

# National Grid Real Estate Standards & Requirements

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## GENERAL STANDARDS AND REQUIREMENTS RELATING TO THIRD PARTY ACQUISITION AND TRANSFER OF REAL PROPERTY INTERESTS TO NATIONAL GRID FOR ELECTRIC FACILITIES

The standards set forth herein apply in cases where a third party (hereinafter, the “Requesting Party”) is responsible for acquiring real property interests on behalf of National Grid to support new electric assets and facilities (the “Facilities”). National Grid advises that it may impose additional and/or modified requirements on a case-by-case basis and reserves the right to amend, modify or supplement these standards at any time prior to transfer/acceptance. The Requesting Party must demonstrate to National Grid that it has adhered to these standards before National Grid will accept transfer. By understanding these standards and how they are satisfied, and by affording National Grid ample review time to determine that the standards have been satisfied, the Requesting Party can reduce the likelihood of delay, lost time, and cost duplication.

### 1. General Requirements

The Requesting Party shall acquire all real property interests that, in National Grid’s judgment, are necessary for the construction, reconstruction, relocation, operation, repair, maintenance, and removal of the Facilities. The Requesting Party is strongly encouraged to obtain National Grid’s approval of the proposed site or sites prior to acquisition (or obtaining site control) thereof. As a general rule, the Requesting Party shall acquire a fee-ownership interest for all parcels upon which a substation or other station facility will be located, and either a fee-ownership interest or a fully assignable/transferable, permanent easement for all parcels upon which any other Facilities will be located. Further, the Requesting Party shall acquire all such real property interests, as well as any necessary permits and/or entitlements, prior to commencing work of its own. Unless otherwise agreed to, assets/facilities being retained by the Requesting Party shall not be sited on any parcels in which National Grid will take a fee-ownership interest. The Requesting Party shall pay and be solely responsible for paying all costs and expenses incurred by the Requesting Party and/or National Grid that relate to the acquisition of real property interests necessary to construct, reconstruct, relocate, operate, repair, maintain and remove, as applicable, the Facilities. The Requesting Party shall pay and be solely responsible for paying all costs associated with the transfer of real property interests to National Grid, including, but not limited to, closing costs, subdivision costs, transfer (or deed excise) taxes and filing (or recording) fees. National Grid shall have no obligation to incur any costs or expenses associated with such transfer, but to the extent it does so, the Requesting Party shall reimburse National Grid for all such costs and expenses. Title shall be transferred only after having been determined satisfactory by National Grid. Further, when applicable, National Grid reserves the right to condition its acceptance of title until such time as the Facilities have been constructed, tested, and placed in service (or determined by National Grid to be ready to be placed in service). The Requesting Party is strongly advised to consult with National Grid as to the anticipated sequencing of events.

The Requesting Party will be responsible for payment of all real estate taxes (e.g., county, municipal, and/or school), water and sewer charges, betterment assessments, and other such governmental fees, charges and impositions assessed to the property owner until such time as title has been transferred to National Grid.

Prior to transfer, the Requesting Party shall furnish to National Grid the original costs of any Facilities to be transferred to National Grid by type/category of property (i.e., conductors, towers, poles, station equipment, etc.), which original costs will show year of construction by location of such Facilities. This information may be transmitted by National Grid to Federal, State, or local governmental authorities, including as may be required by law.

### **1.1. Title Documentation; Conveyancing Standards**

The real property interests shall be conveyed to National Grid in fee simple (by warranty deed or other type of deed acceptable to National Grid) or by fully-assignable/transferable permanent easement, with good and marketable title free and clear of all liens, encumbrances, and exceptions to title for a sum of \$1.00. The Requesting Party shall, when applicable, subordinate mortgages to any acquired easement rights. The Requesting Party shall provide to National Grid a complete field survey which conforms to current ALTA/NSPS Standards (including any Table A items as specified by National Grid) and/or the applicable National Grid Survey Specification, as revised and/or updated from time to time. As soon as practicable, the Requesting Party shall provide National Grid with a title insurance commitment (based on a search of at least 50 years or such longer period as may be required by National Grid and/or as may be deemed consistent with commercial conveyancing standards and legally sound title practice in the applicable jurisdiction) and municipal/tax search issued by a reputable and independent title insurance company for any real property rights in fee or easement that are to be transferred to National Grid. At the time of the transfer of such interests to National Grid, the Requesting Party shall provide a title insurance policy naming National Grid as the insured covering the real property interests that are to be transferred to National Grid.

The Requesting Party shall request direction from the National Grid real estate representative and/or attorney assigned to the transaction with respect to preparation of title insurance commitments and policies, and preparation of boundary surveys. Title shall be determined satisfactory by the National Grid real estate attorney in his or her discretion based on title requirements of a reasonable nature, consistent with commercial conveyancing standards and legally sound title practice in the applicable jurisdiction. All title insurance fees and premiums (including, without limitation, costs of title insurance policy endorsements) shall be paid by the Requesting Party at or prior to the date of transfer.

## **1.2. Forms**

The Requesting Party shall use National Grid-approved forms (including, by way of example only, forms of purchase and sale agreement, deed, easement, assignment/assumption agreement, and subordination agreement) for obtaining, recording, and transferring real property interests. Proposed changes to such forms shall be discussed with and agreed upon with the assigned National Grid real estate representative and/or attorney.

## **2. Customary Supporting Easements**

### **2.1. Access Rights**

In all cases, the Requesting Party shall obtain all necessary access/egress rights as necessary for National Grid to construct, operate, maintain, replace, or remove the Facilities, read meters, and exercise any other of its obligations from time to time. National Grid will determine specific access requirements on a case-by-case basis, but (where direct access to/from a public way is not available) National Grid requires permanent easements for access drives/roads, which roads must be constructed to National Grid's satisfaction with respect to dimensions, configuration, and vehicle load (to be determined on a case-by-case basis). Such access drives/roads shall be dedicated for National Grid's exclusive use unless National Grid specifically agrees otherwise.

The Requesting Party shall obtain temporary easements for access roads which are necessary for construction, but not for future operation and maintenance of, the Facilities. National Grid shall concur with respect to any temporary roads being acquired versus permanent roads. If any disagreements occur with respect to the type of road being needed, National Grid's decision shall be final. In the event National Grid determines that permanent roads will not be required for operation and maintenance (including repair or replacement), easements for temporary roads shall not be assigned or otherwise transferred to National Grid by the Requesting Party.

### **2.2. Danger Tree Trimming Rights**

If it is determined that any fee-owned or principal easement strip is not wide enough to eliminate danger tree concerns, the Requesting Party shall obtain additional permanent easements for danger tree removal beyond the bounds thereof. The additional danger tree easement rights may be general in their coverage area, but if a width must be specified, National Grid's determination as to the adequacy thereof shall be final.

### **2.3. Guy and Anchor Rights**

The Requesting Party shall obtain an additional permanent fee-owned or easement area for guys, anchors, and other such appurtenant facilities when the fee-owned or principal easement strip does not contain adequate area or dimension to fully contain such facilities.

### **3. Areas Where Permits May Be Acceptable**

As set forth in paragraph 1 above, the Requesting Party shall, as a general rule, acquire a fee-ownership interest or a fully assignable and transferable, permanent easement to support the Facilities. The Requesting Party is therefore strongly encouraged to avoid locations where such interests may be difficult or impossible to obtain. National Grid recognizes, however, that it may be reasonable and appropriate to deviate from the general rule in specific, limited instances. By way of example only, where the Facilities must cross a public highway, the public agency or authority having jurisdiction over such highway may be authorized to issue a license or permit, but not a permanent easement. The Requesting Party shall consult with National Grid as soon as it determines that it may be necessary to deviate from the general rule, and National Grid reserves the right to determine in its sole discretion whether it shall accept anything less than fee or easement rights at any location. National Grid reserves the right to require that any license or permit-related fees be paid up front and in-full by the Requesting Party.

(As a related matter, if the Requesting Party must use public highway for the Facilities, the Requesting Party shall arrange for and reimburse National Grid and/or any other utilities for any relocation which may be necessary.)

### **4. Dimensional Requirements**

Dimensional requirements with respect to electric station/substation facilities will vary on a case-by-case basis. In all cases, however, the Requesting Party shall obtain sufficient area to allow safe construction, operation, and maintenance of the Facilities, in conformity with applicable land use and environmental laws, rules and regulations, including, without limitation, bulk, setback and other intensity requirements of applicable zoning ordinances, subdivision regulations, and wetlands setback requirements. Basic width for the fee-owned or easement strip for transmission lines shall be determined by and subject to review and approval by National Grid. National Grid will advise the Requesting Party if there will be any additional right-of-way requirements. This requirement may be modified by the agreement of the parties as the scope of the project is further developed or if there are changes to initial scope of the project.

Where guyed angle structures are to be installed, additional fee strip widths or permanent easement shall be obtained by the Requesting Party on the outside of the angle to provide for installation of guys and anchors within the fee-owned strip or permanent easement.

### **5. Use of Existing National Grid Right-of-Way Not Permitted**

Existing National Grid lands and rights-of-way will not be available for siting the Facilities unless National Grid specifically agrees to the contrary, in which case the Requesting Party will pay a mutually acceptable cost of the rights acquired. For the avoidance of doubt, National Grid has no obligation to sell or transfer any such rights.

## **6. Other Due Diligence Standards**

National Grid conducts a thorough acquisition due diligence exercise to ensure that its transfer and acceptance standards are met, and the Requesting Party is expected to cooperate and coordinate with National Grid to ensure the successful completion of due diligence. In addition to title, survey and other customary commercial real property due diligence described herein, National Grid's due diligence exercise encompasses environmental matters (as set forth in National Grid's "Environmental Standards and Requirements Relating to Third Party Acquisition and Transfer of Real Property Interests to Niagara Mohawk Power Corporation for Electric Facilities"), as well as permits, franchises, warranties, agreements, contract rights, authorizations, approvals, consents, privileges, guaranties, or other benefits relating to the Facilities and/or the real property/real property rights to be transferred to National Grid. The Requesting Party is expected to satisfy the standards set forth herein, as well as all other applicable National Grid standards. The Requesting Party is further advised that specific due diligence requirements may be imposed on a case-by-case basis.

## **7. Other Requirements**

In addition to the standards and requirements described herein, certain legal terms and provisions will be required in connection with the transfer of real property interests to National Grid and shall be set forth in the applicable contract or contracts for sale, and/or the instruments of transfer. Such terms and provisions shall include customary covenants, representations, warranties, and indemnities. With respect to indemnities, and by way of example only, the Requesting Party shall be required to indemnify, defend, and hold National Grid and its agents, employees, officers, directors, parents, subsidiaries, and affiliates, harmless from and against any loss, claim, damage, liability, cost, suit, charge, fees (including attorney and consulting fees), expense, or cause of action arising from, or related to, any construction delays, construction or operations cessations, claims of trespass, or other events of any nature whatsoever that arise from or are related to an issue as to the sufficiency of the real property interests acquired or utilized by the Requesting Party for the construction, reconstruction, relocation, operation, repair, and maintenance of the Facilities, as well as any such loss or claim arising from any lien or encumbrance against the property conveyed to National Grid. In no event shall National Grid be held liable to the Requesting Party or third parties for special, indirect, consequential, incidental or punitive damages arising from or any way relating to an issue as to the sufficiency of the real property interests acquired or utilized by the Requesting Party (including, but not limited to, any real property interest from National Grid) for the construction, reconstruction, relocation, operation, repair, and maintenance of the New Facilities.

In the event that National Grid is or shall become legally obligated to acquire real property interests on its own behalf, or shall elect to do so voluntarily, the Requesting Party shall (to the maximum extent allowable by law) be and remain responsible for all associated costs and expenses associated with such acquisition, and whether such acquisition is ultimately made by National Grid through negotiated efforts, or by exercising its power of eminent domain (where applicable). Such costs and expenses may include, by way of example only, acquisition maps, property descriptions, appraisals, environmental assessments/study reports, and any other report or reports which may be required.