



Letter of Agreement

Fast Foil Ferry Joint Innovation Project

This Letter of Agreement is by and between Kitsap Transit, a Public Transportation Benefit Area providing a variety of public transportation services, the Port of Anacortes, the Port of Bellingham, the Port of Skagit, Foil Ferry, LLC, Washington Maritime Blue, DNV Energy Insights USA, Inc. (“DNV”), and Tacoma Power (collectively, the “Joint Innovation Project Team”, “JIP” or “Parties”). The JIP Team members have been cooperatively pursuing the development and, ultimately, the demonstration and deployment of a high-speed, high-efficiency hydrofoil passenger ferry that uses advanced, lightweight construction and foil technology. Ultimately, the collective efforts of the JIP Team will advance the fast foil ferry concept through the design process, followed by subsequent build and deployment, to achieve several key benefits including: 1) development of a nationally significant, replicable business model for the safe, cost-effective, and reliable deployment of fast ferry passenger services; 2) new high speed commuter transit opportunities that minimize resource consumption and environmental impact including greenhouse gas and airborne pollutant emissions, and 3) development of replicable technical designs and plans that can be used for future deployments among the JIP Team, individual members or by other interested parties; (4) Demonstration of the proposed Fast Foil Ferry vessel under a typical use case; (5) Partnership development to facilitate early phase commercialization of the proven Foil Ferry LLC - Foil Ferry technology; (6) Funding acquisition to support these elements; and (7) Strengthening the position of the Puget Sound maritime manufacturing sector to produce technologically advanced vessels in Washington State.

To date, the JIP Team has acquired a total of \$372,910 in federal grant funding through the Federal Transit Authority (FTA), and has committed to match that funding with \$239,000 in additional cash and in-kind local matching funds, for a total of \$611,910 to support advancement of the fast ferry concept. These commitments were made during the grant development and federal contracting process for the Accelerating Innovative Mobility Demonstration for the Electric Fast Foil Ferry concept (AIM FFF Project). Therefore, the purpose of this agreement is threefold:

- 1) To identify the respective commitments of each member of the JIP Team pursuant to the aforementioned FTA funding and development process;
- 2) To allow for and to support the development of the foil ferry concept during completion of the AIM FFF Project by the JIP Team, and
- 3) To provide a framework for future commitments to continued development that may be made by the JIP Team and / or other parties.

Foil Ferry, LLC, Maritime Blue, and DNV (the “Paid Participants”) entered into separate contracts with Kitsap Transit (as the administrator for the FTA AIM grant) for their services to the JIP (each contracts referred to as a “Paid Participant Contract”). The Paid Participant Contracts are available to all JIP members for viewing. The terms and conditions, rights and obligations set forth in each Paid Participants Contract are in effect for the duration of the project.



This document is a formal letter of agreement between all JIP Team members providing services, funding match or in-kind match to ensure the roles are clearly defined.

Public entities that are party to this letter of agreement are subject to the rules and requirements surrounding the Washington State Public Records Act, Chapter 42.56 Revised Code of Washington (RCW). Proprietary documentation shall be marked as such and, the notification/response process as outlined in Chapter 42.56 RCW shall be followed if such information is requested.

This letter also serves as a letter of commitment to confidentiality (per the ability of public agencies to do such) for all JIP Team members. If Parties desire to disclose or make information available to others, the aforementioned contracts will take precedence and procedures and notifications will be followed as outlined in the contracts.

Commitments Pursuant to the AIM FFF Project

The AIM FFF project will advance a replicable business model for an efficient, low emission, electric transit concept for a high-speed hydrofoil passenger ferry using lightweight carbon fiber hull construction. The vision is to relaunch the “Mosquito Fleet” in Washington State’s Puget Sound region to provide increased mobility options while reducing emissions and vehicle traffic. While the vessels are envisioned to be designed, built, and initially operated in the Pacific Northwest, the project offers national significance through a replicable business model for fast ferry passenger service. The foil ferry offers a safe, reliable, and cost-effective option, while minimizing the environmental impact on air, water quality and marine life. The Federal and JIP partner funding will be utilized to accelerate the collaborative public-private approach to advance the business model and solve the challenges related to technical, safety, operational and financial feasibility. The AIM FFF project will be implemented through the following tasks:

- Task 1: Grant Administration
- Task 2: Program Management and Business Model Development
- Task 3: Data Collection, Evaluation, and Coordination with FTA’s Independent Evaluator
- Task 4: Route Economic Viability Study
- Task 5: Shore-side Infrastructure Requirements
- Task 6: Permitting and Regulatory Requirements
- Task 7: Economic and Environmental Impacts Study
- Task 8: Foil Ferry Design Advanced from Concept to Preliminary Design
- Task 9: AIM Incubator Support – Education and Conference Activities to Disseminate Knowledge
- Task 10: Presentation at WA Maritime Blue Forum
- Task 11: Presentation at the Society of Naval Architects and Marine Engineers Annual Convention
- Task 12: Presentation at the Annual Ferries Conference (or equivalent)
- Task 13: White Paper Development
- Task 14: Project Report

The JIP Team has made the following commitments, consistent with the final FTA-approved Scope of Work for the AIM FFF Project:



Kitsap Transit

Primary Role: FTA-AIM Grant Administration and Oversight

Commitments: Kitsap Transit agrees to provide all administration, oversight, coordination with FTA, and non-technical management required for completion of the AIM FFF project. Kitsap Transit will be responsible for production or QA/QC and submission to FTA of all required non-technical / administrative documentation. Kitsap Transit will also submit all technical deliverables and reports to FTA, but will rely on JIP Team partners for the development and QA/QC of those documents (Task 1). Kitsap Transit will also be responsible for coordinating all data collection and coordinating with FTA's independent evaluator (Task 3).

Kitsap Transit further commits \$50,000 in local match funding, provided as in-kind labor to support administration of the grant.

Funds Received: Kitsap Transit will receive a total of \$0 in funds to support completion of the AIM FFF project.

Washington Maritime Blue

Primary Role: Overall JIP Coordination, Outreach and Development Partner

Commitments: Washington Maritime Blue agrees to provide project outreach and team / strategy development support throughout the project. The organization's direct role under the AIM FFF project, as identified in the FTA Scope of Work, is to facilitate and support the outreach process, while also providing input as requested on the various technical and administrative elements of the project. Washington Maritime Blue will therefore complete the following: respond to information requests and requests to provide review or QA/QC of documentation or other deliverables (all tasks); provide strategic oversight and development input to help ensure success of the project and to help develop future partners (Tasks 2, 9 to 13), and provide outreach and support during the technology transfer and knowledge dissemination process (Tasks 9 to 13).

In addition to the scope of work committed under the FTA agreement, Washington Maritime Blue also commits to supporting future development of the project through identification of additional partnerships, potential sources of funding, and other resources to be determined.

Washington Maritime Blue further commits \$10,000 in local match funding, provided as in-kind labor to support the outreach process

Funds Received: Washington Maritime Blue will receive a total of \$30,000 in funds to support completion of the AIM FFF project.

Washington Maritime Blue's role is more fully set forth in and governed by the Consultant Agreement #21-717 with KITSAP TRANSIT ("Consultant Agreement"). To the extent anything in this Agreement applicable to Washington Maritime Blue conflicts with the Consultant Agreement, the Consultant Agreement controls.



Foil Ferry LLC

Primary Role: Foil Ferry Design and Evaluation

Commitments: Foil Ferry LLC will collectively be responsible for technical project development/management, and for completing and developing key elements of the technical scope of work, as follows:

Foil Ferry LLC will lead the development of all elements of the foil ferry design, including its advancement from conceptual to preliminary design. This element will include all coordination with DNV regarding technical elements under Tasks 4 to 7. Foil Ferry LLC's primary responsibility under the project will be to lead development for the design process under Task 8.

Foil Ferry LLC will also support outreach—in collaboration with DNV and Washington Maritime Blue, of all outreach elements of the AIM FFF project, including AIM incubator support, technical presentations at the Washington Maritime Blue forum, the Society of Naval Architects and Marine Engineers annual convention, and the Annual Ferries Conference in Seattle_or similar. Foil Ferry LLC will be primarily responsible for development of the proposed white paper and will support the project reporting process (Tasks 13 to 14).

Foil Ferry LLC further commits \$19,000 in local match funding, provided as in-kind labor to support outreach and knowledge transfer.

Funds Received: Foil Ferry LLC will receive a total of \$302,910 in funds to support foil ferry design, as well as internal project management and contributions to the route economic viability study.

Foil Ferry LLC's role is more fully set forth in and governed by the Consultant Agreement #21-716 with KITSAP TRANSIT ("Consultant Agreement"). To the extent anything in this Agreement applicable to Foil Ferry LLC conflicts with the Consultant Agreement, the Consultant Agreement controls.

DNV

Primary Role: Technical Evaluator/Analysis

Commitments: DNV will provide overall technical program management support for the project, including business model development support. DNV will also specifically serve as the lead developer of the following project elements: the Route Economic Viability Study (Task 4), the Shoreside Infrastructure Requirements evaluation (Task 5), the Permitting and Regulatory Requirements evaluation (Task 6), and the Economic and Environmental Impacts Study (Task 7).



DNV will support the project team with responses to information requests, coordination, and review of documentation and other elements needed to support Foil Ferry LLC during completion of the proposed design advancements, from concept to preliminary design (Task 8).

DNV will also support outreach—in collaboration with Foil Ferry LLC, and Washington Maritime Blue, of all outreach elements of the AIM FFF project, including AIM incubator support, technical presentations at events such as the Washington Maritime Blue forum, the Society of Naval Architects and Marine Engineers annual convention, and the Annual Ferries Conference in Seattle, or similar.

DNV further commits \$10,000 in local match funding, provided as in-kind labor to support program management and business model development (Task 2).

Funds Received: DNV will receive a total of \$145,000 in funds to support completion of the studies identified above, and to provide management support.

DNV's role is more fully set forth in and governed by the Consultant Agreement #21-718 with KITSAP TRANSIT ("Consultant Agreement"). To the extent anything in this Agreement applicable to DNV conflicts with the Consultant Agreement, the Consultant Agreement controls.

Port of Anacortes

Primary Role: Development Partner

Commitments: The Port of Anacortes will provide advisory and input to the JIP Team for all elements of the project development process. Port of Anacortes staff will attend meetings as relevant, provide data and information to the JIP Team, respond to information requests, provide input on draft documentation, and provide other input as requested or deemed appropriate by the Port of Anacortes (Tasks 1 to 9, 14).

The Port of Anacortes commits \$25,000 in local match funding, provided as cash.

Funds Received: The Port of Anacortes will receive a total of \$0 to support completion of the AIM FFF project.

Port of Bellingham

Primary Role: Development Partner

Commitments: The Port of Bellingham will provide advisory and input to the JIP Team for all elements of the project development process. Port of Bellingham staff will attend meetings as relevant, provide data and information to the JIP Team, respond to information requests, provide input on draft documentation, and provide other input as requested or deemed appropriate by the Port of Bellingham (Tasks 1 to 9, 14).

The Port of Bellingham commits \$50,000 in local match funding, provided as cash.



Funds Received: The Port of Bellingham will receive a total of \$0 to support completion of the AIM FFF project.

Port of Skagit

Primary Role: Development Partner

Commitments: The Port of Skagit will provide advisory and input to the JIP Team for all elements of the project development process. Port of Skagit staff will attend meetings as relevant, provide data and information to the JIP Team, respond to information requests, provide input on draft documentation, and provide other input as requested or deemed appropriate by the Port of Skagit (Tasks 1 to 9, 14).

The Port of Skagit commits \$25,000 in local match funding, provided as cash.

Funds Received: The Port of Skagit will receive a total of \$0 to support completion of the AIM FFF project.

Tacoma Power

Primary Role: Development Partner

Commitments: Tacoma Power will provide advisory and input to the JIP Team for all elements of the project development process. Tacoma Power staff will attend meetings as relevant, provide data and information to the JIP Team, respond to information requests, provide input on draft documentation, and provide other input as requested (Tasks 1 to 9, 14). Tacoma Power will also contribute to the shoreside infrastructure requirements study (Task 4), in collaboration with DNV.

Tacoma Power commits \$50,000 in local match funding, provided as in-kind match funding to support the shoreside infrastructure requirements study.

Funds Received: Tacoma Power will receive a total of \$[0] to support completion of the AIM FFF project.

Roles of the JIP Team Members Under this Letter of Agreement

The JIP Team recognizes that team members' roles and responsibilities may shift over time and from specific project to project. These details are identified on a project by project basis under addenda to this agreement.

JIP Team Procedures and Processes

The JIP team members agree to the following:



1. **Quarterly Meetings.** To organize and conduct business, consider the admission of new members, allocate resources, and manage JIP process and progress, the JIP team will convene—by phone, video conference, or in person—at least once per quarter.
2. **Voting.** Each JIP Team member may provide one voting representative at each quarterly meeting. Washington Maritime Blue or its representative will serve as the facilitator for the quarterly meetings.
3. **Quorum at Meetings.** A quorum is considered to be reached when voting representatives from at least 51% of JIP Team members are present.
4. **Decision Making.** The JIP Team will make all decisions through a consensus decision making process. Any decision needing approval, such as funding, admission, additional addenda, or any decision that substantially impacts any of the JIP Team members, will need consensus from the JIP Team. **Consensus** means full concurrence of the JIP Team to move forward with a particular action. “Consensus” does not necessarily mean that all JIP Team members affirmatively support an action but rather that no JIP Team member has opposed the action.
5. **Withdrawal from the JIP Team.** Membership in the JIP Team is at will. A JIP Team member may withdraw its membership by notifying the Administrative Lead, in writing, that it requests to withdraw its membership.
6. **Removal from the JIP Team.** Membership in the JIP Team may be revoked during a quarterly meeting if all JIP Team members except the member targeted for removal assent to the removal through formal vote.
7. **Admission to the JIP Team.** New members can be admitted to the JIP Team by vote, as described below in the *Admission Process for New JIP Team Members* section.

Admission Process for New JIP Team Members

The JIP Team collectively recognizes that it may be advantageous to elect additional members to the JIP team. In exchange for the opportunity to share in the development of the JIP, additional project members can potentially offer additional services and resources, including but not limited to demonstration sites, technical expertise, funding, commercialization support, strategy development, agency coordination, and other benefits. To this end, the JIP Team acknowledges the following process for admitting additional members.

1. **Eligibility.** A prospective new member may be an organization, corporation, university or college, government or quasi-government entity, or individual provided that they are able and willing to commit to supporting the JIP through at least one of the following:
 - a. provision of services or technical expertise
 - b. financial resources including but not limited to direct funds, match funding for grants, partnership funding, capital investment, or other funding or investments
 - c. staffing or labor resources
 - d. physical facilities and sites including development or demonstration space, demonstration sites, shipyard facilities, or other facilities



- e. equipment including but not limited to specialty and non-specialty equipment needed for vessel fabrication, shoreside infrastructure, harbor equipment, or other equipment
 - f. advisory and strategic support including permitting guidance, funding support, and other advisory
2. **Vendors are ineligible.** Those providing equipment or services for a fee only—will be considered ineligible for membership. Members must provide some level of resource commitment as identified above. JIP Team members are, however, permitted to operate as a vendor to support a specific project or effort, but must otherwise maintain their membership status.
3. **Roles.** Anticipated role(s) for the new member shall be discussed and identified. Each potential new member should be assigned a role that is meaningfully beneficial to JIP development and progress.
4. **Procedural.** During a quarterly meeting, the proposed new member shall be nominated by one existing JIP Team member and that nomination must be seconded by a second existing JIP team member. Once nominated, the JIP team members present at the meeting will consider the applicant's eligibility based on the services and categories provided in bullet 1, above. Once all considerations have been heard, if the nominated entity is determined to be eligible, JIP Team members will subject the nomination to a vote. Membership will require consensus among the existing membership. If consensus is achieved, then membership will be granted. The new member will commit to supporting JIP development and providing one or more services identified above. Once the new member is elected, their name, role, commitment(s), and date of election to membership shall be added to this document.

The undersigned agree to this letter of agreement on behalf of the agency represented:

PORT OF ANACORTES

A handwritten signature in blue ink that reads "Daniel C. Worra".

Daniel C. Worra, Executive Director

Executed this 7 day of December, 2021.

PORT OF BELLINGHAM

A handwritten signature in blue ink that reads "Rob Fix".
Rob Fix (Dec 13, 2021 10:38 PST)

Rob Fix, Executive Director

Executed this 13 day of December, 2021.

PORT OF SKAGIT

A handwritten signature in blue ink that reads "Sara K. Young".
Sara K. Young (Dec 7, 2021 15:00 PST)

Sara K. Young, Executive Director



Sara Young, Executive Director

Executed this 7 day of December, 2021.

FOIL FERRY, LLC

Lisa N. Renehan

Lisa N. Renehan (Dec 14, 2021 08:36 PST)

Lisa N. Renehan, Managing Director

Executed this 14 day of December, 2021.

KITSAP TRANSIT

John W. Clauson

John W. Clauson (Dec 15, 2021 16:47 PST)

John W. Clauson, Executive Director

Executed this 15 day of December, 2021.

WASHINGTON MARITIME BLUE

JB

Joshua Berger, President/CEO

Executed this 3 day of December, 2021.

DNV Energy Insights USA, Inc.

Michael Kleinberg

Michael Kleinberg, Head of Department

Executed this 16 day of December, 2021.

TACOMA POWER

Cam LeHouillier

Cam LeHouillier (Dec 14, 2021 14:09 PST)

Cam LeHouillier, Manager, Energy Research and Development

Executed this 14 day of December, 2021.

AIM JIP Letter of Agreement_WMB_11-23-21_FINAL

Final Audit Report

2021-12-16

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