

**STATE OF OREGON  
DEPARTMENT OF STATE LANDS**

**Amendment No. 1  
to  
Communication Cable Easement Agreement 61603-EA**

THIS AMENDMENT NO. 1 TO COMMUNICATION CABLE EASEMENT AGREEMENT 61603-EA (this "Amendment") is made on this 10<sup>th</sup> day of SEPTEMBER, 2020 (the "Effective Date"), by and between the State of Oregon, acting by and through the Department of State Lands (GRANTOR), and Edge Cable Holdings USA, LLC, a Delaware limited liability company (GRANTEE).

GRANTOR and GRANTEE are the parties to that certain Communication Cable Easement Agreement 61603-EA dated December 12, 2019 (the "Agreement").

Capitalized terms used but not defined in this Amendment shall have the same definitions as set forth in the Agreement.

**Recitals**

- A. The Agreement granted to GRANTEE the Easement to construct, maintain, operate and replace the Cable (a fiber optic cable line) in, over, under and across the Easement Parcel (being GRANTOR-owned submerged and submersible land of the Pacific Ocean, in or adjacent to Tillamook County, Oregon).
- B. On or around April 28, 2020, drill bit equipment broke during GRANTEE'S construction of the Cable (the "Drill Equipment Break"), in the Territorial Sea Area of the Easement Parcel.
- C. After the Drill Equipment Break, GRANTEE was unable to recover approximately 1,100 feet of 5-7/8 inch OD drill pipe, a drill tip and a drill steering tool (collectively the "Unrecovered Drill Equipment") from the Easement Parcel.
- D. As of the Effective Date, the Unrecovered Drill Equipment remains on the Easement Parcel.
- E. The parties wish to amend the Agreement to memorialize their agreements regarding the Drill Equipment Break, and regarding GRANTEE'S construction of the Cable and use of the Easement Parcel going forward.

**Amendments**

The parties hereby amend the Agreement as follows:

- 1. Resumption of Construction. GRANTEE may resume construction of the Cable if and when:
  - (a) any and all conditions set forth in this Amendment have been satisfied; and
  - (b) the resumption of construction is allowed under Conditional Use Permit #851-19-000105-PLNG issued by Tillamook County (the "County Permit"), and under Ocean Shores Permit #2931-20 issued by the Oregon Parks and Recreation Department (the "OPRD Permit").

2. Surety Bond. Pursuant to Section 7 of the Agreement, GRANTEE has furnished to GRANTOR a surety bond in the amount of Twenty Thousand Dollars (\$20,000.00) (the "Surety Bond"). On or before the Effective Date of this Amendment, GRANTEE shall increase the amount of the Surety Bond by Eighty Thousand Dollars (\$80,000.00), such that the total amount of the Surety Bond is One Hundred Thousand Dollars (\$100,000.00).

3. Payment for Drill Equipment Break. Within fifteen (15) days after the Effective Date, GRANTEE shall pay to GRANTOR a one-time payment of Two Hundred and Fifty Thousand Dollars (\$250,000.00), to compensate GRANTOR for costs and expenses of GRANTOR arising from the Drill Equipment Break.

4. Delivery of and Compliance with Additional Documents.

(a) As of the Effective Date, GRANTEE has delivered to GRANTOR the following documents relating to the Drill Equipment Break and such future events referenced therein during the term of the Agreement:

(i) the draft "Cable Construction Plan," the draft "Drill Break Avoidance Plan" and the draft "Drill Break Response Plan" (collectively the "Draft Plans"); and

(ii) the environmental assessment report analyzing the potential impact arising from the Drill Equipment Break and the Unrecovered Drill Equipment (the "Environmental Report").

(b) On or before December 1, 2020, GRANTEE shall finalize the Draft Plans, as well as the results of the geotechnical survey of the substrate within the Easement Parcel and particularly within the Territorial Sea Area of the Easement Parcel, and shall provide GRANTOR with the finalized Draft Plans (which shall then be the "Additional Plans") and the geotechnical survey investigation report. GRANTEE shall include recommendations from GRANTEE'S "Post HDD Stoppage Presentation to Permit Stakeholders" dated June 17, 2020, and the Environmental Report, in the Additional Reports.

(c) In addition to the documents listed in Section 14 of the Agreement, GRANTEE shall also strictly comply with:

(i) the Additional Plans;

(ii) any applicable requirements associated with the County Permit; and

(iii) any applicable requirements associated with the OPRD Permit.

5. Encroachment Easement for Unrecovered Drill Equipment.

(a) On or before September 14, 2020, GRANTEE shall submit to GRANTOR an application for an encroachment easement for the Unrecovered Drill Equipment under OAR 141-123-0030(19), using GRANTOR'S standard easement application form and including (i) a highway location map with road directions to the site; (ii) tax assessor map; (iii) a legal description of the requested easement area; (iv) a separate drawing to scale of the Unrecovered Drill Equipment within the easement area; (v) Tillamook County Planning Department affidavit; (vi) signature of the applicant; and (vii) a \$750 application fee.

(b) GRANTOR shall review and process the easement application pursuant to OAR 141-123-0050.

(c) From the Effective Date until if and when GRANTOR issues the encroachment easement, if any of the Unrecovered Drill Equipment becomes exposed on the surface of the Territorial Sea Area, or interferes with navigation, commerce, fisheries or recreation, GRANTEE shall, at GRANTEE'S sole cost and expense, recover the Unrecovered Drill Equipment and dispose of it in accordance with applicable local, state and federal law.

6. Notification to GRANTOR of Break or Accident. Pursuant to the draft Drill Break Response Plan, GRANTEE shall notify GRANTOR by phone and email of any of the following events occurring in, over, under and across the Easement Parcel, within twenty-four (24) hours of occurrence, and shall deliver to GRANTOR a written report regarding such event within three (3) business days following the event:

(a) drilling fluid release;

(b) drill break; or

(c) GRANTEE'S abandonment of any drilling equipment.

7. Decommissioning. If, after the expiration or earlier termination of the Agreement, GRANTEE is required under Section 21 of the Agreement to remove the Cable from the Easement Parcel because GRANTEE has not demonstrated to GRANTOR'S satisfaction that removal of the Cable would be more detrimental the Easement Parcel than leaving the Cable in place, GRANTEE shall submit to GRANTOR a plan for removing the portion of the Cable located within the Easement Parcel (the "Decommissioning Plan"). GRANTOR shall determine whether the Decommissioning Plan is necessary under OAR 141-083-0850(6) in consultation with GRANTEE and other interested parties, and subject to permitting by applicable federal agencies regulating the Cable and all applicable statutes and administrative rules governing at the time.

8. Hold Harmless. Section 22 of the Agreement is hereby replaced in its entirety with the following:

GRANTEE shall indemnify, defend and hold GRANTOR harmless from any and all claims suffered or alleged be suffered as a result of GRANTEE'S use of the Easement Parcel, including, without limitation, any and all claims suffered or alleged to be suffered, and alleged to be caused by or related to the Unrecovered Drill Equipment.

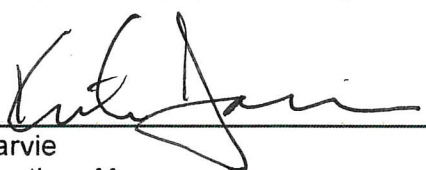
9. Continuation of Agreement Terms. Except as expressly amended herein, all other terms and conditions of the Agreement shall remain in full force and effect.

*[remainder of page intentionally left blank]*

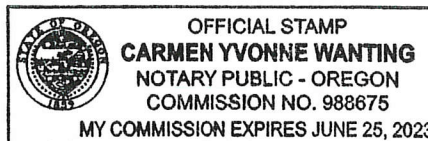
IN WITNESS WHEREOF, the parties have executed this Amendment.

**GRANTOR:**

The State of Oregon, acting by and through the Department of State Lands

By  Sept. 10, 2020  
Name: Kirk Jarvie Date  
Southern Operations Manager  
Aquatic Resources Management Program (ARM)

STATE OF OREGON )  
COUNTY OF MARION )ss



The foregoing instrument was acknowledged before me this 10<sup>th</sup> day of September,  
\_\_\_\_ 2020, by Kirk Jarvie as the ARM Southern Operations Manager of the Oregon Department  
of State Lands.

Carmen Wanting  
Signature  
My commission expires: June 25, 2023

Edge Cable Holdings USA, LLC, a Delaware limited liability company

Sept 9, 2020  
Date

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2020, by \_\_\_\_\_, as \_\_\_\_\_ of Edge Cable Holdings USA, LLC, a Delaware limited liability company.

Signature \_\_\_\_\_  
My commission expires: \_\_\_\_\_

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## ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.


State of California  
County of Santa Clara \_\_\_\_\_)

On September 09, 2020 before me, Vikal Patel, Notary Public \_\_\_\_\_  
(insert name and title of the officer)

personally appeared Kevin Salvadori \_\_\_\_\_,  
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are  
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in  
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the  
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing  
paragraph is true and correct.

WITNESS my hand and official seal.

Signature  (Seal)