

**NATIONAL FISH AND WILDLIFE FOUNDATION
COASTAL BEND BAYS AND ESTUARIES PROGRAM
PROJECT FUNDING AGREEMENT**

**NFWF Gulf Environmental Benefit Fund
Egery Flats Marsh Restoration (TX)
NFWF Project ID #46074**

This Project Funding Agreement (“Agreement”) is made between Coastal Bend Bays and Estuaries Program (“Recipient”), with an address of 1305 N. Shoreline Blvd., Suite 205, Corpus Christi, Texas 78401, and the National Fish and Wildlife Foundation (“NFWF”), with an address of 1133 15th Street, N.W., Suite 1100, Washington D.C. 20005. (Recipient and NFWF each, a “Party,” and together, the “Parties.”)

1. **Source of Funds.** The funds to be disbursed by NFWF to Recipient under this Agreement (the “Funds”) represent a portion of the payments received by NFWF pursuant to plea agreements entered as judgment in the cases captioned as United States v. BP Exploration and Production, Inc., Case No. 2:12-cr-00292-SSV (E.D. La.), and United States v. Transocean Deepwater Inc., Case No. 2:13-cr-00001-JTM (E.D. La.) (together, the “Plea Agreements”).

2. **Purpose of Funds.** With respect to projects to be funded in the State of Texas, the Plea Agreements require NFWF to administer and disburse the Funds as follows:

To remedy harm and eliminate or reduce the risk of future harm to Gulf Coast natural resources, NFWF shall use [the Funds] to conduct or fund projects to remedy harm to resources where there has been injury to, or destruction of, loss of, or loss of use of those resources resulting from the Macondo oil spill. NFWF shall consult with appropriate state resource managers, as well as federal resource managers that have the statutory authority for coordination or cooperation with private entities, to identify projects and to maximize the environmental benefits of such projects.

3. **Project to be Funded.** Under this Agreement, NFWF agrees to disburse Funds to Recipient in accordance with the terms hereof to pay the costs associated with Recipient’s implementation of the project entitled “Egery Flats Marsh Restoration (TX)” (the “Project”). A detailed description of the Project, including but not limited to a Project summary, expected timeline and schedule, purpose, products, outcomes, and deliverables (collectively the “Project Description”), is included as Exhibit A hereto. Recipient hereby agrees to use the Funds disbursed to it under this Agreement exclusively to pay the costs of the services, time, materials, equipment, machinery, tools, and other items (collectively the “Work”) comprising the Project, all in accordance with the Project Description.

4. **Maximum Amount of Funding.** Unless agreed otherwise in writing by NFWF (acting in its sole discretion), the amount of Funds to be made available by NFWF to Recipient under this Agreement for purposes of paying the costs of the Work shall not exceed a maximum of One Million, Three Hundred Twenty-Three Thousand Dollars (\$1,323,000.00) (the “Maximum Amount”).

5. **Project Budget.** The estimated budget for the entire Project from commencement through completion (the “Total Budget”) is attached hereto as Exhibit B. The Budget further identifies the individual tasks (“Tasks”) comprising the Work, and sets forth a sub-budget for each such Task (“Task Budget”). Task Budgets are further itemized into cost categories (“Cost Categories”) reflecting the types of costs included in each Task Budget.

The Parties expect that the Recipient will conduct all the Work and complete the Project within the Total Budget and, accordingly, for a total amount of Funds equal to or less than the Maximum Amount. If at any time during the term of this Agreement Recipient believes, based on the Work performed to date, that the aggregate costs to complete the Project are likely to exceed the Total Budget, Recipient shall so notify NFWF immediately in writing.

6. **Payment for Project Costs.** Recipient may request payment of Funds hereunder either for Work costs already paid or incurred by Recipient (such requests, “Reimbursement Requests”) or, upon a demonstration of actual and immitigable need, for Work costs to be paid or incurred by Recipient imminently (such requests, “Advance Requests”). Recipient shall make Reimbursement Requests and Advance Requests in accordance with the following procedures and subject to the following terms and conditions.

a. **Reimbursement Requests.** Recipient may make Reimbursement Requests no more frequently than once monthly during the term of this Agreement. To receive payment for a Reimbursement Request, Recipient must submit to NFWF a written request, substantially in the form attached hereto as Exhibit C, containing at a minimum the following information:

- (i) the total dollar amount of Funds being requested;
- (ii) an itemization by Task and Cost Category of the Work costs for which the Funds are being requested;
- (iii) a narrative description of the Work for which the Funds are being requested; and
- (iv) a certification that:
 - (A) the Work for which the Funds are being requested constitutes part of the Project as set forth in the Project Description;
 - (B) as of the date of the applicable Reimbursement Request, each Task has been proceeding on or under its corresponding Task Budget and, to Recipient’s best knowledge, Recipient expects each Task to be fully completed on or under its corresponding Task Budget, and ;
 - (C) as of the date of the applicable Reimbursement Request, the Project has been proceeding on or under the Total Budget and, to Recipient’s best knowledge, Recipient expects the Project to be fully completed on or under the Total Budget.

In the event Recipient is unable to make a certification specified in subsections (a)(iv)(B)-(C) immediately above at the time Recipient desires to submit a Reimbursement Request, Recipient shall, at such time, submit to NFWF a written explanation of the basis for Recipient’s belief that a Task has not been, or will not be, completed within its corresponding Task Budget or that the Project has not been, or will not be, fully completed within the Total Budget. After receipt and review of such written explanation, NFWF will determine in its sole discretion whether to disburse the requested Funds and whether additional conditions to

disbursement are required be satisfied by Recipient. Such conditions may include, but are not necessarily limited to, Recipient's submission for NFWF approval of an amended Total Budget or a request for variance from a Task Budget.

NFWF will pay to Recipient the amount of Funds properly requested and substantiated in a Reimbursement Request within thirty (30) days of NFWF's receipt of such Reimbursement Request and all necessary supporting documentation.

b. Advance Payment Requests. In exceptional circumstances and based upon demonstration of actual need by Recipient, which need cannot be satisfied by Recipient through other means, NFWF (acting in its sole discretion) may disburse Funds to Recipient to pay for the costs of Work in advance of Recipient's payment or incurring of such costs. In the event Recipient desires to make an Advance Request, Recipient must submit to NFWF a detailed written explanation of the justification for the Advance Request. After review and consideration of any such written explanation, NFWF will notify Recipient in writing of its determination whether a disbursement of Funds will be made for such Advance Request and, if so, the terms and conditions that will apply to such disbursement. In all cases of advance disbursement of Funds, and without limitation of other terms and conditions that NFWF may impose, Recipient will be required to submit to NFWF on a periodic basis (as specified by NFWF) a written reconciliation of Funds received, Work expenses incurred, Funds disbursed to sub-recipients, and any Funds remaining "on hand" with Recipient as of the date of reconciliation.

c. Ongoing Compliance. NFWF reserves the right to refuse to pay all or any part of the Funds requested in a Reimbursement Request or Advance Request if at the time the request is submitted Recipient has failed to comply with any term or condition of this Agreement or has otherwise failed to perform the Work to date in accordance with the Project Description, Total Budget, and Task Budget(s).

d. Final Disbursement after Completion of all Work. Notwithstanding any other provision of this Agreement, and notwithstanding the submission of any Reimbursement Request or Advance Request by Recipient, NFWF shall withhold an amount equal to ten percent (10%) of the Maximum Amount until such time as Recipient has completed the Work, submitted all Final Reports required pursuant to Section 8 below, and received NFWF's written approval of such Final Reports. Within thirty (30) days after NFWF's written approval of such Final Reports, NFWF shall disburse to Recipient all or such portion of the ten-percent (10%) holdback as is properly payable to Recipient for Work performed under this Agreement.

7. Progress Reporting.

a. Monthly Progress Consultations. If requested by NFWF, Recipient shall provide NFWF the opportunity to participate in consultations on a monthly basis during the term of this Agreement to provide NFWF with updates on the progress of the Work and Project. Such consultations (which may be in-person, telephonic, or otherwise) shall be scheduled at mutually acceptable dates and times by Recipient in coordination with NFWF.