

### **Land Agreement Key Terms**

Dominion requires demonstration of full site control as a requirement to its acquisition of a project. Full site control means a valid and existing land agreement for every portion of real property required for the development, construction, operation, maintenance, and removal of the project. Dominion prefers the land agreement be in the form of an option to purchase (along the terms outlined below). However, options to lease or obtain easements (with the forms of lease or easement, as applicable, attached to the option), leases, and easements are also sufficient forms of land agreements. Notwithstanding the foregoing, only a purchase option or purchase contract is acceptable for real property intended for a transmission switchyard facility. Basic requirements for each form of land agreement are as follows (note that these are minimum standards and do not represent all of Dominion's preferred terms, further but not exhaustive terms are set forth below):

## 1. Option to Purchase must have:

- a. An option period with sufficient term remaining so that Dominion can acquire, file for and obtain its necessary permits and approvals.
- b. Set forth the agreed-upon purchase price.
- c. If the property being purchased is landlocked, a perpetual access to the property.

# 2. Option to Lease must have:

- a. An option period with sufficient term remaining so that Dominion can acquire, file for and obtain its necessary permits and approvals.
- b. The ability to restrict landowner's timbering during the option period.
- c. A form lease that includes at least a two (2) year construction term and a thirty-five (35) year operations term, as well as be terminable by tenant without penalty.
- d. No decommissioning surety requirement.

## 3. Option to obtain an Easement must have/be:

- a. An option period with sufficient term remaining so that Dominion can acquire, file for and obtain its necessary permits and approvals.
- b. A form easement.
- c. Perpetual where needed for access to the switchyard.

#### 4. Lease must include:

- a. A development term at a significantly reduced rent with sufficient term remaining so that Dominion can acquire, file for and obtain its necessary permits and approvals.
- b. A Construction Term of at least two (2) years at a reduced rent.
- c. An Operations Term of at least thirty-five (35) years.
- d. No decommissioning surety in favor of the landowner.

#### 5. Easement:

- a. Must be perpetual where needed, otherwise must run for the length of the project operation (e.g., if the easement serves the transmission switchyard).
- b. Even if perpetual, should include a unilateral right for the grantee to terminate.

Further, Dominion expects each land agreement to be comprehensive and consistent with industry practices. Dominion reserves the right to review and comment on other land agreement terms that are not otherwise addressed below or above.



Category	Terms	Notes
Property	An option should include the ability to exercise on a portion but not all of the property, at tenant's discretion. If the land agreement is an existing lease, then it should include the right to reduce the property at tenant's discretion. If the existing land agreement is an easement, it should include the right to relocate the proposed easement area, if any.	In the alternative, a lease or lease option can include all of the property (with the landowner retaining no rights) so long as the rent price is reduced.
Development Term and Rent	In a lease, the Development Term should include a sufficient amount of time for the Project to have completed all required due diligence, all permitting and all engineering and design as necessary to issue a final notice to proceed ("FNTP") for construction of the project. Any Development Term rent or fees should be significantly reduced (e.g., \$25 an acre).	This provision is more critical for projects being sold to Dominion on or before FNTP.
Construction Term and Rent	In a lease, the Construction Term should be a minimum of two (2) years, and the Construction Term rent should be reduced to approximately 25% of the initial Operations Term rent. Tenant should have the right to terminate without penalty at any time.	
Operations Term and Rent	In a lease, the Operations Term should include a total of thirty-five years. Tenant should have the right to terminate or reduce the property without penalty. Operations Term rent should be based on a fair market value.	
Restoration Term and Rent	In a lease, the Restoration Term should commence on the expiration of the Operations Term and should be at least one (1) year. Restoration Term Rent	While one (1) year is the minimum, the Restoration Term length will be analyzed on a per project basis.
Early Termination	As noted, tenant should have the ability to terminate a lease or easement at any time without penalty.	A purchase contract (that is not structured as an option) should also include the right to terminate without penalty.



Category	Terms	Notes
Permitted Uses	In leases, the grant to Tenant for the project	
	should include the right for tenant to	
	develop, construct, operate, maintain, repair	
	and replace a solar power generation facility,	
	inclusive of all appurtenant associated	
	facilities, including inverters, collector lines,	
	transmission and distribution facilities,	
	stormwater facilities, energy storage	
	facilities (whether integrated with the solar	
	power generation facility or standalone on	
	the same property) and other facilities	
	typically associated with a solar power	
	generation facility. Dominion will accept	
	leases that include the right to develop agri-	
	voltaic-related uses along with the other	
	permitted uses.	
Restoration	In leases, restoration obligations should	
Obligation	include measures typically required under	
	Virginia law, including local ordinances, but	
	should not be more restrictive than	
	applicable laws. Infrastructure should be	
	removed from the surface and up to 36	
	inches below the surface.	
No Restoration	In leases, for so long as Dominion is the	
Surety	tenant, Dominion should not be required to	
	provide surety to the Owner for the	
	restoration obligations.	
Taxes	Landowner shall be responsible for all real	
	property taxes, provided that tenant will pay	
	any increase in taxes associated with the	
	installation of the project facilities.	



Category	Terms	Notes
Assignment and	Dominion prefers the land agreements to be	In the alternative, the land
Sub-easements	freely assignable. Further, Dominion prefers	agreements can provide
	to have the right to grant any sub-easements	that an assignment to an
	or portion of its right to a third-party as	affiliate of tenant or to an
	needed for development and operation of the	entity that acquires all or
	project.	substantially all of Tenant's
		interest in the project
		facilities or a sublease to an
		entity that will install an
		energy storage facility as an
		ancillary use of the
		property shall not require
		landowner consent, and
		upon such assignment the assignor will be relieved of
		its obligations under the
		agreement.
Right to	Tenant should have the right to encumber,	ugicoment.
Encumber and	collaterally assign, pledge, etc. its leasehold	
Lender	interest and/its interest in the project	
Protections	facilities without landowner's consent.	
Insurance	Dominion shall have the right to self-insure	
	for any required insurance. Any insurance	
	required under a lease should be in	
	commercially reasonable amounts.	



Category	Terms	Notes
Utility Lot	In either a standalone option to purchase or	
Purchase and	in a purchase option contained in a	
Temporary or	lease/lease option, Tenant shall have the	
Permanent	unilateral option to purchase at least ten (10)	
Easements	acres of land for construction of the	
	permanent substation or switching station to	
	be owned by the connecting utility as	
	required for the project. As a part of that	
	purchase option, Tenant also shall have the	
	right to acquire temporary and permanent	
	access, utility, stormwater, sheet flow,	
	preservation, open space and other	
	easements necessary to access, operate and	
	maintain the substation/switching station, to	
	extend and/or relocate any existing	
	transmission lines as necessary to connect	
	the permanent substation or switching	
	station with such existing transmission lines,	
	and to satisfy permitting and other related	
	requirements for the project. Purchase price	
	shall be commensurate with market rate and	
	analyzed by Dominion on a case-by-case	
	basis.	
Environmental	Tenant shall be subject to typical	
Provisions	environmental obligations relative to	
	Hazardous Substances; however, the	
	landowner shall be responsible for any	
	hazardous substance discharge prior to the	
	tenancy or from any third-party. In addition,	
	any lease should allow tenant to freely	
	comply with all applicable environmental	
	laws, including registration of the project	
	under RCRA.	



Category	Terms	Notes
Timbering	All land agreements should from refrain	
	from any provisions that direct a landowner	
	to timber any portion of the property. A	
	landowner shall have the right to timber its	
	property during an option period prior to the	
	submission of certain permits (as described	
	below), subject to the following: (i) tenant	
	can designate certain buffer and other	
	reserve areas where owner cannot timber,	
	subject to compensating landowner for the	
	value of that timber at the commencement of	
	the Operations Term; (ii) landowner cannot	
	timber any portion of the Property from and	
	after the date tenant submits an application	
	for a certificate of public convenience and	
	necessity ("CPCN", a Permit by Rule	
	("PBR") or a land disturbance permit; and	
	(iii) tenant will compensate the landowner	
	for the market value, if any, of any	
	harvestable timber remaining on the	
	Property upon the commencement of	
	construction. Note that all leases and	
	easements should fully restrict the	
	landowner from timbering.	
Crop Damages	Tenant will pay landowner reasonable crop	
	damages for any crops the landowner planted	
	but is unable to harvest due to the	
	commencement of construction or exercise of	
	an option. The Crop Buyout Fee should be on	
	standard terms generally accepted in the	
	renewable energy industry.	