8. Other Direct Costs:
Total Negotiated Other Direct Costs: $0 Not Applicable, the recipient did not propose other direct costs: ☐

Project Officer: The proposed other direct costs have not changed from the originally approved budget.
☒ Specialist concurs.

9. Indirect Charges:
Total Negotiated Indirect Costs: $Exemption 4 Not Applicable, the recipient did not propose indirect costs: ☐

Specialist: The proposed indirect costs have not changed from the originally approved budget.

10. Cost Share:

Project Officer: Project is a: ☒ Research ☒ Development ☐ Demonstration ☐ Other: (Explain) The minimum recipient's cost share required for this award is: Exemption The recipient proposed cost share for this award is: Exemption Does the proposed cost share meet the minimum requirement: ☒ Yes ☐ No
Specialist: Is the proposed cost share: ☒ Cash ☐ In-kind All proposed cost share for Budget period 1 is proposed as cash contributions from Algenol ($Exemption 4), DOW ($Exemption 4), and Membrane Technology and Research, Inc. ($Exemption 4). Third Party cost share commitment letters were obtained previously.

B. The following Project Officer and Specialist evaluation and negotiation commentary and recommendations address their agreement on all additional considerations for this award.

1. Please list any other special provisions agreed upon for inclusion in this award and describe the rationale for their inclusion below.

The revised SOPO will replace the existing SOPO.

2. If a negotiation strategy, or strategies, is/are specified in the selection statement, provide a discussion below of how this was addressed and resolved.

Exemption 4 of Total Project Costs must be kept aside from the project budget as contingency for the project. This contingency is applicable to total project costs (BP2 forward) and will be verified by the Project Officer as requested and discussed in the Contingency Appendix that will be attached to the award. Contingency will be reported and tracked as well to address the Exemption requirement per the Selection Statement.

3. Any other comments or concerns of the Project Officer and/or Specialist for this award, and the recommended approach to mitigating them, will be explained and addressed below.

The Contracting Officer and the Project Officer have conferred about how this action potentially affects costs associated with BP2. There is an understanding that the actual effect of this action on BP2 costs must be addressed at the time BP2 is pursued, whether the effect is a reduction in overall BP2 costs or full utilization of remaining BP2 funds due to cost increases, more refined costs or some other reason.

4. Is this a Recovery Act award? ☒ Yes ☐ No
- If Yes, does the Buy American Act apply (see applicability below)? ☐ Yes ☒ No
- If Yes, does Davis Bacon Act apply (see applicability below)? ☒ Yes ☐ No

If the answer to either the Buy American Act or Davis Bacon Act questions is Yes, provide a short discussion below on: 1) the type of entity; 2) what applies; Davis Bacon, Buy American, or both; 3) whether it applies to the prime, subrecipient, or both; and 4) work to be performed that requires applicability of Buy American and/or Davis Bacon.

Algenol Biofuels Inc. includes construction activities, and therefore is subject to the Davis Bacon Act (DBA). DBA will apply to both the Recipient and their subrecipients, throughout the entirety of the project (Budget Periods 1 & 2).

SECTION IV – RECOMMENDATIONS/APPROVAL

Signatures of the Project Officer and Specialist, indicating their recommendations, as indicated below, will occur after their mutual agreement on the contents of this document, and before the review and approval process for the action. The signatures below indicate that the costs in the negotiated budget are reasonable, allowable, and allocable.

1. Technical Recommendation

The project costs are acceptable and should be considered for a financial assistance award. The resources have been reviewed relative to the Statement of Project Objectives and are found to be reasonable, except as previously noted herein.

_____ _____
Signature Date

Christy Sterner
Project Officer

2. Specialist Recommendation

In view of the above analysis, the technical evaluation, and considering all known factors, this Award is recommended.

_____ _____
Signature Date

Molly Hames
Grants and Agreements Specialist

3. Contracting Officer Approval

☒ I concur with the above recommendation and have determined that the Recipient is responsible. I consider this Award to be in the best interest of the Government, and approve the award documents.

☐ In view of the analysis, the technical evaluation, and considering all known factors, I have determined that the Recipient is responsible. This Award is considered to be in the best interest of the Government and approved.

_____ _____
Signature Date

Michael A. Schledorn
Contracting Officer

PMC 112.2
(08/27/2009)

U.S. DEPARTMENT OF ENERGY
PROJECT MANAGEMENT CENTER

REQUEST FOR REVIEW

☒ Normal Review ☐ Expedited Review Date: 12/02/2010

Justification for Expedited Review _____

Award Number: DE-EE0002867 FOA Number, if new award: REDACTED EXEMPTION 4

Item(s) For Review: Budget revision; lift subcontractor hold and reopener clause.

Total Project: $
Federal Funds: $ 24,331,431

Specialist Listed on Award: Molly Hames Phone: 303-275-4864

Specialist Who Prepared Award: _____ Phone: _____

Note to Specialist: Send 72 Hour Congressional Notification for FOA action reviews, as required.

☐ PEER REVIEW

Comments:

Signature: _____ Date: _____

☐ CONTRACTING OFFICER REVIEW

☐ Approved ☐ Approved subject to comments below/attached ☐ Not Approved; Comments below/attached

Comments:

Signature: _____ Date: _____

☐ INDEPENDENT REVIEW

Comments:

Signature: _____ Date: _____

☐ LEGAL REVIEWS – SEE PAGE 2 (Delete page 2 if not required)

☐ OAFA BRANCH CHIEF REVIEW

☐ Approved ☐ Approved subject to comments below/attached ☐ Not Approved; Comments below/attached

Comments:

Signature: _____ Date: _____

☐ DIRECTOR FINANCIAL ASSISTANCE REVIEW – SEE PAGE 3 (Delete page 3, if not required)

☐ HEAD OF CONTRACTING ACTIVITY REVIEW – SEE PAGE 3 (Delete page 3, if not required)

IPLD REVIEW FOR FUNDING OPPORTUNITY ANNOUNCEMENTS

Comments: IPLD Review Results e-mails on: [insert date]

Signature: _____

IPLD REVIEW FOR NEW AWARDS & MAJOR MODS

Comments: IPLD Review Results e-mails on: [insert date]

LEGAL REVIEW FOR NEW AWARDS, MAJOR MODS & OTHER ACTIONS

Type of Review:
- ☐ New Award
- ☐ Mod, include short explanation:
- ☐ Novation/Name Change
- ☐ Other Action

Total Project: $
Federal Funds: $

Tailored Provisions Require Review for New Awards:
- ☐ Substantial Involvement Provision for Cooperative Agreements
- ☐ At Risk
- ☐ Conditional Availability of Funds
- ☐ NEPA
- ☐ Subcontractor Approval
- ☐ Specify other:

FOA Number: Title:

☐ Legally Sufficient ☐ Legally Sufficient subject to comments below/attached ☐ Legally Insufficient; Comments below/attached

Comments:

Signature: _____ Date: _____

☐ **FINANCIAL ASSISTANCE DIRECTOR REVIEW** **(Required for award actions greater than $25M)**

☐ Approved ☐ Approved subject to comments below/attached ☐ Not Approved; Comments below/attached

Comments:

Signature: _____ Date: _____

☐ **HEAD OF CONTRACTING ACTIVITY REVIEW** **(Required for award actions greater than $25M)**

☐ Approved ☐ Approved subject to comments below/attached ☐ Not Approved; Comments below/attached

Comments:

Signature: _____ Date: _____

PMC 128.3

(12-22--2009)

U.S. DEPARTMENT OF ENERGY
EERE - PROJECT MANAGEMENT CENTER

AWARD DOCUMENTS - REQUEST FOR SCANNING

STRIPES Award No. DE-EE0002867.002

OAFA Specialist: Molly Hames

Navarro Specialist: N/A

Program: Office of the Biomass Program

OAFA SPECIALIST

Mark the box next to each document included in this package for scanning.

Initials:

_____

Date Package submitted to Scanning POC:

_____

AWARD DOCUMENTS TO BE SCANNED:

DOCUMENTS:

- ☒ AWD-001 Financial Assistance Award Index & Checklist
- ☐ AWD-002 Selection Statement
- ☐ AWD-003 Determination of Non-Competitive Financial Assistance (DNFA) Documentation
- ☐ AWD-004 HCA Approval
- ☐ AWD-005 HQ Business Clearance Documentation
- ☐ AWD-006 Congressional Affairs Notification (DOE F 4220.10)
- ☒ AWD-007 Successful Application Documentation (PRIME & SUBS)
- ☐ AWD-008 National Environmental Policy Act (NEPA) Documentation
- ☐ AWD-009 Pre-Award Information Sheet (PMC 121.1)
- ☐ AWD-010 Dun&Bradstreet Risk Assessment (PMC 460.2)
- ☒ AWD-011 Combined Technical Evaluation / Negotiation Memo (PMC 120.2)
- ☐ AWD-012 Intellectual Property Law Division (IPLD) Documentation
- ☐ AWD-013 Cost Share Determination Documentation
- ☐ AWD-014 Cost / Price Documentation
- ☒ AWD-015 EPLS
- ☐ AWD-016 Pre-Award Cost Request and Authorization
- ☐ AWD-017 Justification for Use of Conditional Availability of Funds Provision (PMC 132.2)

LETTERS/OTHER:

- ☒ AWD-018 Misc. Correspondence to Recipients

REVIEWS:

- ☒ AWD-019a Request for Review (PMC 112.2)(Review of Award Package)
- ☐ AWD-019b [insert other as needed]

STRIPES Procurement Assistant

Initials:_____

Date Package returned to OAFA Specialist:

_____

- ☐ all documents indicated above are included in this package

(Note: return package to OAFA Specialist if any of the documents indicated above are not included in this package)

- ☐ all documents indicated above have been scanned to a non-editable .pdf format
- ☐ .pdf files placed in applicable folder on S:\ drive
- ☐ PMC 128.3 and document package returned (with all original documents) OAFA Specialist

STRIPES Procurement Assistant to retain electronic copy of PMC 128.3 for 1 year, then destroy

OAFA SPECIALIST

Action Items:

- ✓ **VERIFY** that all .pdf files for all documents submitted for scanning were placed in applicable folder on S:\ drive
- ✓ **UPLOAD** all .pdf files to STRIPES AWARD as Supporting Documents
- ✓ **PLACE** all hardcopies of AWARD Supporting Documents in a secured shredder bin

OAFA Specialist: I acknowledge that all supporting documents for this award have been reviewed and uploaded to STRIPES. All paper documents contained in this file can be shredded.

_____

ASSISTANCE AGREEMENT

1. Award No.	2. Modification No.	3. Effective Date	4. CFDA No.
DE-EE0002867	005	01/29/2010	81.087

5. Awarded To	6. Sponsoring Office	7. Period of Performance
ALGENOL BIOFUELS INC. Attn: GREGORY SCHLICHT 28100 BONITA GRANDE DR STE 200 BONITA SPRINGS FL 341356220	Golden Field Office U.S. Department of Energy Golden Field Office 1617 Cole Blvd. Golden CO 80401	01/29/2010 through 09/30/2011

8. Type of Agreement	9. Authority	10. Purchase Request or Funding Document No.
☐ Grant ☒ Cooperative Agreement ☐ Other	109-58, Energy Policy Act 2005 111-5, Recovery Act (2009)	11EE003480

11. Remittance Address	12. Total Amount	13. Funds Obligated
ALGENOL BIOFUELS INC. Attn: GREGORY SCHLICHT 28100 BONITA GRANDE DR STE 200 BONITA SPRINGS FL 341356220	Govt. Share: $24,331,431.00 Cost Share $ REDACTED EXEMPTION 4 Total : $	This action: $0.00 Total : $24,331,431.00

14. Principal Investigator	15. Program Manager	16. Administrator
Craig Smith Phone: 239-498-2000	Carol Christine Sterner Phone: 303-275-4720	Golden Field Office U.S. Department of Energy Golden Field Office 1617 Cole Blvd. Golden CO 80401-3393

17. Submit Payment Requests To	18. Paying Office	19. Submit Reports To
OR for Golden U.S. Department of Energy Oak Ridge Financial Service Center P.O. Box 4517 Oak Ridge TN 37831	OR for Golden U.S. Department of Energy Oak Ridge Financial Service Center P.O. Box 4517 Oak Ridge TN 37831	

20. Accounting and Appropriation Data

IBR

21. Research Title and/or Description of Project

RECOVERY ACT: INTEGRATED PILOT - SCALE BIOREFINERY FOR PRODUCING ETHANOL FROM HYBRID ALGAE

For the Recipient		For the United States of America	
22. Signature of Person Authorized to Sign		25. Signature of Grants/Agreements Officer Signature on File	
23. Name and Title	24. Date Signed	26. Name of Officer Jon F. Olsen	27. Date Signed 05/26/2011

NAME OF OFFEROR OR CONTRACTOR
ALGENOL BIOFUELS INC.

ITEM NO. (A)	SUPPLIES/SERVICES (B)	QUANTITY (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)
	DUNS Number: 800399904 The purpose of this modification is to move tasks from Budget Period 2 into Budget Period 1. Accordingly the following changes are made: 1) Delete and replace the Terms and Conditions to incorporate the following changes: a. Delete and replace the "Award Project Period and Budget Periods" provision; b. Delete and replace the "Cost Sharing" provision; c. Delete and replace the "Funding of Budget Periods" provision; d. Delete and replace the "National Environmental Policy Act (NEPA) Requirements" provision; e. Add the "Reporting Subawards and Executive Compensation" provision; and f. Add the "Central Contractor Registration and Universal Identifier Requirements" provision; 2) Delete and replace the Statement of Project Objectives (Attachment 2); 3) Delete and replace the Budget Information, SF-424A, (Attachment 4); and 4) Grant a six month No Cost Time Extension to extend the Budget Period 1 end date from 03/31/2011 to 09/30/2011, and to extend the Project Period end date from 12/31/2014 to 06/30/2015. All other terms and conditions remain unchanged. In Block 7 of the Assistance Agreement, the Period of Performance reflects the beginning of the Project Period through the end of the current Budget Period, shown as 01/29/2010 through 09/30/2011. For multiple Budget Periods, see Special Terms and Conditions, Provision 4, "Award Project Period and Budget Periods." The total amounts reflected in Blocks 12 and 13 of the Assistance Agreement do not include the Federally Funded Research and Development Center (FFRDC) funding amount of $424,480, which will be funded directly. Continued ...				

NAME OF OFFEROR OR CONTRACTOR
ALGENOL BIOFUELS INC.

ITEM NO. (A)	SUPPLIES/SERVICES (B)	QUANTITY (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)
	DOE Award Administrator: Molly Hames E-mail: molly.hames@go.doe.gov Phone: 303-275-4864 DOE Project Officer: Christy Sterner E-mail: christy.sterner@go.doe.gov Phone: 303-275-4720 Recipient Business Officer: Katie McFadden E-mail: Katie.McFadden@Algenolbiofuels.com Phone: 239-498-2000 Recipient Principal Investigator: Craig Smith E-mail: craig.smith@algenolbiofuels.com Phone: 239-498-2000 "Electronic signature or signatures as used in this document means a method of signing an electronic message that-- (A) Identifies and authenticates a particular person as the source of the electronic message; (B) Indicates such person's approval of the information contained in the electronic message; and, (C) Submission via FedConnect constitutes electronically signed documents." ASAP: NO Extent Competed: COMPETED Davis-Bacon Act: YES Fund: 05794 Appr Year: 2009 Allottee: 31 Report Entity: 200835 Object Class: 41000 Program: 1004173 Project: 2004000 WFO: 0000000 Local Use: 0000000				

STATEMENT OF PROJECT OBJECTIVES
Algenol Biofuels Inc.
Recovery Act: Integrated Pilot-Scale Biorefinery for Producing Ethanol from Hybrid Algae

A. PROJECT OBJECTIVES

1. Demonstrate the commercial potential of DIRECT TO ETHANOL™ technology by building a pilot-scale DIRECT TO ETHANOL™ integrated biorefinery.

2. Operate a pilot-scale DIRECT TO ETHANOL™ integrated biorefinery that uses approximately 2 tonnes per day of carbon dioxide from industrial emissions as the feedstock for making ethanol.

3. Implement an integrated biorefinery project that will immediately create or save more than 300 well-paying high-tech jobs in Florida.

4. Assess the economic and environmental impact of a new breakthrough energy technology that could eventually create billions of dollars of economic value and thousands of new well-paying jobs while consuming large quantities of carbon dioxide from industrial emissions, displacing petroleum, and moving the U.S. toward energy independence.

5. Assemble a consortium of private industry, federal laboratories, and academic institutions that will contribute to the development, construction, operation and optimization of Algenol's pilot-scale integrated biorefinery and can contribute to future improvements in DIRECT TO ETHANOL™ technology.

B. PROJECT SCOPE

The DOE Office of Energy Efficiency and Renewable Energy (EERE) has established performance goals. Among these goals are to: 1) dramatically reduce, or even end, dependence on imported oil; and 2) spur the creation of the domestic bio-industry. To that end, the Office of the Biomass Program is offering to fund integrated biorefinery projects under this FOA entitled "Demonstration of Integrated Biorefinery Operations." The FOA lists three main criteria for selection: 1) technical merit and rationale; 2) credible economics and competitive advantages that justify an award; and 3) knowledge and experience in project management.

Algenol and its collaborators have collectively prepared a project that is responsive to the selection criteria as detailed below.

Exemption 4

Exemption 4

C. TASKS TO BE PERFORMED

Exemption 4

Exemption 4

Exemption 4

Exemption 4

Exemption 4

Applicant Name: Algenol Biofuels Inc. Award Number: DE-EE0002867.002 Attachment 4

Budget Information - Non Construction Programs

OMB Approval No. 0348-0044

Section A - Budget Summary

Grant Program Function or Activity (a)	Catalog of Federal Domestic Assistance Number (b)	Estimated Unobligated Funds		New or Revised Budget		
		Federal (c)	Non-Federal (d)	Federal (e)	Non-Federal (f)	Total (g)
1. Budget Period 1	81.087			$9,896,607	Exemption 4	
2. Budget Period 2	81.087			TBD		
3.						
4.						
5. Totals		$0	$0	$9,896,607		

Section B - Budget Categories

6. Object Class Categories	Grant Program, Function or Activity				Total (5)
	(1) Budget Period 1	(2) Budget Period 2	(3)	(4)	
a. Personnel	Exemption 4				
b. Fringe Benefits					
c. Travel					
d. Equipment					
e. Supplies					
f. Contractual					
g. Construction					
h. Other					
i. Total Direct Charges (sum of 6a-6h)					
j. Indirect Charges					
k. **Totals** (sum of 6i-6j)					
7. Program Income					$0

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SPECIAL TERMS AND CONDITIONS

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36. CONTINGENCY 43

1. RESOLUTION OF CONFLICTING CONDITIONS

Any apparent inconsistency between Federal statutes and regulations and the terms and conditions contained in this award must be referred to the DOE Award Administrator for guidance.

2. AWARD AGREEMENT TERMS AND CONDITIONS

This award/agreement consists of the Assistance Agreement, plus the following:

a. Special Terms and Conditions.
b. Attachments:

Attachment Number	Title
1.	Intellectual Property Provisions
2.	Statement of Project Objectives
3.	Federal Assistance Reporting Checklist and Instructions
4.	Budget Pages (SF 424A)
5.	Requirements for Contingency Funds for Integrated Biorefinery Projects

c. Applicable program regulations.
d. DOE Assistance Regulations, 10 CFR Part 600 at http://ecfr.gpoaccess.gov.
e. Application/proposal as approved by DOE.
f. National Policy Assurances to be incorporated as award terms in effect on date of award at http://management.energy.gov/business_doe/1374.htm.

3. ELECTRONIC AUTHORIZATION OF AWARD DOCUMENTS

Acknowledgement of award documents by the Recipient's authorized representative through electronic systems used by the Department of Energy, specifically FedConnect, constitutes the Recipient's acceptance of the terms and conditions of the award. Acknowledgement via FedConnect by the Recipient's authorized representative constitutes the Recipient's electronic signature.

4. AWARD PROJECT PERIOD AND BUDGET PERIODS

The Project Period for this award is 01/29/2010 through 06/30/2015, consisting of the following Budget Periods:

Budget Period	Start Date	End Date
1	01/29/2010	09/30/2011
2	10/01/2011	06/30/2015

5. PAYMENT PROCEDURES - REIMBURSEMENT THROUGH THE AUTOMATED CLEARING HOUSE (ACH) VENDER INQUIRY PAYMENT ELECTRONIC REPORTING SYSTEM (VIPERS)

a. Method of Payment. Payment will be made by reimbursement through ACH.

b. Requesting Reimbursement. Requests for reimbursements must be made electronically through Department of Energy's Oak Ridge Financial Service Center (ORFSC) VIPERS. To access and use VIPERS, you must enroll at https://finweb.oro.doe.gov/vipers.htm. Detailed instructions on how to enroll are provided on the web site.

For non-construction awards, you must submit a Standard Form (SF) 270, "Request for Advance or Reimbursement," at https://finweb.oro.doe.gov/vipers.htm and attach a file containing appropriate supporting documentation. The file attachment must show the total Federal share claimed on the SF 270, the non-Federal share claimed for the billing period if cost sharing is required, and cumulative expenditures to date (both Federal and non-Federal) for each of the following categories: salaries/wages and fringe benefits; equipment; travel; participant/training support costs, if any; other direct costs, including subawards/contracts; and indirect costs. For construction awards, you must submit a SF 271, "Outlay Report and Request for Reimbursement for Construction Programs," through VIPERS.

c. Timing of submittals. Submittal of the SF 270 or SF 271 should coincide with your normal billing pattern, but not more frequently than every two weeks. Requests for reimbursement must be limited to the amount of disbursements made during the billing period for the Federal share of direct project costs and the proportionate share of any allowable indirect costs incurred during that billing period.

d. Adjusting payment requests for available cash. You must disburse any funds that are available from repayments to and interest earned on a revolving fund, program income, rebates, refunds, contract settlements, audit recoveries, credits, discounts, and interest earned on any of those funds before requesting additional cash payments from DOE.

e. Payments. The DOE approving official will approve the invoice as soon as practical, but not later than 30 days after your request is received, unless the billing is improper. Upon receipt of an invoice payment authorization from the DOE approving official, the ORFSC will disburse payment to you. You may check the status of payments at the VIPER web site. All payments are made by electronic funds transfer to the bank account identified on the ACH Vendor/Miscellaneous Payment Enrollment Form (SF 3881) that you filed.

6. COST SHARING

a. Total Estimated Project Cost is the sum of the Federal Government share, including Federally Funded Research and Development Center (FFRDC) contractor costs, and Recipient share of the estimated project costs. The DOE FFRDC contractor cost is not included in the total approved budget for this award, because DOE will pay the DOE FFRDC contractor portion of the effort under an existing DOE contract. The Recipient is not responsible for reporting on that portion of the total estimated cost that is paid directly to the DOE FFRDC contractor.

The Recipient's cost share must come from non-Federal sources unless otherwise allowed by law. By accepting Federal funds under this award, you agree that you are liable for your percentage share of allowable project costs, on a budget period basis, even if the project is terminated early or is not funded to its completion. This cost is shared as follows:

Budget Period	DOE Cost Share, including FFRDC Costs		Recipient Cost Share	Total Estimated Costs
	DOE $ / %	FFRDC $ / %	$ / %	
1	$15,162,555 /	$424,480 /	REDACTED EXEMPTION 4	
2	TBD	TBD	TBD	TBD
Total Project	TBD	TBD	TBD	TBD

b. If you discover that you may be unable to provide cost sharing of at least the amount identified in paragraph a of this Article, you should immediately provide written notification to the DOE Award Administrator, indicating whether you will continue the project or phase out the project. If you plan to continue the project, the notification must describe how replacement cost sharing will be secured.

c. You must maintain records of all project costs you claim as cost sharing, including in-kind costs, as well as records of costs to be paid by DOE. Such records are subject to audit.

d. Failure to provide the cost share required by this Article may result in the subsequent recovery by DOE of some or all the funds provided under the award.

7. REBUDGETING AND RECOVERY OF INDIRECT COSTS

a. If actual allowable indirect costs are less than those budgeted and funded under the award, you may use the difference to pay additional allowable direct costs during the project period. If at the completion of the award the Government's share of total allowable costs (i.e., direct and indirect), is less than the total costs reimbursed, you must refund the difference.

b. Recipients are expected to manage their indirect costs. DOE will not amend an award solely to provide additional funds for changes in indirect cost rates. DOE recognizes that the inability to obtain full reimbursement for indirect costs means the Recipient must absorb the underrecovery. Such underrecovery may be allocated as part of the organization's required cost sharing.

8. FINAL INCURRED COST AUDIT

In accordance with 10 CFR 600, DOE reserves the right to initiate a final incurred cost audit on this award. If the audit has not been performed or completed prior to the closeout of the award, DOE retains the right to recover an appropriate amount after fully considering the recommendations on disallowed costs resulting from the final audit.

9. STATEMENT OF FEDERAL STEWARDSHIP

DOE will exercise normal Federal stewardship in overseeing the project activities performed under this award. Stewardship activities include, but are not limited to, conducting site visits; reviewing performance and financial reports; providing technical assistance and/or temporary intervention in unusual circumstances to correct deficiencies which develop during the project; assuring compliance with terms and conditions; and reviewing technical performance after project completion to ensure that the award objectives have been accomplished.

10. STATEMENT OF SUBSTANTIAL INVOLVEMENT

1. Government Insight

   In order to adequately monitor project progress and provide technical direction and/or redirection to the Recipient, DOE must be provided an adequate level of insight into various Recipient activities. Government Insight activities by DOE include attendance at Recipient meetings, reviews and tests, as well as access for DOE's consultants to perform independent evaluations of Recipient's plans and processes. Recipient shall notify the DOE Project Officer of meetings, reviews, and tests in sufficient time to permit DOE participation, and provide all appropriate documentation for DOE review.

2. Specific activities to be conducted by DOE:

   a. Risk Evaluation – DOE will review the Recipient's initial Risk Mitigation Plan (RMP) for quality and completeness. DOE will also monitor updates to the RMP and actions taken by the Recipient during the performance of its award to mitigate risks and improve the probability of successful execution of the integrated Biorefinery project. At DOE's discretion, additional independent risk analyses of the project by DOE consultants may be requested.

b. Independent Engineering Assessments – DOE will engage a private, independent engineering (IE) firm to assist in assessing the progress of the project and provide timely and accurate reports to DOE. The Recipient will ensure that the IE has access to any and all relevant documentation sufficient to allow the IE to provide independent evaluations to DOE on the progress of the project. Such documentation includes but is not limited to the following:

- Drawings and specifications
- Construction and Execution plans
- Resource loaded schedules
- Design functions and requirements for the site final design review
- Risk management plans
- Value management and engineering studies and/or plans
- Acquisition strategies
- Project execution plans
- Project controls including earned value management systems
- Qualifications of the integrated project team.
- Financial strategy for funding the construction project
- Updated marketing and business plan
- Invoices submitted to DOE

DOE will evaluate the quality and completeness of information and documentation provided by the Recipient to DOE and its consultants in order to allow DOE to provide technical direction and/or redirection to the Recipient about how best to achieve the purposes of the award. Consultants to DOE may not provide technical direction and/or redirection to the Recipient.

11. SITE VISITS

DOE's authorized representatives have the right to make site visits at reasonable times to review project accomplishments and management control systems and to provide technical assistance, if required. You must provide, and must require your subawardees to provide, reasonable access to facilities, office space, resources, and assistance for the safety and convenience of the government representatives in the performance of their duties. All site visits and evaluations must be performed in a manner that does not unduly interfere with or delay the work.

12. REPORTING REQUIREMENTS

a. Requirements. The reporting requirements for this award are identified on the Federal Assistance Reporting Checklist, DOE F 4600.2, attached to this award. Failure to comply with these reporting requirements is considered a material noncompliance with the terms of the award. Noncompliance may result in withholding of future payments, suspension or termination of the current award, and withholding of future awards. A willful failure to perform, a history of failure to perform, or unsatisfactory performance of this and/or other financial assistance awards, may also result in a debarment action to preclude future awards by Federal agencies.

b. Dissemination of scientific/technical reports. Scientific/technical reports submitted under this award will be disseminated on the Internet via the DOE Information Bridge (www.osti.gov/bridge), unless the report contains patentable material, protected data or SBIR/STTR data. Citations for journal articles produced under the award will appear on the DOE Energy Citations Database (www.osti.gov/energycitations).

c. Restrictions. Reports submitted to the DOE Information Bridge must not contain any Protected Personal Identifiable Information (PII), limited rights data (proprietary data), classified information, information subject to export control classification, or other information not subject to release.

13. PUBLICATIONS

a. You are encouraged to publish or otherwise make publicly available the results of the work conducted under the award.

b. An acknowledgment of DOE support and a disclaimer must appear in the publication of any material, whether copyrighted or not, based on or developed under this project, as follows:

Acknowledgment: "This material is based upon work supported by the Department of Energy [National Nuclear Security Administration] [add name(s) of other agencies, if applicable] under Award Number(s) [enter the award number(s)]."

Disclaimer: "This report was prepared as an account of work sponsored by an agency of the United States Government. Neither the United States Government nor any agency thereof, nor any of their employees, makes any warranty, express or implied, or assumes any legal liability or responsibility for the accuracy, completeness, or usefulness of any information, apparatus, product, or process disclosed, or represents that its use would not infringe privately owned rights. Reference herein to any specific commercial product, process, or service by trade name, trademark, manufacturer, or otherwise does not necessarily constitute or imply its endorsement, recommendation, or favoring by the United States Government or any agency thereof. The views and opinions of authors expressed herein do not necessarily state or reflect those of the United States Government or any agency thereof."

14. FEDERAL, STATE, AND MUNICIPAL REQUIREMENTS

You must obtain any required permits and comply with applicable federal, state, and municipal laws, codes, and regulations for work performed under this award.

15. INTELLECTUAL PROPERTY PROVISIONS AND CONTACT INFORMATION

a. The intellectual property provisions applicable to this award are provided as an attachment to this award.

b. Questions regarding intellectual property matters should be referred to the DOE Award Administrator identified and the Patent Counsel designated as the service provider for the DOE office that issued the award.

The Patent Counsel for the Golden Field Office is Julia Moody, who may be reached at julia.moody@go.doe.gov or 303-275-4867.

16. NATIONAL SECURITY: CLASSIFIABLE RESULTS ORIGINATING UNDER AN AWARD

a. This award is intended for unclassified, publicly releasable research. You will not be granted access to classified information. DOE does not expect that the results of the research project will involve classified information. Under certain circumstances, however, a classification review of information originated under the award may be required. The Department may review research work generated under this award at any time to determine if it requires classification.

b. Executive Order 12958 (60 Fed. Reg. 19,825 (1995)) states that basic scientific research information not clearly related to the national security shall not be classified. Nevertheless, some information concerning (among other things) scientific, technological, or economic matters relating to national security or cryptology may require classification. If you originate information during the course of this award that you believe requires classification, you must promptly:

   1. Notify the DOE Project Officer and the DOE Award Administrator;

   2. Submit the information by registered mail directly to the Director, Office of Classification and Information Control, SO-10.2; U.S. Department of Energy; P.O. Box A; Germantown, MD 20875-0963, for classification review.

   3. Restrict access to the information to the maximum extent possible until you are informed that the information is not classified, but no longer than 30 days after receipt by the Director, Office of Classification and Information Control

c. If you originate information concerning the production or utilization of special nuclear material (i.e., plutonium, uranium enriched in the isotope 233 or 235, and any other material so determined under section 51 of the Atomic Energy Act) or nuclear energy, you must:

   1. Notify the DOE Project Officer and the DOE Award Administrator;

2. Submit the information by registered mail directly to the Director, Office of Classification and Information Control, SO-10.2; U.S. Department of Energy; P. O. Box A; Germantown, MD 20875-0963 for classification review within 180 days of the date the Recipient first discovers or first has reason to believe that the information is useful in such production or utilization; and

3. Restrict access to the information to the maximum extent possible until you are informed that the information is not classified, but no longer than 90 days after receipt by the Director, Office of Classification and Information Control.

d. If DOE determines any of the information requires classification, you agree that the Government may terminate the award by mutual agreement in accordance with 10 CFR 600.25(d). All material deemed to be classified must be forwarded to DOE, in a manner specified by DOE.

e. If DOE does not respond within the specified time periods, you are under no further obligation to restrict access to the information.

17. CONTINUATION APPLICATION AND FUNDING

a. Continuation Application. A continuation application is a non-competitive application for an additional budget period within a previously approved project period. At least 60 days before the end of each budget period, your continuation application must be submitted to the DOE Project Officer and the DOE Award Administrator identified in the Assistance Agreement, to be eligible to receive a continuation award for the next budget period. The continuation application must include the following information:

1. Application for Federal Assistance, SF-424.

2. A continuation report, which must provide a summary of the progress towards meeting the objectives of the award, including any significant findings, conclusions, or developments, a comparison of actual accomplishment with the objectives established for the reporting period (milestones, deliverables, decision point criteria and stage gates), reasons for slippage if goals were not met, an estimate of any unobligated balances remaining at the end of the budget period, and when applicable an explanation of cost overruns or underruns. A description of your plans for the award during the upcoming budget period and any variance from the DOE approved objectives needs to be included in the continuation application package.

3. A detailed budget and supporting justification for the upcoming budget period with the supporting documentation below, including an estimate of DOE funds expected to be remaining at the end of the current budget period:

a) Budget Information – Non Construction Programs, SF-424A.

b) Cost Reasonableness Determination, PMC 123.1 (Excel Version).

4. Environmental Checklist, EF1, (This form should be completed on-line at https://www.eere-pmc.energy.gov/).

5. Commitment Letters from Third Parties Contributing to Cost Sharing, if applicable.

6. Statement of Project Objectives (SOPO), if revision is required.

b. Continuation Funding. Continuation funding is contingent on: (1) availability of funds; (2) meeting the objectives, milestones, deliverables, decision point criteria and stage gates of your award and obtaining approval from DOE to continue work on the project (DOE authorizing either Pass or Redirect through a stage-gate review); (3) submittal of required reports; or (4) compliance with the terms and conditions of the award.

18. LOBBYING RESTRICTIONS

By accepting funds under this award, you agree that none of the funds obligated on the award shall be expended, directly or indirectly, to influence congressional action on any legislation or appropriation matters pending before Congress, other than to communicate to Members of Congress as described in 18 U.S.C. 1913. This restriction is in addition to those prescribed elsewhere in statute and regulation.

19. NOTICE REGARDING THE PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS -- SENSE OF CONGRESS

It is the sense of the Congress that, to the greatest extent practicable, all equipment and products purchased with funds made available under this award should be American-made.

20. FUNDING OF BUDGET PERIODS

DOE has obligated $24,331,431 for completion of the project authorized by this agreement; however, only $15,162,555 is available for work performed by the Recipient during Budget Period 1 of the project. For Budget Period 2, the remainder or $9,168,876 will be available contingent upon the submission by the Recipient of a continuation application and written approval of the continuation application by the DOE Contracting Officer.

In the event that the Recipient does not submit a continuation application for subsequent Budget Periods, or DOE disapproves a continuation application for subsequent Budget Periods, the maximum DOE liability to the Recipient is the funds that are available for the current approved Budget Period. In such event, DOE reserves the right to deobligate any remaining funds.

21. PROPERTY

Real property and equipment acquired by the Recipient shall be subject to the rules set forth in 10 CFR 600.130-137, 10 CFR 600.231-233, or 10 CFR 600.320-324, as applicable.

Consistent with the goals and objectives of this project, the Recipient may continue to use Recipient acquired property beyond the Period of Performance, without obligation, during the period of such use, to extinguish DOE's conditional title to such property as described in 10 CFR 600.132-135, 10 CFR 600.231-233, or 600.321-324, subject to the following: (a) the Recipient continues to utilize such property for the objectives of the project as set forth in the Statement of Project Objectives; (b) DOE retains the right to periodically ask for, and the Recipient agrees to provide, reasonable information concerning the use and condition of the property; and (c) the Recipient follows the property disposition rules set forth in the applicable sections of 10 CFR Part 600, if the property is no longer used by the Recipient for the objectives of the project, and the fair market value of property exceeds $5,000.

Once the per unit fair market value of the property is less than $5,000, pursuant to the applicable sections of 10 CFR Part 600, DOE's residual interest in the property shall be extinguished and the Recipient shall have no further obligation to the DOE with respect to the property.

The regulations as set forth in 10 CFR Part 600 and the requirements of this article shall also apply to property in the possession of any team member, sub-recipient or other entity where such property was acquired in whole or in part with funds provided by DOE under this award or where such property was counted as cost-sharing under the award.

22. DECONTAMINATION AND/OR DECOMMISSIONING (D&D) COSTS

Notwithstanding any other provisions of this Agreement, the Government shall not be responsible for or have any obligation to the Recipient for (i) Decontamination and/or Decommissioning (D&D) of any of the Recipient's facilities, or (ii) any costs which may be incurred by the Recipient in connection with the D&D of any of its facilities due to the performance of the work under this Agreement, whether said work was performed prior to or subsequent to the effective date of the Agreement.

23. AT RISK FOR FINANCIAL CAPABILITY

You have been determined to be at risk for financial capability based on the Dun & Bradstreet (D&B) Business Information Report (BIR).

Based on this determination the following requirement has been incorporated into this award: Method of payment will be reimbursement through the Automated Clearing House (ACH) Vendor Inquiry Payment Electronic Reporting System (VIPERS).

You may report any change in circumstances that impact DOE's determination of your financial capability. If you feel that your circumstances have changed to this degree, you may request a re-evaluation at any time after 6 months from the initial determination. Please provide a written request and support to the DOE Award Administrator.

DOE will remove this provision by modification to the award if the conditions that prompted it have been corrected, as approved by the Contracting Officer.

24. INSOLVENCY, BANKRUPTCY OR RECEIVERSHIP

a. You shall immediately notify the DOE of the occurrence of any of the following events: (i) you or your parent's filing of a voluntary case seeking liquidation or reorganization under the Bankruptcy Act; (ii) your consent to the institution of an involuntary case under the Bankruptcy Act against you or your parent; (iii) the filing of any similar proceeding for or against you or your parent, or your consent to the dissolution, winding-up or readjustment of your debts, appointment of a receiver, conservator, trustee, or other officer with similar powers over you, under any other applicable state or federal law; or (iv) your insolvency due to its inability to pay debts generally as they become due.

b. Such notification shall be in writing and shall: (i) specifically set out the details of the occurrence of an event referenced in paragraph (a); (ii) provide the facts surrounding that event; and (iii) provide the impact such event will have on the project being funded by this award.

c. Upon the occurrence of any of the four events described in paragraph a. of this provision, DOE reserves the right to conduct a review of your award to determine your compliance with the required elements of the award (including such items as cost share, progress towards technical project objectives, and submission of required reports). If the DOE review determines that there are significant deficiencies or concerns with your performance under the award, DOE reserves the right to impose additional requirements, as needed, including (i) change of payment method; or (ii) institute payment controls.

d. Failure of the Recipient to comply with this provision may be considered a material noncompliance of this financial assistance award by the Contracting Officer.

25. NATIONAL ENVIRONMENTAL POLICY ACT (NEPA) REQUIREMENTS

For this award, DOE has made a final NEPA determination for all activities under this award that are listed in the Statement of Project Objectives (SOPO) formally approved by DOE through incorporation into and attached to the award. You (Recipient) may proceed with the activities as described in the SOPO. This NEPA determination is specific to the project as described in the SOPO formally approved by DOE through incorporation into and attached to the award.

Algenol must obtain and comply with all appropriate Federal, state, and local permits required for construction and operation of the biorefinery, and minimize potential impacts through the implementation of best management practices and various applicant-committed measures as detailed in the Final EA which is incorporated by reference in the Financial Assistance Agreement.

If you later add to or modify the activities in the above-referenced SOPO, you must submit the revised SOPO to the DOE Project Officer. Those additions or modifications are subject to review by the NEPA Compliance Officer and approval by the DOE's Contracting Officer. Recipients are restricted from taking any action using Federal funds, which would have an adverse effect on the environment or limit the choice of reasonable alternatives prior to DOE providing a final NEPA determination. Any new activities or modification of activities is subject to additional NEPA review and is not authorized for federal funding until DOE provides a NEPA determination on those additions or modifications. DOE may require the Recipient to submit additional information to support a revised NEPA determination. Should you move forward with activities that are not authorized for Federal funding by the DOE Contracting Officer in advance of the final NEPA determination, you are doing so at risk of not receiving Federal funding and such costs may not be recognized as allowable cost share.

26. INDEMNITY

The Recipient shall indemnify the Government and its officers, agents, or employees for any and all liability, including litigation expenses and attorneys' fees, arising from suits, actions, or claims of any character for death, bodily injury, or loss of or damage to property or to the environment, resulting from the project, except to the extent that such liability results from the direct fault or negligence of Government officers, agents or employees, or to the extent such liability may be covered by applicable allowable costs provisions.

27. REPORTING SUBAWARDS AND EXECUTIVE COMPENSATION

a. Reporting of first-tier subawards.

1. Applicability. Unless you are exempt as provided in paragraph d. of this award term, you must report each action that obligates $25,000 or more in Federal funds that does not include Recovery funds (as defined in section 1512(a)(2) of the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5) for a subaward to an entity (see definitions in paragraph e. of this award term).

2. Where and when to report.

i. You must report each obligating action described in paragraph a.1. of this award term to http://www.fsrs.gov.

ii. For subaward information, report no later than the end of the month following the month in which the obligation was made. (For example, if the obligation was made on November 7, 2010, the obligation must be reported by no later than December 31, 2010.)

3. What to report. You must report the information about each obligating action that the submission instructions posted at http://www.fsrs.gov specify.

b. Reporting Total Compensation of Recipient Executives.

1. Applicability and what to report. You must report total compensation for each of your five most highly compensated executives for the preceding completed fiscal year, if

i. The total Federal funding authorized to date under this award is $25,000 or more;

ii. In the preceding fiscal year, you received;

(A) 80 percent or more of your annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and

(B) $25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and

iii. The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at http://www.sec.gov/answers/execomp.htm.)

2. Where and when to report. You must report executive total compensation described in paragraph b.1. of this award term:

i. As part of your registration profile at http://www.ccr.gov.

ii. By the end of the month following the month in which this award is made, and annually thereafter.

c. Reporting of Total Compensation of Subrecipient Executives.

1. Applicability and what to report. Unless you are exempt as provided in paragraph d. of this award term, for each first-tier subrecipient under this award, you shall report the names and total compensation of each of the subrecipient's five most highly compensated executives for the subrecipient's preceding completed fiscal year, if;

i. In the subrecipient's preceding fiscal year, the subrecipient received;

(A) 80 percent or more of its annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and

(B) $25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts), and Federal financial assistance subject to the Transparency Act (and subawards); and

ii. The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at http://www.sec.gov/answers/execomp.htm.)

2. Where and when to report. You must report subrecipient executive total compensation described in paragraph c.1. of this award term:

i. To the recipient.

ii. By the end of the month following the month during which you make the subaward. For example, if a subaward is obligated on any date during the month of October of a given year (*i.e.*, between October 1 and 31), you must report any required compensation information of the subrecipient by November 30 of that year.

d. Exemptions

If, in the previous tax year, you had gross income, from all sources, under $300,000, you are exempt from the requirements to report:

i. Subawards and;

ii. The total compensation of the five most highly compensated executives of any subrecipient.