: Technical Memorandum summarizing process description, material balance calculations, system descriptions, research from target customers and rough cost estimate	Project Mgr	\$ 1,270	\$ 1,270	\$ -	Allen Skinner	
					Expenses	\$ 100	\$ 100	\$ -	3-way split with PM and Consultants	
				TOTAL TASK 3 Actual Expenditure:						\$ 5,050
				<i>TOTAL TASK 4 In-Kind:</i>						<i>\$ 1,500</i>

Task	Description	Start Date	End Date	Functions	Resources	VAPG \$s	Match \$s	In Kind \$s	Payee	TOTAL
4	Marketing, Sales and Distribution Analysis	Day 45	Day 120							
				Provide fertilizer/soil amendment marketing and distribution support	Industry SME	\$ 533	\$ -	\$ -	John Wildmon	
				Conduct end user focus groups	Marketing Consultant	\$ 1,775	\$ 1,517	\$ 258	Paul Martinez	
				Develop strategic marketing and sales plan						
				Draft sales forecast	Financial Consultant	\$ 532	\$ -	\$ 532	Barbi Coyne	
				Deliverable: Technical Memorandum summarizing marketing study results	Project Mgr	\$ 710	\$ 533	\$ 710	Allen Skinner	
					Expenses	\$ 100	\$ 100	\$ -	Split with financial/marketing	
				TOTAL TASK 4 Actual Expenditure:						\$ 5,800
				TOTAL TASK 4 In-Kind:						\$ 1,500

Task	Description	Start Date	End Date	Functions	Resources	VAPG \$s	Match \$s	In Kind \$s	Payee	TOTAL
5	Financial Analyses	Day 45	Day 135	Develop historical biosolid costs	Financial consultant	\$ 2,745	\$ 1,245	\$ 1,500	Barbi Coyne	
				Prepare capital expenditure, sales, and SG&A into 3 year pro formas						
				Develop Sources and Uses of funds						
				Deliverable: Technical Memorandum with proforma analysis along with supporting text for the financial analysis	Project Mgr	\$ 305	\$ 305	\$ -	Allen Skinner	
					Expenses	\$ 100	\$ 100	\$ -	Split with PM and Financial Consultant	
				TOTAL TASK 5 Actual Expenditure:						\$ 4,800
				<i>TOTAL TASK 5 In-kind:</i>						<i>\$ 1,500</i>

Task	Description	Start Date	End Date	Functions	Resources	VAPG \$s	Match \$s	In Kind \$s	Payee	TOTAL
6	Assess Strengths, Weaknesses, Opportunities, Threats	Day 121	Day 128							
				Provide SME input on business case	Industry SME	\$ 80	\$ 75	\$ -	John Wildmon	
				Deliverable: Technical Memorandum presenting the SWOT analysis	Project Mgr	\$ 80	\$ 75	\$ -	Allen Skinner	
					Financial Consultant Expenses	\$ 240	\$ -	\$ 250	Barbi Coyne	
						\$ 100	\$ 100	\$ -	Split with PM and Financial Consultant	
				TOTAL TASK 6 Actual Expenditure:						\$ 750
				TOTAL TASK 6 In-land:						\$ 250

Task	Description	Start Date	End Date	Functions	Resources	VAPG \$s	Match \$s	In Kind \$s	Payee	TOTAL
7	Recommendations and Next Steps	Day 128	Day 135							
				Complete project management	Project Mgr	\$ 158	\$ 158	\$ -	Allen Skinner	
				Verify recommendations and financial alignment	Financial Consultant	\$ 367	\$ 367	\$ -	Linda Simmons	
				Deliverable: Summary letter with Executive Summary and Recommendations for the next steps	Expenses	\$ 100	\$ 100	\$ -	Split between PM and Financial Consultant	
				TOTAL TASK 7 Actual Expenditure:						<u>\$ 1,250</u>
				<i>TOTAL TASK 7 In-Kind</i>						<i>\$ -</i>
				TOTAL Project Cash Expenditure						\$ 25,250
				TOTAL Project In-Kind						<u>\$ 4,750</u>
				TOTAL PROJECT COST						<u>\$30,000</u>