

NOTICE TO SUBLEASE Q&A – ADDENDUM 3 ^{1 2}

Question No.	Questions	Answers
18	<p>With regards to the requirement set forth in Section 7.1 - Financial Capacity Information of the Notice for Sublease, to provide Financial statements for the Offeror’s three most recently completed fiscal years (as applicable), will the NJEDA accept Financial Statements from parent companies, where the Offeror is a recent partnership entity funded by these parent companies, in addition to all relevant and responsive information specific to the partnership entity that is available at the time of bid?</p>	<p>If an entity is newly formed or does not possess sufficient financial capacity to enter into a sublease obligation with NJEDA, an Offeror may instead designate one or more other entities that will provide sufficient financial support (“Financing Entity”). To make such a designation, the Offeror must include a signed certification by the Chief Financial Officer or equivalent officer for each Financing Entity certifying each of the following:</p> <p>(1) The Financing Entity understands the contents of the Notice to Sublease.</p> <p>(2) The Financing Entity shall provide financial support to the prospective tenant in satisfying its obligations under a future sublease with NJEDA. Unless with or prior to the submission of a binding offer to NJEDA, Offeror presents financial information to evidence Offeror’s own financial capacity to enter into the sublease obligation, the Financing Entity or Entities must provide a binding guarantee covering Offeror’s financial obligations under the prospective sublease. The Offeror’s financial information or Financing Entity’s guarantee shall be in form and substance acceptable to NJEDA.</p> <p>(3) The Financing Entity acknowledges that unless with or prior to the submission of a binding offer to NJEDA, Offeror presents financial information to evidence Offeror’s own financial capacity to enter into the sublease obligation, such support can only be withdrawn with written approval from NJEDA.</p> <p>(4) The Financing Entity acknowledges that this support will be relied upon by NJEDA in evaluating the Offeror’s Offer.</p> <p>If the Financing Entity or Entities submit such certification, the Offeror may then submit the three most recently completed fiscal year Financial Statements of the Guarantor in lieu of those of the Offeror.</p>

¹ Question numbers are allocated by NJEDA on the basis of when questions are received and to help track with answer preparation

² To gain access to the data room, parties must first execute NJEDA’s form of non-disclosure agreement (NDA). Please request an NDA by emailing njwindport@njeda.com. If a party already as an NDA please forward a copy to njwindport@njeda.com alongside your request for access.

		Offerors are responsible for familiarizing themselves with any financial requirements in the Ground Lease that affect NJEDA's subtenants, including, but not limited to, Section 25.2.
19	With regards to the requirement set forth in Section 7.1 - Financial Capacity Information of the Notice for Sublease to provide information on bankruptcy or insolvency proceedings within the prior 10 years of the Offeror or any of its affiliates, will the NJEDA accept information from parent companies, where the Offeror is a recent partnership entity funded by these parent companies, in addition to all relevant and responsive information specific to the partnership entity that is available at the time of bid?	If an entity proposes one or more Financing Entities (as described in response to the question #18 above), NJEDA will accept information relating to bankruptcy or insolvency proceedings with relation to each Financing Entity and its affiliates. This is in addition to responsive information specific to the Offeror entity at the time of bid.
23	We Request extension of deadline from 20 OCT 2021 to 17 NOV 2021 to ensure compliance with all terms and provisions of the PSEG Ground Lease?	The deadline for submission on non-binding offers has been extended to 3:00PM U.S. Eastern Time, Friday, October 22, 2021.
31	Please provide guidance on how site boundaries may change if Parcel A and/or Parcel B1 are expanded from 30 to 40 acres, as indicated as a possibility in the notice for sublease. Please indicate any potential changes to heavy haul road locations, parcel access/entry points and quay/wharf transit corridors that may be created by an expansion of Parcel A and/or Parcel B1 to 40 acres.	<p>Should NJEDA decide to increase the acreage of Parcel A beyond 30 acres on a long-term basis that Parcel's boundary would move north into what is currently designated as Parcel B1. The Parcel A tenant would have no lesser access/no fewer entry points under an expanded footprint. Per the Notice, the Authority may also invite parties selected for subleases on Parcel A (and/or Parcel G) to make binding offers to sublease Parcel C on a short-term basis for marshalling support. This invitation would be made provided that NJEDA has not selected a party for a long-term sublease for Parcel C in accordance with this Notice or the long-term sublease has a start date that allows for short-term use, as determined by NJEDA in its discretion.</p> <p>Should NJEDA decide to increase the acreage of Parcel B1 on a long-term basis that Parcel's boundary would move north into what is currently designated as Parcel B2. The Parcel B1 tenant would have no lesser access/no fewer entry points under an expanded footprint.</p> <p>A decision to increase Parcel A and/or B1's acreage beyond 30 acres on a long-term basis would be made during the design phase for Parcel B, given implications for wharf and road positioning on Parcel B1 – and in order to minimize impacts to subtenant operations.</p>

		Offerors on parcels A and/or B1 are encouraged to signify their interest in a potential expanded footprint beyond 30 acres.
36	Are there consequences if any of the commitments made in the NBO are ultimately not fulfilled?	<p>Offers being sought are non-binding meaning that entities are free to withdraw their offer at any time prior to binding agreements without consequence. Similarly, NJEDA reserves the right to reject all non-binding offers for a given parcel or parcels, and to bring that parcel or parcels to market at a later point.</p> <p>Non-Negotiable and fully negotiated Indicative terms will be memorialized in a Sublease Agreement. Such an agreement will set out the obligations and terms of default for both parties.</p> <p>Should an entity's commitments change prior to a binding agreement, NJEDA reserves the right to pause or stop negotiations, and/or to commence parallel negotiations with other compliant Offerors on that parcel or parcels that NJEDA determines will be in the best interests of NJEDA and the State based on the criteria outlined in Section 5.2.</p> <p>Interested parties are also reminded that "Non-Negotiable" terms are non-negotiable for the purposes of non-binding offers and any subsequent binding agreements. By submitting a non-binding offer in response to the Notice, a party agrees to accept the Non-Negotiable terms and any revisions, if applicable, as outlined in the final Q&A as described in Section 5.1. Questions, exceptions, or modifications regarding Non-Negotiable terms received after the Q&A period cannot be considered.</p>
38	Will it be possible to sublease part of a parcel at a later point? If we get parcel C and we only need ½ of the parcel, will it be possible to sublease the other ½ at a later stage?	<p>Entities are free to submit an offer for any acreage/size within a given parcel. However, NJEDA cannot guarantee that an entity awarded a sublease on a portion of a parcel further to this Notice will necessarily secure the balance of that parcel's acreage at a future point if that acreage was not included in an offeror's initial bid and scored accordingly. Rather, any acreage that is not awarded further to this Notice will be competitively bid via a future Notice – with the incumbent subtenant invited to bid on that additional acreage.</p> <p>While precise terms will need to be resolved via negotiations towards a binding agreement, NJEDA anticipates that sublessees will have (limited) assignment rights. Assignment rights would only apply after execution of a binding agreement, meaning an entity cannot assign its right to negotiate with NJEDA for a sublease.</p>

		Offers submitted with terms that seek to override or that conflict with the Non-Negotiable Key Sublease Terms outlined in Exhibit B will be rejected by NJEDA as non-responsive.
39	How can a bidder clarify preference between bids submitted?	Where an entity submits offers for alternative uses on a given parcel or submits Offers on different parcels that are mutually exclusive (i.e if successful on more than one the entity would proceed with only one offer) the entity should make clear how it ranks those Offers in terms of order of preference.
40	Can NJEDA share market analysis that informed indicative rates for manufacturing parcels?	<p>NJEDA will not be sharing its market analysis. This analysis, undertaken with the support of Ernst & Young Infrastructure Advisors (EYIA), considered relevant industry comparables at peer U.S. ports and utilized the generally accepted practice of assessing rent based on a percentage yield of construction costs and improved land value.</p> <p>In setting indicative pricing for manufacturing parcels NJEDA also took into account the range of federal and state tax incentives for which offshore wind manufacturers may be eligible – including New Jersey’s Offshore Wind Economic Development Tax Credit Program. An assessment of indicative tax credits based on offshore wind facility size has been uploaded to the data room – NJEDA Extranet - Notice to Sublease Data Room - All Documents (sharepoint.com). See PDF entitled “Indicative OSW Credits”. Interested parties should note that incentive amounts are indicative only. Further, any future award of tax credits by NJEDA is separate from and unrelated to this Notice to sublease. NJEDA provides no assurances that an entity will be successful in securing a future tax credit should it be successful in securing a sublease on a given parcel or parcels, and any decision on any application for tax credits or other financial assistance from EDA shall be subject to the EDA Board’s review and approval.</p>
43	<p>What are the Berth and Quay Access rights for Parcel G & C Tenants prior to 7/1/2026? Are access rights guaranteed and unencumbered after 7/1/2026?</p> <p>"Parcel G and C tenants will have shared access to delivery berths adjacent to parcels A and B1.1 NJEDA cannot guarantee Parcel G and C tenants access to an installation berth prior to 7/1/26."</p>	<p>NJEDA cannot guarantee that Parcel G and/or C subtenants will have access to the installation berth adjacent to Parcel A prior to 7/1/26. Further, NJEDA cannot guarantee access to installation berths after 7/1/26 – with rights dependent on the terms that NJEDA agrees with the Parcel A and Parcel B1 marshalling tenants.</p> <p>Parcel G and/or C subtenants will have shared access to the delivery berth adjacent to Parcel A prior to 7/1/26, as well as shared access to the delivery berths adjacent to Parcel A and B1 after 7/1/26 (via heavy-haul road corridors). Precise access rights will be resolved via negotiations following the scoring of non-binding offers.</p>

		Parties are encouraged to detail their berth access requirements, to the extent known, in their technical requirements.
45	PSEG is 'providing' training. Who will manage and administer the required training program outlined in Schedule K of Exhibit E (Ground Lease)? What is the frequency of this training? What is the anticipated cost/person? "Attending mandatory training provided by PSEG, in order to comply with Nuclear Regulatory Commission (NRC) requirements;"	PSEG Nuclear will determine training requirements, in accordance with Nuclear Regulatory Commission (NRC) and American Nuclear Insurer (ANI) requirements. Current requirements involve port workers completing a sixty minute computer-based training course encompassing the topics outlined in Exhibit K of the Ground Lease. PSEG Nuclear (or its agent) will be responsible for administering training. Training is expected to be undertaken once annually. NJEDA does not anticipate that subtenants will incur a cost for their workers to undertake training.
46	Will NJEDA provide a clean version of Attachment A to Schedule F (Critical Chemicals and Substance Thresholds) of Exhibit E - Ground Lease - for review? The scanned version is blurry.	A more legible version of Attachment A to Schedule F (Critical Chemicals and Substance Thresholds) has been uploaded to the data room – NJEDA Extranet - Notice to Sublease Data Room - All Documents (sharepoint.com). See PDF entitled "Attachment A to Schedule F - Chemical Limits".
47	Is natural gas available to the sites?	No.
48	Are there expected to be property taxes passed through from the property owner to the offeror?	In-line with standard practice for a triple net lease, subtenants will bear all property tax obligations pertaining to their leased premises. Property tax obligations pertaining to shared infrastructure, such as wharves and common access roads, will be passed through to subtenants on a proportionate basis. Actual tax amounts cannot be determined at this stage and are dependent on a future appraisal of the value of the land and improvements.
49	With regards to the passthrough cost of insurance from PSEG, could you provide a general estimate for the cost of insurance?	NJEDA has been quoted an indicative nuclear insurance coverage cost of \$1.1667 premium per \$1,000 of insured value (in 2020\$). The insured value inclusive of improvements will be assessed at a future date and is unknown at this point. Once known, insurance costs will be passed through to subtenants on a proportionate basis. Please refer to answer 44 for further information.
50	What is the annual cost of the mandatory nuclear insurance coverage that a Tenant must reimburse NJEDA?	Please refer to answer 49 above.
51	What are the real estate tax obligations of PSEG LLC that flow through to Tenant per terms of the Ground Lease and Sublease?	Please refer to answer 48 above. PSEG's current pass through property tax obligations do not reflect proposed port improvements and associated increases in land value.