

JAN 28 2021

BUREAU OF OCEAN ENERGY MANAGEMENT

<p style="text-align: center;">UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF OCEAN ENERGY MANAGEMENT</p> <p style="text-align: center;">RESEARCH LEASE OF SUBMERGED LANDS FOR RENEWABLE ENERGY DEVELOPMENT ON THE OUTER CONTINENTAL SHELF</p> <p><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></p>	Office	Renewable Energy Lease Number
	Camarillo, CA	OCS-P 0560
	Cash Bonus and/or Acquisition Fee	Resource Type
	N/A	Marine Hydrokinetic
	Effective Date	Block Number(s)
	March 01, 2021	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

Lessee	Interest Held
Oregon State University	100%

("Lessee"). 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 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 Lands Act ("the Act"), 43 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, applicable offshore renewable energy and alternate use regulations at 30 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.

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U.S. DEPARTMENT OF ENERGY
WASHINGTON, D.C. 20585

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 conduct activities in the area identified in Addendum "A" of this lease ("leased area"), as described and authorized in any future License issued by the Federal Energy Regulatory Commission (FERC) for Project 14616 (hereinafter, "License"). 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 the License and, as applicable, all other permits and authorizations needed to conduct the activities described in the License. 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 Outer Continental Shelf (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 License, are hereby reserved to the Lessor.
- (b) 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.
- (c) The Lessor reserves the right to authorize other uses within the leased area and project easements(s) that will not unreasonably interfere with activities described in the License, pursuant to this lease.
- (d) The Lessor reserves the right to initiate lease cancellation proceedings pursuant to 30 CFR 585.437 if it determines that activities conducted pursuant to the License would violate subsection 8(p) of the Act.

Section 4: Payments.

The Lessor will not charge the Lessee any fees for the purpose of ensuring a fair return for the use of this lease area on the OCS because this is a research lease issued pursuant to 30 CFR 585.238.

Section 5: License.

The Lessee may conduct those activities described in the License in the area described in Addendum "A".

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. The easement is described in Addendum "A" and is subject to any conditions that FERC may require in its License.

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 a License, and with all applicable laws and regulations.

The Lessee further agrees that no activities authorized under the License will be carried out in a manner that:

- (a) could unreasonably interfere with or endanger 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) could cause any undue harm or damage to the environment;
- (c) could create hazardous or unsafe conditions; or
- (d) could adversely affect 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 License, 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 585.437.

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, to the extent not otherwise prohibited by law, 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, clients, contractors (including Operator, if applicable), subcontractors, or their employees, under this lease, including claims for:

- a. loss or damage to natural resources,
- b. the release of any petroleum or any Hazardous Materials,
- c. other environmental injury of any kind,
- d. damage to property,
- e. injury to persons, and/or
- f. 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);
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 requirement.

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 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 the License, any subsequent FERC approvals, and applicable regulations in 30 CFR Part 585.

Section 14: Safety Requirements.

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 applicable regulations in 30 CFR Part 585 and orders from the Lessor, FERC, and other Federal agencies with jurisdiction, intended to protect persons, property and the environment on the OCS; and
- c. to the extent not otherwise prohibited by law, 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 Nonsegregated 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: Compliance with 43 CFR Parts 17 and 41.

During the performance of this lease, the Lessee must fully comply with all applicable obligations set forth in 43 CFR Parts 17 and 41, which bar discrimination on the basis of race,

color, sex, national origin, handicap, or age under any program or activity receiving Federal financial assistance from the Department of the Interior.

Section 19: 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 Representatives, 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 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 Representatives, as specifically listed in Addendum "A," as well as the Lease Representatives.

Section 20: Severability Clause.

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

Section 21: 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.

Oregon State University
Lessee


(Signature of Authorized Officer)

MICHAEL J GREEN
(Name of Signatory)

VP FOR FINANCE & ADMINISTRATION
(Title)

01/22/21
(Date)

The United States of America
Lessor

THOMAS LIU Digitally signed by THOMAS LIU
Date: 2021.02.16 08:36:45 -08'00'
(Signature of Authorized Officer)

Thomas J. Liu
(Name of Signatory)

Acting Regional Director,
Pacific Regional Office
(Title)

February 16, 2021
(Date)

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

ADDENDUM "A"

DESCRIPTION OF LEASED AREA AND LICENSE ACTIVITIES

Lease Number OCS-P 0560

I. Lessor and Lessee Contact Information

Lessee Company Number: 15047

(a) Lessor's Contact Information

	Lease Representative	Operations Representative
Title	Regional Director	Same as Lease Representative.
Address	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	renewableenergyvoc@boem.gov	

(b) Lessee's Contact Information

	Lease Representatives	
Name	Michael J. Green	Nicole Neuschwander
Title	Vice President for Finance & Administration	Director, OSU Real Property
Address	Oregon State University 640 Kerr Administration Bldg Corvallis, OR 97331-8565	Oregon State University 850 SW 35 th Corvallis, OR 97333
Phone	541-737-2447	541-737-6925
Fax		
Email	michael.green@oregonstate.edu	realestate@oregonstate.edu

	Operations Representatives	
Name	Burke Hales	Dan Hellin
Title	Chief Scientist	Operations & Logistics Manager
Address	PacWave, Oregon State University 104 COAS Administration Bldg Corvallis, OR 97331	PacWave, Oregon State University 104 COAS Administration Bldg Corvallis, OR 97331
Phone	541-737-8121	541-737-5452
Fax		

Email	bhales@coas.oregonstate.edu	dan.hellin@oregonstate.edu
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II. Description of Leased Area

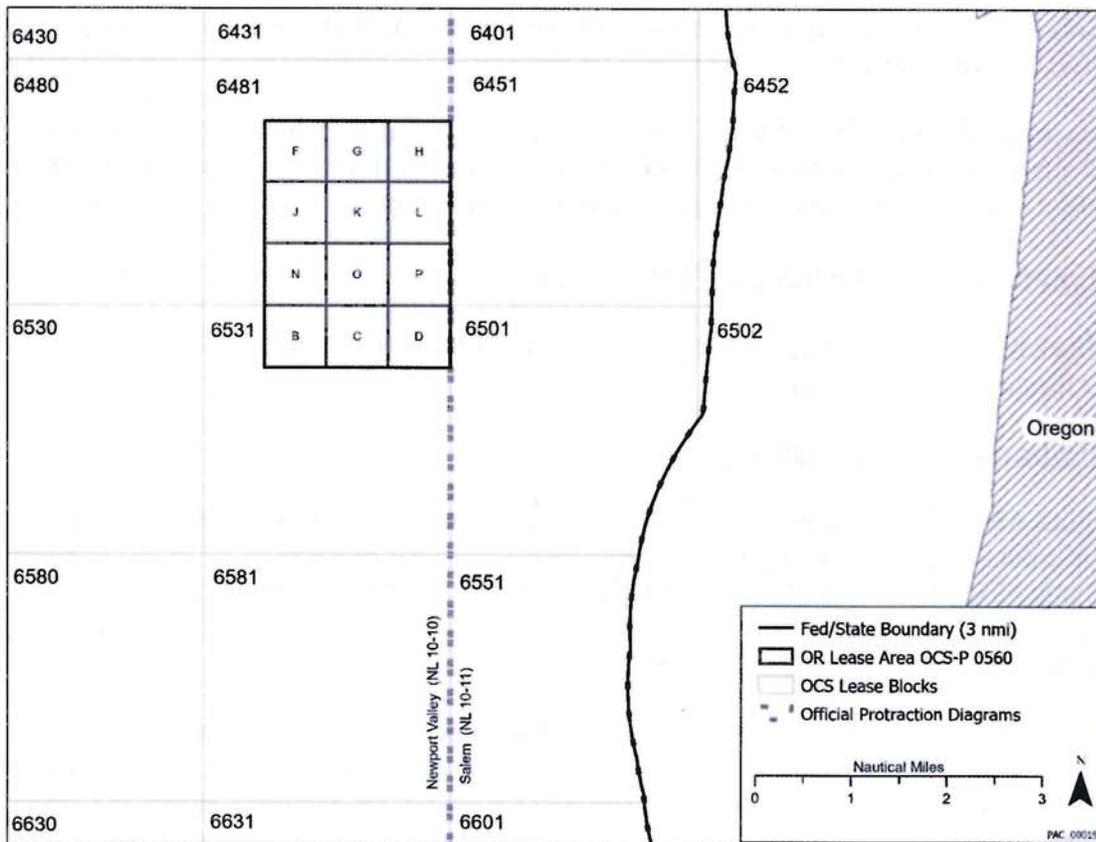
The total acreage of the leased area is approximately 4,270 acres (1,728 hectares).

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

The following portions of OCS Blocks (an Aliquot is 1/16th of an OCS Block), lying within Official Protraction Diagram Newport Valley NL 10-10, are depicted on the map below and comprise 4,270 acres (1,728 hectares), more or less.

Official Protraction Diagram Newport Valley NL 10-10

- 1) Block 6481, S1/2 of NE1/4, SE1/4 of NW1/4, E1/2 of SW1/4, SE1/4 (Aliquots F, G, H, J, K, L, N, O, P)
- 2) Block 6531, N1/2 of NE1/4, NE1/4 of NW1/4 (Aliquots B, C, D)



Map of Lease OCS-P 0560

III. Renewable Energy Resource

Marine Hydrokinetic

IV. Description of the Project

A test site using wave energy converters, marker buoys, anchors and mooring systems, and support buoys and instrumentation located in the leased area as well as subsea transmission and auxiliary cables on the OCS, as described in the License.

V. Description of Project Easement(s)

The length of the 200-foot wide corridor on which the five (5) cables will be located are as follows:

- Cable 1 – 3.3 statute miles,
- Cable 2 – 3.7 statute miles,
- Cable 3 – 4.1 statute miles,
- Cable 4 – 4.9 statute miles, and
- Cable 5 – 5.2 statute miles.

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

The following portions of OCS Blocks (an Aliquot is 1/16th of an OCS Block), lying within Official Protraction Diagram Newport Valley NL 10-10 and Salem NL 10-11 within which the 200-foot wide corridor lies, are depicted on the map below.

Official Protraction Diagram Newport Valley NL 10-10

- 1) Block 6531, S1/2 of NE1/4, SE1/4 of NW1/4, N1/2 of SE1/4, SE1/4 of SE1/4 (Aliquots F, G, H, K, L, P)

Official Protraction Diagram Salem NL10-11

- 1) Block 6501, SW1/4 of NW1/4, SW1/4, SW1/4 of SE1/4, a portion of SE1/4 of SE1/4 (Aliquots E, I, J, M, N, O, a portion of P)
- 2) Block 6551, A portion of NE1/4 of NE1/4, a portion of NW1/4 of NE1/4, NE1/4 of NW1/4, a portion of SW1/4 of NE1/4 (Aliquots B and portions of C, D, and G)

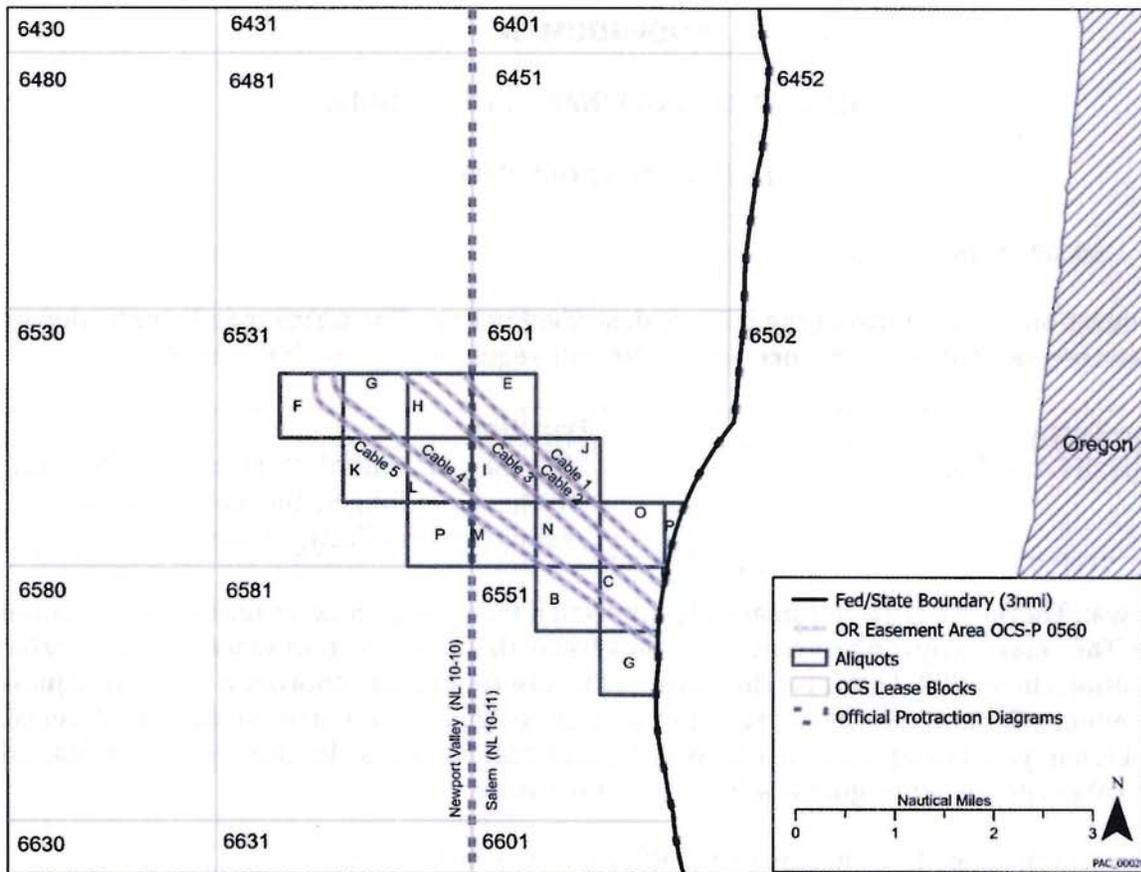
The easements consist of an area of 100 feet to either side of the centerline of each of the five (5) cables, which consists of four (4) transmission cables and one (1) auxiliary cable. The centerline of the easements can be determined by interconnecting the points indicated by the centerline coordinates. Coordinates for the centerline follow an order for north to south for each cable (points 1–12 for Cable 1, points 13–24 for Cable 2, *etc.*) and are

provided in X, Y (eastings, northings) UTM Zone 10N, NAD 83 and geographic (longitude, latitude), NAD83.

Cable	Point Number	UTM X (easting)	UTM Y (northing)	Latitude	Longitude
1	1	403863.84	4933200.00	44.545727	-124.210251
1	2	403888.16	4933140.50	44.545197	-124.209938
1	3	404093.72	4932860.00	44.542694	-124.207298
1	4	404374.66	4932597.00	44.540363	-124.203712
1	5	404789.19	4932209.00	44.536930	-124.198425
1	6	405203.75	4931821.00	44.533493	-124.193138
1	7	405618.38	4931433.00	44.530056	-124.187843
1	8	406033.06	4931045.50	44.526619	-124.182556
1	9	406447.78	4930657.50	44.523182	-124.177269
1	10	406862.53	4930269.50	44.519745	-124.171982
1	11	407277.38	4929882.00	44.516308	-124.166695
1	12	407643.13	4929542.00	44.513294	-124.162033
2	13	403136.19	4933200.00	44.545628	-124.219414
2	14	403403.16	4932975.50	44.543644	-124.216011
2	15	403612.44	4932796.50	44.542061	-124.213341
2	16	404031.34	4932418.00	44.538708	-124.208000
2	17	404450.31	4932039.50	44.535358	-124.202660
2	18	404869.34	4931661.00	44.532005	-124.197311
2	19	405288.41	4931282.50	44.528652	-124.191971
2	20	405707.50	4930904.00	44.525303	-124.186630
2	21	406126.69	4930525.50	44.521950	-124.181290
2	22	406545.88	4930147.00	44.518600	-124.175941
2	23	406965.16	4929768.50	44.515247	-124.170601
2	24	407384.47	4929390.00	44.511894	-124.165260
2	25	407577.19	4929218.00	44.510372	-124.162804
3	26	402663.63	4933200.00	44.545563	-124.225357
3	27	402808.50	4933089.00	44.544586	-124.223518
3	28	402960.00	4932973.00	44.543564	-124.221588
3	29	403184.53	4932794.50	44.541985	-124.218727
3	30	403384.69	4932608.50	44.540337	-124.216171
3	31	403800.09	4932222.50	44.536919	-124.210876
3	32	404215.53	4931836.50	44.533501	-124.205574
3	33	404631.00	4931450.50	44.530079	-124.200272
3	34	405046.53	4931064.50	44.526661	-124.194977
3	35	405462.13	4930678.50	44.523239	-124.189674
3	36	405877.78	4930292.50	44.519821	-124.184372

3	37	406293.47	4929906.50	44.516403	-124.179077
3	38	406709.19	4929520.50	44.512981	-124.173775
3	39	407124.97	4929135.00	44.509563	-124.168480
3	40	407512.19	4928775.50	44.506378	-124.163544
4	41	401405.75	4933200.00	44.545395	-124.241188
4	42	401417.47	4933096.00	44.544460	-124.241020
4	43	401444.53	4932959.50	44.543236	-124.240654
4	44	401553.75	4932788.00	44.541706	-124.239250
4	45	401645.47	4932718.00	44.541088	-124.238083
4	46	402083.78	4932385.00	44.538151	-124.232506
4	47	402522.16	4932051.50	44.535210	-124.226921
4	48	402960.56	4931718.50	44.532269	-124.221344
4	49	403399.03	4931385.00	44.529327	-124.215767
4	50	403837.53	4931052.00	44.526386	-124.210182
4	51	404276.06	4930718.50	44.523449	-124.204605
4	52	404714.66	4930385.50	44.520508	-124.199028
4	53	405153.31	4930052.50	44.517567	-124.193443
4	54	405592.00	4929719.50	44.514626	-124.187866
4	55	406030.72	4929386.50	44.511684	-124.182289
4	56	406469.50	4929053.50	44.508747	-124.176704
4	57	406908.31	4928720.50	44.505806	-124.171127
4	58	407480.66	4928286.00	44.501972	-124.163849
5	59	401082.34	4933200.00	44.545349	-124.245262
5	60	401060.56	4933070.50	44.544178	-124.245506
5	61	401072.13	4932899.00	44.542641	-124.245331
5	62	401109.44	4932716.00	44.540997	-124.244827
5	63	401234.88	4932575.50	44.539753	-124.243225
5	64	401380.13	4932470.00	44.538822	-124.241371
5	65	401822.91	4932148.50	44.535984	-124.235741
5	66	402265.72	4931826.50	44.533150	-124.230110
5	67	402708.59	4931505.00	44.530312	-124.224472
5	68	403151.50	4931183.00	44.527477	-124.218842
5	69	403594.47	4930861.50	44.524643	-124.213203
5	70	404037.47	4930540.00	44.521805	-124.207573
5	71	404480.50	4930218.00	44.518970	-124.201942
5	72	404923.59	4929896.50	44.516132	-124.196304
5	73	405366.72	4929575.00	44.513298	-124.190674
5	74	405809.88	4929253.50	44.510460	-124.185043
5	75	406253.09	4928932.00	44.507626	-124.179405
5	76	406696.38	4928610.50	44.504791	-124.173775
5	77	407139.66	4928289.00	44.501953	-124.168137

5	78	407480.66	4928043.00	44.499783	-124.163803
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Map of Easement OCS-P 0560

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

ADDENDUM "B"

LEASE TERM AND FINANCIAL SCHEDULE

Lease Number OCS-P 0560

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
Research Lease Term	25 years, or initial term of the License, whichever is longer, but not to exceed 27 years from the Effective Date.

Renewal: This Lease is not automatically renewed if the License is extended beyond its initial term. The Lessee may request renewal of the 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 the License. The Lessor will not approve a renewal request that involves development of a type of renewable energy not originally authorized in the lease.

The Research Lease Term begins on the Effective Date of this lease.

II. Definitions

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

"Effective Date" has the same meaning as "effective date" in BOEM regulations provided in 30 CFR 585.237.

III. Financial Assurance

The amount of financial assurance required to meet all lease obligations includes:

(a) **Initial Financial Assurance.** Prior to the Lease Issuance Date, 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) **Decommissioning Financial Assurance.** In addition to the initial lease-specific financial assurance discussed above, 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). The Lessor will base the determination for the amounts of all decommissioning financial assurance requirements on estimates of the cost to meet all accrued lease obligations. The Lessor determines the amount of decommissioning financial assurance requirements on a case-by-case basis. The decommissioning obligation must be guaranteed through an acceptable form of financial assurance and will be due according to the schedule beginning before commencement of the installation of project 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 or decommissioning) associated with this lease and/or reassess the Lessee's cumulative lease obligations, including decommissioning obligations, 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 0560

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 or amendments of the License.

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1 DEFINITIONS

- 1.1 Definition of "Archaeological Resource": The term "archaeological resource" has the same meaning as "archaeological resource" in BOEM regulations provided in 30 CFR 585.112.
- 1.2 Definition of "Qualified Marine Archaeologist": The term "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 marine geophysical data.

2 NATIONAL SECURITY AND MILITARY OPERATIONS

The Lessee must comply with the requirements specified in stipulations 2.1, 2.2 and 2.3 when conducting activities in the License.

2.1 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, to the extent not otherwise prohibited by law, 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 related to Lessee's activities in, on, or above the OCS 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, to the extent not otherwise prohibited by law, further agrees to indemnify and save harmless the United States against all claims for loss, damage, or injury related to Lessee's activities in, on, or above the OCS, in connection with the programs or activities of the 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.

2.2 Evacuation or Suspension of Activities

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

- 2.2.2 Notification. Every effort will be made by the appropriate military agency to provide as much advance notice as possible of the need to suspend operations and/or evacuate. Advance notice will normally be given before requiring a suspension or evacuation. 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 activity from flying or falling objects or substances and will be implemented by an order (oral and/or written) from the BOEM Pacific Regional Director, 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.
- 2.2.3 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 BOEM Pacific Regional Director. 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 BOEM Pacific Region. Upon cessation of any temporary suspension, the BOEM Pacific Region will immediately notify the Lessee such suspension has terminated and operations on the leased area can resume.
- 2.2.4 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 2.2.2 and 2.2.3.
- 2.2.5 Coordination with 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.
- 2.2.6 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 2.2.1 through 2.2.5 above.

2.3 **Electromagnetic Emissions**

The Lessee, prior to entry into any designated defense operating area, warning area, or water test area, for the purpose of commencing License activities must enter into an agreement with the commander of the appropriate command headquarters to coordinate the electromagnetic emissions associated with such activities. The Lessee must ensure that all electromagnetic emissions associated with such activities are controlled as directed by the commander of the appropriate command headquarters.

3 STANDARD OPERATING CONDITIONS

3.1 General Requirement

Marine Trash and Debris Prevention. The Lessee must ensure that vessel operators, employees, and contractors actively engaged in activity in support of the License are briefed on marine trash and debris awareness and elimination, as described in the Bureau of Safety and Environmental Enforcement (BSEE) Notice to Lessees and Operators (NTL) No. 2015-G03 ("Marine Trash and Debris Awareness and Elimination") or any NTL that supersedes this NTL, except that the Lessor will not require the Lessee to post placards. The Lessee must ensure that these vessel operator employees and contractors receive training on the environmental and socioeconomic impacts associated with marine trash and debris and their responsibilities for ensuring that trash and debris are not intentionally or accidentally discharged into the marine environment. The above-referenced NTL provides information the Lessee may use for this awareness briefing.

3.2 Archaeological Requirements

3.2.1 Seafloor disturbing activities on the OCS not authorized under the License. The Lessee may only conduct seafloor disturbing activities on the OCS, not otherwise authorized under the License, in locations where (a) an analysis of the results of High Resolution Geophysical surveys performed in accordance with the Lessor's guidance has been completed by a Qualified Marine Archaeologist; (b) archaeological report(s) prepared in accordance with the Lessor's guidance have been completed by a Qualified Marine Archaeologist; (c) the Lessor has reviewed the data and report(s) and found them to be sufficient for the identification of archaeological resources; and (d) the Lessor has notified the Lessee that it has no objection to the activities. The Lessor will review these submissions and notify the Lessee of any areas that must be avoided in performing such seafloor disturbing activities.

3.2.2 No Impact without Approval. In no case may the Lessee knowingly impact a potential archaeological resource while conducting activities on the OCS not otherwise authorized under the License without the Lessor's prior approval.

3.2.3 Post-Review Discovery Clauses. If the Lessee, while conducting seafloor disturbing activities on the OCS not otherwise authorized under the License, 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:

3.2.3.1 Immediately halt seafloor/bottom-disturbing activities within the area of discovery;

3.2.3.2 Notify the Lessor within 24 hours of discovery;

- 3.2.3.3 Notify the Lessor in writing via report to the Lessor within 72 hours of its discovery;
- 3.2.3.4 Pursuant to 30 CFR 585.802(a)(3), keep the location of the discovery confidential and take no action that may adversely affect the archaeological resource until the Lessor has made an evaluation and instructs the applicant on how to proceed; and
- 3.2.3.5 Conduct any additional investigations as directed by the Lessor to determine if the resource is eligible for listing in the National Register of Historic Places (30 CFR 585.802(b)). The Lessor will do this if: (1) the site has been impacted by the Lessee's project activities; or (2) impacts to the site or to 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 tell the Lessee how to protect the resource or how to mitigate adverse effects to the site. If the Lessor incurs costs in protecting the resource, 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)).

3.3 Reporting and Research Site Access Requirements

- 3.3.1 Reporting. The Lessee must include the Lessor on the distribution of all plans, status reports, monitoring reports, annual reports, incident reports and other reports required under the License for activities on the OCS through the duration of the lease term.
- 3.3.2 Research Site Access. The Lessor retains the right to access, with prior notification, to the site of any operation or activity conducted under this lease or the License, to the Lessor or a designated representative for research purposes. 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 585.822.

DEPARTMENT OF THE INTERIOR
BUREAU OF OCEAN ENERGY MANAGEMENT

ENCLOSURE

CONTACT INFORMATION FOR REPORTING REQUIREMENTS

Lease Number OCS-P 0560

The following contact information must be used for the reporting and coordination requirements specified in ADDENDUM "C", Stipulation 2:

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

