

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF OCEAN ENERGY MANAGEMENT COMMERCIAL LEASE OF SUBMERGED LANDS FOR RENEWABLE ENERGY DEVELOPMENT ON THE OUTER CONTINENTAL SHELF	Office	Renewable Energy Lease Number
	Camarillo, CA	OCS-P 0567
	Cash Bonus and/or Acquisition Fee	Resource Type Wind
<i>Paperwork Reduction Act of 1995 statement: This form does not constitute an information collection as defined by 44 U.S.C. § 3501 et seq. and therefore does not require approval by the Office of Management and Budget.</i>	Effective Date	Block Number(s)
		See Addendum A

This lease, which includes any addenda hereto, is hereby entered into by and between the United States of America (“Lessor”), acting through the Bureau of Ocean Energy Management (“BOEM”), its authorized officer, and the Lessee.

Lessee	Interest Held
	100%

This lease is effective on the date written above (“Effective Date”) and will continue in effect until the lease terminates as set forth in Addendum B. In consideration of any cash payment heretofore made by the Lessee to the Lessor and in consideration of the promises, terms, conditions, covenants, and stipulations contained herein and attached hereto, the Lessee and the Lessor agree as follows:

Section 1: Statutes and Regulations.

This lease is issued pursuant to subsection 8(p) of the Outer Continental Shelf (OCS) Lands Act (“the Act”), 43 United States Code (U.S.C.) §§ 1331 *et seq.* This lease is subject to the Act and regulations promulgated pursuant to the Act, including but not limited to, offshore renewable energy and alternate use regulations at 30 Code of Federal Regulations (CFR) Part 585, as well as other applicable statutes and regulations in existence on the Effective Date of this lease. This lease is also subject to those statutes enacted (including amendments to the Act or other statutes) and regulations promulgated thereafter, except to the extent that they explicitly conflict with an express provision of this lease. It is expressly understood that amendments to existing statutes, including but not limited to the Act, and regulations may be made, and/or new statutes may be enacted, or new regulations promulgated, which do not explicitly conflict with an express provision of this lease, and that the Lessee bears the risk that such amendments, regulations, and statutes may increase or decrease the Lessee’s obligations under the lease.

Section 2: Rights of the Lessee.

- (a) The Lessor hereby grants and leases to the Lessee the exclusive right and privilege, subject to the terms and conditions of this lease and applicable regulations, to: (1) submit to the Lessor for approval a Site Assessment Plan (SAP) and Construction and Operations Plan (COP) for the project identified in Addendum A; and (2) conduct activities in the area identified in Addendum A (“leased area”), and/or Addendum D of this lease (“project easement(s)”), that are described in an SAP or COP that has been approved by the Lessor. This lease does not, by itself, authorize any activity within the leased area.
- (b) The rights granted to the Lessee herein are limited to those activities described in any SAP or COP approved by the Lessor. The rights granted to the Lessee are limited by the lease-specific terms, conditions, and stipulations required by the Lessor per Addendum C.
- (c) This lease does not authorize the Lessee to conduct activities on the OCS relating to, or associated with, the exploration for, or development or production of, oil, gas, other seabed minerals, or renewable energy resources other than those renewable energy resources identified in Addendum A.

Section 3: Reservations to the Lessor.

- (a) All rights in the leased area and project easement(s) not expressly granted to the Lessee by the Act, applicable regulations, this lease, or any approved SAP or COP, are hereby reserved to the Lessor.
- (b) The Lessor decides whether to approve a SAP or COP in accordance with the applicable regulations in 30 CFR Part 585. The Lessor retains the right to disapprove a SAP or COP based on the Lessor’s determination that the proposed activities would have unacceptable environmental consequences, would conflict with one or more of the requirements set forth in subsection 8(p)(4) of the Act (43 U.S.C. § 1337(p)(4)), or for other reasons provided by the Lessor pursuant to 30 CFR 585.613(e)(2) or 30 CFR 585.628(f)(2). Disapproval of plans will not subject the Lessor to liability under this lease. The Lessor also retains the right to approve with modifications a SAP or COP, as provided in applicable regulations.
- (c) The Lessor reserves the right to suspend the Lessee’s operations in accordance with the national security and defense provisions of section 12 of the Act and applicable regulations.
- (d) The Lessor reserves the right to authorize other uses within the leased area and project easement(s) that will not unreasonably interfere with activities described in an approved SAP and/or COP, pursuant to this lease.

Section 4: Payments.

- (a) The Lessee must make all rent payments to the Lessor in accordance with applicable regulations in 30 CFR Part 585, unless otherwise specified in Addendum B.
- (b) The Lessee must make all operating fee payments to the Lessor in accordance with applicable regulations in 30 CFR Part 585, as specified in Addendum B.

Section 5: Plans.

The Lessee may conduct those activities described in Addendum A only in accordance with a SAP or COP approved by the Lessor. The Lessee may not deviate from an approved SAP or COP except as provided in applicable regulations in 30 CFR Part 585.

Section 6: Associated Project Easement(s).

Pursuant to 30 CFR 585.200(b), the Lessee has the right to one or more project easement(s), without further competition, for the purpose of installing gathering, transmission, and distribution cables, pipelines, and appurtenances on the OCS, as necessary for the full enjoyment of the lease, and under applicable regulations in 30 CFR Part 585. As part of submitting a COP for approval, the Lessee may request that one or more easement(s) be granted by the Lessor. If the Lessee requests that one or more easement(s) be granted when submitting a COP for approval, such project easements will be granted by the Lessor in accordance with the Act and applicable regulations in 30 CFR Part 585 upon approval of the COP in which the Lessee has demonstrated a need for such easements. Such easements must be in a location acceptable to the Lessor and will be subject to such conditions as the Lessor may require. The project easement(s) that would be issued in conjunction with an approved COP under this lease will be described in Addendum D to this lease, which will be updated as necessary.

Section 7: Conduct of Activities.

The Lessee must conduct, and agrees to conduct, all activities in the leased area and project easement(s) in accordance with an approved SAP or COP, and with all applicable laws and regulations.

The Lessee further agrees that no activities authorized under this lease will be carried out in a manner that results in any of the following:

- (a) unreasonable interference with or endangerment of activities or operations carried out under any lease or grant issued or maintained pursuant to the Act, or under any other license or approval from any Federal agency.
- (b) any undue harm or damage to the environment.
- (c) hazardous or unsafe conditions.
- (d) adverse effects on sites, structures, or objects of historical, cultural, or archaeological significance, without notice to and direction from the Lessor on how to proceed.

Section 8: Violations, Suspensions, Cancellations, and Remedies.

If the Lessee fails to comply with (1) any of the applicable provisions of the Act or regulations, (2) the approved SAP or COP, or (3) the terms of this lease, including associated Addenda, the Lessor may exercise any of the remedies that are provided under the Act and applicable regulations, including, without limitation, issuance of cessation of operations orders, suspension or cancellation of the lease, and/or the imposition of penalties, in accordance with the Act and applicable regulations.

The Lessor may also cancel this lease for reasons set forth in subsection 5(a)(2) of the Act (43 U.S.C. § 1334(a)(2)), or for other reasons provided by the Lessor pursuant to 30 CFR 585.422 or 30 CFR 285.422.

Non-enforcement by the Lessor of a remedy for any particular violation of the applicable provisions of the Act or regulations, or the terms of this lease, will not prevent the Lessor from exercising any remedy, including cancellation of this lease, for any other violation or for the same violation occurring at any other time.

Section 9: Indemnification.

The Lessee hereby agrees to indemnify the Lessor for, and hold the Lessor harmless from, any claim caused by or resulting from any of the Lessee's operations or activities on the leased area or project easement(s) or arising out of any activities conducted by or on behalf of the Lessee or its employees, contractors (including the Operator, if applicable), subcontractors, or their employees, under this lease, including claims for any of the following:

- a. loss or damage to natural resources the release of any petroleum or any hazardous materials
- b. other environmental injury of any kind
- c. damage to property
- d. injury to persons
- e. costs or expenses incurred by the Lessor.

Except as provided in any addenda to this lease, the Lessee will not be liable for any losses or damages proximately caused by the activities of the Lessor or the Lessor's employees, contractors, subcontractors, or their employees. The Lessee must pay the Lessor for damage, cost, or expense due and pursuant to this section within 90 days after written demand by the Lessor. Nothing in this lease will be construed to waive any liability or relieve the Lessee from any penalties, sanctions, or claims that would otherwise apply by statute, regulation, operation of law, or could be imposed by the Lessor or other government agency acting under such laws.

"Hazardous Material" means:

1. Any substance or material defined as hazardous, a pollutant, or a contaminant under the *Comprehensive Environmental Response, Compensation, and Liability Act* at 42 U.S.C. §§ 9601(14) and (33);

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2. Any regulated substance as defined by the Resource Conservation and Recovery Act (“RCRA”) at 42 U.S.C. § 6991 (7), whether or not contained in or released from underground storage tanks, and any hazardous waste regulated under RCRA pursuant to 42 U.S.C. §§ 6921 *et seq.*;
3. Oil, as defined by the Clean Water Act at 33 U.S.C. § 1321(a)(1) and the Oil Pollution Act at 33 U.S.C. § 2701(23); or
4. Other substances that applicable Federal, state, tribal, or local laws define and regulate as “hazardous.”

Section 10: Financial Assurance.

The Lessee must provide, and maintain at all times, a surety bond(s) or other form(s) of financial assurance approved by the Lessor in the amount specified in Addendum B. As required by the applicable regulations in 30 CFR Part 585, if, at any time during the term of this lease, the Lessor requires additional financial assurance, then the Lessee must furnish the additional financial assurance required by the Lessor in a form acceptable to the Lessor within 90 days after receipt of the Lessor’s notice of such adjustment.

Section 11: Assignment or Transfer of Lease.

This lease may not be assigned or transferred in whole or in part without written approval of the Lessor. The Lessor reserves the right, in its sole discretion, to deny approval of the Lessee’s application to transfer or assign all or part of this lease. Any assignment will be effective on the date the Lessor approves the Lessee’s application. Any assignment made in contravention of this section is void.

Section 12: Relinquishment of Lease.

The Lessee may relinquish this entire lease or any officially designated subdivision thereof by filing with the appropriate office of the Lessor a written relinquishment application, in accordance with applicable regulations in 30 CFR Part 585. No relinquishment of this lease or any portion thereof will relieve the Lessee, or its surety of the obligations accrued hereunder, including but not limited to, the responsibility to remove property and restore the leased area and project easement(s) pursuant to section 13 of this lease and applicable regulations.

Section 13: Removal of Property and Restoration of the Leased Area and Project Easement(s) on Termination of Lease.

Unless otherwise authorized by the Lessor, pursuant to the applicable regulations in 30 CFR Part 585, the Lessee must remove or decommission all facilities, projects, cables, pipelines, and obstructions and clear the seafloor of all obstructions created by activities on the leased area and project easement(s) within two years following lease termination, whether by expiration, cancellation, contraction, or relinquishment, in accordance with any approved SAP, COP, or approved Decommissioning Application, and applicable regulations in 30 CFR Part 585.

Section 14: Safety Requirements.

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The Lessee must:

- a) Maintain all places of employment for activities authorized under this lease in compliance with occupational safety and health standards and, in addition, free from recognized hazards to employees of the Lessee or of any contractor or subcontractor operating under this lease;
- b) Maintain all operations within the leased area and project easement(s) in compliance with regulations in 30 CFR Part 585 and orders from the Lessor and other Federal agencies with jurisdiction, intended to protect persons, property, and the environment on the OCS; and
- c) Provide any requested documents and records, which are pertinent to occupational or public health, safety, or environmental protection, and allow prompt access, at the site of any operation or activity conducted under this lease, to any inspector authorized by the Lessor or other Federal agency with jurisdiction.

Section 15: Debarment Compliance.

The Lessee must comply with the Department of the Interior's non-procurement debarment and suspension regulations set forth in 2 CFR Parts 180 and 1400 and must communicate the requirement to comply with these regulations to persons with whom it does business related to this lease by including this requirement in all relevant contracts and transactions.

Section 16: Equal Opportunity Clause.

During the performance of this lease, the Lessee must fully comply with paragraphs (1) through (7) of section 202 of Executive Order 11246, as amended (reprinted in 41 CFR 60-1.4(a)), and the implementing regulations, which are for the purpose of preventing employment discrimination against persons on the basis of race, color, religion, sex, or national origin. Paragraphs (1) through (7) of section 202 of Executive Order 11246, as amended, are incorporated in this lease by reference.

Section 17: Certification of Non-segregated Facilities.

By entering into this lease, the Lessee certifies, as specified in 41 CFR 60-1.8, that it does not and will not maintain or provide for its employees any segregated facilities at any of its establishments and that it does not and will not permit its employees to perform their services at any location under its control where segregated facilities are maintained. As used in this certification, the term "facilities" means, but is not limited to, any waiting rooms, work areas, restrooms and washrooms, restaurants and other eating areas, timeclocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees. Segregated facilities include those that are segregated by explicit directive or those that are in fact segregated on the basis of race, color, religion, sex, or national origin, because of habit, local custom, or otherwise; provided, that separate or single-user restrooms and necessary dressing or sleeping areas must be provided to assure privacy as appropriate. The Lessee further agrees

that it will obtain identical certifications from proposed contractors and subcontractors prior to awarding contracts or subcontracts unless they are exempt under 41 CFR 60-1.5.

Section 18: Notices.

All notices or reports provided from one party to the other under the terms of this lease must be in writing, except as provided herein and in the applicable regulations in 30 CFR Part 585. Written notices and reports must be delivered to the Lessee's or Lessor's Lease Representative, as specifically listed in Addendum A, either electronically, by hand, by facsimile, or by United States first class mail, adequate postage prepaid. Each party must, as soon as is practicable, notify the other of a change to their Lessee's or Lessor's Contact Information listed in Addendum A by a written notice signed by a duly authorized signatory and delivered by hand or United States first class mail, adequate postage prepaid. Until such notice is delivered as provided in this section, the last recorded contact information for either party will be deemed current for service of all notices and reports required under this lease. For all operational matters, notices and reports must be provided to the party's Operations Representative, as specifically listed in Addendum A, as well as the Lease Representative.

Section 19: Severability Clause.

If any provision of this lease is held as un-enforceable, all remaining provisions of this lease will remain in full force and effect.

Section 20: Modification.

Unless otherwise authorized by the applicable regulations in 30 CFR Part 585, this lease may be modified or amended only by mutual agreement of the Lessor and the Lessee. No such modification or amendment will be binding unless it is in writing and signed by duly authorized signatories of the Lessor and the Lessee.

Section 21: Waiver.

To the extent not otherwise prohibited by law, and after careful consideration of all surrounding circumstances, including any potential effect on any assessments or consultations performed by BOEM under Federal law in connection with the lease sale that resulted in the issuance of this Lease, BOEM may allow waiver of certain requirements set forth in this Lease upon a request from the Lessee to BOEM explaining why compliance with a particular Lease requirement is not technically or economically practical or feasible.

Lessee

Lessor

(Signature of Authorized Officer)

(Signature of Authorized Officer)

(Name of Signatory)

(Name of Signatory)

(Title)

(Title)

(Date)

(Date)

U.S. DEPARTMENT OF THE INTERIOR
BUREAU OF OCEAN ENERGY MANAGEMENT

ADDENDUM A
DESCRIPTION OF LEASED AREA AND LEASE ACTIVITIES

Lease Number OCS-P 0567

II Lessor and Lessee Contact Information

Lessee Company Number: _____

(a) Lessor's Contact Information

	Lease Representative	Operations Representative
Title	Regional Director	Same as Lease Representative
Address	U.S. Department of the Interior Bureau of Ocean Energy Management Pacific Regional Office Mail Stop CM 102 760 Paseo Camarillo, Suite 102 Camarillo, CA 93010-6002	
Phone	(855) 320-1484	
Fax	(805) 388-1049	
Email	renewableenergypocs@boem.gov	

(b) Lessee's Contact Information

	Lease Representative	Operations Representative
Name		
Title		
Address		
Phone		
Fax		
Email		

III Description of Leased Area

The total acreage of the leased area is approximately 133,792 acres.

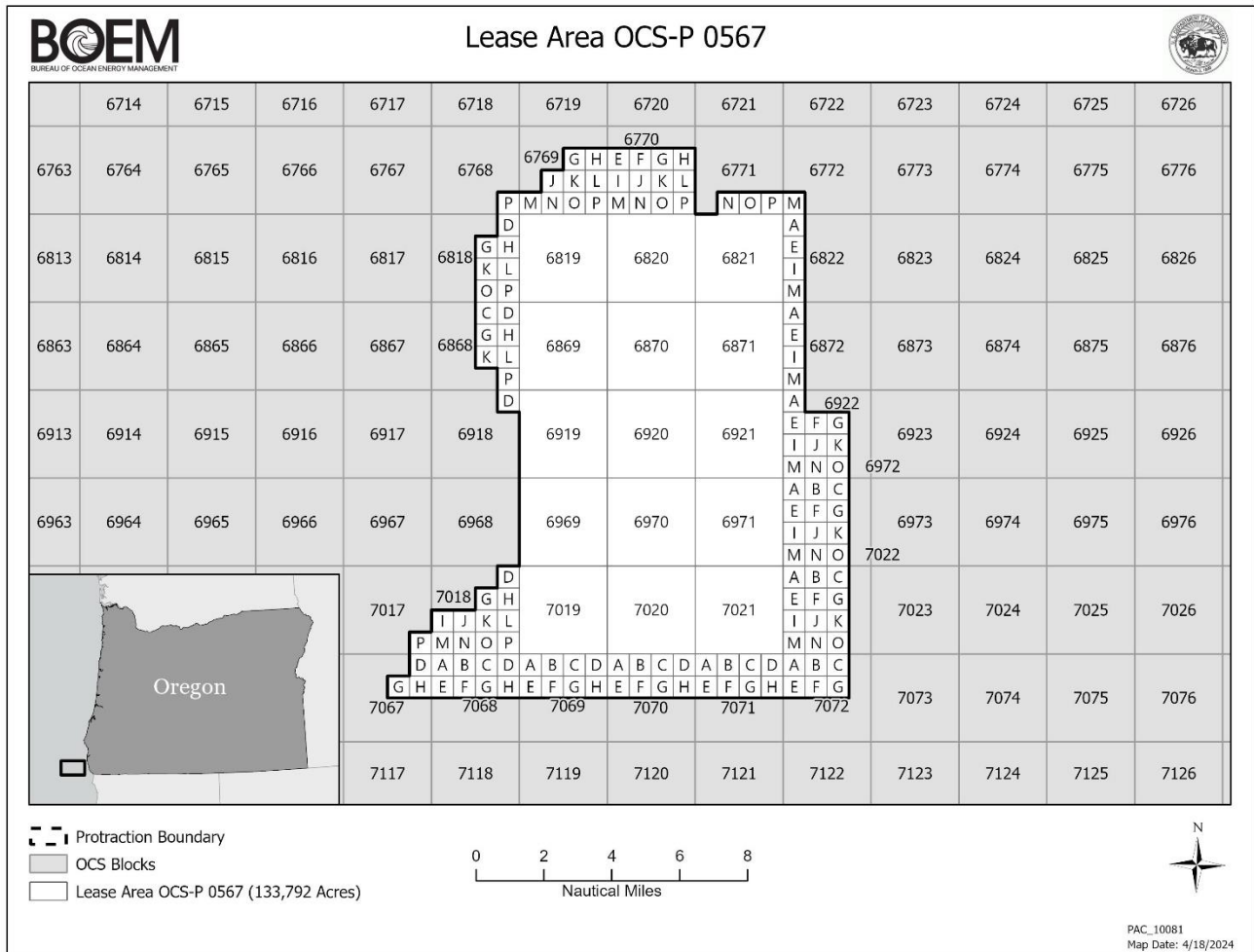
This area is subject to later adjustment, in accordance with applicable regulations (e.g., contraction, relinquishment).

The following Blocks or portions of Blocks lying within Official Protraction Diagram NK10-04 are depicted on the map below and comprise 133,792 acres, more or less.

- 1) Block 6768, SE1/4 of SE1/4
- 2) Block 6769, S1/2 of NE1/4, SE1/4, S1/2 of SW1/4, NE1/4 of SW1/4
- 3) Block 6770, S1/2 of NW1/4, S1/2 of NE1/4, S1/2
- 4) Block 6771, S1/2 of SE1/4, SE1/4 of SW1/4
- 5) Block 6772, SW1/4 of SW1/4
- 6) Block 6818, NE1/4 of NE1/4, S1/2 of NE1/4, SE1/4
- 7) Block 6819, All of Block
- 8) Block 6820, All of Block
- 9) Block 6821, All of Block
- 10) Block 6822, W1/2 of NW1/4, W1/2 of SW1/4
- 11) Block 6868, NE1/4, N1/2 of SE1/4, SE1/4 of SE1/4
- 12) Block 6869, All of Block
- 13) Block 6870, All of Block
- 14) Block 6871, All of Block
- 15) Block 6872, W1/2 of NW1/4, W1/2 of SW1/4
- 16) Block 6918, NE1/4 of NE1/4
- 17) Block 6919, All of Block
- 18) Block 6920, All of Block
- 19) Block 6921, All of Block
- 20) Block 6922, NW1/4 of NW1/4, S1/2 of NW1/4, SW1/4 of NE1/4, W1/2 of SE1/4, SW1/4
- 21) Block 6969, All of Block
- 22) Block 6970, All of Block
- 23) Block 6971, All of Block
- 24) Block 6972, NW1/4, W1/2 of NE1/4, W1/2 of SE1/4, SW1/4
- 25) Block 7017, SE1/4 of SE1/4
- 26) Block 7018, NE1/4 of NE1/4, S1/2 of NE1/4, S1/2
- 27) Block 7019, All of Block
- 28) Block 7020, All of Block
- 29) Block 7021, All of Block
- 30) Block 7022, NW1/4, W1/2 of NE1/4, W1/2 of SE1/4, SW1/4
- 31) Block 7067, NE1/4 of NE1/4, S1/2 of NE1/4

- 32)Block 7068, N1/2
- 33)Block 7069, N1/2
- 34)Block 7070, N1/2
- 35)Block 7071, N1/2
- 36)Block 7072, NW1/4, W1/2 of NE1/4

For the purposes of these calculations, a full Block is 2,304 hectares. The acreage of a hectare is 2.471043930 acres.



IV Renewable Energy Resource

Wind.

V Description of the Project

A project to generate energy using wind turbine generators and any associated resource assessment activities, located on the Outer Continental Shelf in the leased area, as well as

associated offshore substation platforms, inner array cables, and subsea export cables.

VI Description of Project Easement(s)

Once approved, the Lessor will incorporate Lessee's project easement(s) in this lease as Addendum D.

U.S. DEPARTMENT OF THE INTERIOR
BUREAU OF OCEAN ENERGY MANAGEMENT

ADDENDUM B
LEASE TERM AND FINANCIAL SCHEDULE

Lease Number OCS-P 0567

I. Lease Term

The duration of each term of the lease is described below. The terms may be extended or otherwise modified in accordance with applicable regulations in 30 CFR Part 585.

Lease Term	Duration
Preliminary Term	1 year
Site Assessment Term	5 years
Operations Term	33 years

Renewal: The Lessee may request renewal of the operations term of this lease, in accordance with applicable regulations in 30 CFR Part 585. The Lessor, at its discretion, may approve a renewal request to conduct substantially similar activities as were originally authorized under this lease or in an approved plan. The Lessor will not approve a renewal request that involves development of a type of renewable energy not originally authorized in the lease. The Lessor may revise or adjust payment terms of the original lease as a condition of lease renewal.

II. Definitions

Lease Issuance Date means the date on which this lease has been signed by *both* the Lessee and the Lessor.

Lease Anniversary means the anniversary of the Effective Date of the lease.

End Date means the earlier of a) the last calendar day of the last month of the Operations Term; or b) the date on which the lease terminates in the event of a lease termination for another reason under 30 CFR Part 585.432.

Commercial Operations means the generation of electricity or other energy product for commercial use, sale, or distribution.

Commercial Operations Date, or COD, means the date on which the Lessee first begins Commercial Operations on the lease.

Delivery Point means the meter identified in the Construction and Operations Plan (COP) where the Lessee's facility interconnects with the electric grid to delivery electricity for sale.

Available for Commercial Operations means the date on or after the first day that an individual

wind turbine generator (WTG) engages in Commercial Operations on the lease; a WTG is no longer available for Commercial Operations on the first day that it is permanently decommissioned. These dates are determined by the COP, the Facility Design Report (FDR), or the Fabrication and Installation Report (FIR).

III. Payments

Unless otherwise authorized by the Lessor in accordance with the applicable regulations in 30 CFR Part 585, the Lessee must make payments as described below.

(a) **Rent.** The Lessee must pay rent as described below:

Rent payments prior to the COD, or prior to the lease End Date in the event that the Lease terminates prior to the COD, are calculated by multiplying the acres in the leased area times the rental rate per acre. The acreage for Lease OCS-P 0562 is documented in Addendum A. An example follows:

- Acres: 100,000
- Annual Rental Rate: \$3.00 per acre or fraction thereof
- Rental Fee for Entire Leased Area: $\$3.00 \times 100,000 = \$300,000$

The first year's rent payment is due within 45 days of the date that the lease is received by the Lessee for execution, in accordance with 30 CFR Part 585.503. Rent for the entire leased area for the next year and for each subsequent year is due on or before each Lease Anniversary through the year in which the COD occurs. The rent for each year subsequent to the COD on the portion of the lease not authorized for Commercial Operations is due on or before each Lease Anniversary.

Once a portion of the lease begins Commercial Operations, rent will only be due for the undeveloped or non-operating acreage. The rent calculation becomes a three-step process, as follows:

- (1) rent is calculated on the portion of the lease not authorized for Commercial Operations.
- (2) rent is calculated on the portion of the lease authorized for Commercial Operations, but without operating turbines.
- (3) the sum of (1) and (2) yield the rent due.

Step (1): The Lessee will continue to pay rent at the lease rate for acreage outside the approved commercial project area. The demarcation between acreage for a commercial project and undeveloped acreage will be defined in the COP or supplemental documents approved by BOEM. For example, if the total lease acreage is 100,000 acres and exactly one-quarter of the lease acreage is approved for commercial operations, 75,000 acres is not authorized for commercial operations. An example is shown below:

- Acres: 75,000
- Annual Rental Rate: \$3.00 per acre or fraction thereof
- Rental Fee for Undeveloped Leased Area: $\$3.00 \times 75,000 = \$225,000$

Step (2): The portion of the acreage covered by approved Commercial Operations subject to rent will be equal to one minus the operating nameplate capacity divided by the total nameplate capacity, $\frac{M_t}{\sum N_w}$, as defined in Section III (b)(4) below, prior to any adjustments as specified in the most recent approved COP for turbine maintenance, replacements, re-powering, or decommissioning. If contiguous acreage for an approved project cannot be developed due to buffers or other surface occupancy restrictions, it will be considered part of the operating area of the lease and covered by the lease's operating fee payment. An example is shown below:

- Acres: 25,000
- Annual Rental Rate: \$3.00 per acre or fraction thereof
- Rental Fee for Undeveloped Acreage Authorized for Commercial Operations:
 $\$3.00 \times 25,000 \times (1 - \frac{M_t}{\sum N_w}) = \Rent

Using the summed capacity of 14.21 megawatts (MW) from the 30 MW project in Table 1 from Section III (b)(4) below, the rental calculation for the project area is:

$$\$3.00 \times 25,000 \times (1 - 0.473667) = \$39,475$$

Step (3): Summing the rent due in steps (1) & (2): $\$225,000 + \$39,475 = \$264,475$. The Adjusted Annual Rent Payment will be rounded up to the nearest dollar.

All rent payments must be made as required in 30 CFR 1218.51. Late rent payments will be charged underpayment interest in accordance with 30 CFR 1218.54.

Advance lease rent and operating fee payments are due annually before the Lease Anniversary date. All rent payments, including the last rent payment, are payable for the full year. During the construction and decommissioning periods, the rental paid can be adjusted following a reconciliation process. The adjustment of rent for the commercial project area will be calculated based on actual construction and decommissioning dates and will equal the fractional remainder of the operating nameplate capacity as calculated for M_t in (b)(4). The Lessee should work with BOEM's Pacific Regional Office and the Office of Natural Resources Revenue (ONRR) on any payment reconciliation as instructed in Section III(c).

(1) *Project Easement.*

Rent for any project easement(s) is described in Addendum D.

(2) *Relinquishment.*

If the Lessee submits an application for relinquishment of a portion of the leased area within the first 45 days following the date that the lease is received by the Lessee for execution, and the Lessor approves that application, no rent payment will be due on that relinquished portion of the leased area. Later relinquishments of any leased area will reduce the Lessee’s rent payments due the year following the Lessor’s approval of the relinquishment through a reduction in the acres in the leased area, the corresponding rent payment for the entire leased area, and any related adjusted annual rent payments.

(b) **Operating Fee.** The Lessee must pay an operating fee as described below:

(1) **Initial Operating Fee Payment.**

The Lessee must pay an initial prorated operating fee within 90 days after the COD. The initial operating fee payment covers the first year of Commercial Operations on the lease and will be calculated in accordance with subsection (4) below, using an operating fee rate of 0.02 and a capacity factor of 0.4.

(2) **Annual Operating Fee Payments.**

The Lessee must pay the operating fee for each subsequent year of Commercial Operations on or before each Lease Anniversary following the formula in subsection (4) below. The Lessee must calculate each operating fee annually subsequent to the initial operating fee payment using an operating fee rate of 0.02 through the 33-year operations term of the lease. The capacity factor of 0.4 will remain in effect until the Lease Anniversary of the year in which the Lessor adjusts the capacity factor.

(3) **Final Operating Fee Payment.**

The final operating fee payment is due on the Lease Anniversary prior to the End Date. The final operating fee payment covers the last year of Commercial Operations on the lease and will be calculated in accordance with the formula in subsection (4) below.

(4) **The formula for calculating the operating fee in year t.**

F_t	=	M_t	*	H	*	c_p	*	P_t	*	r_t
(annual operating fee)		(nameplate capacity)		(hours per year)		(capacity factor)		(power price)		(operating fee rate)

Where:

t =	the year of Commercial Operations on the lease starting from each Lease Anniversary, where <i>t</i> equals 1 represents the year beginning on the Lease Anniversary prior to, or on, the COD.
F _t =	the dollar amount of the annual operating fee in year <i>t</i> .
M _t =	<p>the nameplate capacity expressed in MW rounded to the nearest second decimal place in year <i>t</i> of Commercial Operations on the lease. The capacity calculation is a two-step process: (1) scaling each turbine’s nameplate capacity in proportion to the number of days in the year that it is operational, and (2) summing these scaled values across all turbines.</p> <p>The value of M_t, reflecting the availability of turbines, will be determined based on the FDR or FIR. This value will be adjusted to reflect any changes to installed capacity approved by BOEM as of the date each operating fee payment is due, in accordance with the calculation in Equation 1, for each year of Commercial Operations on the lease.</p> <p>Equation 1:</p> $(1) M_t = \sum_{w=1}^{W_t} \left(N_w \times \left[\frac{Y_{w,t}}{D} \right] \right)$ <p>Where:</p> <p><i>W_t</i> = Number of individual wind generation turbines, <i>w</i>, that will be available for Commercial Operations during any day of the year, <i>t</i>, per the FDR or FIR.</p> <p><i>N_w</i> = Nameplate capacity of individual wind generation turbine, <i>w</i>, per the FDR or FIR expressed in MW.</p> <p><i>Y_{w,t}</i> = Number of days that turbine <i>w</i> is commercially available during year.</p> <p><i>D</i> = Days in the year set equal to 365 in all years for purposes of this calculation.</p> <p>M_t may be reduced only if installed capacity is permanently decommissioned. M_t will not be changed in response to routine or unplanned maintenance of units, including the temporary removal of a nacelle for off-site repair or replacement with a similar unit.</p> <p>EXAMPLE: Table 1 illustrates the calculations represented by Equation (1) for a single lease year for a lease on which the Lessee plans to erect six turbines, each with a nameplate capacity of 5 MW. Based on the days in each turbine’s Commercial Operations period (column B), the exhibit shows the number of days during the year that the turbine is available for operation. Dividing this value by 365 (column D) yields the percent of days during the year that the turbine is available for Commercial Operations (column E). For each turbine, the resulting percentage (column E) is multiplied by its nameplate capacity (column A) to calculate its scaled capacity for the year (column F). The individual values in column F are then summed across all six turbines to calculate total capacity (M_t).</p> <p>Table 1: Example of M_t Calculations for Installation</p>

Turbine	Nameplate Capacity (N_w) [A]	Days in Turbine's Commercial Operations Period [B]	Number of days available for Commercial Operations in year t ($Y_{w,t}$) [C]	Number of days in the Year [D]	Percent of days available for Commercial Operations $\left(\frac{Y_{w,t}}{D}\right)$ [E = C ÷ D]	Turbine capacity scaled based on percent of days in Commercial Operations $N_w \times \frac{Y_{w,t}}{D}$ [F = A × E]					
#1	5	January 1 to December 31	365	365	100%	5.00					
#2	5	January 1 to December 31	365	365	100%	5.00					
#3	5	October 1 to December 31	92	365	25.2%	1.26					
#4	5	October 1 to December 31	92	365	25.2%	1.26					
#5	5	October 1 to December 31	92	365	25.2%	1.26					
#6	5	December 1 to December 31	31	365	8.5%	0.42					
Available capacity summed across all turbines: $M_t = \sum_{w=1}^{W_t} \left(N_w \times \left[\frac{Y_{w,t}}{D} \right] \right) = 14.21$											
The same calculation would be performed for the lease during the decommissioning phase.											
H =	the number of hours in the year for billing purposes which is equal to 8,760 for all years of Commercial Operations on the lease.										
$c_p =$	<p>the “Capacity Factor” in Performance Period p, which represents the share of anticipated generation of the facility that is delivered to where the Lessee’s facility interconnects with the electric grid (i.e., the Delivery Point) relative to its generation at continuous full power operation at the nameplate capacity, expressed as a decimal between zero and one. Performance Period (p) is the five-year period of Commercial Operation Years (t) that have the same capacity factor.</p> <p>The initial Capacity Factor (c_0) will be set to 0.4.</p> <p>The Capacity Factor will be subject to adjustment at the end of each Performance Period. After the sixth year of Commercial Operations on the lease has concluded, the Lessee will use data gathered from years two through six of Commercial Operations on the lease and propose a revised Capacity Factor to be used to calculate subsequent annual payments, as provided for in Table 2 below. A similar process will be conducted at the conclusion of each five-year Performance Period thereafter.</p> <p>Table 2: Definition of Performance Periods</p> <table border="1"> <thead> <tr> <th>Performance Period (p)</th> <th>Commercial Operation</th> <th>Payments Affected by Adjustment</th> <th>Capacity Factor (c)</th> <th>Date End Year</th> </tr> </thead> </table>						Performance Period (p)	Commercial Operation	Payments Affected by Adjustment	Capacity Factor (c)	Date End Year
Performance Period (p)	Commercial Operation	Payments Affected by Adjustment	Capacity Factor (c)	Date End Year							

	Years (<i>t</i>)		<i>(n)</i>	
0 (COD)	Not Applicable	Payments 1 to 7	$c_0=0.4$	--
1	$t = 2$ to 6	Payments 8 to 12	c_1	$n_1=6$
2	$t = 7$ to 11	Payments 13 to 17	c_2	$n_2=11$
3	$t = 12$ to 16	Payments 18 to 22	c_3	$n_3=16$
4	$t = 17$ to 21	Payments 23 to 27	c_4	$n_4=21$
5	$t = 22$ to 26	Payments 28 to 32	c_5	$n_5=26$
6	$t = 27$ to 31	Payment 33	c_6	$n_6=31$

Adjustments to the Capacity Factor

The Actual 5-year Average Capacity Factor (X_p) is calculated for each Performance Period after COD ($p > 0$) per Equation 2 below. X_p represents the sum of actual, metered electricity generation in megawatt-hours (MWh) at the Delivery Point to the electric grid (A_t) divided by the amount of electricity generation in MWh that would have been produced if the facility operated continuously at its full, stated capacity (M_t) in all of the hours (h_t) in each year, t , of the corresponding five-year period.

$$(2) X_p = \frac{\sum_{t=n-4}^n A_t}{(\sum_{t=n-4}^n M_t \times h_t)}$$

Where:

M_t = Nameplate Capacity as defined above.

n = “Date End Year” value for the Performance Period, p , as defined in Table 2.

p = Performance Period as defined in Table 2.

A_t = Actual Generation in MWh associated with each year of Commercial Operations, t , on the lease that is transferred at the Delivery Point; Delivery Point meter data supporting the values submitted for annual actual generation must be recorded, preserved, and timely provided to the Lessor upon request. The generation data for the facility must be the same data reported on the Energy Information Administration’s EIA-923.

h_t = Hours in the year on which the Actual Generation associated with each year of Commercial Operations, t , on the lease is based; this definition of “hours in the year” differs from the definition of H in the operating fee equation above. The hours in the year for purposes of calculating the capacity factor must take into account the actual number of hours, including those in leap years.

The value of the Capacity Factor at the outset of Commercial Operations ($p = 0$) is set to 0.4 as stated in Equation 3:

	(3) $c_0 = 0.4$
$P_t =$	<p>a measure of the annual average wholesale electric power price expressed in dollars per MWh.</p> <p>The Lessee must calculate P_t at the time each operating fee payment is due, subject to approval by the Lessor. The Price (P_t) must equal the simple average of the “on-the-hour” price indices for the Mid-Columbia (Mid-C) electricity hub price for the most recent calendar year of data available. Aggregated data from commercial subscription services such as S&P Global Market Intelligence Platform or Hitachi ABB Velocity Suite can also be used by the Lessee and may be posted by BOEM for reference. BOEM may post the power price data it intends to use for the Lessee’s reference.</p> <p>The source of data used in the calculations must be noted in the Lessee’s documentation supporting its estimate of the value of P_t each year for review and approval by the Lessor. BOEM will use the posted prices to verify the Lessee’s calculations.</p>
$r_t =$	the operating fee rate of 0.02 (2%).

(c) Reporting, Validation, Audits, and Late Payments.

The Lessee must submit the values used in the operating fee formula to the Lessor at the time the annual payment based on these values is made. Submission of this and other reporting, validation, audit, and late payment information as requested by the Lessor must be sent to the Lessor using the contact information indicated in Addendum A, unless the Lessor directs otherwise. Failure to submit the estimated values and associated documentation on time to the Lessor may result in penalties as specified in applicable regulations.

Within 60 days of the submission by the Lessee of the annual payment, the Lessor will review the data submitted and validate that the operating fee formula was applied correctly. If the Lessor validation results in a different operating fee amount, the amount of the annual operating fee payment will be revised to the amount determined by the Lessor.

The Lessor also reserves the right to audit the meter data upon which the Actual 5-year Average Capacity Factor is based at any time during the lease term. If, as a result of such audit, the Lessor determines that any annual operating fee payment was calculated incorrectly, the Lessor has the right to correct any errors and collect the correct annual operating fee payment amount.

If the annual operating fee is revised downward because of the Lessee’s calculations, as validated by the Lessor, or an audit of meter data conducted by the Lessee or Lessor, the Lessee will be refunded the difference between the amount of the payment received and the amount of the revised annual operating fee, without interest. Similarly, if the payment amount is revised upward, the Lessee is required to pay the difference between the amount of the payment received and the amount of the revised annual operating fee, plus underpayment interest on

the balance, in accordance with 30 CFR § 1218.54.

Late operating fee payments will be charged underpayment interest in accordance with 30 CFR § 1218.54.

IV. Financial Assurance

The Lessor will base the determination for the amounts of all SAP, COP, and decommissioning financial assurance requirements on estimates of the cost to meet all accrued lease obligations. The Lessor determines the amount of supplemental and decommissioning financial assurance requirements on a case-by-case basis. The amount of financial assurance required to meet all lease obligations includes the following:

- The projected amount of rent and other payments due the Lessor for the next 12 months
- Any past due rent and other payments
- Other monetary obligations (e.g., fines, liens)
- The estimated cost of facility decommissioning.

(a) **Initial Financial Assurance Due Prior to Lease Issuance Date.**

Prior to the Lease Issuance, the Lessee must provide an initial lease-specific bond, or other approved means of meeting the Lessor's initial financial assurance requirements in an amount equal to \$100,000.

(b) **Additional Financial Assurance.**

In addition to the initial lease-specific financial assurance discussed and as set forth above, the Lessee is also required to provide additional supplemental bonds associated with the SAP and COP or other form of financial assurance, and a decommissioning bond or other approved means of meeting the Lessee's decommissioning obligations.

- (1) Prior to the Lessor's approval of a SAP, the Lessor requires an additional supplemental bond or other form of financial assurance in an amount determined by the Lessor based on the complexity, number, and location of all facilities involved in the site assessment activities planned in the SAP and estimates of the costs to meet all accrued obligations, in accordance with applicable BOEM regulations (30 CFR 585.515–537). The supplemental financial assurance requirement is in addition to the initial lease-specific financial assurance in the amount of \$100,000. The Lessee may meet these obligations by providing a new bond or other acceptable form of financial assurance or increasing the amount of its existing bond or other form of financial assurance.
- (2) Prior to the Lessor's approval of a COP, the Lessor may require an additional supplemental bond or other form of financial assurance in an amount determined by the Lessor based on the complexity, number, location of all facilities, activities, and Commercial Operations planned in the COP, and estimates of the costs to meet all accrued obligations, in accordance with applicable BOEM regulations (30 CFR 585.515–537). The supplemental financial assurance requirement is in addition to the initial lease-specific financial assurance in the amount of

\$100,000, and an additional supplemental bond or other form of financial assurance required with the SAP. The Lessee may meet this obligation by providing a new bond or other acceptable form of financial assurance or increasing the amount of its existing bond or other form of financial assurance.

- (3) The Lessor will require a decommissioning bond or other form of financial assurance based on the anticipated decommissioning costs in accordance with applicable BOEM regulations (30 CFR 585.515–537). This decommissioning obligation must be satisfied through an acceptable form of financial assurance and will be due according to the schedule beginning before commencement of the installation of commercial facilities on a date or dates to be determined by the Lessor.

(c) **Adjustments to Financial Assurance Amounts.**

The Lessor reserves the right to adjust the amount of any financial assurance requirement (initial, supplemental, or decommissioning) associated with this lease and/or reassess the Lessee’s cumulative lease obligations, including decommissioning obligation, at any time. If the Lessee’s cumulative lease obligations and/or liabilities increase or decrease, the Lessor will notify the Lessee of any intended adjustment to the financial assurance requirements and provide the Lessee an opportunity to comment in accordance with applicable BOEM regulations.

U.S. DEPARTMENT OF THE INTERIOR
BUREAU OF OCEAN ENERGY MANAGEMENT

ADDENDUM C
LEASE-SPECIFIC TERMS, CONDITIONS, AND STIPULATIONS

Lease Number OCS-P 0567

The Lessee’s rights to conduct activities on the leased area are subject to the following terms, conditions, and stipulations. The Lessor reserves the right to impose additional terms and conditions incident to the future approval or approval with modifications of plans, such as a Site Assessment Plan (SAP) or Construction and Operations Plan (COP).

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1 DEFINITIONS

1. *Archaeological Resource* has the same meaning as “archaeological resource” in the Bureau of Ocean Energy Management (BOEM) regulations provided in 30 CFR 585.113.
2. *Commercial fisheries* means commercial and processor businesses engaged in the action of catching and marketing fish and shellfish for sale from the U.S. exclusive economic zone.
3. *Day(s)* means a calendar day(s) unless otherwise specified.
4. *Geological and Geophysical Survey (G&G Survey)* serves as a collective term for surveys that collect data on the geology of the seafloor and landforms below the seafloor. High-resolution geophysical surveys and geotechnical (sub-bottom) exploration are components of G&G surveys.
5. *Geotechnical Exploration*, also referred to as “Sub-bottom Sampling,” or “Geotechnical Testing,” is used to collectively refer to acquiring site specific sediment and acquiring underlying geologic data from the seafloor and the sub-bottom and includes geotechnical surveys using deep borings, vibracores, and cone penetration tests.
6. *High Resolution Geophysical Survey (HRG Survey)* means a marine remote-sensing survey using, but not limited to, such equipment as side-scan sonar, magnetometer, shallow and medium (seismic) penetration sub-bottom profiler systems, narrow beam or multibeam echo sounder, or other such equipment employed to provide data on geological conditions, identify shallow hazards, identify archaeological resources, chart bathymetry, and gather other site characterization information.
7. *Indian Tribe or Tribe* means any American Indian or Alaska Native Tribe, band, nation, pueblo, rancheria, village, or community that the Secretary of the Interior acknowledges to exist as an Indian Tribe pursuant to the Federally Recognized Indian Tribe List Act of 1994, 25 U.S.C. § 5131.
8. *Protected Species* means a species protected under the Endangered Species Act (ESA) or the Marine Mammal Protection Act, or both.

9. *Qualified Marine Archaeologist* means a person retained by the Lessee who meets the Secretary of the Interior’s Professional Qualifications Standards for Archaeology (48 FR 44738–44739) and has experience analyzing and interpreting marine geophysical data.
10. *Regional Lessee(s)* means Lessees who own leases in the same region. The Lessor may determine the regions at the Lessor’s discretion.
11. *Site Assessment Activities* or “site assessment,” has the same meaning as “site assessment activities” in 30 CFR 585.113.

2 SITE CHARACTERIZATION

2.1 Survey Plan(s)

Prior to conducting each physical, biological, or cultural resources survey in support of the submission of an SAP or COP, the Lessee must submit to the Lessor a survey plan. Each distinct survey effort (e.g., mobilization) must be addressed by a survey plan, although a single survey plan may cover more than one survey effort and may cover multiple types of activities (e.g., geotechnical and geophysical surveys on lease and along cable routes).

Each survey plan must include details of activities to be conducted and timelines of each survey effort necessary to support the submission of a SAP or COP (i.e., necessary to satisfy the information requirements in the applicable regulations, including, but not limited to, 30 CFR 585.606, 610, 611, 621, 626, 627, et al.). The Lessor will not accept survey plans that do not provide sufficient detail for review, including, but not limited to, specific description and illustration of the geographic areas to be surveyed, specific discussion of the survey methods and equipment to be employed, and a schedule of survey activities.

The Lessee must demonstrate compliance with each of the lease stipulations in Section 3 of Addendum C and include any waiver requests in its initial survey plan. Each survey plan must be consistent with the Lessee’s Native American Tribes Communications Plan (NATCP) (see Addendum C, Section 3.1.2), Agency Communications Plan (ACP) (see Addendum C, Section 3.1.3), and Fisheries Communications Plan (FCP) (see Addendum C, Section 5.4.1), and must include a description of the Lessee’s intentions to coordinate with the U.S. Coast Guard (USCG) to prepare a Notice to Mariners for the specific survey activities described in the survey plan.

The Lessee must submit a survey plan to the Lessor at least 90 days prior to commencement of any survey activities described in the survey plan. Within 30 days from receipt, the Lessor may request that the Lessee modify the survey plan to address any comments the Lessor submits to the Lessee on the contents of the survey plan. Comments must be addressed by the Lessee in a manner deemed satisfactory by the Lessor prior to commencement of the survey activities. If the Lessor does not respond with comments or objections within 30 days of receipt of the survey plan, the Lessee may proceed with the survey activities per the proposed schedule. The lack of Lessor comment on or objection to the survey plan does not ensure acceptance of the

survey results with the SAP and/or COP.

2.2 Pre-Survey Meeting(s) with the Lessor

If requested by the Lessor, the Lessee must hold a pre-survey meeting with the Lessor prior to the commencement of survey activities to discuss the applicable survey plan. The Lessee must ensure the presence at this meeting of all relevant subject matter experts, as requested by the Lessor.

3 REPORTING

3.1 Progress Report

The Lessee must submit to the Lessor a progress report every six months (unless the Lessor directs otherwise) during the site assessment term that includes a brief narrative of the overall progress since the last progress report, or—in the case of the first report—since the Effective Date. Within 60 days from receipt, the Lessor may request the Lessee modify the progress report to address any comments the Lessor submits to the Lessee on the contents of the document. The Lessee must address comments in a manner deemed satisfactory by the Lessor. If the Lessee does not address the comments provided by the Lessor in a timely and adequate manner, BOEM reserves the right to require specific actions, such as, but not limited to, third-party verification/mediation at the Lessee's expense, adjustment of required reporting frequency, or designation that the lease is not in good standing. This obligation does not expire at the end of the site assessment term and continues until the date of COP approval (if a COP is approved).

The progress report must:

- Identify Tribal Governments (Tribes) and parties with whom the Lessee made reasonable efforts to engage under Addendum C, Section 3.1.1 below, on elements of the Lessee's project development, including, but not limited to, plans required by BOEM (i.e., survey plan, SAP, COP) and workforce planning.
- Document, and update for subsequent reports, engagement with Tribes and parties since the previous reporting period.
- Document potential adverse effects from the Lessee's project to the interests of Tribes and parties.
- Document how, if at all, the design or implementation of the project has been informed by or altered to address these potential effects (including by investing in, or directing benefits to, Tribes and parties).
- Include a description of any anticipated or scheduled engagement activities for the next reporting period.
- Include feedback from engagement with Tribes and parties regarding transmission planning prior to proposing any export cable route.

- Provide information that can be made available to the public and posted on the BOEM website (for example, information may include schedule updates; survey vessels used; ports; timelines; public meeting dates; etc.); and
- Include strategies to reach individuals with limited English proficiency who could be affected by the Lessee's future offshore wind development.

The intent of this requirement is to improve Lessee communication and transparency with affected Tribes, parties, and members of the public, and to encourage lessees to identify and engage with underserved communities, including those described in Executive Order 12898 on environmental justice that may be disproportionately impacted by the Lessee's activities on the Outer Continental Shelf (OCS), to avoid, minimize, and mitigate potential adverse effects by, for example, investing in these communities.

BOEM will protect privileged or confidential information that the Lessee submits, as authorized by the Freedom of Information Act (FOIA), 30 CFR 585.114, or other applicable statutes. If the Lessee wishes to protect the confidentiality of information, the Lessee should clearly mark it "Contains Privileged or Confidential Information" and consider submitting such information as a separate attachment. BOEM will not disclose such information, except as required by FOIA. If a Lessee's submission is requested under FOIA, that information will be withheld only if a determination is made that one of FOIA's exemptions to disclosure applies. Such a determination will be made in accordance with the Department's FOIA regulations and applicable law. Labeling information as privileged or confidential alerts BOEM to more closely scrutinize whether it warrants withholding. Further, BOEM will not treat as confidential aggregate summaries of non-confidential information.

3.1.1 Survey Reporting

The progress report must include an update regarding progress in executing the activities included in the survey plan(s) (see Addendum C, Section 2.1) and include as an enclosure an updated survey plan(s) accounting for any modifications in schedule.

3.1.2 Engagement

Lessee engagement must allow for early and active information sharing, focused discussion of potential issues, and collaborative identification of solutions. The Lessee will make reasonable efforts to engage with Tribes and parties that may be potentially affected by the Lessee's project activities on the OCS, including, but not limited to the following:

- Coastal communities
- Commercial and recreational fishing industries and stakeholders
- Educational and research institutions
- Environmental and public interest non-governmental organizations
- Federal, state, and local agencies
- Mariners and the maritime industry

- Ocean users
- Submarine cable operators
- Tribes
- Underserved communities, as defined in Section 2 of Executive Order 13985.

The Lessee will make reasonable efforts to implement the project in a manner that minimizes, mitigates, and/or redresses the project's adverse effects, if any, on Tribes and parties. The Lessee will engage in ways that minimize linguistic, technological, cultural, capacity, or other obstacles to parties. To facilitate engagement under this section, the Lessee should work collaboratively with Federal, state, and local governments, community leadership and organizations, and Tribes. The Lessee is strongly encouraged to work with Tribes and parties to develop specific efforts to increase groups' capacity to participate in the engagement activities described in this lease, for example, by creating working groups or formal agreements to monitor community impacts and implement community benefits.

The progress report must include a section with plans for how the Lessee will communicate with Tribal governments, agencies, and fisheries (see Addendum C, Sections 3.1.2, 3.1.3, and 5.4.1). In addition to the plans, each progress report should provide updates on the progress of communication efforts with those and other affected stakeholder or ocean user groups during the reporting period (see Addendum C, Section 3.1).

3.1.3 Native American Tribes Communications Plan (NATCP)

The Lessee must develop a publicly available NATCP that describes the strategies that the Lessee intends to use to communicate with Tribes that have cultural and/or historical ties to the Lease Area. The purpose of the NATCP is to ensure early and active information sharing, focused discussion about potential issues, and collaborative identification of solutions to ensure that Tribes have an early and active role in providing input to the Lessee before the Lessee makes decisions about its proposed facility that may impact the Tribes' cultural, economic, environmental, and other interests. The Lessee will work with the Lessor to identify Tribes that have cultural and/or historical ties to the Lease Area and invite those Tribes to participate in development of the NATCP. The Lessee must engage with these Tribes in the development of the NATCP in accordance with each Tribe's consultation policies, procedures, and/or preferences, if any, as indicated in writing by an authorized representative of a given Tribe's governing body.

The NATCP must include the contact information for an individual retained by the Lessee as its primary point of contact with Tribes (i.e., a Tribal Liaison). The NATCP should include detailed information and protocols for regular engagement with Tribes including, but not limited to, the types of engagement activities (e.g., one-on-one meetings, group meetings, open houses, open information sharing meetings), the frequency of proposed engagements/meetings (e.g., monthly, quarterly, bi-annually, annually), meeting locations and/or virtual platforms; contact information (e.g., telephone numbers, email addresses, website addresses), and notification procedures for the Tribal pre-survey meeting (see Addendum C, Section 5). The

plan should outline specific methods to engage with Tribes and to disseminate information related to planned activities in the Lease Area to the Tribes, and a process to address and resolve disputes. The NATCP should also include protocols for the unanticipated discovery of any potential pre-contact archaeological resource(s) (see Addendum C, Section 5).

The Lessee must provide the NATCP to the Lessor and Tribes for review and comment and host a meeting with the Lessor and all interested Tribes to discuss the NATCP. The Lessee must provide the NATCP and host the Tribal-Lessor meeting within 120 days of the lease Effective Date. The Lessee may request that the Lessor extend the 120-day deadline, and meetings may include multiple interested Tribes. If a Tribe wishes to participate in NATCP engagement opportunities, the Lessee should request that the Tribe designate a Tribal Representative to serve as the Tribe's primary point of contact for communicating with the Lessee. If a Tribe does not respond to outreach from the Lessee, the Lessee needs to continue to invite the Tribe to participate in NATCP engagement opportunities until an authorized representative of the Tribe's governing body provides a written response notifying the Lessee or Lessor that the Tribe does not wish to participate in the development of the NATCP. If a Tribe does not wish to participate in the development of the NATCP as indicated in writing by an authorized representative of the Tribe's governing body, the Lessee is no longer required to include them in NATCP communications. Any subsequent revisions to the NATCP resulting from NATCP engagement must be submitted to the Lessor with supporting documentation.

3.1.4 Agency Communications Plan (ACP)

The Lessee must develop a publicly available ACP that describes the strategies that the Lessee intends to use to communicate with Federal, state, and local agencies (including harbor districts) with authority related to the Lease Area and should outline specific methods to engage with and disseminate information to these agencies. The purpose of the ACP is to ensure early and active information sharing, focused discussion of potential issues, and collaborative identification of solutions to improve the quality and efficiency of various agency decision-making processes, and to promote the sustainable development of offshore wind energy projects. The ACP must include the contact information for an individual retained by the Lessee as its primary point of contact with agencies, (i.e., an Agency Liaison). The ACP should include detailed information and protocols for regular engagement with permitting, planning, and resource agencies including, but not limited to, the types of engagement activities (e.g., one-on-one meetings, interagency meetings, open information sharing meetings), the frequency of proposed engagements/meetings (e.g., monthly, quarterly, bi-annually, annually), meeting locations and/or virtual platforms, and contact information (e.g., telephone numbers, email addresses).

The Lessee must provide the ACP to the Lessor and other permitting, planning, and resource agencies with authority related to the Lease Area for review and comment and host a meeting with the Lessor and all interested agencies to discuss the ACP. The Lessee must provide the ACP and host the meeting within 120 days of the Lease Effective Date. The Lessee may request the Lessor extend the 120-day deadline and meetings may include multiple agencies. The Lessee

must invite agencies with planning and/or permitting roles and/or resource expertise to participate in the ACP. The Lessee should request that the agency designate a primary point of contact to communicate with the Lessee. If an agency states in writing to the Lessee or Lessor that it does not wish to participate in the ACP, the Lessee need no longer include that agency in ACP communications and must document this change in the ACP. If an agency does not respond to outreach from the Lessee, the Lessee will continue to invite the agency to participate in ACP engagement opportunities until the agency provides a response. Note that a decision to not participate in the ACP in no way changes the agency's regulatory authority or the need to communicate with that agency. Any subsequent revisions to the ACP resulting from engagement with participating agencies must be submitted to the Lessor with supporting documentation.

3.1.5 Coordinated Engagement

To the maximum extent practicable, the Lessee must coordinate engagement activities with other regional lessees and document its activities in its progress reports. Lessees must design coordinated engagement activities to decrease the communication and consultation burden on Tribes and parties. BOEM appreciates that not all engagement can be coordinated.

4 NATIONAL SECURITY AND MILITARY OPERATIONS

4.1 Hold and Save Harmless

Whether compensation for such damage or injury might be due under a theory of strict or absolute liability or otherwise, the Lessee assumes all risks of damage or injury to persons or property, which occur in, on, or above the OCS, to any persons or to any property of any person or persons in connection with any activities being performed by the Lessee in, on, or above the OCS, if such injury or damage to such person or property occurs by reason of the activities of any agency of the United States Government, its contractors, or subcontractors, or any of its officers, agents or employees, being conducted as a part of, or in connection with, the programs or activities of the individual military command headquarters (hereinafter "the appropriate command headquarters") listed in the contact information provided as an enclosure to this lease.

Notwithstanding any limitation of the Lessee's liability in Section 9 of the lease, the Lessee assumes this risk whether such injury or damage is caused in whole or in part by any act or omission, regardless of negligence or fault, of the United States, its contractors or subcontractors, or any of its officers, agents, or employees. The Lessee further agrees to indemnify and save harmless the United States against all claims for loss, damage, or injury in connection with the programs or activities of the appropriate command headquarters, whether the same be caused in whole or in part by the negligence or fault of the United States, its contractors, or subcontractors, or any of its officers, agents, or employees and whether such claims might be sustained under a theory of strict or absolute liability or otherwise.

4.2 Evacuation or Suspension of Activities

4.2.1 General

The Lessee hereby recognizes and agrees that the United States reserves and has the right to temporarily suspend operations and/or require evacuation of this lease in the interest of national security consistent with Section 3(c) of this lease.

4.2.2 Notification

Every effort will be made by the appropriate military agency or appropriate command headquarters to provide as much advance notice as possible of the need to suspend operations and/or evacuate. Temporary suspension of operations may include, but is not limited to, the evacuation of personnel and appropriate sheltering of personnel not evacuated. "Appropriate sheltering" means the protection of all Lessee personnel for the entire duration of any Department of Defense (DoD) activity from flying or falling objects or substances and will be implemented by an order (oral and/or written) from the Lessor Lease Representative or designee, after consultation with the appropriate command headquarters or other appropriate military agency, or higher federal authority. The appropriate command headquarters, military agency, or higher authority will provide information to allow the Lessee to assess the degree of risk to, and provide sufficient protection for, the Lessee's personnel and property.

4.2.3 Duration

Suspensions or evacuations for national security reasons will not generally exceed seventy-two (72) hours; however, any such suspension may be extended by order of the Lessor Lease Representative or designee. During such periods, equipment may remain in place, but all operations, if any, must cease for the duration of the temporary suspension if so directed by the Lessor Lease Representative or designee. Upon cessation of any temporary suspension, the Lessor Lease Representative or designee will immediately notify the Lessee such suspension has terminated and operations on the leased area can resume.

4.2.4 Lessee Point-of-Contact for Evacuation/Suspension Notifications

The Lessee must inform the Lessor of the persons/offices to be notified to implement the terms of Addendum C, Sections 4.2.2 and 4.2.3.

4.2.5 Coordination with Appropriate Command Headquarters:

The Lessee must establish and maintain early contact and coordination with the appropriate command headquarters in order to avoid or minimize the potential to conflict with, and minimize the potential effects of conflicts with, military operations.

4.2.6 Reimbursement

The Lessee is not entitled to reimbursement for any costs or expenses associated with the

suspension of operations or activities or the evacuation of property or personnel in fulfillment of the military mission in accordance with Addendum C, Sections 4.2.1 through 4.2.5 above.

4.3 Coordination with Military Operations

The Lessee, prior to entry into any designated defense operating area, warning area, or water test area, must coordinate planned survey, construction, or operations/maintenance activities with the appropriate command headquarters. The Lessee and DoD will develop a communication protocol to identify mission compatibility concerns or conflicts. The Lessee will resolve conflicts to the maximum extent practicable or provide justification to DoD stating why resolution is infeasible.

4.4 Foreign Interest

It is a priority for the DoD and Lessor to protect national defense capabilities and military operations, including military installations, research, development, test and evaluation activities, and military readiness activities, from compromise and exploitation that may occur due to any OCS activity under foreign ownership, control, or influence occurring in the vicinity of those national defense capabilities and military operations. To further these goals, the Lessee must coordinate with DoD to enable a risk assessment. Such coordination must be with the DoD contacts listed in this lease's Contact Information for Reporting Requirements (see enclosure) and must be done at least 120 days after the Lease effective date, or within another appropriate timeframe determined acceptable by DoD, and annually thereafter on the lease effective date. The information required by DoD from the Lessee, includes, but is not limited to:

- The names of each entity and person having beneficial ownership or control of 5 percent or more of the Lessee and the designated operator.
- The names of material vendors and manufacturers who will regularly visit the Project on the OCS, who supply or manufacture equipment used on the OCS, control equipment used on the OCS, or have access to associated data systems.
- In addition, the following information must be provided for each director and the top five executives of the Lessee and the designated operator: full legal name, date of birth, country of citizenship, and permanent address.

This reporting obligation is ongoing and applies to any new entity that will be performing activities in the Lease Area and for which the information was not previously provided to the DoD. Any security concerns identified by the DoD during its review of information provided about potential foreign interests pursuant to this stipulation must be resolved before the Lessee allows access to the Lease Area to any foreign persons (as defined in 31 CFR § 800.224).

4.5 Notice of Assignment to the Committee on Foreign Investment in the United States (CFIUS)

If a prospective assignee is a foreign person (as defined in 31 CFR § 800.224), the assignor and the proposed assignee must jointly provide notice of the proposed transaction to CFIUS in accordance with

applicable regulations (31 CFR parts 800-802) and provide a copy of the notice to the DoD. Nothing in this lease prohibits or limits the DoD from submitting objections to CFIUS about the transaction, nor limits DoD's communications with CFIUS during national security reviews and investigations, and during any mitigation, tracking, and post-assignment monitoring and enforcement, pursuant to applicable statutes and regulations. Approval of any assignment of lease interest that is subject to this stipulation may conclude only after any of the following three CFIUS outcomes: 1) CFIUS concludes action on the Declaration; 2) CFIUS does not conclude action on the Declaration, but also does not request a Joint Voluntary Notice (JVN) or initiate a unilateral review; or 3) CFIUS requests a JVN be filed or initiates a unilateral review subsequent to the Declaration, and then concludes action on that further review.

4.6 National Security Risk Assessment

Lessee will coordinate with and enable DoD to conduct a national security risk assessment of proposed distributed optical fiber sensing equipment and Lessee controlled acoustic monitoring devices. Lessee will work with DoD to identify information needs and include the information as part of its Construction and Operations Plan (COP) submittal to Lessor. The risk assessment may be completed prior to submission of the COP, as determined through coordination with DoD. Mitigation measures will be identified as necessary and upon completion of Lessor's and DoD's review of the COP.

5 STIPULATIONS

5.1 General Requirements

Prior to the start of Commercial Operations, the Lessee must hold a briefing to establish responsibilities of each involved party, define the chains of command, discuss communication procedures, provide an overview of monitoring procedures, and review operational procedures. This briefing must include all relevant personnel, crew members, and Protected Species Observers (PSOs). New personnel must be briefed as they join the work in progress.

5.1.1 Research Site Access

The Lessor, or its designated representative, retains the right to access, for research purposes, the site of any operation or activity conducted under this lease. The Lessor will make a good faith effort to provide prior notice of its need for access. This provision does not limit the Lessor's authority to access the lease for other purposes, including, but not limited to, inspections conducted pursuant to 30 CFR 285.822.

5.2 Protected Species

5.2.1 Endangered Species Act (ESA) Coordination for Biological Surveys

The Lessee must coordinate with BOEM, the National Marine Fisheries Service (NMFS), and U.S. Fish and Wildlife Service (USFWS) prior to designing, and again before conducting, biological surveys intended to support offshore renewable energy plans that could interact with ESA-

listed species.

5.2.2 Endangered Species Act Consultation for Biological Surveys

BOEM has consulted with the NMFS and the USFWS on biological surveys expected to occur on the Lease Area. If the Lessee intends to design and conduct biological surveys to support offshore renewable energy plans that could interact with ESA-listed species, the surveys must be within the scope of activities described in the existing ESA consultation, or the Lessee must consult further with BOEM and the Services. Please see [citation for forthcoming ESA consultation] for data collection activities that have been previously consulted upon.

5.3 Geological and Geophysical Survey Requirements

5.3.1 Protected Species

The Lessee must comply with the protective measures identified by the Lessor through its ESA consultation process and located in [citation to forthcoming ESA consultation]. The Lessor will provide up-to-date information at the pre-survey meeting, during survey plan review, or at another time prior to survey activities as requested by the Lessee. At the Lessee's option, the Lessee, its operators, personnel, and contractors may satisfy these survey requirements related to protected species by complying with the NMFS-approved measures to safeguard protected species that are most current at the time an activity is undertaken under this lease, including but not limited to new or updated versions of the [citation to forthcoming ESA consultation], or through new or activity-specific consultations.

5.4 Commercial Fisheries

The Lessee, operator(s), subcontractor(s), and all personnel involved in surveys and development will endeavor to minimize conflicts between the offshore wind industry and the commercial fishing industry.

Prior to submitting a COP to the Lessor, the Lessee will contact potentially affected commercial fishing communities or their representatives to discuss potential conflicts with the siting, timing, and methods proposed. Through this consultation, the Lessee will ensure that, whenever feasible, survey and development activities are compatible with seasonal fishing operations.

The Lessee must show in the proposed COP the marine vessel operation routes that will be used to minimize impacts on commercial fishing, marine mammals, and protected species.

5.4.1 Fisheries Communications Plan and Fisheries Liaison

The Lessee must develop a publicly available FCP within 120 days of lease execution that describes the strategies that the Lessee intends to use to communicate with fisheries stakeholders prior to and during activities in support of the submission of a plan. The FCP must

include the contact information for an individual retained by the Lessee as its primary point of contact with fisheries stakeholders (i.e., Fisheries Liaison). The FCP must also include the strategy and timing of discussions with fishing communities regarding the reduction of conflicts with facility designs and marine vessel operations pursuant to lease stipulation 3.1.1. The Lessee will make the FCP easily accessible to the public, including through a local “Notice to Mariners” and outreach to Fisheries Management Councils, Fisheries Liaison Officers and/or Fisheries Representatives, and applicable state agencies.

- (1) The FCP must include a process to file a complaint with the offshore wind operator and seek the replacement of or compensation for lost gear.
- (2) The Lessee is required to (i) notify applicable ocean users two weeks in advance of any G&G survey activities, and (ii) provide an annual summary of filed complaint claims and outcomes to BOEM so that BOEM can better understand the frequency and extent of gear interactions.
- (3) The Lessee must show in the COP the marine vessel operation routes that will be used to minimize impacts on commercial fishing, marine mammals, and protected species.
- (4) The Lessee also must include in the COP an analysis of the effects of its operations on the allocation and use of local dock space by fishing boats and project marine vessels. These analyses must address present uses, predicted project-dependent uses that increase the level of demand, and an assessment of individual and cumulative impacts.
- (5) All activities associated with the preparation of the COP will, to the extent practicable, minimize the infrastructure spatial footprint and be conducted to avoid the creation of obstacles and entanglement hazards to commercial fishing operations. Anchoring patterns will be designed to minimize displacement area.

5.5 Archaeological Survey Requirements

5.5.1 No Impact without Approval

In no case may the Lessee knowingly impact a potential archaeological resource without the Lessor’s consent pursuant to the Lessor’s compliance with the National Historic Preservation Act.

5.5.2 Archaeological Survey Required

The Lessee must provide the methods and results of an archaeological survey with its plans (i.e., SAP and/or COP).

5.5.3 Qualified Marine Archaeologist

The Lessee must ensure that the analysis of archaeological survey data collected in support of a plan (i.e., SAP and/or COP) submittal and the preparation of archaeological reports in support of plan submittal are conducted by a Qualified Marine Archaeologist.

5.5.4 Tribal Pre-Survey Meeting

The Lessee must coordinate a Tribal pre-survey meeting by sending a letter through certified mail and following up with email or phone calls as necessary. The Lessee must send notification of the Tribal pre-survey meeting at least 15 days prior to the date of the proposed Tribal pre-survey meeting to the following Tribes¹ and any additional Tribes identified in the NATCP (see 3.1.2):

- Burns Paiute Tribe
- Confederated Tribes of Coos, Lower Umpqua and Siuslaw Indians
- Confederated Tribes of Grand Ronde
- Confederated Tribes of Siletz Indians
- Confederated Tribes of Umatilla Indian Reservation
- Confederated Tribes of Warm Springs
- Coquille Indian Tribe
- Cow Creek Band of Umpqua Tribe of Indians
- Elk Valley Rancheria
- Hoh Indian Tribe
- Karuk Tribe
- Klamath Tribe
- Makah Tribe
- Quileute Tribe
- Quinault Indian Nation
- Tolowa Dee-ni' Nation

The purpose of this meeting will be for the Lessee and the Lessee's Qualified Marine Archaeologist to discuss the Lessee's Survey Plan and consider requests to monitor portions of the archaeological survey and the geotechnical exploration activities, including the visual logging and analysis of geotechnical samples (e.g., cores). The meeting must be scheduled for a date at least 30 days prior to commencement of survey activities performed in support of plan submittal and at a location and time that affords the participants a reasonable opportunity to participate. The anticipated date for the meeting must be identified in the timeline of activities described in the applicable survey plan (see Section 2.1). The Lessee must provide the Lessor with documentation of compliance with this stipulation prior to commencement of surveys.

5.5.5 Geotechnical Exploration

The Lessee may only conduct geotechnical exploration activities performed in support of plan (i.e., SAP and/or COP) submittal in locations where an analysis of the results of geophysical surveys has been completed. This analysis must include a determination by a Qualified Marine Archaeologist as to whether any potential archaeological resources are present in the area. Except as allowed by the Lessor under Section 5.5.1, the geotechnical exploration activities must avoid potential archaeological resources by a minimum of 50 meters (164 feet), and the

¹ The list will be finalized in consultation with the Tribes as part of the proposed sale notice (PSN) review.

avoidance distance must be calculated from the maximum discernible extent of the archaeological resource. A Qualified Marine Archaeologist must certify, in the Lessee's archaeological reports, that geotechnical exploration activities did not impact potential historic properties identified as a result of the HRG surveys performed in support of plan submittal. If the geotechnical exploration activities did impact potential historic properties identified in the archaeological surveys without the Lessor's prior approval, the Lessee must follow the procedures outlined in Section 5.5.7 for post-review discoveries.

5.5.6 Monitoring and Avoidance

The Lessee must inform the Qualified Marine Archaeologist that he or she may elect to be present during HRG surveys and bottom-disturbing activities performed in support of plan (i.e., SAP and/or COP) submittal to ensure avoidance of potential archaeological resources, as determined by the Qualified Marine Archaeologist (including bathymetric, seismic, and magnetic anomalies; side-scan sonar contacts; and other seafloor or sub-surface features that exhibit potential to represent or contain potential archaeological sites or other historic properties). If the Qualified Marine Archaeologist states that he or she wishes to be present, the Lessee must reasonably facilitate the Qualified Marine Archaeologist's presence and provide the Qualified Marine Archaeologist the opportunity to inspect data quality.

5.5.7 Post-Review Discovery Clauses

If the Lessee, while conducting geotechnical exploration or any other bottom-disturbing activities in support of plan submittal (i.e., SAP and COP) and after review of the location by a Qualified Marine Archaeologist under Section 5.5.5, discovers an unanticipated potential archaeological resource, such as the presence of a shipwreck (e.g., a sonar image or visual confirmation of an iron, steel, or wooden hull, wooden timbers, anchors, concentrations of historic objects, piles of ballast rock) or evidence of a pre-contact archaeological site (e.g., stone tools, pottery, or other pre-contact artifacts) within the project area, the Lessee must complete the following:

- (1) Immediately halt seafloor/bottom-disturbing activities within the area of discovery by a minimum of 50 meters (164 feet), and the avoidance distance must be calculated from the maximum discernible extent of the archaeological resource.
- (2) Notify the Lessor within 24 hours of discovery. If the unanticipated discovery is believed to represent a pre-contact archaeological resource, the Lessee will also refer to the NATCP (Section 3.1.2.1) for additional guidance.
- (3) Notify the Lessor in writing via report to the Lessor within 72 hours of the discovery.
- (4) Keep the location of the discovery confidential and take no action that may adversely impact the archaeological resource until the Lessor has made an evaluation and instructs the applicant on how to proceed.
- (5) Conduct additional investigations, as directed by the Lessor, to assist BOEM in determining if the resource is eligible for listing in the National Register of Historic Places (30 CFR 585.802(b)). The Lessor will direct the Lessee to conduct such

investigations if (1) the site has been impacted by the Lessee's project activities; or (2) impacts on the site or the area of potential effect cannot be avoided. If investigations indicate that the resource is potentially eligible for listing in the National Register of Historic Places, the Lessor will inform the Lessee how to protect the resource or how to mitigate adverse effects on the site. If the Lessor incurs costs in protecting the resource, then, under Section 110(g) of the National Historic Preservation Act, the Lessor may charge the Lessee reasonable costs for carrying out preservation responsibilities under the OCS Lands Act (30 CFR 585.802(c-d)).

5.6 Avian and Bat Survey Reporting Requirements

5.6.1 Lighting

Any lights used by the Lessee to aid marine navigation during construction, operations, and decommissioning of a meteorological buoy must meet USCG requirements for private aids to navigation (https://www.navcen.uscg.gov/pdf/AIS/CG_2554_Paton.pdf) and BOEM's Guidelines for Lighting and Marking of Structures Supporting Renewable Energy Development (<https://www.boem.gov/2021-lighting-and-marking-guidelines>). For any additional lighting, the Lessee must use such lighting only when necessary, and the lighting must be hooded downward and directed, when possible, to reduce upward illumination and illumination of adjacent waters.

5.6.2 Motus Wildlife Tracking System

To help address information gaps on offshore movements of birds and bats, including ESA-listed species, the Lessee must install Motus stations on meteorological or environmental data buoys in coordination with USFWS's Offshore Motus network before deployment on the OCS.

5.6.3 Bird Deterrents

To minimize the attraction of birds, the Lessee must install bird deterrent devices (e.g., anti-perching) where appropriate on meteorological buoys before deployment on the OCS.

5.6.4 Avian and Bat Annual Reporting

The Lessee must provide an annual report to both the Lessor and USFWS using the contact information provided in this lease, or updated contact information as provided by the Lessor. This report must document any dead or injured birds or bats found during activities conducted in support of plan submittal. The first report must be submitted within 6 months of the start of the first survey conducted in support of plan submittal, and subsequent reports must be submitted annually thereafter until all surveys in support of plan submittal have been concluded and all such birds and bats have been reported. If surveys are not conducted in a given year, the annual report may consist of a simple statement to that effect. An annual report must be provided to BOEM and USFWS by January 31 documenting any

dead (or injured) birds or bats found on vessels and structures during construction, operations, and decommissioning. The report must contain the following information: the name of species, date found, location, a picture to confirm species identity (if possible), and any other relevant information. Carcasses with Federal or research bands must be reported to the United States Geological Survey Bird Band Laboratory, available at <https://www.usgs.gov/labs/bird-banding-laboratory>.

Survey Results and Data: The Lessee must provide the results of avian surveys and data to BOEM and USFWS when the Lessee submits its plans for approval (i.e., SAP and COP).

6 PROJECT LABOR AGREEMENTS

6.1 Project Labor Agreements

The Lessee must make every reasonable effort to enter a Project Labor Agreement(s) (PLA) that covers the construction stage of any project proposed for the leased area, and that applies to all contractors.

7 SUPPLY CHAIN STATEMENT OF GOALS

7.1 Supply Chain Statement of Goals

The Lessee must submit to the Lessor a Statement of Goals in which the Lessee describes any plans, including engagement with domestic suppliers, by the Lessee to contribute to the creation of a robust and resilient US-based floating offshore wind supply chain. The Statement of Goals must include the Lessee's plans to invest in supply chain improvements, if any, to support the floating offshore wind industry, including investments in the following:

- Installation, downpipe, survey and other vessels
- Port infrastructure related to floating offshore wind project component manufacturing and wind turbine assembly
- Grid upgrades
- Research and development
- Manufacturing of components and facilities, including assistance in converting onshore wind turbine manufacturing facilities to floating offshore wind turbine manufacturing facilities
- Supply chain architecture, such as fabrication and assembly halls, port storage, laydown areas
- Lift cranes supporting floating offshore wind component manufacturing and assembly quayside
- Dry docks and navigation channels
- Onshore and offshore docking and refueling stations for autonomous vehicles

- Workforce diversity, training, and development, including within underserved communities and with Tribes
- Ensuring equal access to contracting opportunities, including to disadvantaged businesses² and Indian Economic Enterprises.

If a COP is approved, the Lessee must provide annual updates to the Lessor on the Lessee's progress in meeting these goals. This information may be provided as part of the certification of compliance statement submitted pursuant to 30 CFR 285.633(a). The Lessee must submit a final report evaluating the Lessee's success in meeting these goals no later than the first Fabrication and Installation Report (FIR) submission. The Lessee must submit two versions of the Statement of Goals, updates, and final report, one of which does not contain confidential information, so that BOEM can make it publicly available.

8 WORKFORCE TRAINING AND/OR DOMESTIC SUPPLY CHAIN DEVELOPMENT BIDDING CREDIT

8.1 General Requirements and Restrictions:

The Lessee has committed \$**X,XXX,XXX** for the benefit of workforce training and/or domestic supply chain development as part of its high bid (hereinafter, the "Contribution").³ The Contribution must support workforce training programs for the U.S. floating offshore wind industry, development of a U.S. domestic supply chain for the floating offshore wind industry, or both. The Contribution for workforce training and/or domestic supply chain development can be made in support of existing programs, or for the establishment of new programs or incentives associated with the planning, design, construction, operation, maintenance, or decommissioning of U.S. floating offshore wind energy projects, or the manufacturing or assembling of their components. The Contribution must be made by the Lessee, its parent company, or an affiliated entity.⁴ The Lessee must meet this commitment in accordance with the Conceptual Strategy submitted pursuant to the Bidder's Financial Form (BFF).

Contributions must be made to one or more of the following: (i) private, public, or municipal corporations, companies, associations, or partnerships; counties, parishes, cities, or towns or other legal entities organized under the laws of any State of the United States, the District of Columbia, or the law of any Tribe or federal law applying to Tribes, or the law of any territory or insular possession subject to U.S. jurisdiction; (ii) an executive agency of the United States as

² A disadvantaged business entity is one at least 51% owned and controlled by a socially and economically disadvantaged individual or individuals, as defined by the Small Business Administration (<https://www.sba.gov/federal-contracting/contracting-assistance-programs/small-disadvantaged-business>).

³ As used herein, "Contribution" includes: (i) direct transfers or payments of monetary funds and (ii) establishment of non-refundable monetary commitments or guarantees (including, but not limited to, revolving funds, trusts and loan guarantees).

⁴ See definition of "affiliated entities" in the Final Sale Notice. For purposes of this lease and the BFF, the term "affiliated entities" is not limited to persons that participated in the auction.

defined in section 105 of Title 5 of the U.S. Code with authority to accept the Contribution for the purposes for which the bidding credit is authorized; or (iii) a State of the United States or a political subdivision thereof or a Tribe. Contributions cannot be made to the parent or affiliated entities of the Lessee or for purposes of directly or indirectly satisfying a purchase or work order of the Lessee.

Any benefits provided should not duplicate benefits or mitigation measures imposed on the Lessee through, or pursuant to, statutes other than the Outer Continental Shelf Lands Act (OCSLA).

The Lessee, its parent company, or its affiliated entities are not permitted to retain an ownership/equity interest in the entity receiving the Contribution, receive a discount on the market price for goods and services provided by the recipient, or receive other preferential treatment resulting from the Contribution, but may purchase floating offshore wind goods and services from the recipient at market rates. The Contribution must be made before the Lessee submits the first Facility Design Report (FDR) or the tenth Lease Anniversary, whichever is sooner. Contributions cannot be used to satisfy private cost shares for any federal tax or other incentive programs where cost sharing is a requirement. No portion of the Contribution may be used to meet the requirements of any other bidding credits for which the Lessee qualifies.

8.1.1 Workforce Training Credit – Requirement and Restrictions:

The Contribution for workforce training must result in a better trained and/or larger floating offshore wind workforce in the United States that would provide for more efficient operations via an increase in the supply of fully trained personnel. Workforce training contributions must support the development of skills for the general workforce (i.e., not only the Lessee’s workers) used in the planning, design, construction, operation, maintenance, or decommissioning of floating offshore wind energy projects.

Training of existing Lessee employees, Lessee contractors, or employees of affiliated entities will not qualify for this Contribution. All floating offshore wind Lessees must have the opportunity to hire individuals trained in programs that benefited from the Contribution. Trainees cannot be contractually required to enter into employment agreements with either the Lessee making the Contribution or the entity providing the training.

The workforce training must be provided in the United States and to citizens of the United States, nationals of the United States, or aliens lawfully admitted for permanent residence in the United States as defined in 8 U.S.C. 1101(a)(20).

Contributions to workforce training must be one or more of the following:

- Contributions toward union apprenticeships, labor management training partnerships, stipends for workforce training, or other technical training programs or institutions focused on providing skills necessary for the planning, design, construction, operation,

maintenance, or decommissioning of floating offshore wind energy projects on the United States OCS.

- Contributions toward maritime training necessary for the crewing of vessels to be used for the construction, servicing, and/or decommissioning of wind energy projects on the United States OCS.
- Contributions toward training workers in skills or techniques necessary to manufacture or assemble floating offshore wind components, subcomponents or subassemblies. Examples of these skills and techniques include those in the areas of welding; wind energy technology; hydraulic maintenance; braking systems; mechanical systems, including blade inspection and maintenance; or computers and programmable logic control systems.
- Contributions toward Tribal floating offshore wind workforce development programs or training for employees of wholly owned Tribal corporations in skills necessary in the floating offshore wind industry.
- Contributions toward training in any other job skills that the Lessee can demonstrate are necessary for the planning, design, construction, operation, maintenance, or decommissioning of floating offshore wind energy projects on the United States OCS.
- Contributions to workforce training should not include those for K–12 education programming or other public education efforts or University scholarships or academic research even if related to floating offshore wind. BOEM has determined that these will not meet the requirements as outlined above.

8.1.2 Domestic Supply Chain Credit – Requirement and Restrictions

The Contribution must result in (i) overall benefits to the U.S. floating offshore wind supply chain available for all potential purchasers of floating offshore wind services, components, or subassemblies, not solely the Lessee’s project; (ii) either the demonstrable development of new domestic capacity (including vessels) or the demonstrable buildout of existing capacity; or (iii) a more robust domestic supply chain by reducing the upfront capital or certification cost for manufacturing floating offshore wind components, including by the building of facilities, the purchasing of capital equipment, and the certifying of existing manufacturing facilities. Supply chain development Contributions can be made to programs supporting the development of the supply chain or can be direct Contributions or incentives for manufacturing or other services supporting the floating offshore wind industry.

Contributions to domestic supply chain development must be for one or more of the following:

- Development of a domestic supply chain for the floating offshore wind industry, including manufacturing of components and sub-assemblies and the expansion of related services.

- Domestic Tier-2⁵ and Tier-3⁶ floating offshore wind component suppliers, such as mooring line manufacturers, and domestic Tier-1⁷ supply chain efforts, including quayside fabrication of floating foundations and assembly of floating towers.
- Technical assistance grants to help U.S. manufacturers re-tool or certify (e.g., ISO-9001) for floating offshore wind manufacturing.
- Development of Jones Act-compliant vessels for the construction, servicing, and/or decommissioning of floating offshore wind energy projects in the United States, including semi-submersible barges for use during quayside manufacturing, assembly, or installation.
- Contributions toward the purchase and installation of self-propelled modular transporter systems (SPMTs), lift cranes capable of installing foundations, towers, and nacelles quayside, and domestic mooring manufacturing facilities.
- Port infrastructure related to floating offshore wind component manufacturing and preparation of quayside manufacturing and assembly areas for the construction and deployment of floating foundations, or other components of floating offshore wind turbines.
- Establishing a new or existing bonding support reserve or revolving fund available to all businesses providing goods and services to floating offshore wind energy companies, including disadvantaged businesses, and/or Indian Economic Enterprises.
- Other Contributions to supply chain development efforts that the Lessee can demonstrate further the manufacturing of floating offshore wind components or subassemblies, or the provision of floating offshore wind services in the United States.

Contributions to domestic supply chain development should not include those for studies to evaluate suitable offshore wind manufacturing/assembly sites, or recipients for bidding credit Contributions, or carbon reduction or other greening efforts for manufacturing processes or ports. BOEM does not find that these efforts meet the requirements of the lease as outlined above.

8.1.3 Documentation

The Contribution must be verifiable by BOEM. The documentation provided by the Lessee must contain and elaborate on the information specified in the Conceptual Strategy submitted with

5 Tier 2: Sub-assemblies are the systems that have a specific function for a Tier 1 component. They may include sub-assemblies of a number of smaller parts, such as a pitch system for blades. Tier 2 manufacturers contract with Tier 1 suppliers as a subcontractor or vendor.

6 Tier 3: Subcomponents are commonly available items that are combined into Tier 2 sub-assemblies, such as motors, bolts, and gears. Tier 3 manufacturers are typically vendors that provide components to Tier 2 suppliers.

7 Tier 1 components examples include the primary offshore wind components such as the blades, nacelles, towers, foundations, and cables. Tier 1 components are the major products that are purchased by a floating offshore wind project developer, such as the wind turbine, foundation, or cables. Tier 1 suppliers are primary suppliers that contract directly with the project developer. Contributions for Tier 1 supply chain development can include infrastructure necessary for quay-side manufacturing, fabrication, or assembly.

the BFF and must allow BOEM to objectively verify (i) the amount of the Contribution and the beneficiary(ies) of the Contribution; and (ii) compliance with the bidding credit criteria provided in subsections 8.1, 8.1.1, and 8.1.2 of this section. The Lessee must provide written documentation to BOEM demonstrating payment of the full Contribution to initiatives or programs supporting workforce training and/or domestic supply chain development, as provided in subsections 8.1, 8.1.1, and 8.1.2 of this section. The documentation, verifying fulfillment of the entirety of the Contribution, must be submitted to BOEM before the Lessee submits the lease's first FDR or before the tenth Lease Anniversary, whichever is sooner.

The documentation must also describe how the funded initiative or program has advanced, or is expected to advance, U.S. floating offshore wind workforce training and/or supply chain development. The documentation must provide qualitative and/or quantitative information that includes the estimated number of trainees and/or jobs supported, or the estimated leveraged supply chain investment resulting or expected to result from the Contribution.

At a minimum, the documentation must include the following:

- All written agreements between the Lessee and beneficiary(ies) of the Contribution, which must detail the amount of the Contribution and how it will be used by the beneficiaries of the Contribution to satisfy the goals of the bidding credit for which the Contribution was made;
- All receipts documenting the amount, date, financial institution, and the account and owner of account to which the Contribution was made; and
- Sworn statements by the entity that made the Contribution and the beneficiary(ies) of the Contribution, attesting that all information provided in the above documentation is true and accurate.

If the Lessee's implementation strategy has changed from that in the Conceptual Strategy due to market needs or other factors, the Lessee must explain the changed approach in the documentation provided to BOEM.

8.1.4 Enforcement

BOEM reserves the right to determine that the bidding credit has not been satisfied if changes to the Lessee's Conceptual Strategy or its implementation, occurring after the auction, do not meet the criteria for the bidding credit described herein. The requirements and restrictions applicable to the bidding credit commitment described in subsections 8.1.1 and 8.1.2 of this section bind the Lessee and any future assignee(s) of the Lease as per 30 C.F.R. 585.410. Should BOEM determine the Lessee has not complied with all applicable requirements before the Lessee submits the Lease's first FDR or before its tenth Lease Anniversary, whichever is sooner, BOEM will notify the Lessee in writing of its noncompliance and allow the Lessee 30 days to remedy the deficiency, or additional time if approved by BOEM for good cause shown. During

this time, the Lessee may request a meeting with BOEM to clarify any potential mitigating circumstances or provide additional information. BOEM will convene a Fulfillment Panel that will make a final determination of compliance or noncompliance within 30 days from the meeting or from the latest date of receipt of additional information, whichever is later. If BOEM's Fulfillment Panel makes a final determination that a Lessee or assignee has failed to satisfy the commitment, or if a Lessee or assignee relinquishes or otherwise fails to develop the lease by the tenth Lease Anniversary, the amount corresponding to the bidding credit awarded will be immediately due and payable to the Office of Natural Resources Revenue (ONRR) with interest from the Lease Effective Date. The interest rate is the underpayment interest rate identified by ONRR. The Lessee will not be required to pay said amount if the Lessee satisfied its bidding credit requirements but relinquished or failed to develop the lease by the tenth Lease Anniversary. BOEM may, at its sole discretion, extend the documentation deadline beyond the first FDR submission or the tenth Lease Anniversary.

9 LEASE AREA USE COMMUNITY BENEFIT AGREEMENTS (CBA)

9.1 General Requirements and Restrictions

As committed to by the Lessee in the BFF, the Lessee must, before the first FDR is submitted or before the tenth Lease Anniversary, whichever is sooner, execute a Lease Area Use CBA with one or more communities, stakeholder groups, or Tribal entities whose use of the geographic space of the Lease Area, or whose use of resources harvested from that geographic space, is expected to be impacted by the Lessee's potential offshore wind development (hereinafter, in the context of the Lease Area Use CBA bidding credit, referred to as "impacted community"). The Lease Area Use CBA must:

- Be between the Lessee or its affiliated entity, or if appropriate, its assignee(s), and an impacted community;
- Specify how the impacted community's uses of the Lease Area or how the impacted community's use of resources harvested from the geographic space of the Lease Area is expected to be impacted by the Lessee's potential offshore wind development;
- Address impacts to the impacted community arising from lease development;
- Specify any monetary, material, or other benefits provided, or to be provided, by the Lessee to the impacted community, including any mitigation or other compensatory measures provided by the Lessee to the impacted community, such as the establishment of any special purpose funds and the mechanisms through which monies therein will be disbursed;
- Indicate the commitment of the parties to collaboration and resolution of issues. This commitment may be indicated by a statement that the parties will agree to mediation, a strategy for collaboration, or other type of plan describing how the parties will collaborate or resolve issues as needed;
- Describe communication methods, engagement methods, or educational opportunities for the impacted community; and

- Specify plans (or strategies) to mitigate potential impacts from the proposed development of the Lease Area on the impacted community.

Lessees must use best efforts to provide benefits at least commensurate to the value of the bidding credit received (\$X,XXX,XXX). This may include both monetary and non-monetary benefits. Any benefits provided to the impacted community should not duplicate benefits or mitigation measures imposed on the Lessee through, or pursuant to, statutes other than OCSLA.

The Lease Area Use CBA may assist fishing and related industries (including Tribal fisheries) by supporting their resilience and ability to adapt to gear changes or any potential gear loss or damage, as well as any loss of income, or other similar potential impacts that may arise from the development of the Lease Area. The Lease Area Use CBA may include payments into a special purpose fund, such as payments to support gear changes, navigation technology improvements, and other efforts to improve safety and navigation, or to compensate the fishing and related industries whose use of the geographic space of the Lease Area is impacted by the Lessee's potential offshore wind development.

The Lessee will meet its Lease Area Use CBA commitment(s) in accordance with the Conceptual Strategy submitted with the BFF.

The Lessee may execute a Lease Area Use CBA with a single entity, which may be a coalition that represents the diverse interests and inclusive needs of more than one impacted community, or multiple entities, or multiple impacted communities, and may execute more than one Lease Area Use CBA. A Lease Area Use CBA must be with an impacted community that is a:

- Private, public, or municipal corporation, company, association, or partnership; county, city, or town; or other legal entity organized under the laws of any State of the United States or the District of Columbia, the law of any federally recognized Tribe or Federal law applying to Tribes, or the law of any territory or insular possession subject to U.S. jurisdiction;
- Federally recognized Tribe under 25 U.S.C. § 5131; or
- State of the United States or a political subdivision thereof.

No Lease Area Use CBA that makes a Lessee eligible for a bidding credit may include exclusivity or preferential clauses that prevent or disincentivize an impacted community from entering into such agreements with other lessees or potential lessees. BOEM reserves the right to review Lease Area Use CBAs for such clauses. If an exclusivity or preferential clause exists in the Lease Area Use CBA or a related agreement, BOEM will rescind the bidding credit and commence the enforcement process as described in Addendum C, Section 9.1.2. No portion of a Lease Area Use CBA, fund, or agreement used for this credit may be used to meet the requirements of any other bidding credit for which the Lessee qualifies. Any Lease Area Use CBA used to meet the requirements of this stipulation must be appropriate to the Lease Area described in Addendum A and may apply within a reasonable distance onshore.

Any dispute between the Lease Area Use CBA parties will be expected to be resolved without BOEM's involvement.

9.1.1 Documentation

The Lessee must provide to BOEM a copy of the executed Lease Area Use CBA(s) before the Lessee submits the lease's first FDR or before the tenth Lease Anniversary, whichever is sooner. The documentation provided by the Lessee must contain and elaborate on the information specified in the Conceptual Strategy submitted with the BFF. The documentation must enable BOEM to objectively verify that the Lease Area Use CBA(s) has met the requirements for the Lease Area Use CBA bidding credit, and that it complies with the bidding credit criteria provided in Addendum C above.

At a minimum, this documentation must include the following:

- All written agreements between the Lessee and the impacted community, including the executed Lease Area Use CBA;
- A description of work done with impacted communities, including the monetary and non-monetary commitments that reflect the value of the bidding credit received; and
- Sworn statements by the Lease Area Use CBA signatories or their assignees, attesting to the truth and accuracy of all the information provided in the above documentation.

If elements of the Lessee's Conceptual Strategy undergo any significant change(s) due to market needs or other factors, the Lessee must explain the change(s) and the reasons(s) therefor in the Lessee's submitted documentation.

9.1.2 Enforcement

BOEM reserves the right to determine that the bidding credit commitment to execute a Lease Area Use CBA has not been satisfied because changes to the Lessee's Conceptual Strategy or its implementation, that occur after the auction, do not meet the criteria for the bidding credit described herein. The requirements and restrictions applicable to the bidding credit commitment described in Addendum "C" bind the Lessee and any future assignee(s) of the lease as per 30 C.F.R. 585.410. Should BOEM determine the Lessee has not complied with all applicable requirements before the Lessee submits the Lease's first FDR or the tenth Lease Anniversary, BOEM will notify the Lessee in writing of its noncompliance and allow the Lessee 30 days to remedy the deficiency, or additional time if approved by BOEM for good cause shown. During this time, the Lessee may request a meeting to clarify any potential mitigating circumstances or provide additional information. BOEM will convene a Fulfillment Panel that will make a final determination of compliance or noncompliance within 30 days from the meeting or from the latest date of receipt of additional information, whichever is later. If BOEM's Fulfillment Panel makes a final determination that a Lessee or assignee has failed to satisfy the bidding credit requirements, or if a Lessee or assignee relinquishes or otherwise fails to develop the Lease by the tenth Lease Anniversary, the amount corresponding to the

bidding credit awarded will be immediately due and payable to ONRR with interest from the Lease Effective Date. The interest rate will be the underpayment interest rate identified by ONRR. The Lessee will not be required to pay said amount if the Lessee satisfied its bidding credit requirements but relinquished or failed to develop the lease by the fifth Lease Anniversary. BOEM may, at its sole discretion, extend the documentation deadline beyond the first FDR submission or the tenth Lease Anniversary.

10 General CBA

10.1 General Requirements and Restrictions:

As committed to by the Lessee in the BFF, the Lessee must, before the first FDR is submitted or before the tenth Lease Anniversary, whichever is sooner, execute a General CBA with one or more communities, Tribes, or stakeholder groups that are expected to be impacted by the potential impacts on the marine, coastal, and/or human environment (such as impacts on visual or cultural resources) from activities resulting from lease development that are not otherwise addressed by the Lease Area Use CBA (hereinafter, in the context of the General CBA bidding credit, referred to as “impacted community”). The General CBA must:

- Be between the Lessee or its affiliated entity, or, if appropriate, its assignee(s), and an impacted community;
- Specify how the impacted community is likely to be affected by the potential impacts on the marine, coastal, and/or human environment from activities resulting from lease development;
- Address impacts to the impacted community arising from lease development that are not addressed by a Lease Area Use CBA;
- Specify the monetary, material, or other benefits provided, or to be provided, by the Lessee to the impacted community, including any mitigation or other compensatory measures provided by the Lessee to the impacted community;
- Indicate commitment of the parties to collaboration and resolution of issues. This commitment may be indicated by a statement that the parties will agree to mediation, a strategy for collaboration, or other type of plan describing how the parties will collaborate or resolve issues as needed;
- Describe communication methods, engagement methods, or educational opportunities for the impacted community; and
- Specify plans (or strategies) to mitigate potential impacts from the proposed lease development on the impacted community.

Lessees must use best efforts to provide benefits at least commensurate to the value of the bidding credit received (**\$X,XXX,XXX**). This may include both monetary and non-monetary benefits. Any benefits provided to the impacted community should not duplicate benefits or mitigation measures imposed on the Lessee through, or pursuant to, statutes other than OCSLA. For example, potentially acceptable benefits could include:

- Contribution(s) to a community benefit fund whose purpose is to provide funds for infrastructure to impacted communities to alleviate impacts from the Lessee's project;
- Increased support to facilitate engagement in the process through which the lease will be developed; and
- Mitigating potential impacts to cultural viewsheds or potential impacts on the marine and land species that are of significance to Tribal culture or impacted communities.

The Lessee will meet its General CBA commitment(s) in accordance with the Conceptual Strategy submitted with the BFF. Lessees may execute a General CBA with a single entity, which may be a coalition that represents the diverse interests and inclusive needs of more than one impacted community, or multiple entities, or multiple impacted communities, and may execute more than one General CBA. To qualify for the General CBA bidding credit, the Lessee must enter into a General CBA with an impacted community that is a:

- Private, public, or municipal corporation, company, association, or partnership; county, city, or town; or other legal entity organized under the laws of any state of the United States, the District of Columbia, the law of any federally recognized Tribe or federal law applying to Tribes, or the law of any territory or insular possession subject to U.S. jurisdiction;
- Federally recognized Tribe under 25 U.S.C § 5131; or
- State of the United States or a political subdivision thereof.

No General CBA that makes a Lessee eligible for a bidding credit may include exclusivity or preferential clauses that prevent or disincentivize an impacted community from entering into such agreements with other lessees or potential lessees. BOEM reserves the right to review General CBAs for such clauses. If an exclusivity or preferential clause exists in the General CBA or a related agreement, BOEM will rescind the bidding credit and commence the enforcement process as described in Addendum "C," Section 10.1.2. No portion of a General CBA, fund, or agreement used for this credit may be used to meet the requirements of any other bidding credit for which the Lessee qualifies. Any General CBA used to meet the requirements of this stipulation must be appropriate to the Lease Area described in Addendum "A" and may apply within a reasonable distance onshore.

Any dispute between the General CBA parties will be expected to be resolved without BOEM's involvement.

10.1.1 Documentation

The Lessee must provide to BOEM a copy of the executed General CBA(s) before the Lessee submits the lease's first FDR or before the tenth Lease Anniversary, whichever is sooner. The documentation provided by the Lessee must contain and elaborate on the information specified in the Conceptual Strategy submitted with the BFF. The documentation must enable BOEM to

objectively verify that the General CBA(s) has met the requirements for the General CBA bidding credit, and that it is in compliance with the bidding credit criteria provided in Addendum C, Section 10.1 above.

At a minimum, this documentation must include the following:

- All written agreements between the Lessee and the impacted community, including the executed General CBA(s);
- A description of work done with impacted communities to reach monetary and non-monetary commitments that reflect the value of the bidding credit received; and
- Sworn statements by the General CBA signatories or their assignees, attesting to the truth and accuracy of all the information provided in the above documentation.

If elements of the Lessee's Conceptual Strategy undergo any significant change(s) due to market needs or other factors, the Lessee must explain the change(s) and the reasons(s) therefor in the Lessee's submitted documentation.

10.1.2 Enforcement

BOEM reserves the right to determine that the bidding credit commitment to execute a General CBA has not been satisfied because changes to the Lessee's Conceptual Strategy or its implementation, that occur after the auction, do not meet the criteria for the bidding credit described herein. The requirements and restrictions applicable to the bidding credit commitment described in Addendum "C" subsections 10.1 and 10.1.1 bind the Lessee and any future assignee(s) of the lease as per 30 C.F.R. 585.410. Should BOEM determine the Lessee has not complied with all applicable requirements before the Lessee submits the Lease's first FDR or the tenth Lease Anniversary, BOEM will notify the Lessee in writing of its noncompliance and allow the Lessee 30 days to remedy the deficiency, or additional time if approved by BOEM for good cause shown. During this time, the Lessee may request a meeting to clarify any potential mitigating circumstances or provide additional information. BOEM will convene a Fulfillment Panel that will make a final determination of compliance or noncompliance within 30 days from the meeting or from the latest date of receipt of additional information, whichever is later. If BOEM's Fulfillment Panel makes a final determination that a Lessee or assignee has failed to satisfy the bidding credit requirements, or if a Lessee or assignee relinquishes or otherwise fails to develop the Lease by the tenth Lease Anniversary, the amount corresponding to the bidding credit awarded will be immediately due and payable to ONRR with interest from the Lease Effective Date. The interest rate will be the underpayment interest rate identified by ONRR. The Lessee will not be required to pay said amount if the Lessee satisfied its bidding credit requirements but relinquished or failed to develop the lease by the fifth Lease Anniversary. BOEM may, at its sole discretion, extend the documentation deadline beyond the first FDR submission or the tenth Lease Anniversary.

U.S. DEPARTMENT OF THE INTERIOR
BUREAU OF OCEAN ENERGY MANAGEMENT

ADDENDUM D
PROJECT EASEMENT(S)

Lease Number OCS-P 0567

This section includes a description of the Project Easement(s), if any, associated with this lease, and the financial terms associated with any such Project Easement(s).

I. Rent

The Lessee must begin submitting rent payments for any project easement associated with this lease commencing on the date that BOEM approves the Construction and Operations Plan (COP) or a modification of the COP describing the project easement. Annual rent for a project easement is \$5.00 per acre per year or a minimum of \$450.00 per year in accordance with 30 CFR § 585.507(a).

U.S. DEPARTMENT OF THE INTERIOR
BUREAU OF OCEAN ENERGY MANAGEMENT

Lease Number OCS-P 0567

CONTACT INFORMATION TO REPORT REQUIREMENTS

The following contact information must be used for the reporting and coordination requirements specified in ADDENDUM C, Section 4:

ATTN: Executive Director
Military Aviation and Installation Assurance Siting Clearinghouse
Office of the Assistant Secretary of Defense (Sustainment)
3400 Defense Pentagon, Room 5C646
Washington, DC 20301 - 3400

ATTN: Department of Defense West Coast Coordinator
Department of the Navy - Navy Region Southwest
750 Pacific Highway, OF1514
San Diego, CA 92132

United States Fleet Forces (USFF) N46
1562 Mitscher Ave, Suite 250
Norfolk, VA 23551
(757) 836-6206

All other reporting requirements in ADDENDUM C:

Bureau of Ocean Energy Management
Office of Environment
760 Paseo Camarillo, Suite 102
Camarillo, CA 93010
Phone: (805) 384-6379
Email: renewableenergypocs@boem.gov