COMMUNITY BENEFIT AGREEMENT

This COMMUNITY BENEFIT AGREEMENT (the “Agreement”) is hereby made this ___ day of ____________, 2017 by and between Monhegan Plantation, a body corporate and politic in the State of Maine (“Monhegan”) with a mailing address of PO Box 322, Monhegan, Maine 04852, Monhegan Plantation Power District, a quasi-municipal utility district in the State of Maine (“MPPD”) with a mailing address of 200 Light House Hill Road, Monhegan, Me 04852, Maine Aqua Ventus 1 GP, LLC (“MAV”), a Maine limited liability company, with a mailing address of 20 Godfrey Drive, Orono, ME 04469, and the University of Maine System acting through the University of Maine (“UM”) an institution established under the provisions of the Morrill Act in 1862, with a mailing address of 5703 Alumni Hall, Suite 200, Orono, Me 04469. Monhegan, MPPD, MAV and UM are herein collectively referred to as the “Parties.”

RECITALS

WHEREAS, MAV is seeking permits, licenses, and other governmental approvals to construct and operate a 12 MW offshore wind energy test site project near Monhegan Island as set forth in Maine Public Utilities (“MPUC”) Docket No. 2013-035 (the “MAV Project”); and

WHEREAS, the Maine PUC, as part of its Order Approving Term Sheet (Part Two) regarding the MAV Project, directed MAV to commit to commercially reasonable efforts regarding certain economic development commitments, including an obligation to provide electric energy to the Monhegan Plantation Power District for the duration of the Contract term or provide benefits in an alternative form that are acceptable to MAV and approved by the Commission; and

WHEREAS, the Parties have engaged in extensive discussions and negotiations regarding the aforedescribed economic development commitment to MPPD; and

WHEREAS, these discussions and negotiations have been conducted in good faith and in a commercially reasonable manner; and

WHEREAS, the Parties desire to enter into an agreement for community benefits that are in an alternative form to the provision of electric energy to MPPD; and

WHEREAS, the Parties agree and acknowledge that this Agreement shall not influence or have any bearing whatsoever on Monhegan’s or MPPD’s review, consideration, or participation for any governmental approval, similar process, or any decision Monhegan or MPPD may have occasion to make relative to the MAV Project.

NOW THEREFORE, in consideration of the mutual covenants and conditions set forth in this Agreement and of other good and valuable consideration, the receipt and legal sufficiency of which is hereby acknowledged, the parties, intending to be legally bound, hereby agree upon the following terms and conditions.

1. **Incorporation of Recitals.** The aforedescribed recitals are incorporated herein.

2. **Community Benefits.** The Parties agree upon the following obligations regarding community benefits associated with the MAV Project:
A. **UM Support for Monhegan Broadband Grants.** Upon the effective date of this Agreement, UM shall provide direct technical assistance in supporting Monhegan and/or MPPD efforts to secure grant funding for a fully functional broadband network, which shall continue for at least 5 years from the effective date of this Agreement. After five years from the effective date of this Agreement, and until the MAV Project is decommissioned or a fully functional broadband network on Monhegan Island is substantially financed, whichever is earlier, UM agrees to undertake reasonable efforts to continue the aforedescribed assistance/support for Monhegan and/or MPPD to secure any remaining grant funds, if needed, to achieve a fully functional broadband network on Monhegan Island.

B. **Initial Capital Contribution to Monhegan Energy/Broadband Fund.** MAV shall pay a one-time payment of one hundred thousand dollars ($100,000) designated for a Monhegan Island energy/broadband infrastructure capital fund for the benefit of MPPD and Monhegan, which shall be jointly administered by MPPD and Monhegan. This one-time $100,000 payment may be used, as required, to implement grant work when awarded, and is contingent upon the MPUC’s approval of a long-term contract for the MAV Project by May 1, 2018 or within a reasonable time thereafter. Upon MPUC approval of a long-term contract for the MAV Project, MAV shall pay this $100,000 payment within thirty (30) days thereof.

C. **Technical Support for Monhegan to Develop Energy/Broadband Infrastructure.** MAV shall pay one hundred thousand dollars ($100,000) to a designated fund to provide technical support to MPPD and Monhegan for the purpose of designing an alternative and/or supplemental power generation system and on-island broadband system. This $100,000 payment for technical support shall be made within thirty (30) days of the closing of project construction financing for the MAV Project as defined below. It is also acknowledged by the Parties that this technical support may be part of a turnkey-package engineering, procurement, and construction contract, design-build, or other project development/construction financing arrangement selected by Monhegan and MPPD.

D. **Energy/Broadband – Additional Capital Contribution.** MAV shall pay two million and three hundred and thirty thousand dollars ($2,330,000) designated for a Monhegan Island energy/broadband infrastructure capital fund for the benefit of MPPD and Monhegan, which shall be jointly administered by MPPD and Monhegan. This $2,330,000 payment shall be made within thirty (30) days of the commercial operations date of the MAV Project, as determined by the date set forth in a notice to the transmission owner and the system operator in accordance with and pursuant to an interconnection agreement or similar document. MAV shall provide Monhegan and MPPD with a copy of such written notice when issued by MAV.

E. **Municipal Support.** MAV shall pay Monhegan $40,000 each year until decommissioning of the MAV Project. These annual payments shall commence upon the first January following financial close of project construction financing for
the MAV Project; “financial close” shall be the date that lenders execute agreements to fund 60 percent or more of the total construction costs which allows for the first draw down, unless said financing occurs in January in which case the first annual payment shall be due within thirty (30) calendar days. These annual payments shall increase annually at 2.5%, and may be allocated/invested at the discretion of Monhegan.

F. Royalty on Renewable Energy Credit Gross Revenue. MAV shall pay 4% of gross revenues generated by the MAV Project from any renewable energy credits to a designated energy/broadband fund for the benefit of MPPD and Monhegan, which shall be jointly administered by MPPD and Monhegan. These 4% of gross revenues from renewable energy credits shall be subject to a $50,000 annual cap for the first ten (10) years of the MAV Project, commencing upon the commercial operations date as defined above.

G. Job Opportunities. Monhegan residents, which for these purposes shall be defined as permanent residents of Monhegan as determined by Monhegan using the factors or standards provided in 36 M.R.S. § 682, will have first options to jobs created by the MAV Project where the applicants meet the qualifications for the positions (e.g., construction and deployment, monitoring, and O&M operation jobs). MAV shall provide, or make provisions for, reasonable training for Monhegan residents if needed.

H. Miscellaneous Community Benefits.
   i. MAV and UM shall not develop, construct, or operate any commercial grid-scale offshore wind energy project within fifteen (15) nautical miles of the boundaries of Monhegan Island.
   ii. MAV shall undertake best efforts to meet FAA lighting requirements and mitigate lighting impacts, including but not limited to utilizing radar-induced lighting or similar technology that may be approved by the FAA.
   iii. MAV shall ensure coloration of the turbine platforms for the MAV Project do not go beyond minimum requirements imposed by the U.S. Coast Guard regulations or any other applicable laws or regulations.
   iv. MAV shall undertake best efforts to downshield lighting associated with the turbines and turbine platforms of the MAV Project.

3. Additional/Other Community Benefits Provided by UM. In addition to the aforedescribed community benefits, the Parties agree upon the following obligations as community benefits:

   A. Royalties on UM Technology. UM shall pay 5% of gross licensing royalty revenues received by UM from projects utilizing UMaine VolturnUS technology to Monhegan, with a geographical restriction on waters of the East Coast and Gulf Coast of the United States. This royalty payment obligation commences upon successful demonstration of technology and energy producing performance at the Monhegan test site and continues until patents expire, which shall include all extensions, renewals, and/or modifications, or the termination of a royalty paying project or projects, whichever is later, provided that royalty payments shall
continue even after a project is terminated if UM continues to receive royalties. These 5% gross licensing royalty revenues may be allocated/invested at the discretion of Monhegan.

B. UM/Monhegan Project Collaboration and Support. UM agrees to provide at least 0.25 full time equivalent ("FTE") personnel, as defined by UM policy, from the effective date of this Agreement until the commercial operations date of the MAV Project as defined above for the purpose of supporting Monhegan and MPPD on community needs projects, such as those identified by the Monhegan Community Benefits Advisory Committee described in its report dated October 2, 2017. UM, Monhegan, and MPPD agree to meet at least annually to develop and/or update a work plan to implement this collaboration. The provision of at least 0.25 FTE personnel shall continue beyond the commercial operations date of the MAV Project until decommissioning of the MAV Project, and in any case for at least five (5) years, and may expand by mutual agreement between UM, Monhegan, and/or MPPD. UM shall keep records documenting the provision of at least 0.25 FTE personnel on Monhegan community needs projects, as may be amended, and shall make such records available to Monhegan upon written request.

C. UM Tuition Scholarships. Upon the effective date of this Agreement, UM shall offer one full tuition scholarship every year for at least 20 years to a Monhegan resident, which for these purposes shall be defined as permanent residents of Monhegan as determined by Monhegan using the factors or standards provided in 36 M.R.S. § 682, that meets the acceptance criteria for UM on the basis of one hundred and twenty (120) credit hours whether four (4) years (more or less). Tuition scholarships may be carried over, provided there are no more than four student full-time equivalent scholarships in any academic year.

4. Entire Agreement. Except as may otherwise be agreed upon in writing, the entire Agreement between the Parties with respect to the subject matter hereunder is contained in the Agreement. There are no other understandings, representations or agreements not incorporated herein. This Agreement constitutes a legal, valid and binding obligation enforceable in accordance with its terms except as such enforceability may be affected by applicable bankruptcy, insolvency, moratorium or similar laws affecting creditors’ rights generally and the application of general principles of equity.

5. Modification. No waiver, alteration, or modification of any of the provisions of this Agreement shall be enforced unless in writing and signed by the Parties to this Agreement. The Parties agree that, for any waiver, alteration, or modification that does not materially affect an individual party’s rights or obligations under this Agreement that is sought by other parties, that individual party shall not unreasonably withhold written consent and/or execution of the waiver, alteration, or modification.

6. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Maine, without regard to the conflict of laws provisions in Maine.
7. **Notices.** All notices, requests, demands and other communication hereunder shall be in writing and shall be deemed to have been duly given (i) when delivered by messenger or by reputable national overnight courier service, (ii) three (3) business days after mailing when mailed by certified or registered mail (return receipt requested), with postage prepaid and addressed to the parties at their respective addresses shown below or at such other address as any party may specify by written notice to the other party, or (iii) when delivered by facsimile transmission to the parties at the facsimile numbers listed below:

If to Monhegan:

Board of Assessors  
Monhegan Plantation  
P.O. Box 322  
Monhegan, Maine 04852

If to Monhegan Plantation Power District:

Board of Trustees  
Monhegan Plantation Power District  
200 Light House Hill Road  
Monhegan, Maine 04852

If to Maine Aqua Ventus 1 GP, LLC:

James S. Ward, IV  
Maine Aqua Ventus 1 GP, LLC  
20 Godfrey Drive  
Orono, Maine 04473

If to UM:

James S. Ward, IV  
5717 Corbett Hall  
Orono, Maine 04473

Any party may change the name(s) and or address(es) to which notice is to be addressed by giving the other party notice in the manner herein set forth.

8. **Miscellaneous.**

A. **Exercise of Rights and Waiver.** The failure of any Party to exercise any right under this Agreement shall not, unless otherwise provided or agreed to in writing, be deemed a waiver thereof; nor shall a waiver by any Party of any provisions hereof be deemed a waiver of any future compliance therewith, and such provisions shall remain in full force and effect.

B. **Severability.** In the event that any clause, provisions or remedy in this Agreement shall, for any reason, be deemed invalid or unenforceable, the remaining clauses and provisions shall not be affected, impaired or invalidated and shall remain in full force and effect.
C. **Headings and Construction.** The section headings in this Agreement are inserted for convenience of reference only and shall in no way effect, modify, define, or be used in construing the text of the Agreement. Where the context requires, all singular words in the Agreement shall be construed to include their plural and all words of neuter gender shall be construed to include the masculine and feminine forms of such words. Notwithstanding the fact that this Agreement has been prepared by one of the Parties, all of the Parties confirm that they and their respective counsel have reviewed, negotiated and adopted this Agreement as the joint agreement and understanding of the Parties. This Agreement is to be construed as a whole and any presumption that ambiguities are to be resolved against the primary drafting party shall not apply.

D. **Effective Date.** The effective date of this Agreement shall be the date as stated in the first paragraph of this Agreement preceding the Recitals.

E. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.

F. **Successors and Assigns.** The benefits and burdens of this Agreement shall insure to and be binding upon the successors and assigns of the Parties.

G. **Third-Party Rights; Enforcement of this Agreement Amongst the Parties.** This Agreement shall not create any third-party rights to any persons who are not parties to this Agreement. The Parties further agree that no party may enforce this Agreement regarding any terms or conditions that do not materially affect that party’s rights or obligations under this Agreement.

H. **Governmental Authority Reporting Requirements, if Applicable; Acknowledgement to Enter into Separate Constituent Agreements Consistent with this Agreement.** The Parties agree to take all necessary and appropriate measures to comply with any MPUC or other governmental authority reporting or related requirements regarding this Agreement and implementation thereof. If reasonably necessary for governmental reporting, financing, or other purposes, the Parties agree that this Agreement may be broken into separate constituent agreements regarding the rights and obligations of the respective Parties provided that such separate constituent agreements collectively represent all material provisions of this Agreement. In no case will a separate constituent agreement be enforceable that materially affects a right or obligation of any Party of this Agreement.

I. **Authority to Enter into this Agreement.**

Monhegan makes the following representations and warranties as the basis for the undertakings on its part herein contained:

i. Monhegan validly exists as a political subdivision in good standing under the laws of the State of Maine; and

ii. Monhegan has full power and authority to enter into this Agreement and to fully perform all of its duties and obligations hereunder. Monhegan has duly authorized the execution and delivery of this Agreement and Monhegan’s performance of all of its duties and obligations contained herein, and, to the
extent permitted by applicable law, this Agreement constitutes a valid and legally binding obligation of Monhegan, enforceable in accordance with its terms.

MPPD makes the following representations and warranties as the basis for the undertakings on its part herein contained:

i. MPPD validly exists as a quasi-municipal utility district in good standing under the laws of the State of Maine; and

ii. MPPD has full power and authority to enter into this Agreement and to fully perform all of its duties and obligations hereunder. MPPD has duly authorized the execution and delivery of this Agreement and MPPD'S performance of all of its duties and obligations contained herein, and, to the extent permitted by applicable law, this Agreement constitutes a valid and legally binding obligation of MPPD, enforceable in accordance with its terms.

MAV makes the following representations and warranties as the basis for the undertakings on its part herein contained:

i. MAV is a limited liability company organized under the laws of the State of Maine, and is in good standing and qualified to do business in the State of Maine; and

ii. MAV has full power and authority to enter into this Agreement and to fully perform all of its duties and obligations hereunder. MAV is duly authorized to execute and deliver this Agreement and perform all of its duties and obligations contained herein, and, to the extent permitted by applicable law, this Agreement constitutes a valid and legally binding obligation of MAV, enforceable in accordance with its terms.

UM makes the following representations and warranties as the basis for the undertakings on its part herein contained:

i. UM validly exists under the provisions of the Morrill Act in 1862 and is in good standing under the laws of the State of Maine; and

ii. UM has full power and authority to enter into this Agreement and to fully perform all of its duties and obligations hereunder. UM is duly authorized to execute and deliver this Agreement and perform all of its duties and obligations contained herein, and, to the extent permitted by applicable law, this Agreement constitutes a valid and legally binding obligation of UM, enforceable in accordance with its terms.
IN WITNESS WHEREOF, each party to this Agreement has caused it to be executed effective on the date indicated above.

MONHEGAN PLANTATION

By: 
Its: 

MONHEGAN PLANTATION POWER DISTRICT

By: 
Its: 

MAINE AQUA VENTUS 1 GP, LLC

By: 
Its: 

UNIVERSITY OF MAINE SYSTEM ACTING THROUGH THE UNIVERSITY OF MAINE

By: 
Its: