

**MEMORANDUM OF AGREEMENT BETWEEN
THE STATE OF ALABAMA DEPARTMENT OF FINANCE AND
SOUTHERN RESEARCH INSTITUTE
FOR THE DISTRIBUTION OF
CORONAVIRUS STATE FISCAL RECOVERY FUNDS**

This Memorandum of Agreement (the "Agreement") is made by and between the State of Alabama Department of Finance, at 600 Dexter Avenue, Montgomery, Alabama 36130 (hereinafter referred to as "DOF"), and Southern Research Institute, an Alabama nonprofit corporation (qualified as a public charity under section 501(c)(3), Section 509(a), and Section 170(c) of the Internal Revenue Code of 1986, as amended), at 2000 Ninth Avenue S., Birmingham AL, 35205, (hereinafter referred to as "SR"). DOF and SR may be referred to herein individually as a "party" and collectively as the "parties." This Agreement becomes effective on the approval of the parties and the Governor of the State of Alabama.

PURPOSE

The federal American Rescue Plan Act of 2021, Public Law No. 117-2, 135 Stat. 4. ("ARPA") was signed into law on March 11, 2021. ARPA amended the federal Social Security Act to add Section 602 to the Social Security Act, and by doing so, created the Coronavirus State Fiscal Recovery Fund (hereinafter referred to as "the State Recovery Fund"). ARPA appropriated funds from the State Recovery Fund to the State of Alabama and other states to support their response to the impact of COVID-19 on their communities, residents, and businesses; and to aid in efforts to contain COVID-19. Under Section 602 of the Social Security Act, the State Recovery Fund funds may be used to cover costs obligated on or before December 31, 2024 and incurred by the State on or before December 31, 2026, for four broad purposes:

- A. To respond to the COVID-19 public health emergency or its negative economic impacts, including assistance to households, small businesses, and nonprofits; or for aid to impacted industries;
- B. To respond to workers performing essential work during the COVID-19 public health emergency, by providing premium pay to eligible workers who are performing essential work, or by providing grants to eligible employers that have eligible workers who perform essential work;
- C. For the provision of government services to the extent of the reduction in revenue of the State due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year prior to the emergency; and
- D. To make necessary investments in water, sewer, or broadband infrastructure.

The Secretary of the Treasury promulgated initial regulations for purposes of implementing the State Recovery Fund, published in the May 17, 2021, Federal Register, at 86 Fed. Reg. 26786 (the "Interim Final Rule"). The Interim Final Rule clarifies that the State Recovery Fund is intended to build upon and expand the support provided to states and other governments over the last year, including through the Coronavirus Relief Fund ("CRF"). The Interim Final Rule further

provides a non-exclusive list of examples of costs that qualify for payment from the State Recovery Fund funds under one of the four broad categories specified in Section 602 of the Social Security Act, as specified above. In response to public comments to the Interim Final Rule, the Secretary of the Treasury promulgated final regulations in the January 27, 2022, Federal Register, at 87 Fed. Reg. 4338 (the "Final Rule"), which took effect on April 1, 2022. For purposes of this Agreement, funds provided by DOF to SR must be used consistent with the requirements of the Final Rule.

The State of Alabama was allocated \$2,120,279,417 from the federal State Recovery Fund. Alabama Act No. 2023-1 (the "Act") appropriates up to \$20,000,000 of such funds to DOF to be used to support the development of a voluntary clinical trial and healthcare research program to enable greater access to personalized medicine for citizens of Alabama (hereinafter referred to as the "Funds").

The DOF desires to utilize the Funds allocated to Alabama hospitals under Alabama Act No. 2023-1 to establish a platform to enable greater access to personalized medicine for the state of Alabama (hereinafter referred to as the "Project"). The Project will develop public health data systems to meet new demands and scaling needs, thereby assisting the state with the mitigation and prevention of COVID-19 and public health emergency and the economic impact thereof.

Specifically, DOF will provide up to \$20,000,000 in Funds to SR to enhance public health data infrastructure by developing software, databases, and other information technology resources that support responses to the COVID-19 public health emergency but also provide long-term capacity and infrastructure for resilience in the event of future pandemics. The Project is more thoroughly detailed in Appendix A, attached hereto and incorporated herein by reference, which describes the objectives of the overall project.

Notwithstanding any other provision of this Agreement, the Parties acknowledge and agree that SR is a "Subrecipient" as that term is defined in Code of Federal Regulations, Title 2, § 200.1. As such, SR is responsible for complying with all federal requirements for Subrecipients, including the Single Audit Act and the provisions of Code of Federal Regulations, Title 2, Part 200, subpart F regarding audit requirements.

The proposed utilization of the Funds has been presented to DOF by SR, and DOF has concluded that the proposed utilization of the Funds is necessary to ensure an adequate response to and mitigation of the COVID-19 pandemic and public health emergency in Alabama and the economic impacts thereof. Further, DOF concludes that funding this project using the Funds is an appropriate use of thereof under both federal and state law. DOF fully supports SR in its effort to support and protect the citizens of Alabama.

PARTIES' RESPONSIBILITY

SR agrees to the following:

1. To use the Funds to carry out SR the Project as set forth in this Agreement and in Appendix A and for no other purpose;

2. To comply with all federal requirements applicable to Subrecipients, including the Single Audit Act and Code of Federal Regulations, Title 2, Part 200, subpart F regarding audit requirements;
3. To provide to the State Finance Director's Office by August 15, 2023, and monthly thereafter on the 15th of every month, a report detailing how the Funds are being utilized and details of expenditures made since the preceding report, and further provide interim reports as the State Finance Director's Office may determine necessary;
4. To use the Funds provided by DOF under this Agreement in accordance with Section 602 of the Social Security Act, the Final Rule and other federal and state law, and for the purposes set forth in this Agreement, and for no other purpose; and
5. To return any Funds provided by DOF under this Agreement that remain unobligated on December 31, 2024 by January 31, 2025, and to return any funds that remain unspent as of September 1, 2026 by October 1, 2026.

DOF agrees to the following:

1. To provide, within fourteen (14) days of the effective date of this Agreement, \$20,000,000 to SR from the State's Funds appropriated pursuant to Alabama Act 2023-1 for the purposes described in this Agreement and for no other purpose; and
2. To make all reports to the federal government required by ARPA.

FINANCIAL ARRANGEMENTS

The parties agree that within fourteen (14) days of the effective date of this Agreement, DOF will provide and advance \$20,000,000 to SR under this Agreement towards the development of the clinical trials platform. SR acknowledges that all Funds provided under this Agreement must be spent or returned to DOF by October 1, 2026. Reimbursements or invoice payments may not occur after that date.

OUTSIDE CONSULTANTS

SR may employ outside professional consultants to assist with executing the project; however, the consultants must be reasonable in amount and comply with audit requirements for use of the Funds under the Act.

TERMINATION OF AGREEMENT

Except as set forth in this section, this Agreement may be terminated only in a writing signed by each party or representative of each party. If DOF concludes, after a reasonable investigation and in its sole discretion as administrator of the Funds, that the Funds provided hereunder have been used in a manner inconsistent with federal or state law, DOF may terminate this Agreement immediately upon written notice to SR.

MISCELLANEOUS PROVISIONS

- A. The terms and commitments contained herein shall not constitute a debt of the State of Alabama, which is prohibited by Section 213 of the Official Recompilation of the Constitution of Alabama, 1901, as amended by Amendment No. 26.
- B. signing this Agreement, the parties affirm, for the duration of the Agreement, that they will not violate federal immigration law or knowingly employ, hire for employment, or continue to employ an unauthorized alien within the state of Alabama. A contracting party found to be in violation of this provision shall be deemed in breach of the Agreement and shall be responsible for all damages resulting therefrom.
- C. In the event of any dispute between the parties, senior officials of both parties shall meet and engage in a good faith attempt to resolve the dispute. Should that effort fail, and the dispute involves the payment of money, the sole remedy is the filing of a claim with the Board of Adjustment of the State of Alabama. For any and all other disputes arising under the terms of this Agreement which are not resolved by negotiation, the parties agree to utilize appropriate forms of non-binding alternative dispute resolution including, but not limited to, mediation. Such dispute resolution shall occur in Montgomery, Alabama, utilizing, where appropriate, mediators selected from the roster of mediators maintained by the Center for Dispute Resolution of the Alabama State Bar.
- D. In order to comply with federal notice requirements relating to the administration of grants and other federal assistance funds, DOF provides the following information to SR: this subaward is provided to SR through a grant to the State of Alabama in the amount of \$2,120,279,417 from the United States Treasury via Section 602 of the Social Security Act, as added by Public Law No. 117-2, known as the American Rescue Plan Act of 2021 ("ARPA"), which established the Coronavirus State Fiscal Recovery Fund. This subaward is provided in accordance with the requirements set forth in ARPA and other applicable federal and state law and policy, and SR affirms that all information it has provided to DOF relating to this subaward is true and accurate. This subaward does not include research and development. The parties acknowledge and understand that each subrecipient of the Funds will be evaluated in accordance with Code of Federal Regulations, Title 2, § 200.331(b) for risk of noncompliance with federal statutes, regulations, and the terms and conditions of the subaward. Further, each subrecipient's activities will be monitored as necessary to ensure that the subaward is used for authorized purposes, in compliance with law, and that subaward performance goals are achieved. Other monitoring tools may be implemented on the level of risk imposed by the subrecipient.
- E. Code of Federal Regulations, Title 2, § 200.331(f) requires DOF to verify that each subrecipient that is expected to expend \$750,000 or more in Federal awards during a fiscal year have a single or program-specific audit conducted for that year in accordance with the provisions of Code of Federal Regulations, Title 2, § 200.501. The parties acknowledge that DOF has provided notice to SR of the audit requirements applicable to the award made by this Agreement and SR agrees to comply therewith.

F. The recipient, subrecipient, grantee, subgrantee, contractor, subcontractor, successor, transferee, and assignee shall comply with Title VI of the Civil Rights Act of 1964, which prohibits recipients of federal financial assistance from excluding from a program or activity, denying benefits of, or otherwise discriminating against a person on the basis of race, color, or national origin (42 U.S.C. § 2000d et seq.), as implemented by the Department of the Treasury's Title VI regulations, 31 CFR Part 22, which are herein incorporated by reference and made a part of this Agreement. Title VI also includes protection to persons with "Limited English Proficiency" in any program or activity receiving federal financial assistance, 42 U.S.C. § 2000d et seq., as implemented by the Department of the Treasury's Title VI regulations, 31 CFR Part 22, and herein incorporated by reference and made a part of this Agreement.


AMENDMENT OF AGREEMENT

This Agreement may only be amended by a writing signed by each party of representatives of each party.


IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by those officers, officials duly authorized to execute such agreements.

State of Alabama
Department of Finance

Southern Research



Bill Poole 6/6/2023
Director of Finance Date



Josh Carpenter, PhD, CEO 6/1/23
Date

APPROVED:



Kay Ivey 6/8/2023
Governor of Alabama Date

APPENDIX A

Objectives: Southern Research's objective with the project is to extend preventative care to Alabamians by (1) empowering residents with knowledge about their own health; (2) connecting clinical and genomic data with local healthcare providers to more effectively diagnose and manage chronic disease; and (3) encouraging participation in promising research via targeted clinical trials. Once the Project is fully operational, this project will bring precision medicine to primary care settings, improve the physical and mental health of area residents, and foster greater trust in public health infrastructure so that all residents, particularly those that are underserved, may better address future public health challenges, including future pandemics.

Project Overview: The goal of the Project is to develop a unique public health data system that connects patient genomes (and other forms of personalized medical data, including potentially transcriptomics, proteomics, metabolomics, and others) to clinical data to support the health of communities. SR will accomplish this goal by investing in infrastructure to (a) expand access to personalized medicine in Alabama, especially in underserved areas of the state; (b) ensure Alabamians have more effective diagnostics data to identify and treat underlying conditions and undetected co-morbidities that proved fatal for many Alabamians during the COVID-19 pandemic; and (c) enable greater access to clinical trials throughout the state.

This MOA supports four work streams to implement the Project with personnel, technical infrastructure, and specialized equipment:

- (1) Education and marketing: develop a brand and marketing materials for the Project while engaging patients in their communities about the benefits of genomic sequencing, personalized medicine, and clinical trial access.
- (2) Patient and provider recruitment: recruit Alabama patients to participate in the Project with their family practice and primary care physicians to obtain genomic samples, donate electronic medical record data, and consent for re-contact for clinical trials.
- (3) Developing the database and software platform: connect genomic data with electronic medical records while protecting and anonymizing personal health information; organize that data to develop unique clinical insights and accelerate personalized drug discovery.
- (4) Obtaining data and managing patient samples; securing, shipping, storing, and managing genomic data samples with specialized sequencing equipment.

Metrics of success:

- Number of patients engaged
- Number of patients enrolled
- Number of providers engaged
- Number of providers enrolled
- Number of clinical partnerships
- Number of clinical insights generated
- Number of commercial partnerships
- Number of new therapeutics or diagnostics developed
- Number of new research inquiries by academic and non-profit researchers
- Number of new clinical trial participants
- Estimated clinical trial expenditures