

National Grid

The Narragansett Electric Company

**Town of New Shoreham  
Project  
Transmission Facilities  
Purchase Agreement**

March 13, 2014

Docket No. \_\_\_\_\_

**Submitted to:**  
Rhode Island Division of Public Utilities  
and Carriers

Submitted by:

**nationalgrid**





Timothy F. Horan  
President  
Rhode Island Jurisdiction

March 13, 2014

**VIA HAND DELIVERY & ELECTRONIC MAIL**

Thomas Ahern, Administrator  
Rhode Island Division of Public Utilities and Carriers  
89 Jefferson Boulevard  
Warwick, RI 02888

**RE: Town of New Shoreham Project  
Transmission Facilities Purchase Agreement**

Dear Mr. Ahern:

Pursuant to R.I.G.L § 39-26.1-7(f), National Grid<sup>1</sup> is enclosing five (5) copies of the unexecuted draft of the Transmission Facilities Purchase Agreement (the “Agreement”) between National Grid and Deepwater Wind Block Island Transmission, LLC (“Deepwater”) for the Division’s review and consent. The statute provides that National Grid may, at its option, elect to “own, operate, or otherwise participate in the transmission cable project”<sup>2</sup> connecting the Town of New Shoreham to the mainland of the state, and in such event will provide an unexecuted copy of the transmission facilities purchase agreement to the Division for consent to execution. The Agreement provides that Deepwater has begun the process of developing the transmission cable as contemplated by R.I.G.L. § 39-26.1-7(f), and that the Company intends to construct, own, and operate the transmission cable and related facilities (collectively, the “Transmission Facilities”) from the Town of Narragansett to Block Island.

The Company is also enclosing five (5) copies of the following ancillary documents for the sake of completeness and informational purposes only:

- Cooperation Agreement between National Grid and Deepwater; and
- Schedule of Definitions.

**Background and Legal Basis**

Around the summer of 2012, the Company and Deepwater agreed upon an approach, whereby National Grid would purchase the real estate rights, permits, and completed engineering work from Deepwater, and National Grid would construct, own and operate the Transmission Facilities as a transmission project regulated by the Federal Energy Regulatory Commission

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<sup>1</sup> The Narragansett Electric Company d/b/a National Grid (“National Grid” or the “Company”).

<sup>2</sup> R.I.G.L. § 39-26.1-7(f).

(“FERC”). This approach was different from the original proposal, whereby Deepwater and National Grid would attempt to negotiate an agreement providing for Deepwater to construct the Transmission Facilities and to sell the Transmission Facilities to National Grid when completed. Negotiations of the original sale proposal reached an impasse earlier in 2012 around the purchase price and National Grid’s role in the construction of the Transmission Facilities. The Company believed that the alternative approach was likely to be the more successful option for the project for several reasons: (1) the Company and its affiliates are in the business of constructing transmission projects and, specifically, have experience with constructing submarine cables, whereas Deepwater’s expertise is with wind farm development; (2) by constructing the Transmission Facilities, the Company would be better able to control costs given that its cost of capital is less than Deepwater’s and there would be lower “soft” costs (e.g., financing costs and third-party management fees), thereby making this the preferred option for Rhode Island customers; and (3) by utilizing a traditional regulated approach, whereby the Company constructs the Transmission Facilities like any other FERC-regulated transmission project, the Company is better able to assess and manage the project risk.

The Company believes that R.I.G.L. § 39-26.1-7(f) and state policy support National Grid’s construction of the Transmission Facilities. The plain language of the fourth sentence of subsection (f) is permissive in nature and states that the electric distribution company “may purchase the transmission cable and related facilities from the developer....” This language is independent of the second sentence in that section, which states “the electric distribution company, *at its option*, may elect to own, operate, *or otherwise participate in such transmission cable project.*” (Emphasis added). That coupled with the use of the word “may” instead of “shall” in the fourth sentence suggests that the legislature did not intend that the Company must purchase a fully constructed transmission cable in order to “own, operate, or otherwise participate” in the project.<sup>3</sup> Most importantly, the Company’s approach helps to facilitate construction of the Transmission Facilities for the reasons noted above, which will further the state’s public policy of promoting the development of offshore wind and interconnecting Block Island to the mainland. Below is a summary of the key terms of the Agreement.

### **Transmission Facilities and Scope of Agreement**

The Transmission Facilities will include an approximate 20 mile 34.5kV submarine electric cable and related facilities connecting Block Island to the mainland electric grid. In addition, the Transmission Facilities will include approximately 1 mile of terrestrial infrastructure (buried and overhead) on Block Island and approximately 4 miles of terrestrial infrastructure (buried) in Narragansett, RI. The Transmission Facilities will also include a new substation on Block Island at the Block Island Power Company property and a switchyard in Narragansett, RI at the Rhode

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<sup>3</sup> This reading is also consistent with Section 8.5(e) of the Power Purchase Agreement between the Company and Deepwater Wind Block Island, LLC (“Seller”) that was approved by the Public Utilities Commission in Docket No. 4185. That provision states that the Company “may, in its sole discretion elect to . . . construct, or cause the construction of, the Transmission Cable (either directly or through an Affiliate) without the involvement of Seller or Deepwater Transmission, pursuant to an agreement that will be mutually beneficial to Buyer and Seller.”

Island Department of Transportation facility located at Dillons Corner. The Transmission Facilities are more particularly described on Schedule 1 of the Agreement.

The Agreement also provides that the Company is purchasing the assets listed on Schedule 2 of the Agreement, which include the property options and rights (including the right-of-way from the Bureau of Ocean Energy Management for the ocean floor in federal waters), all major permits (except for storm water and building permits), conceptual engineering documents, environmental and archaeological reports, and procurement results (collectively, the “Assets”) in order to construct the Transmission Facilities as permitted under the statute.

### **Purchase Price**

The parties initially negotiated a total not-to-exceed price of \$10.7 million to purchase the Assets, which included a purchase price of \$9.8 million plus an adjustment at closing for verified costs incurred between February 1, 2013 and closing up to a cap of \$852,005. The maximum purchase price also included the payment of a development fee to Deepwater in the amount of \$2,320,824. The Company and Deepwater met with the Division on July 29, 2013 to present the project and the commercial terms of the proposed transaction. Following that meeting, the Company and Deepwater engaged in a series of discussions with Division staff and based on the Division’s input, Deepwater agreed to a reduction in the development fee in the amount of \$1,539,563, for a revised not-to-exceed purchase price of \$9,486,289. A breakdown of the purchase price of \$9,486,289 as set forth in Section 3 and Schedule 3 of the Agreement is as follows:

- Purchase Price for the Assets in the amount of \$8,334,782 (inclusive of a development fee of \$766,592); plus
- Real Estate Costs for the easements to be acquired from the State of Rhode Island in the amount of \$374,838 ; plus
- An Expense Adjustment of up to a maximum of \$776,669, which includes the actual out-of-pocket expenses incurred by Deepwater in connection with the acquisition and development of the Assets between February 1, 2013 and Closing (not to exceed \$762,000) plus a 3.85% development fee applied to such expenses.

In addition, National Grid has agreed to pay for fifty percent of the actual out-of-pocket litigation expenses incurred by Deepwater and its affiliate, Deepwater Wind Block Island, LLC (“DWBI”) up to a maximum of \$50,000 and without any additional development fee.

## **Other Terms**

The Agreement contains numerous closing conditions that Deepwater must satisfy prior to Closing as conditions precedent to National Grid's obligation to purchase the Assets. These closing conditions are more particularly set forth in Section 8 of the Agreement, and include, but are not limited to, the following:

- Receipt of all governmental approvals, which include the Division's consent to execution of the Agreement and the necessary approvals by FERC as listed in Section 8(a) of the Agreement;
- Receipt and transfer of all permits listed on Schedule 2, Part 2 of the Agreement to National Grid (which must be final and unappealable, except for certain permits listed on Schedule 4 of the Agreement);
- Receipt and transfer of all property rights listed on Schedule 2, Part 1 of the Agreement to National Grid;
- Receipt and transfer of all other Assets listed in Schedule 2;
- Receipt of clean environmental assessments (i.e. Phase I);
- Completion of final ocean surveys listed on Schedule 2, Part 4 of the Agreement, acceptable to National Grid in its sole discretion;
- Consultations with the Town of Narragansett that are satisfactory to National Grid in its sole discretion; and
- Receipt of a parent guarantee.

## **Request for Division Consent**

The Company requests the Division's consent to the parties' execution of the Agreement (without condition or modification except as set forth below) within twenty (20) days from the date of this letter as required by § 39-26.1-7(f), following which the Company intends to make a filing with FERC to put into effect transmission rates to recover the costs associated with the Transmission Facilities. The Company notes that the not-to-exceed purchase price of \$9,486,289 set forth in the Agreement represents the Company's initial cost to acquire the Assets to develop the project and that it will be incurring additional costs to complete the construction of the Transmission Facilities, which additional costs are not expressly before the Division for review. The Company currently estimates the total cost of the Transmission Facilities (inclusive of the purchase price under the Agreement) to be \$75 million -25%/+50%, which costs will be recovered through FERC filed rates. Of this \$75 million, the Company estimates that \$59 million

Town of New Shoreham Project  
Transmission Facilities Purchase Agreement  
March 13, 2014  
Page 5 of 5

(-25%/+50%) is attributable to the cable portion of the Transmission Facilities as follows:

- Submarine Cable: \$40.0 million
- Mainland Underground Cable: \$14.5 million
- Block Island Underground & Overhead Cable: \$4.5 million

The above estimates are conceptual estimates based on a certain set of assumptions and influenced by copper prices, among other variables. Therefore, these estimates are subject to change. The Company plans to refine these conceptual estimates following completion of final engineering for the project. The Company further acknowledges that the Division, by consenting to the Agreement, is consenting to a maximum purchase price of \$9,486,289 for the Assets, and that such consent shall not be interpreted as waiving any future rights of the Division, in any state or federal proceeding, to challenge the prudence of the total costs that the Company incurs to complete the construction of the Transmission Facilities.

Finally, based on the Company's recent discussions with the Division, the Company has agreed that it will not commence the physical installation of the submarine portion of the Transmission Facilities until such time as DWBI has delivered evidence, including verification from a third-party verification agent, who will report to the Coastal Resources Management Council, of the commencement of fabrication of the jacket foundation structures that will support the wind turbine generators. The foregoing shall not limit National Grid's ability to commence the planning, design, or procurement of materials necessary for the construction and installation of the submarine portion of the Transmission Facilities.

Sincerely,



Timothy F. Horan

Enclosures

cc: Leo Wold, Esq.  
John Spirito, Esq.  
Steve Scialabba, Division

**Transmission Facilities  
Purchase Agreement**

## TRANSMISSION FACILITIES PURCHASE AGREEMENT

This TRANSMISSION FACILITIES PURCHASE AGREEMENT made as of the [ ] day of [\_\_\_\_], 2014 (this “Agreement”), between Deepwater Wind Block Island Transmission, LLC, a Delaware limited liability company (“DWB”), and The Narragansett Electric Company d/b/a National Grid, a Rhode Island corporation (“National Grid”) (each a “Party” and together the “Parties”).

### WITNESSETH:

WHEREAS, National Grid and DWBI, an affiliate of DWB, are parties to the PPA, pursuant to which National Grid has agreed to purchase the energy, capacity and certain attributes produced by an offshore wind energy generating facility (the “Generator”) to be constructed by DWBI; and

WHEREAS, the PPA was negotiated and entered into pursuant to R.I.G.L. ch. 39-26.1-7, which provides for the construction of an undersea transmission cable and related facilities, as described on Schedule 1 (the “Transmission Facilities”), that interconnects the Town of New Shoreham (Block Island) and the Rhode Island mainland, and which provides that National Grid may elect, as its option, to own, operate or otherwise participate in such transmission cable; and

WHEREAS, DWB has begun the process of developing the transmission cable contemplated by R.I.G.L. ch. 39-26.1-7 and in connection therewith, has acquired all interests in the Assets; and

WHEREAS, National Grid intends to construct, own and operate the Transmission Facilities and now wishes to purchase all interests in the Assets from DWB; and

WHEREAS, DWB wishes to sell all interests in the Assets to National Grid, subject to the terms and conditions of this Agreement;

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, National Grid and DWB agree as follows:

1. Definitions. Capitalized terms not otherwise defined herein are defined in Schedule A. Defined terms in this Agreement shall include in the singular number the plural and in the plural number the singular. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms.

2. Sale and Purchase of Assets.

(a) Subject to the terms and conditions hereof, DWB will sell, convey, assign, transfer and deliver to National Grid at the Closing, and National Grid will purchase, accept and assume at the Closing, good, clear and marketable title and all rights and interests (except as expressly set forth in Schedule 2) in and to:

(i) the real estate options and grants for the real property on which the Transmission Facilities are expected to be constructed, which are listed in Part 1 of Schedule 2 hereto (the “Property Rights”);

(ii) the Permits listed in Part 2 of Schedule 2 hereto (including any additions thereto pursuant to Section 2(b)) (the “Transferred Permits”), which are all of the Permits other than the National Grid Permits and the RI DOT Permits (each defined below);

(iii) all of DWBIT’s right, title and interest in, to and under the RIDOT Permits;

(iv) all files, documents and data (electronic or otherwise) in existence as a result of preliminary engineering and surveys developed by DWBIT and its affiliates in connection with the Transmission Facilities (the “Engineering Documents”), including without limitation those listed in Part 3 of Schedule 2 hereto;

(v) all environmental and archaeological reports and documents related to the Transmission Facilities and the Sites (the “Reports”), including without limitation those listed in Part 4 of Schedule 2 hereto;

(vi) all request for proposal responses (“RFP Responses”) and any other procurement information in connection with the Transmission Facilities, including without limitation those described or identified in Part 5 of Schedule 2 hereto; and

(vii) certain other applications, documents and data listed in Part 6 of Schedule 2 (“Other Information”).

(b) DWBIT shall update Schedule 2 as necessary to reflect changes between the date hereof and the Closing Date (including the addition of any municipal or other local Permit that National Grid may determine in its reasonable discretion is required in order to construct the Transmission Facilities, in accordance with Section 8(t)), which changes shall be provided to National Grid at least fourteen (14) days prior to the Closing Date; provided that such updated Schedule 2 must be acceptable to National Grid in its sole discretion. If DWBIT fails to update Schedule 2 or notify National Grid that Schedule 2 remains accurate as of the Closing Date at least seven (7) days prior to the Closing Date, or National Grid objects, in its sole discretion, to Schedule 2 as updated by DWBIT, National Grid shall have the right to terminate this Agreement with no further obligations hereunder.

(c) The Assets shall be sold and conveyed to National Grid free and clear of all mortgages, security interests, charges, encumbrances, liens, assessments, covenants, claims, conditions (other than those explicitly included in the Transferred Permits), title defects, pledges, encroachments and burdens of every kind or nature whatsoever (collectively, “Liens”), other than Permit Encumbrances.

(d) DWBIT shall be solely responsible for, and agrees to pay, all sales, income, use, transfer and other Taxes, if any, arising from the transfer of the Assets.

(e) Anything else in this Agreement, the Cooperation Agreement or any of the Transfer Documents notwithstanding, National Grid shall not assume, and shall not be deemed to have assumed or otherwise become liable for, any liability, claim or obligation of DWBIT whatsoever, known or unknown, accrued or contingent, except solely for those liabilities and obligations arising after the Closing under or in connection with the Assets.

3. Purchase Price.

(a) Subject to the terms and conditions set forth herein, National Grid will acquire the Assets at the Closing for the sum of \$8,334,782 plus the Real Estate Costs and the Expense Adjustment described in Section 3(b) (such sum being referred to herein as the “Purchase Price”).

(b) The amount set forth in Section 3(a) will be increased by \$374,838 as reimbursement for the acquisition costs associated with the Property Rights acquired from the State of Rhode Island (the “Real Estate Costs”). The amount set forth in Section 3(a) will also be increased by an additional amount for the actual out-of-pocket expenses incurred by DWBIT in connection with the acquisition and development of the Assets between February 1, 2013 and the Closing, plus a development fee of 3.85% per annum applied to such out-of-pocket expenses, but assuming such development fee accrues for six months (the “Expense Adjustment”), which Expense Adjustment will be documented to National Grid’s reasonable satisfaction. In no event will either (A) the development fee described in the preceding sentence accrue for more than six months, regardless of when the Closing (defined below) actually occurs or (B) the Expense Adjustment exceed the sum of (i) \$776,669 plus (ii) fifty percent (50%) of the actual out-of-pocket expenses incurred by DWBIT and DWBI in an appeal of the Submerged Land Lease granted by the Rhode Island Coastal Management Resources Council (without any additional development fee), which amount in this clause (B)(ii) will not exceed \$50,000 without the prior written consent of National Grid, in its sole discretion. The specific categories of expenses comprising the Expense Adjustment (other than those relating to an appeal of the Submerged Land Lease granted by the Rhode Island Coastal Management Resources Council) and the maximum amount of reimbursable expenses within each such category are set forth in Table 2 of Schedule 3, and DWBIT shall not exceed such maximum amount for any category without the prior written consent of National Grid, which consent shall not be unreasonably withheld or conditioned and shall only be provided so long as the total amount of the Expense Adjustment, excluding the development fee, not attributable to an appeal of the Submerged Land Lease granted by the Rhode Island Coastal Management Resources Council does not exceed \$762,000. At least fourteen (14) days before the Closing, DWBIT will provide National Grid with the documentation needed to establish the amount of the Expense Adjustment, and National Grid will review such documentation and notify DWBIT at least three (3) days before the Closing of any objection to such documentation. National Grid and DWBIT will negotiate in good faith prior to the Closing to resolve any objections that National Grid has to DWBIT’s proposed Expense Adjustment.

4. The Closing.

(a) The closing of the sale and purchase of the Assets (the “Closing”) will take place at National Grid’s offices at 280 Melrose Street, Providence, Rhode Island at 10:00

a.m., eastern prevailing time, on a date within fifteen (15) Business Days after the satisfaction or waiver of all conditions precedent to the obligations of the parties to effect the transactions contemplated hereby set forth in Sections 8 and 9 hereof (the date of the Closing being hereinafter referred to as the “Closing Date”).

(b) At the Closing, DWBIT will execute and deliver to National Grid (i) assignment and assumption agreements in a form reasonably acceptable to National Grid and substantially similar to Exhibit A-1(relating to the easement from the Rhode Island Department of Environmental Management),Exhibit A-2(relating to the easement from the Rhode Island Department of Transportation) and Exhibit A-3 (relating to the other Property Rights) assigning to National Grid all right, title and interest in, to and under the Property Rights (collectively, the “Assignment and Assumption of Property Rights”), (ii) an assignment and assumption agreement in a form reasonably acceptable to National Grid and substantially similar to Exhibit B assigning to National Grid all right, title and interest (except as expressly set forth in Schedule 2)in, to and under the Transferred Permits and the RIDOT Permits to be assigned to National Grid hereunder (the “Assignment and Assumption of Permits”), (iii) a bill of sale in a form reasonably acceptable to National Grid and substantially similar to Exhibit C conveying to National Grid all right, title and interest (except as expressly set forth in Schedule 2) in and to the Engineering Documents, the Reports, RFP Responses, the Other Information and any other Assets (the “Bill of Sale” and together with the Assignment and Assumption of Property Rights and the Assignment and Assumption of Permits, the “Transfer Documents”) and (iv) any other transaction documents or instruments listed in Section 8 hereof or otherwise required hereunder or reasonably requested by National Grid in connection with the transfer to National Grid of the Assets, against payment by National Grid of the Purchase Price.

(c) At the Closing, National Grid shall (i) deliver to DWBIT via wire transfer of immediately available funds to the account set forth in Exhibit D the Purchase Price and (ii) execute and deliver the Transfer Documents to which National Grid is a party and any other transaction documents or instruments listed in Section 9 hereof or otherwise required hereunder or reasonably requested by DWBIT in connection with the transfer to National Grid of the Assets.

(d) Legal title, equitable title and risk of loss with respect to the Assets to be transferred pursuant to this Agreement will not pass to National Grid until, and only to the extent that, the Assets are transferred at the Closing pursuant to the Transfer Documents required hereunder.

5. Representations and Warranties of DWBIT. DWBIT represents and warrants to National Grid as follows:

(a) Organization and Good Standing; Power and Authority. DWBIT is a limited liability company, validly existing and in good standing under the laws of the State of Delaware and is duly qualified and in good standing under the laws of the State of Rhode Island. DWBIT has all requisite power and authority to own and operate its business and properties, to own the Assets and execute, deliver, and perform its obligations under this Agreement and the Transfer Documents.

(b) Due Authorization; No Conflicts. The execution and delivery of this Agreement and the Transfer Documents by DWBIT, and the performance by DWBIT of its obligations hereunder and thereunder, have been duly authorized by all necessary actions on the part of DWBIT and do not and, under existing facts and Applicable Legal Requirements applicable to DWBIT, will not: (i) contravene its certificate of formation, operating agreement and other constitutive documents applicable to DWBIT; (ii) conflict with, result in a breach of, or constitute a default under any note, bond, mortgage, indenture, deed of trust, license, contract or other agreement to which it is a party or by which any of the Assets may be bound or affected; or (iii) subject to receipt of the approvals and consents of the Governmental Entities identified on Schedule 5(b) to this Agreement which are required for the consummation of the transactions contemplated by this Agreement (the “Governmental Approvals”), violate any order, writ, injunction, decree, judgment, award, statute, law, rule, regulation or ordinance of any Governmental Entity or agency applicable to it or any of its properties.

(c) Title to Assets. DWBIT has good and marketable title to the Assets, free and clear of all Liens. Upon consummation of the transactions contemplated hereby and by the Transfer Documents, DWBIT will have transferred to National Grid good and marketable title to the Assets, free and clear of all Liens. National Grid may utilize the Assets after the Closing to the same extent that DWBIT is able to utilize the Assets before the Closing.

(d) Status of Property Rights, Permits and Consultations. Each of the Property Rights is in full force and effect and is a legal, valid and binding obligation of each owner of the Sites that is party thereto. On the Closing Date, (i) each of the Transferred Permits and each of those Permits to be obtained from the Rhode Island Department of Transportation listed in Schedule 5(d)(i), for which National Grid and DWBIT are co-applicants (the “RIDOT Permits”) will be in full force and effect and will not be subject to any pending appeal, rehearing, or stop-work, cease-and-desist or similar order and, except with respect to the Permits listed in Schedule 4 (the “Appealable Permits”), the periods for any such appeal or rehearing will have lapsed, and (ii) each of the Transferred Permits and RIDOT Permits shall provide, as applicable, for (A) the underground installation of the transmission cable that is a part of the Transmission Facilities and will run from the Scarborough State Beach in Narragansett, Rhode Island to National Grid’s Wakefield substation in South Kingstown, Rhode Island where the Transmission Facilities will terminate and (B) the installation or removal of any switching or substation facilities that are required in connection with the Transmission Facilities. The Transferred Permits and the Governmental Approvals constitute all of the permits, authorizations, licenses, orders, consents, waivers, exceptions, exemptions, variances or other approvals by or from, and any filings, reports, certifications, declarations, notices or submissions to or with, any Governmental Entity that are required for the construction of the Transmission Facilities other than (i) the RIDOT Permits and (ii) those Permits and Governmental Approvals listed in Schedule 5(d)(ii), for which National Grid will be responsible for obtaining (the “National Grid Permits”). The Property Rights and Transferred Permits will be enforceable by National Grid after the Closing to the same extent as if National Grid had initially been a party thereto. The terms and conditions of the Property Rights, the Transferred Permits and the RIDOT Permits reasonably accommodate the construction of the Transmission Facilities as contemplated by DWBIT and National Grid as of the date of this Purchase Agreement. To the Best of DWBIT’s Knowledge, the consultations with and reviews from Governmental Entities listed in Schedule 5(d)(iii) are all of the consultations with and reviews from Governmental

Entities that are required for the construction of the Transmission Facilities, and to the Best of DWBIT's Knowledge, all such consultations and reviews were conducted in accordance with Applicable Legal Requirements. No defect in any of the consultations with and reviews from Governmental Entities listed in Schedule 5(d)(iii), to the extent any such defect exists, were caused by any action or inaction by the DW Companies. DWBIT has provided National Grid with all documents and records (including without limitation any correspondence between Governmental Entities) in the possession of the DW Companies related to the consultations and reviews listed in Schedule 5(d)(iii).

(e) Binding Agreement. This Agreement has been duly executed and delivered on behalf of DWBIT and constitutes a legal, valid and binding obligation of DWBIT, enforceable against it in accordance with its terms, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally and by general equitable principles (regardless of whether enforceability is sought in a proceeding in equity or law).

(f) No Proceedings. Except to the extent relating to the Governmental Approvals, there are no actions, suits or other proceedings, at law or in equity, by or before any Governmental Entity or any other body pending or, to the Best of DWBIT's Knowledge, threatened against or affecting DWBIT which relate in any manner to this Agreement or any transaction contemplated hereby (including without limitation any proceeding relating to a stop-work, cease-and-desist or similar order), or which DWBIT reasonably expects to lead to a Material Adverse Effect.

(g) Consents and Approvals. The execution and delivery and, subject to the receipt of the Governmental Approvals, performance by DWBIT of its obligations under this Agreement and the Transfer Documents do not and, under existing facts and law, will not, require any approval, consent, permit, license or other authorization of, or filing or registration with, or any other action by, any Person which has not been duly obtained, made or taken, all such approvals, consents, permits, licenses, authorizations, filings, registrations and actions are in full force and effect and final and any appeal periods therefor shall have lapsed.

(h) Legal Requirements. DWBIT has not received any notice from any Governmental Entity informing DWBIT that it has not satisfied a condition or is in violation of any Transferred Permit, RIDOT Permit or Applicable Legal Requirements. DWBIT is not aware of any conditions or limitations stated by any Governmental Entity, or understandings by any Governmental Entity based on representations of DWBIT to such Governmental Entity, that would limit National Grid's ability to construct the Transmission Facilities as currently designed.

(i) Bankruptcy. There are no bankruptcy, insolvency, reorganization, receivership or other such proceedings pending against or being contemplated by DWBIT or, to the Best of DWBIT's Knowledge, threatened against DWBIT.

(j) Environmental Matters. To the Best of DWBIT's Knowledge (including based on any Phase I Environmental Site Assessment prepared for or provided to DWBIT) and other than as set forth or disclosed in the Reports specifically listed in Part 4 of Schedule 2:

- (i) all of the Sites are in compliance with all Environmental Laws;
- (ii) there are no pending or threatened (x) Environmental Claims, complaints, notices or requests for information received by DWBIT with respect to any alleged violation of any Environmental Law which would reasonably be expected to have a Material Adverse Effect; or (y) Environmental Claims, complaints, notices or requests for information received by DWBIT regarding potential liability under any Environmental Law which would reasonably be expected to have a Material Adverse Effect;
- (iii) with respect to the Sites, there have been no releases of Hazardous Materials in violation of any Environmental Law or which would, singly or in the aggregate, reasonably be expected to have a Material Adverse Effect;
- (iv) none of the Sites is listed or proposed for listing on the National Priorities List pursuant to CERCLA, on the CERCLIS or on any similar state list of sites requiring investigation or clean-up under the Rhode Island Hazardous Substances Act or any similar law; and
- (v) no condition exists at, on or under any of the Sites which, with the passage of time, or the giving of notice or both, would give rise to liability under any Environmental Law which would reasonably be expected to have a Material Adverse Effect.

(k) Intellectual Property. Except in instances where there could not reasonably be expected to be a Material Adverse Effect:

- (i) DWBIT owns or possesses all licenses, franchises, authorizations, and other intellectual property or other rights and technology or rights thereto, that individually or in the aggregate are material to the Assets or the transfer the Assets pursuant to this Agreement and the Transfer Documents, in each case without any known conflict with the rights of others;
- (ii) to the Best of DWBIT's Knowledge, none of the Assets infringes in any material respect any license, patent, copyright, service mark, trademark, trade name or other right owned by any other Person; and
- (iii) to the Best of DWBIT's Knowledge there is no violation by any Person of any right of DWBIT with respect to any patent, copyright, service mark, trademark, trade name or other right relating to the Assets.

(l) Tax Matters.

- (i) DWBIT has filed all Tax returns that it was required to file and all such Tax returns were correct and complete in all material respects; DWBIT has paid all Taxes with respect to the Assets prior to or on the date such Taxes were due; all Taxes that DWBIT is or was required by law to withhold or collect with respect to the Assets have been duly withheld or collected and, to the extent required, have been paid to the proper Governmental Entity.

(ii) DWBIT is not under audit, examination, or discussion with any Governmental Entity relating to Taxes in connection with the Assets nor has DWBIT been notified of any threatened or contemplated audit, examination, or discussion.

(iii) DWBIT has not waived any statute of limitations with respect to Taxes or agreed to an extension of time with respect to a Tax assessment or deficiency relating to the Assets.

(iv) All Tax deficiencies which have been claimed, proposed, or asserted against DWBIT relating to the Assets have been fully paid or finally settled, and no issue has been raised in any examination which, by application of similar principles, could be expected to result in the proposal or assertion of a Tax deficiency for any other year not so examined.

(m) No Brokers. No broker, finder or other Person is entitled to any broker's, finder's or similar fees, commissions or expenses in connection with the transactions contemplated by this Agreement.

(n) Reports and Documents. The interests in the Reports and other reports and documents retained by DWBI that are described in Part 4 of Schedule 2 will not impair National Grid's ability to rely on the Reports or to develop, construct, own, operate or maintain the Transmission Facilities.

(o) Representations and Warranties True. No representation or warranty made by DWBIT in this Agreement, any Transfer Document or in any attachment, certificate, or other document or writing delivered to, or to be delivered to, National Grid pursuant to this Agreement, or in connection with the transactions contemplated hereby, contains or will contain any untrue statement of material fact or omits or will omit to state any material fact necessary in order to make the representation or warranty not misleading.

6. Representations and Warranties of National Grid. National Grid represents and warrants to DWBIT as follows:

(a) Organization and Good Standing; Power and Authority. National Grid is a corporation duly chartered, validly existing and in good standing under the laws of State of Rhode Island. Subject to receipt of the Governmental Approvals, National Grid has all requisite power and authority to execute, deliver, and perform its obligations under this Agreement.

(b) Due Authorization; No Conflicts. Subject to receipt of the Governmental Approvals, the execution and delivery of this Agreement and the Transfer Documents, and the performance by National Grid of its obligations hereunder and thereunder, have been duly authorized by all necessary actions on the part of National Grid and do not and, under existing facts and Applicable Legal Requirements applicable to National Grid, will not: (i) contravene its certificate of incorporation, bylaws and other constitutive documents applicable to National Grid; (ii) conflict with, result in a breach of, or constitute a default under any note, bond, mortgage, indenture, deed of trust, license, contract or other agreement to which it is a party or by which any of its properties may be bound or affected; or (iii) subject to receipt of the Governmental Approvals, violate any order, writ, injunction, decree, judgment, award, statute, law, rule,

regulation or ordinance of any Governmental Entity or agency applicable to it or any of its properties.

(c) Binding Agreement. This Agreement has been duly executed and delivered on behalf of National Grid and constitutes a legal, valid and binding obligation of National Grid, enforceable against it in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally or by general equitable principles (regardless of whether enforceability is sought in a proceeding in equity or law).

(d) No Proceedings. Except to the extent relating to the Governmental Approvals, there are no actions, suits or other proceedings, at law or in equity, by or before any Governmental Entity or any other body pending or, to the best of its knowledge, threatened against or affecting National Grid which relate in any manner to this Agreement or any transaction contemplated hereby, or which National Grid reasonably expects to lead to a Material Adverse Effect.

(e) Consents and Approvals. Except to the extent relating to the Governmental Approvals, the execution, delivery and performance by National Grid of its obligations under this Agreement and the Transfer Documents do not and, under existing facts and law, will not, require any approval, consent, permit, license or other authorization of, or filing or registration with, or any other action by, any Person which has not been duly obtained, made or taken, and all such approvals, consents, permits, licenses, authorizations, filings, registrations and actions are in full force and effect, final and non-appealable.

(f) Bankruptcy. There are no bankruptcy, insolvency, reorganization, receivership or other such proceedings pending against or being contemplated by National Grid, or, to National Grid's knowledge, threatened against National Grid.

7. Survival of Representations, Warranties and Covenants. The respective representations, warranties, covenants and agreements of the parties contained herein shall survive the Closing for a period of two years following commencement of construction of the Transmission Facilities by National Grid.

8. Conditions to the Obligations of National Grid. The obligations of National Grid to execute the Transfer Documents to which it is a party and to pay the Purchase Price to DWBIT shall be subject to the satisfaction of the following conditions on the Closing Date or the waiver of such conditions, in National Grid's sole discretion, in a written instrument signed by National Grid:

(a) The FERC shall have approved the following documents, in each case in form and substance satisfactory to National Grid in its sole discretion, which approvals shall be final and not subject to appeal and shall be without material qualification or modification of such documents:

(i) Transmission Facilities Cost Allocation Agreement among National Grid, New England Power Company ("NEP") and Block Island Power Company ("BIPCO") to allocate the Purchase Price

- and the cost of developing, constructing and operating the Transmission Facilities (collectively, the “Transmission Facilities Costs”) between National Grid and BIPCO as provided in R.I.G.L. § 39-26.1-7, unless such Transmission Facilities Costs are allocated among National Grid, NEP and BIPCO pursuant to the Transmission Service Agreement described in clause (v) below;
- (ii) amendment to the Integrated Facilities provision of NEP’s Tariff No. 1 and the related Service Agreement to permit National Grid to recover the Transmission Facilities Costs from NEP thereunder;
  - (iii) amendment to the Transmission Service Agreement under the ISO-NE Open Access Transmission Tariff and the related service agreement among ISO-NE, NEP and National Grid to permit NEP to recover National Grid’s portion of the Transmission Facilities Costs from National Grid under the service agreement between them under such Tariff;
  - (iv) Large Generator Interconnection Agreement between NEP and DWBI to permit DWBI to interconnect with National Grid’s transmission facilities (the “Interconnection Agreement”); and
  - (v) Transmission Service Agreement under the ISO-NE Open Access Transmission Tariff among ISO-NE, NEP and BIPCO pursuant to which NEP will provide BIPCO with transmission service over the Transmission Facilities and permit NEP to recover BIPCO’s portion of the Transmission Facilities Costs;

(b) (i) All of the Transferred Permitshall have been issued to DWBIT and shall be final and not subject to any pending appeal, rehearing, or stop-work, cease-and-desist or similar order, and, except with respect to the Appealable Permits, all appeal periods therefor shall have lapsed, (ii) all of the RIDOT Permits shall have been issued to National Grid and shall be final and not subject to any pending appeal, rehearing, or stop-work, cease-and-desist or similar order, and all appeal periods therefor shall have lapsed, (iii) all of the Transferred Permits shall be transferrable to National Grid pursuant to the terms of this Agreement without the authorization, approval or consent of or registration or filing with any Governmental Entity or other Person, other than (A)those authorizations, approvals and consents and registrations and filings that have been obtained or made prior to the Closing and (B) those routine post-Closing filings informing Governmental Entities that the Closing has occurred, and (iv) DWBIT shall have taken all actions and delivered to National Grid all documentation, executed by DWBIT to the extent required, necessary in National Grid’s reasonable discretion in order to effect the transfer of the Transferred Permits and DWBIT’s right, title and interest in, to and under the RIDOT Permits to National Grid;

(c) National Grid shall have received Lien searches, reasonably satisfactory to National Grid, showing no Liens on the Assets as of a date reasonably proximate to the Closing Date;

(d) DWBIT shall have executed and delivered the Transfer Documents to National Grid, and all such Transfer Documents shall be in full force and effect;

(e) Neither National Grid nor DWBIT shall be subject to any order, decree or injunction of a court of competent jurisdiction which enjoins or prohibits the consummation of the transactions contemplated by this Agreement or any Transfer Document, nor shall there be pending a suit or proceeding by any Governmental Entity that seeks injunctive or other relief in connection with any of such transactions;

(f) All representations and warranties of DWBIT set forth in this Agreement and in the Transfer Documents shall be true and correct in all material respects as of the Closing Date as though made on and as of such date;

(g) No Material Adverse Effect shall have occurred and be continuing;

(h) DWBIT shall have performed and complied in all material respects with its covenants and agreements contained in this Agreement and the Transfer Documents required to be performed and complied with by it at or prior to the Closing Date;

(i) All of the Governmental Approvals shall have been received, all of which shall be acceptable to National Grid in its sole discretion, and all Governmental Approvals shall be final and not subject to appeal;

(j) National Grid shall have received a duly executed and enforceable Guarantee of DWW substantially in the form of Exhibit E to this Agreement (the “DWW Guarantee”);

(k) The Cooperation Agreement shall be in full force and effect, and neither DWBIT nor DWBI shall have defaulted on any of its obligations thereunder;

(l) No “Event of Default” by DWBI under the PPA shall have occurred and be continuing;

(m) Each Person that has prepared a Report listed in Part 4 of Schedule 2 shall have delivered a letter or other document authorizing National Grid to rely on such Report as if such Report was originally addressed to National Grid, which letter or other document shall be acceptable to National Grid in its sole discretion;

(n) (i) DWW shall have prepared a complete application for the IHA Permit for the Transmission Facilities and, as instructed by National Grid, filed such application with NOAA, (ii) NOAA will have noticed the Proposed Incidental Harassment Authorization in the Federal Register, and (iii) (x) if the IHA Permit is issued before the Closing, DWW will transfer the issued IHA Permit to National Grid at the Closing, which transfer will not require any authorization, approval or consent of or registration or filing with NOAA, other than routine post-Closing filings informing NOAA that the Closing has occurred and the IHA Permit has been transferred, and (y) if the IHA Permit has not been issued at the Closing, DWW will, upon receipt of the Permit, transfer it to National Grid, which transfer will not require any authorization, approval or consent of or registration or filing with NOAA, other than routine post-Closing filings informing NOAA of such transfer;

(o) DWBIT shall have obtained all rights-of-way, easements and other real estate rights, if any, needed for (A) the underground installation of the transmission cable that is a part of the Transmission Facilities and will run from Scarborough State Beach in Narragansett, Rhode Island to National Grid's Wakefield substation in South Kingstown, Rhode Island where the Transmission Facilities will terminate and (B) the installation or removal of any switching or substation facilities that are required in connection with the Transmission Facilities, which rights-of-way, easements and other real estate rights will (i) be satisfactory to National Grid in its sole discretion, (ii) will be in full force and effect, (iii) to the extent that they are issued by a Governmental Authority, will not be subject to any pending appeal or rehearing and the periods for any such appeal or rehearing will have lapsed, and (iv) will be included in the Assets conveyed to National Grid at the Closing;

(p) At least sixty (60) days shall have lapsed since the issuance of any Appealable Permit (which condition shall not apply to the IHA Permit if the IHA Permit has not been issued prior to the Closing);

(q) National Grid shall have received a final Phase I environmental assessment for the Dillon's Corner property in South Kingstown, Rhode Island, that concludes that there is no evidence that a release of oil or any other Hazardous Materials has occurred on such property and that no investigation is warranted, which Phase I environmental assessment shall be reasonably satisfactory to National in form, scope and substance;

(r) None of the Transferred Permits or RIDOT Permits will include any condition, requirement or qualification (including in any memorandum of agreement, memorandum of understanding, agreement of similar document relating to any Transferred Permit or RIDOT Permit) that could make construction of the Transmission Facilities commercially impracticable or uneconomic, in National Grid's sole discretion, or otherwise have a Material Adverse Effect;

(s) National Grid and DWBIT shall have consulted with the Town of Narragansett, Rhode Island and National Grid shall be satisfied, in its sole discretion, that no special use permit, variance, or other approval is required from the Town of Narragansett, Rhode Island in connection with the construction of the Transmission Facilities on Scarborough State Beach and the switchyard facilities at Dillon's Corner, in each case within the Town of Narragansett, Rhode Island;

(t) DWBIT shall have obtained any municipal or other local Permit that National Grid may determine in its reasonable discretion is required in order to construct the Transmission Facilities;

(u) DWBIT shall have completed each of the surveys listed in Part 4 of Schedule 2, each of which surveys shall be acceptable to National Grid in its sole discretion;

(v) DWBIT shall have delivered access to and possession of the Assets to National Grid; and

(w) National Grid shall have received the following documents:

- (i) one or more certificates of an officer or officers of DWBIT dated the Closing Date confirming the matters referred to in Sections 8(f) and 8(g) hereof and confirming the adoption and continued effect of resolutions of the Board of Managers of DWBIT authorizing the execution, delivery and performance by DWBIT of this Agreement and the Transfer Documents and the consummation of the transactions contemplated hereby and thereby;
- (ii) one or more certificates of an officer or officers of DWW confirming the adoption and continued effect of resolutions of the Board of Managers of DWW authorizing the execution, delivery and performance by DWW of the DWW Guarantee;
- (iii) a certificate of incumbency for any person executing this Agreement or any Transfer Document on behalf of DWBIT or executing the DWW Guarantee on behalf of DWW;
- (iv) Certificates of good standing for each of DWBIT, DWBI and DWW from the Delaware Secretary of State and the Rhode Island Secretary of State; and
- (v) Any other affidavits or other documents reasonably required by National Grid to consummate the transactions contemplated by this Agreement and the Transfer Documents.

9. Conditions to the Obligations of DWBIT. The obligations of DWBIT to execute the Transfer Documents to which it is a party and to transfer the Assets to National Grid shall be subject to the satisfaction of the following conditions on the Closing Date or the waiver of such conditions, in DWBIT's sole discretion, in a written instrument signed by DWBIT:

- (a) National Grid shall have executed and delivered the Transfer Documents to which it is a party, and all such Transfer Documents shall be in full force and effect;
- (b) Neither National Grid nor DWBIT shall be subject to any order, decree or injunction of a court of competent jurisdiction which enjoins or prohibits the consummation of the transactions contemplated by this Agreement or any Transfer Document, nor shall there be pending a suit or proceeding by any Governmental Entity that seeks injunctive or other relief in connection with any of such transactions;
- (c) All representations and warranties of National Grid set forth in this Agreement and in the Transfer Documents shall be true and correct in all material respects as of the Closing Date as though made on and as of such date;
- (d) No Material Adverse Effect shall have occurred and be continuing;
- (e) National Grid shall have performed and complied in all material respects with its covenants and agreements contained in this Agreement and the Transfer Documents required to be performed and complied with by it at or prior to the Closing Date;

(f) All of the Governmental Approvals shall have been received, all of which shall be acceptable to DWBIT in its sole discretion, and all Governmental Approvals shall be final and not subject to appeal;

(g) The Cooperation Agreement shall be in full force and effect, and National Grid shall not have defaulted on any of its obligations thereunder; and

(h) DWBIT shall have received the following documents:

(i) one or more certificates of officers of National Grid dated the Closing Date confirming the matters referred to in Sections 9(c) and 9(d) hereof;

(ii) a certificate of incumbency for any person executing this Agreement or any Transfer Document on behalf of National Grid; and

(iii) Any other affidavits or other documents reasonably required by DWBIT to consummate the transactions contemplated by this Agreement and the Transfer Documents.

10. Termination.

(a) Termination by Mutual Consent. National Grid and DWBIT may terminate this Agreement by mutual agreement at any time on or prior to the Closing Date, but any such termination must be pursuant to a written instrument signed by both National Grid and DWBIT.

(b) Termination by Election of Non-Breaching Party. Upon a breach of the terms of this Agreement, the non-breaching party may elect to terminate this Agreement in its sole discretion pursuant to a signed written instrument communicating such election to terminate.

(c) Repeal of Statute. Either Party may terminate this Agreement if R.I.G.L. §39-26.1 or any subsection thereof is repealed, modified or amended in any material respect prior to the Closing.

(d) Schedule Updates. National Grid may terminate this Agreement to the extent permitted under Section 2(b) of this Agreement.

(e) Closing Deadline. National Grid and DWBIT agree that should the Closing Date not occur on or before the second anniversary of this Agreement, either National Grid or DWBIT shall have the independent right to terminate this Agreement without the consent of the other and with no further liability of either National Grid or DWBIT to each other.

11. Assignment.

(a) Prohibition on Assignments. Except as permitted by this Section 11, this Agreement may not be assigned by either Party without the prior written consent of the other Party, which consent may not be unreasonably withheld, conditioned or delayed. When

assignable, this Agreement shall be binding upon, shall inure to the benefit of, and may be performed by, the successors of National Grid and DWBIT. Either Party shall promptly provide the other Party with a notice of any assignment of this Agreement permitted under this Section 11. Any purported assignment not in compliance with these provisions shall be null and void.

(b) Permitted Assignment by DWBIT. DWBIT shall have the right to assign this Agreement prior to the Closing Date without consent of National Grid to any assignee of the PPA as collateral security in connection with any debt or equity financing in connection with the acquisition or development of the Assets.

(c) Permitted Assignment by National Grid. National Grid shall have the right to assign this Agreement without consent of DWBIT (a) to an affiliate of National Grid; (b) to any Person to which National Grid assigns the PPA; (c) in connection with (i) any direct or indirect merger or consolidation of National Grid with or into another Person; (ii) any exchange of all of the common stock or other equity interests of National Grid or National Grid's parent for cash, securities or other property; or (iii) any acquisition, reorganization, or other similar corporate transaction involving all or substantially all of the common stock or other equity interests in, or assets of, National Grid; or (d) to any substitute purchaser of the Assets, provided that, in the case of either (c) or (d), either (1) the proposed assignee's credit rating as established by S&P or Moody's (or the credit rating of its nearest direct or indirect parent if that proposed National Grid does not have such a credit rating) either (x) is equal to or better than BBB from S&P or Baa2 from Moody's or (y) is equal to or better than that of National Grid at the time of the proposed assignment, or (2) such assignment or, in the case of clause (c) above, the transaction associated with such assignment, has been approved by a Rhode Island Governmental Entity with jurisdiction over such assignment or transaction.

## 12. Indemnification.

(a) To the fullest extent permitted by applicable law, DWBIT agrees, on behalf of itself and any other Person or entity acting on behalf of DWBIT, to defend with counsel satisfactory to National Grid and to pay, protect, indemnify, release and save harmless National Grid and its direct and indirect parents and affiliates and their successors and assigns and any of the officers, directors, employees, agents, contractors, and shareholders of any of them (each, an "Indemnified Party" and, collectively, the "Indemnified Parties"), from and against any and all liabilities, damages, losses, costs, expenses (including any and all reasonable attorneys' fees and disbursements), causes of action, suits, claims, damages, penalties, obligations, demands or judgments of any nature, including death, personal injury and property damage, economic damage (including National Grid's cost of capital and loss of revenue and profits), claims brought by third parties for personal injury and property damage, economic damage, or environmental damage or harm (including for investigation, response, removal, clean-up, and/or remediation for any Hazardous Substances) (collectively "Losses"), (i) in connection with the Assets to the extent incurred prior to Closing or arising, directly or indirectly, from events occurring prior to the Closing, (ii) to the extent arising from any breach or nonperformance under this Agreement or the Transfer Documents by DWBIT or any Person for whom DWBIT is legally responsible, including any breach of DWBIT representations or warranties, or (iii) arising out of the failure of any of the rights in and to the Assets to vest in National Grid at Closing as contemplated hereunder.

(b) DWBIT shall take prompt action to defend and indemnify each Indemnified Party against claims, actual or threatened, but in no event later than notice by National Grid to DWBIT of the service of a notice, summons, complaint, petition or other service of process alleging damage, injury, liability, or expenses that may be subject to indemnification hereunder. DWBIT shall defend any such claim or threatened claim, including, as applicable, engagement of legal counsel satisfactory to National Grid, to respond to, defend, settle, or compromise any claim or threatened claim. In the event that DWBIT (i) fails to promptly undertake such defense, (ii) fails to pay said defense costs and damages, (iii) uses counsel not reasonably acceptable to the Indemnified Party(ies) or (iv), does not allow the Indemnified Party(ies) to be part of the settlement or compromise discussions, then the Indemnified Party(ies) shall have the right, but not the obligation, to undertake such defense and settlement discussions. In the event an Indemnified Party undertakes its own defense or pays any associated damages, whether by settlement or pursuant to judicial order, judgment or decree, then DWBIT shall not raise or plead as a defense to a claim by the Indemnified Party for reimbursement for all or any part of the expense so incurred that in doing so the Indemnified Party acted as volunteer or waived its right to defense, indemnification, or insurance coverage reimbursement in accordance with this Agreement. DWBIT understands and agrees that it shall be responsible for any and all reasonable costs and expenses incurred by the Indemnified Parties to enforce this indemnification provision. Such costs incurred by the Indemnified Parties can include attorney's fees and expenses for litigation, accounting, consulting or engineering fees and related expenses, judgments, liens and encumbrances arising from such lawsuits, actions or claims whenever made or incurred. Furthermore, DWBIT shall, at its sole cost and expense, testify, as required by the Indemnified Parties, at any judicial or administrative proceeding, or deposition, and shall be responsible to reimburse the Indemnified Parties for any damages the Indemnified Parties pay as a result of DWBIT's failure to comply with its indemnification obligations under this Section 12.

(c) No amount of indemnity shall be payable by DWBIT in the case of a claim by an Indemnified Party pursuant to this Section 12 unless and until the Indemnified Parties have suffered, incurred, sustained or become subject to Losses referred to in this Section in excess of \$10,000 for an individual event or \$25,000 in the aggregate, and then DWBIT shall be liable for the full amount of such Losses from the first dollar thereof. The provisions of this Section 12 shall survive termination, expiration, cancellation, or completion of this Agreement and Closing for a period of two years following commencement of construction of the Transmission Facilities by National Grid.

### 13. Miscellaneous Provisions.

(a) Expenses. Whether or not the transactions contemplated hereby are consummated, except as otherwise provided herein, all costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby will be paid by the party incurring such costs and expenses.

(b) Further Assurances. At any time, and from time to time before and after the Closing, at the reasonable request of either National Grid or DWBIT and at the sole cost and expense of the requesting party, the other party shall use commercially reasonable efforts to provide such additional information, documents, books and records, execute and deliver such

agreements, certificates, undertakings, documents and instruments, prepare, execute and file such Permit applications, make such other filings and registrations, obtain such waivers and consents, and take such further action as the requesting party reasonably deems useful or required to accomplish the purposes of this Agreement.

(c) Obligations without Recourse to Extended Group. Other than as set forth in the DWW Guarantee, National Grid's and DWBIT's obligations arising under (or relating to) this Agreement and the Transfer Documents shall be without recourse to any member, unitholder, affiliate, shareholder or partner of either Party, any controlling Person thereof, or any successor of any such member, unitholder, shareholder, partner or controlling Person (each a member of the "Extended Group"), and no member of the Extended Group shall have any liability in such capacity for the obligations of either National Grid or DWBIT. For the avoidance of doubt, each member of the Extended Group is a third-party beneficiary of this Section 13(c). National Grid and DWBIT reserve the right to modify or terminate this Agreement or the DWW Guarantee pursuant to the terms hereof or thereof without the consent of any member of the Extended Group.

(d) Amendment and Modification. This Agreement may be amended, modified or supplemented at any time prior to the Closing Date but only by the written agreement of both National Grid and DWBIT.

(e) Notices. All notices and other communications hereunder shall be in writing and shall be deemed to have been given when delivered by hand or by facsimile transmission, telexed or upon receipt when mailed by registered or certified mail (return receipt requested), postage prepaid, to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

If to DWBIT:            Jeffrey M. Grybowski  
                            Chief Executive Officer  
                            Deepwater Wind Block Island Transmission, LLC  
                            c/o Deepwater Wind Holdings, LLC  
                            56 Exchange Terrace, Suite 101  
                            Providence, RI 02903  
                            Fax: (401) 228-8004

With a copy to:        David Schwartz, Esq.  
                            General Counsel  
                            Deepwater Wind Block Island Transmission, LLC  
                            c/o Deepwater Wind Holdings, LLC  
                            56 Exchange Terrace, Suite 101  
                            Providence, RI 02903  
                            Fax: (401) 228-8004

If to National Grid: William Malee  
Director, Transmission Commercial Services  
National Grid  
40 Sylvan Road  
Waltham, Massachusetts 02451  
Fax: (781) 907-5720

With a copy to: Jennifer Brooks Hutchinson, Esq.  
Senior Counsel  
National Grid  
280 Melrose Street  
Providence, RI 02907  
Fax: (401) 784-4321

(f) Counterparts. Any number of counterparts of this Agreement may be executed, and each shall have the same force and effect as an original. Facsimile or electronic (.pdf) signatures hereon or on any notice or other instrument delivered under this Agreement shall have the same force and effect as original signatures.

(g) Severability. If any term or provision of this Agreement or the interpretation or application of any term or provision to any prior circumstance is held to be unenforceable, illegal or invalid by a court or agency of competent jurisdiction, the remainder of this Agreement and the interpretation or application of all other terms or provisions to Persons or circumstances other than those which are unenforceable, illegal or invalid shall not be affected thereby, and each term and provision shall be valid and be enforced to the fullest extent permitted by law.

(h) Descriptive Headings. The descriptive headings contained in this Agreement are for convenience of reference only and shall have no effect on the interpretation or meaning hereof.

(i) Entire Agreement. This Agreement, including the schedules and exhibits hereto, and the Transfer Documents embody the entire agreement and understanding of National Grid and DWBIT with respect to the transactions contemplated hereby and thereby. The schedules and exhibits hereto are an integral part of this Agreement and are incorporated by reference herein, and all references in this Agreement to schedules and exhibits shall mean the schedules and exhibits so attached and incorporated by reference.

(j) Disputes. In the event of any dispute, controversy or claim between National Grid and DWBIT arising out of or relating to this Agreement (collectively, a “Dispute”), National Grid and DWBIT shall attempt in the first instance to resolve such Dispute through consultations between National Grid and DWBIT. If such consultations do not result in a resolution of the Dispute within fifteen (15) days after notice of the Dispute has been delivered to either Party, then such Dispute shall be referred to the senior management of National Grid and DWBIT for resolution. If the Dispute has not been resolved within fifteen (15) days after such referral to the senior management of National Grid and DWBIT, then National Grid and DWBIT may seek to resolve such Dispute in the courts of the State of Rhode Island. National

Grid and DWBIT agree to the exclusive jurisdiction of the state and federal courts located in the State of Rhode Island for any legal proceedings that may be brought by a Party arising out of or in connection with this Agreement.

(k) Governing Law. Interpretation and performance of this Agreement shall be in accordance with, and shall be controlled by, the laws of the State of Rhode Island (without regard to its principles of conflicts of law).

*[Signature page follows]*

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

**DEEPWATER WIND BLOCK ISLAND  
TRANSMISSION, LLC**

By: \_\_\_\_\_

Name:

Title:

**THE NARRAGANSETT ELECTRIC COMPANY,  
D/B/A NATIONAL GRID**

By: \_\_\_\_\_

Name:

Title:

## SCHEDULE 1

### TRANSMISSION FACILITIES

The Transmission Facilities shall include all equipment necessary for the safe and reliable transmission of up to 30 MW of electric energy at 34.5 kV and fiber optic communications from the Generator's Point of Interconnection (as defined in the Interconnection Agreement) including but not limited to the following:

- the Block Island substation in New Shoreham, RI
- the Block Island terrestrial cable system in New Shoreham, RI
- the Submarine cable system between New Shoreham, RI and Narragansett, RI
- the Mainland terrestrial cable in Narragansett, RI and New Shoreham, RI
- the switching station in Narragansett, RI
- the interconnection with National Grid's existing distribution system at the Wakefield Substation in South Kingstown, RI

In connection with the Transmission Facilities, National Grid's affiliate shall design, construct, own, operate and maintain such affiliate's Interconnection Facilities (including metering equipment), as set forth in the Interconnection Agreement.

## SCHEDULE 2

### ASSETS

#### Part 1 - Property Rights

DWBIT's rights under Option Agreement dated August 29, 2012 between Block Island Power Company, as optionor and Deepwater Wind Block Island, LLC and Deepwater Wind Block Island Transmission, LLC, as optionee, recorded in volume 452, page 19 of the land records of New Shoreham, Rhode Island.

Option Agreement dated August 29, 2012 between Town of New Shoreham, as optionor and Deepwater Wind Block Island Transmission, LLC, as optionee, recorded in volume 452, page 59 of the land records of New Shoreham, Rhode Island, as amended by Amendment to Option Agreement, recorded in volume 456, page 180 dated December 17, 2012.

Right-of-Way Grant to be issued by the United States Department of the Interior, Bureau of Ocean Energy Management to DWBIT (Application submitted: 10/7/11).

Submerged Land Lease to be issued by the Rhode Island Coastal Resources Management Council to DWBIT (Application submitted: 9/20/12).

Easement Agreement between the State of Rhode Island and Providence Plantations, Department of Environmental Management, as Grantor, and DWBIT, as Grantee, with respect to real property known as the Scarborough Beach Complex in the Town of Narragansett, Rhode Island, in form satisfactory to National Grid in its sole discretion.

Temporary Construction and Perpetual Easement between State of Rhode Island and Providence Plantations acting by and through the Rhode Island Department of Transportation, as Grantor, and DWBIT, as Grantee, with respect to real property known as Dillon's Corner, off Point Judith Road in the Town of Narragansett, Rhode Island, in form satisfactory to National Grid in its sole discretion.

Part 2 – Transferred Permits

NAME	TYPE	ISSUER	DATE	DESCRIPTION
Special Use Permit	Permit	Town of New Shoreham - Zoning Board	Granted 4/3/12	Pole Height Variance on BIPCO
Development Plan Review	Permit	Town of New Shoreham – Planning	Granted 4/11/12	
Section 10 Rivers and Harbors Act & Section 404 Clean Water Act Individual Permit	Permit	U.S. Army Corps of Engineers (USACE), New England District		Application submitted: 5/31/12, revised: 9/14/12
Water Quality Certification under Section 401 of the Clean Water Act and Dredge Permit	Permit	Rhode Island Department of Environmental Protection (RIDEM)		Application submitted: 9/24/12
State Assent and Federal Consistency Certification under the RI Coastal Resources Management Program	Permit	CRMC		Application submitted: 9/20/12
Coastal and Freshwater Wetlands Permit - BIPCO parcel	Permit	RIDEM		Application submitted: 2/18/13
Incidental Harassment Authorization (IHA)	Permit	National Oceanic and Atmospheric Administration, National Marine		Application submitted 3/11/13; revised 10.18/13

NAME	TYPE	ISSUER	DATE	DESCRIPTION
under the Marine Mammal Protection Act  (MMPA)		Fisheries Service (NOAA Fisheries)		

Part 3- Engineering Documents

	S.P. DOC. / FLDR #	NAME	TYPE	PREPARER / ISSUER	DATE
Electrical Engineering  Submarine Cable Project	E-0-1	Interconnection One-Line Diagram	Engineered Drawing	Mott MacDonald	8/7/13
	E-1-1	BITS Cable Route Alternative Assessment	Report	Deepwater	
	E-1-2	Submarine Trench Concept Design	Engineered Drawing	Power Engineers under contract to AECOM Environment	2/3/12
	E-1-4	Submarine Cable Crossing Typical Design	Engineered Drawing	Power Engineers under contract to AECOM Environment	6/23/12
	E-1-5	Marine Route Design	Engineered Drawing	Power Engineers under contract to AECOM Environment	5/23/12
		Offshore Wind and Transmission System Cable Evaluation	Report	Mott MacDonald	5/13
	E-1-6	BITS: 34.5kV Submarine Cable Burial Study	Engineering Document	Power Engineers under contract to AECOM Environment	5/7/12
	E-1-7	Geotechnical Engineering Report	Engineering Document	AECOM Environment	
Mainland Substation Project	E-2-1	Narragansett Switchyard General Arrangement	Engineered Drawing	Mott MacDonald	9/11/12
	E-2-2	Narragansett Switchyard Conceptual Civil Design	Engineered Drawing	Diprete Engineering	1/23/13
	E-2-3	Sprague Park Switchyard Landscaping Design	Engineered Drawing	Diprete Engineering	10/25/12

	S.P. DOC. / FLDR #	NAME	TYPE	PREPARER / ISSUER	DATE
	E-2-4	The Scarborough Beach Alternative Plan Set	Engineered Drawings	DiPrete Engineering, Power Engineers and Mott MacDonald	11/4/2013
Block Island Substation Project	E-3-1	Block Island Substation General Arrangement	Engineered Drawing	Mott MacDonald	9/5/12
	E-3-2	Block Island Substation Civil Design	Engineered Drawing	DiPrete Engineering under contract to AECOM	2/4/13
	E-3-3	Block Island Substation Landscaping Design	Engineered Drawing	D.V.L. Landscape Architecture	2/27/12
	E-4-4	Condominium Plan Draft	Engineered Drawing	DiPrete Engineering	12/9/13
Mainland Terrestrial Cable Project	E-4-1	Narragansett Route Design	Engineered Drawing	Mott MacDonald	1/23/13
	E-4-2	Terrestrial Duct Bank Design	Engineered Drawing	Power Engineers under contract to AECOM Environment	12/1/11
	E-4-3	Manhole Typical Design	Engineered Drawing	Power Engineers under contract to AECOM Environment	12/1/11
	E-4-4	Terrestrial Cable Typicals	Engineered Drawing	Mott MacDonald	2/9/12
	E-4-5	Hendrix Cable Typicals	Engineered Drawing	Mott MacDonald	Stock
	E-4-6	Narragansett Pole Typicals	Engineered Drawing	Mott MacDonald	9/5/12
	E-4-7	Narragansett Site Plan for Permits	Engineered Drawing	DiPrete Engineering	11/6/12
		The Scarborough Beach Alternative Plan Set	Engineered Drawings	DiPrete Engineering, Power Engineers and Mott MacDonald	11/4/2013

	S.P. DOC. / FLDR #	NAME	TYPE	PREPARER / ISSUER	DATE
				MacDonald	
	E-4-8	Engineering for RIDOT Permits	Engineered Drawing	Power Engineers	
Block Island Terrestrial Cable Project	E-5-1	Block Island Route Design	Engineered Drawing	Power Engineers under contract to AECOM Environment	5/23/12
	E-5-2	Terrestrial Duct Bank Design	Engineered Drawing	Power Engineers under contract to AECOM Environment	12/1/11
	E-5-3	Manhole Typical Design	Engineered Drawing	Power Engineers under contract to AECOM Environment	12/1/12
	E-5-4	Terrestrial Cable Typicals	Engineered Drawing	Mott MacDonald	2/9/12
	E-5-5	Block Island Pole Typicals	Engineered Drawing	Mott MacDonald	1/3/12
Typical Drawings	P-0-6	Typical Construction Drawings included in Appendix C 9/12 Environmental Report (ER)	Engineered Drawing	Various	Misc
	P-0-5	Appx B2 - BITS Preliminary Project Design	Engineered Drawing	Power Engineers under contract to AECOM Environment	5/23/12
	P-0-4	Appendix B1of ER - Block Island Preliminary Project Design	Engineered Drawing	Power Engineers under contract to AECOM Environment	5/23/12

#### Part 4 - Reports

The following Environmental and Archaeological Reports and Documents were prepared for the Transmission Facilities and are being assigned to National Grid:

S.P. DOC. / FLDR #	NAME	TYPE	PREPARER / ISSUER	DATE
P-0-9	BITS Marine Site Characterization Study – Geophysical and Geotechnical Investigations (Appendix E-2 of ER)	Report	Ocean Surveys, Inc. under contract to AECOM Environment	3/10/12
P-0-12	Marine Geophysical Site Investigations (Report No. 12ES048-TS) BITS Landfall Survey (Appendix E-5 of ER)	Report	Ocean Surveys, Inc. under contract to AECOM Environment	7/25/12
P-0-20	Report of Findings for Freshwater Wetland Delineations  Locations BITS Alternative 1 Narragansett, RI (Appendix J-2 of ER)	Report	Natural Resource Services, Inc. under contract to Tetra Tech, Inc.	8/14/12
	Phase I Marine Archaeological Remote Sensing Identification Survey Block Island Transmission System Submarine Cable Route New Shoreham to Narragansett, Rhode Island (Appendix P-2 – of ER)	Report	Fathom Research, LLC, under contract to The Public Archaeology Laboratory, Inc., under contract to Tetra Tech, Inc.	5/12
	BITS Nearshore Landfalls Supplemental Marine Archaeological Survey, Letter Report (Appendix P-4 of ER)	Report	Fathom Research, LLC, under contract to The Public Archaeology Laboratory, Inc., under contract to Tetra Tech, Inc.	7/31/12

S.P. DOC. / FLDR #	NAME	TYPE	PREPARER / ISSUER	DATE
	Phase I(c) Archaeological Survey, Report Addendum  Narragansett Switchyard  Narragansett, Rhode Island (Appendix Q-2 of ER)	Report	The Public Archaeology Laboratory, Inc., under contract to Tetra Tech, Inc.	8/27/12
P-0-29	Above-ground Historic Properties Identification, Supplemental Report, Block Island Transmission System, Narragansett, Rhode Island	Report	The Public Archaeology Laboratory, Inc., under contract to Tetra Tech, Inc.	1/17/13
P-0-32	BITS Visual Impact Assessment - Narragansett Supplement Report	Report	edr Companies under contract to Tetra Tech, Inc.	1/13
P-0-33	BITS Visual Impact Assessment (Appendix S-2 of ER)	Report	edr Companies under contract to Tetra Tech, Inc.	5/12
P-0-34	Marine Multi- Sensor Geophysical Survey (Report No. 13ES043) BITS Scarborough Beach Alternative (Attachment 2 of 9/13 ER mod for Scarborough Beach)	Report	Ocean Surveys, Inc.	8/7/13
P-0-35	Sediment Survey and Analysis Report for Scarborough Beach Alternative (Attachment 4 of 9/13 ER mod for Scarborough Beach)	Report	AECOM Environment	7/30/13
P-0-36	Benthic Resources Report – Scarborough Beach Alternative (Attachment 5 of 9/13 ER mod for Scarborough Beach)	Report	Normandeau Associates, Inc. under contract to Tetra Tech, Inc.	9/7/13
P-0-37	BITS Scarborough Beach Alternative Underwater Acoustic Assessment (Attachment 6 of 9/13 ER mod for Scarborough Beach)	Report	Tetra Tech, Inc.	9/13
P-0-37	BITS Scarborough Beach Alternative Wildlife and Habitat Assessment (Attachment 7 of 9/13	Report	Tetra Tech, Inc.	7/10/13

	ER mod for Scarborough Beach)			
P-0-38	Supplemental Phase I Marine Archaeological Remote Sensing Identification Survey BITS Scarborough Beach Alternative (Attachment 8 of 9/13 ER mod for Scarborough Beach)	Report	David S Robinson and Associates, Inc, under contract to The Public Archaeology Laboratory, Inc., under contract to Tetra Tech, Inc.	8/13
P-0-39	Phase I(a/b) Archaeological Reconnaissance and Disturbance Assessment for BITS Scarborough Beach Alternative (Attachment 9 of 9/13 ER mod for Scarborough Beach)	Report	The Public Archaeology Laboratory, Inc., under contract to Tetra Tech, Inc.	8/6/13
P-0-40	Above-ground Historic Properties Identification, Supplemental Report, BITS Scarborough Beach Alternative (Attachment 10 of 9/13 ER mod for Scarborough Beach)	Report	The Public Archaeology Laboratory, Inc., under contract to Tetra Tech, Inc.	9/9/13
P-0-41	BITS Visual Impact Assessment – Scarborough Beach Alternative (Attachment 11 of 9/13 ER mod for Scarborough Beach)	Report	edr Companies under contract to Tetra Tech, Inc.	8/13
P-0-42	Report on Findings for Freshwater and Coastal Wetland Delineations BITS Scarborough Beach Alternative (Attachment 12 of 9/13 ER mod for Scarborough Beach)	Report	Natural Resource Services, Inc. under contract to Tetra Tech, Inc.	9/9/13

The following Reports were prepared for both the Transmission Facilities and for the Generator. Accordingly, all of DWBIT's interests therein and are being assigned to National Grid; subject to DWBI's continuing rights in and to same.

S.P. DOC. / FLDR #	NAME	TYPE	PREPARER / ISSUER	DATE
<b> </b>				
P-0-2	BIWF/BITS ER – dated 9/12	Report	Tetra Tech, Inc.	9/12
P-0-19	Resource Area Delineation Report – BIWF and BITS (Appendix J-1 of ER)	Report	AECOM Environment	4/1/12

S.P. DOC. / FLDR #	NAME	TYPE	PREPARER / ISSUER	DATE
<b>APPENDIX F: SURVEY AND ANALYSIS REPORTS</b>				
P-0-13	Benthic Resources Survey Report (Appendix F-1 of ER)	Report	Normandeau Associates, Inc. under contract to Tetra Tech, Inc.	4/12
P-0-14	Benthic Intertidal Survey Report (Appendix F-2 of ER)	Report	Normandeau Associates, Inc. under contract to Tetra Tech, Inc.	8/12
P-0-15	Sediment Survey and Analysis Report (Appendix G of ER)	Report	AECOM Environment	5/28/12
P-0-16	Sediment Transport Analysis of Cable Installation for Block Island Wind Farm and Block Island Transmission System (Appendix H-1 of ER)	Report	RPS/ASA under contract to Tetra Tech, Inc.	5/23/12
P-0-17	Supplemental Analysis of Nearshore Cable Installation, Addendum to Sediment Transport Analysis of Cable Installation for Block Island Wind Farm and Block Island Transmission System (Appendix H-2 of ER)	Report	RPS/ASA under contract to Tetra Tech, Inc.	9/10/12
P-0-21	Air Emissions Analysis (Appendix K of ER)	Report	Tetra Tech EC, Inc.	4/12
P-0-22	Eelgrass and Seafloor Condition Survey for Landfall Sites in Narragansett and Block Island, Rhode Island (Appendix L of ER)	Report	Coastal Vision	12/1/10
P-0-23	Deepwater Wind Block Island Wind Farm Magnetic Fields from Submarine Cables (Appendix M-1 of ER)	Report	Exponent, Inc. under contract to Normandeau Associates, Inc. under contract to Tetra Tech Inc.	5/29/12
P-0-24	EMF from Underground Cables and Overhead Transmission Lines on Block Island (Appendix M-2 of ER)	Report	Exponent, Inc. under contract to Normandeau Associates, Inc. under contract to Tetra Tech Inc.	5/29/12

S.P. DOC. / FLDR #	NAME	TYPE	PREPARER / ISSUER	DATE
P-0-25	BIWF and BITS In-Air Acoustic Report (Appendix N-1 of ER)	Report	Tetra Tech, Inc.	9/12
P-0-26	BIWF and BITS Underwater Acoustic Report (Appendix N-2 of ER)	Report	Tetra Tech, Inc.	5/12
	BIWF and BITS Underwater Acoustic Report, rev 1	Report	Tetra Tech, Inc.	3/13
	Phase I(c) Archaeological Survey BIWF and BITS (Appendix Q-1 of ER)	Report	The Public Archaeology Laboratory, Inc., under contract to Tetra Tech, Inc.	5/12
P-0-30	BIWF and BITS Above-Ground Historic Property Section 106 Visual Effects Assessment	Report	The Public Archaeology Laboratory, Inc., under contract to Tetra Tech, Inc.	1/13
P-0-35	BIWF and BITS Navigational Risk Assessment (Appendix U of ER)	Report	C&H Global Security under contract to Tetra Tech Inc.	5/12
P-0-28	BIWF and BITS Above-Ground Historic Properties Identification, National Register Eligibility Evaluation and Preliminary Effects Assessment (Appendix R of ER)	Report	The Public Archaeology Laboratory, Inc., under contract to Tetra Tech, Inc.	4/12
	BIWF and BITS Phase II Site Examination of the Harbor Pond Site (RI 2554)	Report	The Public Archaeology Laboratory, Inc., under contract to Tetra Tech, Inc.	1/13
E-3-4	Environmental Investigation – Alternative A Study Area, BIPCO parcel, letter report	Report	GZA, GeoEnvironmental, Inc.	6/26/12

The following reports and documents were prepared solely for the Generator, and they are not being assigned to National Grid and are not included in the Reports or the Assets. Copies of the following Reports have been provided to National Grid solely for informational purposes.

S.P. DOC. / FLDR #	NAME	TYPE	PREPARER / ISSUER	DATE
P-0-8	Appendix E-1 of ER- BIWF Geotech and Geophys Reports	Report	Ocean Surveys under contract to AECOM Environment	5/1/12
P-0-10	AppendixE-3 of ER - BIWF Geotech Report	Report	GZA, GeoEnvironmental, Inc.	1/29/10
P-0-11	Appendix E-4 of ER-BIWF Marine Geophys Landfall Survey	Report	Ocean Surveys under contract to AECOM Environment	7/25/12
	AppendixP-1 of ER – BIWF Phase 1 Marine Archaeological Survey Report	Report	Fathom Research, LLC	5/12
	Appendix P-3 of ER – BIWF Export Cable Nearshore Landfall Supplemental Marine Archaeological Survey	Report	Fathom Research, LLC	7/12
P-0-31	Appendix S-1of ER -BIWF Visual Impact Assessment	Report	edr Companies under contract Tetra Tech, Inc.	5/1/12
P-0-34	Appendix T of ER - BIWF Shadow Flicker Analysis	Report	Tetra Tech, Inc.	5/1/12
P-0-27	Appendix O of ER - Pre-Construction Avian and Bat Survey Report	Report	Tetra Tech, Inc.	5/1/12

Part 5 - RFP Responses

<b>SUB-CAT.</b>	<b>S.P. DOC. / FLDR #</b>	<b>NAME</b>	<b>TYPE</b>	<b>PREPARER / ISSUER</b>	<b>DESCRIPTION</b>
Solicitation	R-S-1	Request for Proposals	Other	Deepwater	A sample request for proposal for the EPC of the BITS system
	R-S-2	Project Information Package	Other	Deepwater	Package of information distributed to prospective vendors for the purpose of preparing preliminary bids
	R-S-3	RFP Details	Other	Deepwater	A slide deck describing the Project and the RFP
	R-S-4	Presentation Invitation	Other	Deepwater	A sample letter inviting one of the prospective vendors to present their proposal
Proposals	R-P-1	ABB Proposal for BITS EPC	Proposal	ABB	
	R-P-2	Technical Questions for ABB	Report	Mott MacDonald	
	R-P-3	Kerite Proposal for BITS EPC	Proposal	Kerite	
	R-P-4	Technical Questions for Kerite	Report	Mott MacDonald	
	R-P-5	LS Cable Proposal for BITS EPC	Proposal	LS Cable	
	R-P-6	Technical Questions for LS Cable	Report	Mott MacDonald	

SUB-CAT.	S.P. DOC. / FLDR #	NAME	TYPE	PREPARER / ISSUER	DESCRIPTION
	R-P-7	Sumitomo Proposal for BITS EPC	Proposal	Sumitomo	
	R-P-8	Technical Questions for Sumitomo	Report	Mott MacDonald	
Evaluation	R-E-1	Summary of Proposals Received	Report	Deepwater	A slide deck detailing the binding proposals submitted by prospective cable vendors
	R-E-2	Pricing Comparison 1	Report	Deepwater	A table providing a high-level summary of the budgetary proposals, including Deepwater's estimates of the additional costs necessary to compare proposals on a like basis
	R-E-3	Pricing Comparison 2	Report	Deepwater	A table providing a side-by-side comparison of the line-item bids provided by each prospective vendor
	R-E-4	Qualitative Comparison	Report	Deepwater	A table comparing the proposed terms and conditions offered by each prospective vendor
	R-E-5	Technical Comparison of Proposals	Report	Mott MacDonald	A report summarizing and assessing the technical characteristics of each proposal

Part 6 - Other Information

S.P. DOC. / FLDR #	NAME	TYPE	PREPARER / ISSUER	ISSUER	DATE	DESCRIPTION
P-1-4(a)	Town of New Shoreham - Conservation Commission Application	Application	DWBIT	Town of New Shoreham - Zoning Board	1/3/12	Application for advisory to Town of New Shoreham – Zoning Board for work on BIPCO property
P-1-4(b)	Town of New Shoreham - Conservation Commission Favorable Advisory	Advisory Opinion	Town of New Shoreham – Conservation Commission		1/10/12	Favorable advisory to Town of New Shoreham – Zoning Board for work on BIPCO property
P-1-5(a)	Town of New Shoreham - Historic District Commission Application	Application	DWBIT	Town of New Shoreham - Zoning Board	1/9/12	Application for advisory to Town of New Shoreham – Zoning Board for work on BIPCO property
P-1-5(b)	Town of New Shoreham - Historic District Commission Favorable Advisory	Advisory Opinion	Town of New Shoreham - Historic District Commission		2/27/12	Favorable advisory to Town of New Shoreham – Zoning Board for work on BIPCO property
P-5-1	Narragansett Indian Tribe - Memorandum of Agreement	Other	Narragansett THPO		9/21/11	Memorandum of Agreement

<b>S.P. DOC. / FLDR #</b>	<b>NAME</b>	<b>TYPE</b>	<b>PREPARER / ISSUER</b>	<b>ISSUER</b>	<b>DATE</b>	<b>DESCRIPTION</b>
P-5-2	Wampanoag Tribe of Gay Head - Release Agreement	Other	Wampanoag THPO		10/20/11	Release Agreement
P-6-1	January 2013 Fishing Outreach Summary Report	Other	Kearns and West		1/4/13	Outreach Summary Report
	Reports and other documentation resulting from consultations and reviews listed in Schedule 5(d)(iii)	Other	Various			Reports and summaries from consultations and reviews

SCHEDULE 3

CATEGORIES FOR EXPENSE ADJUSTMENTS

**Table 1 - Block Island Transmission System Costs  
Development Costs from April 1, 2008 to January 31, 2013 with  
Total Cost Cap at Close**

	2008	2009	2010	2011	2012	2013	Total Current	Total Cap at Close
1 Permitting	\$2,911	\$1,857,247	\$357,776	\$218,691	\$970,383	\$13,872	\$3,420,880	\$3,950,380
2 Surveys	\$0	\$236,578	\$175,735	\$730,089	\$1,066,477	\$8,738	\$2,217,617	\$2,255,117
3 Engineering	\$0	\$136,631	\$169,864	\$38,977	\$455,522	\$0	\$800,994	\$995,994
4 Regulatory	\$0	\$19,400	\$15,081	\$0	\$19,219	\$0	\$53,699	\$53,699
5 Site Control	\$0	\$0	\$0	\$0	\$25,000	\$0	\$25,000	\$25,000
<b>6 3rd Party - Sub Total</b>	<b>\$2,911</b>	<b>\$2,249,856</b>	<b>\$718,455</b>	<b>\$987,757</b>	<b>\$2,536,600</b>	<b>\$22,610</b>	<b>\$6,518,190</b>	<b>\$7,280,190</b>
<b>7 Internal Staff</b>	<b>\$143,277</b>	<b>\$190,862</b>	<b>\$190,862</b>	<b>\$190,862</b>	<b>\$191,384</b>	<b>\$142,754</b>	<b>\$1,050,000</b>	<b>\$1,050,000</b>
<b>8 Development Fee</b>	<b>\$56</b>	<b>\$43,424</b>	<b>\$102,236</b>	<b>\$139,016</b>	<b>\$212,212</b>	<b>\$269,647</b>	<b>\$766,592</b>	<b>\$781,261</b>
9 Capital Account Balance	\$0	\$2,967	\$2,296,247	\$3,116,938	\$4,243,712	\$6,992,525		
10 RI State Land Acquisition							<b>\$374,838</b>	
							<b>TOTAL</b>	<b>\$8,334,782</b>
								<b>\$9,486,289</b>

Development Fee Rate:	3.85%
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**Table 2 - Block Island Transmission System Costs  
from February 1, 2013 to Close**

		Total Projected	Total Not to Exceed
1	Permitting	\$744,394	\$529,500
2	Surveys	\$138,724	\$37,500
3	Engineering	\$373,551	\$195,000
4	Regulatory	-	-
5	Site Control	-	-
	<b>TOTAL</b>	<b>\$1,256,669</b>	<b>\$762,000</b>

**SCHEDULE 4**

**APPEALABLE PERMITS**

<b>NAME</b>	<b>TYPE</b>	<b>ISSUER</b>	<b>DESCRIPTION</b>
Section 10 Rivers and Harbors Act & Section 404 Clean Water Act Individual Permit	Permit	U.S. Army Corps of Engineers (USACE), New England District	Application submitted: 5/31/12, revised: 9/14/12; revised 9/26/13
Incidental Take Authorization (IHA) under the Marine Mammal Protection Act (MMPA)	Permit	National Oceanic and Atmospheric Administration, National Marine Fisheries Service (NOAA Fisheries)	Application submitted: 3/11/13; revised 10/18/13

**SCHEDULE 5(b)**

**GOVERNMENTAL APPROVALS**

- 1) Consent to execution of the Purchase Agreement by the Rhode Island Division of Public Utilities and Carriers pursuant to R.I.G.L. ch. 39-26.1-7(f).
- 2) The FERC approvals identified in Section 8(a).

SCHEDULE 5(d)(i)

RIDOT PERMITS

Physical Alteration Permit for bridge crossing in DOT ROW - Block Island	Permit	RI DOT		Application submitted: 2/28/13; NG co-applicant
Utility Permit for work in DOT ROW - Block Island	Permit	RI DOT		Application submitted 9/27/13; NG co-applicant
Utility Permit for work in DOT ROW – Mainland	Permit	RI DOT		Application to be submitted; NG co-applicant
Physical Alteration Permit – Dillons Corner	Permit	RIDOT		Application to be submitted; NG co-applicant

**SCHEDULE 5(d)(ii)**

**NATIONAL GRID PERMITS**

<b>NAME</b>	<b>TYPE</b>	<b>ISSUER</b>	<b>DATE</b>	<b>DESCRIPTION</b>
RIDPES Stormwater Permits (for Construction on Block Island and Narragansett)	Permit	Rhode Island Dept. of Environmental Management		Stormwater general permit coverage or individual permit; applies to disturbance of one acre or more
Building Permit (Dillon Cornerswitchyard), if required	Permit	State Building Commission		Permit to construct switchyard structure
Building Permit (Block Island substation)	Permit	Town of New Shoreham Building Inspector		

**SCHEDULE 5(d)(iii)**

**CONSULTATIONS AND REVIEWS**

1. Review under National Environmental Protection Act
2. Consultation under Section 7 of Endangered Species Act
3. Essential Fish Habitat Consultation under Section 7 of Magnuson-Stevens Act
4. FAA Determination of No Hazard, Approval for Private Aids to Navigation
5. U.S. Environmental Protection Agency Air Conformity Determination
6. Consultation under Rhode Island Endangered Species Act
7. Consultation under Rhode Island Historic Preservation Act
8. Advisory to New Shoreham Conservation Commission
9. Advisory to New Shoreham Historic District Commission

**EXHIBIT A-1**

**FORM OF ASSIGNMENT AND ASSUMPTION OF  
RHODE ISLAND DEPARTMENT OF ENVIRONMENTAL MANAGEMENT  
EASEMENT AGREEMENT**

**ASSIGNMENT AND ASSUMPTION OF EASEMENT AGREEMENT**

This Assignment and Assumption of Easement Agreement is made as of this \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_\_\_, between and among the STATE OF RHODE ISLAND, DEPARTMENT OF ENVIRONMENTAL MANAGEMENT, with an address of 235 Promenade Street, Providence, Rhode Island 02908 (hereinafter referred to as “DEM”), DEEPWATER WIND BLOCK ISLAND TRANSMISSION, LLC. a Delaware Limited Liability Company with its principal place of business at 56 Exchange Terrace, Suite 101, Providence, Rhode Island 02907 (hereinafter referred to as “Assignor”) and THE NARRAGANSETT ELECTRIC COMPANY, a Rhode Island Corporation with its principal place of business at 280 Melrose Street, Providence, Rhode Island 02907 (hereinafter referred to as “Assignee”).

**KNOW ALL MEN BY THESE PRESENTS:**

WHEREAS, DEM, as Grantor and Assignor as Grantee entered into an Easement Agreement dated November , 2013 (hereinafter referred to as the “Easement Agreement”) which Easement Agreement is attached hereto as Exhibit “A” and incorporated herein and made a part hereof with respect to certain easements on certain parcels of real estate identified as Tax Assessor’s Plat S, Lots 123 and 136 situated in the Town of Narragansett, County of Washington, State of Rhode Island which real property is bounded and described in the Easement Agreement.

WHEREAS, Assignor has agreed to assign and Assignee has agreed to assume Assignor's interest in and to the Easement Agreement.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby covenant and agree as follows:

1. Assignor hereby assigns, sells, transfers, conveys and delivers unto Assignee, its successors and assigns, all of Assignor's right, title and interest in, to and under the Easement Agreement, effective from and after the date hereof (the "Effective Date"); except, however, specifically excluded from such assignment and conveyance is the obligation of Assignor to pay One Million Dollars (\$1,000,000.00) to the Rhode Island State Parks Endowment Fund on the terms and conditions as set forth in the Easement Agreement (the "Endowment Fund"). Assignor acknowledges and agrees that Assignor shall remain responsible to pay said Endowment Fund as set forth in the Easement Agreement.

2. Assignee hereby accepts the assignment of the Easement Agreement from Assignor and hereby assumes and agrees to perform and observe all the obligations, terms, covenants, and conditions thereof to be observed or performed by Assignor thereunder from and after the Effective Date, except that obligation of Assignor to pay the Endowment Fund on the terms and conditions set forth in the Easement Agreement, which obligation shall remain the sole responsibility of Assignor.

3. DEM, Assignor and Assignee agree that upon the Effective Date, all rights of the Assignor under the Easement Agreement shall terminate.

4. Assignor indemnifies and agrees to hold Assignee, its affiliates, agents, officers, servants, employees, successors, and assigns, harmless from and against any defaults or other

liabilities (including, without limitation, court costs and attorneys' fees) under or in connection with the Easement Agreement which were incurred or which accrued at any time before the date hereof, including the obligation to timely pay the Endowment Fund in accordance with the Easement Agreement, which obligation shall remain the sole responsibility of Assignor. Except with respect to the continuing obligations to timely pay the Endowment Fund in accordance with the Easement Agreement, if any payments or fees are or were required to be made in connection with the Easement Agreement prior to the Effective Date, Assignor hereby represents and warrants that all such payments and/or fees have been paid in full on or before the Effective Date.

5. Assignee indemnifies and agree to hold Assignor, its affiliates, agents, officers, servants, employees, successors, and assigns, harmless from and against any defaults or other liabilities (including, without limitation, court costs and attorneys' fees) under or in connection with the Easement Agreement from and after the date hereof, excluding however, the obligation to pay the Endowment Fund, which obligation shall remain the sole responsibility of Assignor.

6. This Agreement may be executed in several counterparts and may not be changed, modified, discharged or terminated orally or in any manner other than by agreement in writing signed by the parties hereto or their respective successors and assigns. Each party agrees to execute and deliver all additional documents and do all such other acts as may be reasonably necessary to carry out the provisions and intent of this Agreement.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals the day and year first above written.

WITNESS:

DEEPWATER WIND BLOCK ISLAND  
TRANSMISSION, LLC.

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By:\_\_\_\_\_

Name:

Title:

THE NARRAGANSETT ELECTRIC  
COMPANY

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By:\_\_\_\_\_

Name:

Title:

STATE OF RHODE ISLAND AND  
PROVIDENCE PLANTATIONS,  
DEPARTMENT OF ENVIRONMENTAL  
MANAGEMENT

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By:\_\_\_\_\_

Janet L. Coit, Director

STATE OF RHODE ISLAND  
COUNTY OF PROVIDENCE

In Providence, on the \_\_\_\_ day of \_\_\_\_\_, 201\_\_\_\_, before me personally appeared \_\_\_\_\_, the \_\_\_\_\_ of DEEPWATER WIND BLOCK ISLAND TRANSMISSION, LLC, to me known and known by me to be the party executing the foregoing instrument for and on behalf of DEEPWATER WIND BLOCK ISLAND TRANSMISSION, LLC, and he acknowledged said instrument, by him executed, to be his free act and deed, his free act and deed in his capacity as aforesaid, and the free act and deed of DEEPWATER WIND BLOCK ISLAND TRANSMISSION, LLC.

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Notary Public  
Print Name: \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

STATE OF  
COUNTY OF

In \_\_\_\_\_, on the \_\_\_\_ day of \_\_\_\_\_, 201\_\_\_\_, before me personally appeared \_\_\_\_\_, the \_\_\_\_\_ of THE NARRAGANSETT ELECTRIC COMPANY, to me known and known by me to be the party executing the foregoing instrument for and on behalf of THE NARRAGANSETT ELECTRIC COMPANY and he/she acknowledged said instrument by him/her executed to be her free act and deed, his/her free act and sees in his/her capacity as aforesaid, and the free act and deed of THE NARRAGANSETT ELECTRIC COMPANY.

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Notary Public  
Print Name: \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

STATE OF RHODE ISLAND  
COUNTY OF PROVIDENCE

In Providence, on the \_\_\_\_ day of \_\_\_\_\_, 201\_\_\_\_, before me personally appeared Janet L. Coit, the Director of the STATE OF RHODE ISLAND, DEPARTMENT OF ENVIRONMENTAL MANAGEMENT, to me known and known by me to be the party executing the foregoing instrument for and on behalf of the STATE OF RHODE ISLAND, DEPARTMENT OF ENVIRONMENTAL MANAGEMENT, and she acknowledged said instrument by her executed, to be her free act and deed, her free act and deed in her capacity aforesaid , and the free act and deed of the State of Rhode Island, Department of Environmental Management.

---

Notary Public  
Print Name: \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

Approved this \_\_\_\_ day of \_\_\_\_\_, 201\_\_ by the State Properties Committee.

Approved  
as to Terms and  
Conditions:

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Chairman, State Properties Committee

Approved as to Form:

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Attorney General

Approved as to  
Substance:

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Director of Administration

Approved:

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Public Member, State Properties Committee

Approved:

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Public Member, State Properties Committee

**EXHIBIT "A"**

**Legal Description**

**EXHIBIT A-2**

**FORM OF ASSIGNMENT AND ASSUMPTION OF  
RHODE ISLAND DEPARTMENT OF TRANSPORTATION  
EASEMENT AGREEMENT**

**ASSIGNMENT AND ASSUMPTION OF EASEMENT AGREEMENT**

This Assignment and Assumption of Easement Agreement is made as of this \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_\_\_, between and among the STATE OF RHODE ISLAND, DEPARTMENT OF TRANSPORTATION, with an address of 2 Capitol Hill, Providence, Rhode Island 02903 (hereinafter referred to as "RIDOT"), DEEPWATER WIND BLOCK ISLAND TRANSMISSION, LLC. a Delaware Limited Liability Company with its principal place of business at 56 Exchange Terrace, Suite 101, Providence, Rhode Island 02907 (hereinafter referred to as "Assignor") and THE NARRAGANSETT ELECTRIC COMPANY, a Rhode Island Corporation with its principal place of business at 280 Melrose Street, Providence, Rhode Island 02907 (hereinafter referred to as "Assignee").

**KNOW ALL MEN BY THESE PRESENTS:**

WHEREAS, RIDOT, as Grantor and Assignor as Grantee entered into an Easement Agreement dated November , 2013 (hereinafter referred to as the "Easement Agreement") which Easement Agreement is attached hereto as Exhibit "A" and incorporated herein and made a part hereof with respect to certain easements on certain parcels of real estate identified land as "Dillon's Corner", situated on Point Judith Road in the Town of Narragansett, County of Washington, and State of Rhode Island and more particularly described in Exhibit B attached hereto and made a part thereof, which real property is bounded and described in the Easement Agreement.

WHEREAS, Assignor has agreed to assign and Assignee has agreed to assume Assignor's interest in and to the Easement Agreement.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby covenant and agree as follows:

1. Assignor hereby assigns, sells, transfers, conveys and delivers unto Assignee, its successors and assigns, all of Assignor's right, title and interest in, to and under the Easement Agreement, effective from and after the date hereof (the "Effective Date

2. Assignee hereby accepts the assignment of the Easement Agreement from Assignor and hereby assumes and agrees to perform and observe all the obligations, terms, covenants, and conditions thereof to be observed or performed by Assignor thereunder from and after the Effective Date.

3. RIDOT, Assignor and Assignee agree that upon the Effective Date, all rights of the Assignor under the Easement Agreement shall terminate.

4. Assignor indemnifies and agrees to hold Assignee, its affiliates, agents, officers, servants, employees, successors, and assigns, harmless from and against any defaults or other liabilities (including, without limitation, court costs and attorneys' fees) under or in connection with the Easement Agreement which were incurred or which accrued at any time before the date hereof,.Assignor hereby represents and warrants that all payments and/or fees required to be made in connection with the Easement Agreement have been paid in full on or before the Effective Date.

5. Assignee indemnifies and agree to hold Assignor, its affiliates, agents, officers, servants, employees, successors, and assigns, harmless from and against any defaults or other

liabilities (including, without limitation, court costs and attorneys' fees) under or in connection with the Easement Agreement from and after the date hereof.

6. This Agreement may be executed in several counterparts and may not be changed, modified, discharged or terminated orally or in any manner other than by agreement in writing signed by the parties hereto or their respective successors and assigns. Each party agrees to execute and deliver all additional documents and do all such other acts as may be reasonably necessary to carry out the provisions and intent of this Agreement.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals the day and year first above written.

WITNESS:

DEEPWATER WIND BLOCK ISLAND  
TRANSMISSION, LLC.

---

By: \_\_\_\_\_  
Name:  
Title:

THE NARRAGANSETT ELECTRIC  
COMPANY

---

By: \_\_\_\_\_  
Name:  
Title:

STATE OF RHODE ISLAND AND  
PROVIDENCE PLANTATIONS,  
DEPARTMENT OF TRANSPORTATION

By: \_\_\_\_\_  
Michael P. Lewis, Director

STATE OF RHODE ISLAND  
COUNTY OF PROVIDENCE

In Providence, on the \_\_\_\_ day of \_\_\_\_\_, 201\_\_\_\_, before me personally appeared \_\_\_\_\_, the \_\_\_\_\_ of DEEPWATER WIND BLOCK ISLAND TRANSMISSION, LLC, to me known and known by me to be the party executing the foregoing instrument for and on behalf of DEEPWATER WIND BLOCK ISLAND TRANSMISSION, LLC, and he acknowledged said instrument, by him executed, to be his free act and deed, his free act and deed in his capacity as aforesaid, and the free act and deed of DEEPWATER WIND BLOCK ISLAND TRANSMISSION, LLC.

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Notary Public  
Print Name: \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

STATE OF  
COUNTY OF

In \_\_\_\_\_, on the \_\_\_\_ day of \_\_\_\_\_, 201\_\_\_\_, before me personally appeared \_\_\_\_\_, the \_\_\_\_\_ of THE NARRAGANSETT ELECTRIC COMPANY, to me known and known by me to be the party executing the foregoing instrument for and on behalf of THE NARRAGANSETT ELECTRIC COMPANY and he/she acknowledged said instrument by him/her executed to be her free act and deed, his/her free act and sees in his/her capacity as aforesaid, and the free act and deed of THE NARRAGANSETT ELECTRIC COMPANY.

---

Notary Public  
Print Name: \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

STATE OF RHODE ISLAND  
COUNTY OF PROVIDENCE

In Providence, on the \_\_\_\_ day of \_\_\_\_\_, 201\_\_\_\_, before me personally appeared Janet L. Coit, the Director of the STATE OF RHODE ISLAND, DEPARTMENT OF TRANSPORTATION, to me known and known by me to be the party executing the foregoing instrument for and on behalf of the STATE OF RHODE ISLAND, TRANSPORTATION, and he acknowledged said instrument by him executed, to be his free act and deed, his free act and deed in his capacity aforesaid , and the free act and deed of the State of Rhode Island, Department of Transportation.

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Notary Public  
Print Name: \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

Approved this \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_ by the State Properties Committee.

Approved  
as to Terms and  
Conditions:

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Chairman, State Properties Committee

Approved as to Form:

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Attorney General

Approved as to  
Substance:

---

Director of Administration

Approved:

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Public Member, State Properties Committee

Approved:

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Public Member, State Properties Committee

**EXHIBIT "A"**

**Legal Description**

**EXHIBIT A-3**

**FORM OF ASSIGNMENT AND ASSUMPTION OF  
OTHER PROPERTY RIGHTS**

**ASSIGNMENT AND ASSUMPTION AGREEMENT**

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT is made as of this \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_\_\_, between and among the \_\_\_\_\_, a \_\_\_\_\_, with an address of \_\_\_\_\_ (hereinafter referred to as “[GRANTING ENTITY”), DEEPWATER WIND BLOCK ISLAND TRANSMISSION LLC, a Delaware Limited Liability Company with its principal place of business at 56 Exchange Terrace, Suite 101, Providence, Rhode Island 02907 (hereinafter referred to as “Assignor”) and THE NARRAGANSETT ELECTRIC COMPANY, a Rhode Island Corporation with its principal place of business at 280 Melrose Street, Providence, Rhode Island 02907 (hereinafter referred to as “Assignee”).

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, [GRANTING ENTITY], as Grantor and Assignor as Grantee entered into that certain \_\_\_\_\_ Agreement dated \_\_\_\_\_ (hereinafter referred to as the “Agreement”) which Agreement is attached hereto as Exhibit “A” and incorporated herein and made a part hereof with respect to certain [IDENTIFY AND DESCRIBE PROPERTY RIGHTS] and more particularly described in the Agreement.

WHEREAS, Assignor has agreed to assign and Assignee has agreed to assume Assignor’s interest in and to the Agreement.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby covenant and agree as follows:

1. Assignor hereby assigns, sells, transfers, conveys and delivers unto Assignee, its successors and assigns, all of Assignor’s right, title and interest in, to and under the Agreement, effective from and after the date hereof (the “Effective Date”).

2. Assignee hereby accepts the assignment of the Agreement from Assignor and hereby assumes and agrees to perform and observe all the obligations, terms, covenants, and conditions thereof to be observed or performed by Assignor thereunder from and after the Effective Date.

3. [GRANTING ENTITY], Assignor and Assignee agree that upon the Effective Date, all rights of the Assignor under the Agreement shall terminate.

4. Assignor indemnifies and agrees to hold Assignee, its affiliates, agents, officers, servants, employees, successors, and assigns, harmless from and against any defaults or other liabilities (including, without limitation, court costs and attorneys' fees) under or in connection with the Agreement which were incurred or which accrued at any time before the date hereof. Assignor hereby represents and warrants that all payments and/or fees required to be made on or before the Effective Date in connection with the Agreement have been paid in full as of the date hereof.

5. Assignee indemnifies and agree to hold Assignor, its affiliates, agents, officers, servants, employees, successors, and assigns, harmless from and against any defaults or other liabilities (including, without limitation, court costs and attorneys' fees) under or in connection with the Agreement from and after the date hereof.

6. This Assignment and Assumption Agreement may be executed in several counterparts and may not be changed, modified, discharged or terminated orally or in any manner other than by agreement in writing signed by the parties hereto or their respective successors and assigns. Each party agrees to execute and deliver all additional documents and do all such other acts as may be reasonably necessary to carry out the provisions and intent of this Assignment and Assumption Agreement.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals the day and year first above written.

WITNESS:

DEEPWATER WIND BLOCK ISLAND  
TRANSMISSION, LLC

By: \_\_\_\_\_

Name:

Title:

THE NARRAGANSETT ELECTRIC  
COMPANY

By: \_\_\_\_\_

Name:

Title:

[GRANTING ENTITY]

By: \_\_\_\_\_

Name:

Title:

STATE OF RHODE ISLAND

COUNTY OF PROVIDENCE

In Providence, on the \_\_\_\_ day of \_\_\_\_\_, 201\_\_\_\_, before me personally appeared \_\_\_\_\_, the \_\_\_\_\_ of DEEPWATER WIND BLOCK ISLAND TRANSMISSION, LLC, to me known and known by me to be the party executing the foregoing instrument for and on behalf of DEEPWATER WIND BLOCK ISLAND TRANSMISSION, LLC, and he acknowledged said instrument, by him executed, to be his free act and deed, his free act and deed in his capacity as aforesaid, and the free act and deed of DEEPWATER WIND BLOCK ISLAND TRANSMISSION, LLC.

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Notary Public  
Print Name: \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

In \_\_\_\_\_, on the \_\_\_\_ day of \_\_\_\_\_, 201\_\_\_\_, before me personally appeared \_\_\_\_\_, the \_\_\_\_\_ of THE NARRAGANSETT ELECTRIC COMPANY, to me known and known by me to be the party executing the foregoing instrument for and on behalf of THE NARRAGANSETT ELECTRIC COMPANY and he/she acknowledged said instrument by him/her executed to be her free act and deed, his/her free act and sees in his/her capacity as aforesaid, and the free act and deed of THE NARRAGANSETT ELECTRIC COMPANY.

---

Notary Public  
Print Name: \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

In \_\_\_\_\_, on the \_\_\_ day of \_\_\_\_\_, 201\_\_\_, before me personally appeared \_\_\_\_\_, the \_\_\_\_\_ of [GRANTING ENTITY], to me known and known by me to be the party executing the foregoing instrument for and on behalf of [GRANTING ENTITY] and he/she acknowledged said instrument by him/her executed to be her free act and deed, his/her free act and sees in his/her capacity as aforesaid, and the free act and deed of [GRANTING ENTITY].

---

Notary Public

Print Name:\_\_\_\_\_

My Commission Expires:\_\_\_\_\_

**EXHIBIT "A"**

[Description of Agreement]

## EXHIBIT B

### FORM OF ASSIGNMENT AND ASSUMPTION OF PERMITS

This ASSIGNMENT AND ASSUMPTION OF PERMITS (this “Assignment and Assumption”), is dated as of [\_\_\_\_\_] (the “Effective Date”), by and between, Deepwater Wind Block Island Transmission, LLC, a Delaware limited liability company (“DWB”), and The Narragansett Electric Company d/b/a National Grid, a Rhode Island corporation (“National Grid”).

#### RECITALS:

WHEREAS, DWB and National Grid are parties to that certain Transmission FacilitiesPurchase Agreement dated as of [\_\_\_\_\_], 2014 (the “Purchase Agreement”) pursuant to which DWB has agreed to transfer and assign, and National Grid has agreed to accept and assume, the Assets, as defined in the Purchase Agreement; and

WHEREAS, the Assets include the Transferred Permits and interests in the RIDOT Permits listed on Schedule 1 hereto (the “Assigned Assets”).

NOW, THEREFORE, in consideration of the foregoing premises and for other good and valuable consideration, as described herein, the sufficiency of which is hereby acknowledged, National Grid and DWB hereby agree as follows:

1. Defined Terms. Capitalized terms used but not defined in this Assignment and Assumption shall have the meanings ascribed to such terms in the Purchase Agreement.

2. Assignment. In accordance with and pursuant and subject to the terms and conditions of this Assignment and Assumption and the Purchase Agreement, DWB does hereby assign, sell, transfer and convey to National Grid, all of DWB’s rights, title and interests in, to and under the Assigned Assets, but only to the extent relating to the period occurring on and after the Effective Date.

3. Assumption. In accordance with and subject to the terms and conditions of this Assignment and Assumption and the Purchase Agreement, National Grid hereby irrevocably assumes and agrees to satisfy, pay, perform or discharge in accordance with their terms, to the extent not heretofore satisfied, paid, performed or discharged, all of DWB’s obligations and liabilities under and with respect to the Assigned Assets, but only to the extent arising or relating to the period occurring on and after the Effective Date.

4. No Third Party Beneficiaries. Nothing in this Assignment and Assumption will provide any benefit to any third party or entitle any third party to any claim, cause of action, remedy or right of any kind, it being the intent of National Grid and DWB that this instrument will not be construed as a third-party beneficiary contract.

5. Binding Effect. This Assignment and Assumption and all of the provisions hereof shall be binding upon and shall inure to the benefit of National Grid, DWB and their respective successors and assigns.

6. Governing Law. This Assignment and Assumption and the rights and duties of National Grid and DWBIT hereunder will be governed by and construed, enforced and performed in accordance with the law of the State of Rhode Island, without giving effect to principles of conflicts of laws.

7. Severability. If any provision hereof is declared or rendered unlawful by any court or governmental agency with jurisdiction over National Grid and DWBIT and the subject matter hereof, or deemed unlawful due to a statutory change, National Grid and DWBIT will negotiate an equitable adjustment to the provisions of this Assignment and Assumption with a view to effecting, to the extent possible, the original purpose and intent of the Purchase Agreement, and the validity and enforceability of the remaining provisions of this Assignment and Assumption shall not be affected thereby.

8. Counterparts. This Assignment and Assumption may be executed in one or more counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument.

*[Signature Page Follows]*

IN WITNESS WHEREOF, this Assignment and Assumption has been duly executed and delivered by the duly authorized officers of the parties hereto as of the date first above written.

**DEEPWATER WIND BLOCK ISLAND  
TRANSMISSION, LLC**

By: \_\_\_\_\_

Name:

Title:

**THE NARRAGANSETT ELECTRIC COMPANY,  
D/B/A NATIONAL GRID**

By: \_\_\_\_\_

Name:

Title:

Schedule 1 to  
Assignment and Assumption of Permits

Assigned Assets

*[to be provided]*

EXHIBIT C

FORM OF BILL OF SALE

This Bill of Sale (this “Bill of Sale”) is made as of this [\_\_] day of [\_\_\_\_], [20\_\_], by Deepwater Wind Block Island Transmission, LLC, a Delaware limited liability company (“DWB”), to The Narragansett Electric Company d/b/a National Grid, a Rhode Island corporation (“National Grid”). All terms not otherwise defined herein shall be defined as set forth in the Transmission Facilities Purchase Agreement dated as of [\_\_\_\_], 2014 between National Grid and DWB (the “Purchase Agreement”).

**WHEREAS**, pursuant to the Purchase Agreement, DWB has agreed to sell, assign, convey and transfer certain Assets to National Grid, including those assets listed on Schedule 1 hereto (the “Transferred Assets”);

**NOW, THEREFORE**, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, DWB, intending to be bound, agrees as follows:

1. Subject to and in accordance with the terms of the Purchase Agreement, DWB hereby sells, assigns, conveys and transfers to National Grid, its successors and assigns, good, clear and marketable right, title and interest, legal and equitable, in and to the Transferred Assets, free from any defects, liens, encumbrances and claims of any kind.
2. DWB covenants and agrees to warrant and defend title to the Assets against the claims of any person, firm, corporation or association.
3. It is the intent of DWB and National Grid that this Bill of Sale transfer all of DWB’s right, title, and interest in and to the Transferred Assets. In the event that this Bill of Sale does not accomplish the transfer of all of DWB’s right, title, and interest in and to the Transferred Assets, DWB covenants and agrees to take all steps necessary to effectuate such transfer and to execute, acknowledge, and deliver any and all documents or instruments as may be reasonably necessary to transfer the Assets to National Grid and as may be appropriate to confirm or otherwise carry out the transactions contemplated by this Bill of Sale.
4. Nothing in this Bill of Sale, express or implied, is intended or shall be construed to give to any Person, other than DWB, National Grid and their respective successors and assigns, any right, remedy, claim or cause of action under or by reason of this Bill of Sale, or any terms, covenants or conditions hereof.
5. This Bill of Sale is effective as of the date first written above.
6. This Bill of Sale shall be governed by the laws of the State of Rhode Island, without application of principles of conflicts of laws.
7. This Bill of Sale shall inure to the benefit of and be binding upon National Grid and DWB and their respective successors and permitted assigns.

8. Should any provision of this Bill of Sale be held unenforceable in law, such provision shall be severed from this Bill of Sale and the balance of this Bill of Sale shall be binding on National Grid and DWBIT as if the severed provision had never existed, unless the performance of this Bill of Sale is thereby rendered legally impractical or no longer fulfills National Grid and DWBIT' objectives.

9. This Bill of Sale may be executed in two or more counterparts, each of which shall be deemed an original, and it will not be necessary in making proof of this Bill of Sale or the terms of this Bill of Sale to produce or account for more than one of such counterparts, provided that the counterpart produced bears the signature of the Party sought to be bound.

10. Waiver by a Party of any breach of this Bill of Sale shall not constitute a waiver of any other breach or of any future breach.

[*Signature page below*]

IN WITNESS WHEREOF, DWBIT and National Grid have executed this Bill of Sale as of the date first set forth above.

**DEEPWATER WIND BLOCK ISLAND  
TRANSMISSION, LLC**

By: \_\_\_\_\_

Name:

Title:

**THE NARRAGANSETT ELECTRIC  
COMPANY, D/B/A NATIONAL GRID**

By: \_\_\_\_\_

Name:

Title:

Schedule 1 to  
Bill of Sale

Transferred Assets

*[to be provided]*

**EXHIBIT D**

**DWBIT WIRE TRANSFER ACCOUNT INFORMATION**

*[To be provided]*

EXHIBIT E

FORM OF DEEPWATER WIND LLC GUARANTEE

As of [\_\_\_\_\_]

The Narragansett Electric Company d/b/a National Grid  
280 Melrose Street  
Providence, RI 02907

Ladies and Gentlemen:

For value received, Deepwater Wind, LLC (the “Guarantor”), a limited liability company duly organized under the laws of Delaware, unconditionally and absolutely guarantees to The Narragansett Electric Company d/b/a National Grid (the “Beneficiary”), the prompt and complete performance and payment when due, of all obligations and liabilities (the “Guaranteed Obligations”), whether now in existence or hereafter arising, of Deepwater Wind Block Island, LLC, a limited liability company duly organized under the laws of the State of Delaware (“DWBI”) and Deepwater Wind Block Island Transmission, LLC, a limited liability company duly organized under the laws of the State of Delaware (“DWBIT” and together with DWBI, the “Companies”), pursuant to (i) that certain Transmission Facilities Purchase Agreement dated as of [\_\_\_\_], 2014 between the Beneficiary and DWBIT (the “Purchase Agreement”) and (ii) that certain Cooperation Agreement dated as of [\_\_\_\_], 2014 among the Beneficiary and the Companies. Each capitalized term used but not defined herein shall have the meaning given to it in the Purchase Agreement.

This Guaranty is one of performance and not of collection. The Guarantor hereby waives notice of acceptance of this Guaranty and notice of any obligation or liability to which it may apply, and waives presentment, demand for payment, protest, notice of dishonor or non-payment of any such obligation or liability, suit or the taking of other action by the Beneficiary against, and any other notice to, the Companies, the Guarantor or others.

The Beneficiary, at any time and from time to time without notice to or consent of the Guarantor and without impairing or releasing the obligations of the Guarantor hereunder, may, with respect to the Guaranteed Obligations: (1) agree with either or both of the Companies to make any change in the terms of any obligation or liability of the Companies to the Beneficiary, (2) take or fail to take any action of any kind in respect of any security for any obligation or liability of the Companies to the Beneficiary, (3) exercise or refrain from exercising any rights against the Companies or others, or (4) compromise or subordinate any obligation or liability of the Companies to the Beneficiary including any security therefor. Any other suretyship defenses are hereby waived by the Guarantor.

This Guaranty shall be subject to and only effective on and after the closing of the transactions contemplated in the Purchase Agreement. This Guaranty shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Guaranteed Obligations are annulled, set aside, invalidated, declared to be fraudulent or preferential, rescinded or must

otherwise be returned, refunded or repaid by the Beneficiary upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of either Company or any other guarantor, or upon or as a result of the appointment of a receiver or conservator of, or trustee for either Company or any other guarantor or any substantial part of its property or otherwise, all as though such payment or payments had not been made.

Payments due under this Guaranty will be made without set-off or counterclaim whatsoever and free of any deductions or withholdings.

The Guarantor may not assign its rights nor delegate its obligations under this Guaranty, in whole or in part, without prior written consent of the Beneficiary, and any purported assignment or delegation absent such consent is void.

**THIS GUARANTY SHALL BE GOVERNED BY AND CONSTRUED IN  
ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF RHODE ISLAND  
WITHOUT GIVING EFFECT TO PRINCIPLES OF CONFLICTS OF LAW.  
GUARANTOR AGREES TO THE EXCLUSIVE JURISDICTION OF STATE AND  
FEDERAL COURTS LOCATED IN THE STATE OF RHODE ISLAND, OVER ANY  
DISPUTES ARISING UNDER OR RELATING TO THIS GUARANTY.**

Very truly yours,

**DEEPWATER WIND, LLC**

By: \_\_\_\_\_

Name:

Title:

**Schedule A**  
**Schedule of Definitions**

## SCHEDULE A

### SCHEDULE OF DEFINITIONS

Capitalized terms used in the Purchase Agreement and the Cooperation Agreement and not otherwise defined therein have the following meanings:

- (a)     “Appealable Permits” has the meaning set forth in Section 5(d) of the Purchase Agreement.
- (b)     “Applicable Legal Requirements” means all applicable federal, state and local laws, statutes, regulations, rules, official directives, policies, treaties, ordinances, judgments, directives, ISO-NE Rules, reliability criteria, licenses, permits, decrees, approvals, interpretations, injunctions, writs, orders, or other similar legal and regulatory requirements, as may be in effect from time to time, of any Governmental Entity having jurisdiction over any Party or the Assets, together with any requirements under or prescribed by applicable common law.
- (c)     “Assets” mean the Property Rights, the Transferred Permits, DWBIT’s right, title and interest in, to and under the RIDOT Permits, the Engineering Documents, the Reports, the RFP Responses and the Other Information, including without limitation as described or identified on Schedule 2 to the Purchase Agreement.
- (d)     “Assignment and Assumption of Permits” has the meaning set forth in Section 4(b) of the Purchase Agreement.
- (e)     “Assignment and Assumption of Property Rights” has the meaning set forth in Section 4(b) of the Purchase Agreement.
- (f)     “Best of DWBIT’s Knowledge” means the knowledge of any officer of DWBIT, DWBI or Deepwater Wind, LLC after due inquiry.
- (g)     “Bill of Sale” has the meaning set forth in Section 4(b) of the Purchase Agreement.
- (h)     “BIPCO” has the meaning set forth in Section 8(a) of the Purchase Agreement.
- (i)     “Business Day” means a day on which Federal Reserve member banks in New York, New York are open for business.
- (j)     “CEII” means any “critical energy infrastructure information” under applicable FERC rules and policies.
- (k)     “CERCLA” means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended.

- (l)     “CERCLIS” means the Comprehensive Environmental Response, Compensation and Liability Information System.
- (m)    “(u)    “Closing” has the meaning set forth in Section 4(a) of the Purchase Agreement.
- (n)    “(v)    “Closing Date” has the meaning set forth in Section 4(a) of the Purchase Agreement.
- (o)    “(w)    “Common Materials” has the meaning set forth in Section 2(a) of the Cooperation Agreement.
- (p)    “(x)    “Cooperation Agreement” means the Cooperation Agreement dated as of [REDACTED], 2014 among National Grid, DWBI and DWBIT to which this Schedule A is attached, as the same may be amended and/or restated from time to time.
- (q)    “(y)    “Delay Damages” has the meaning set forth in Section 8(c) of the Cooperation Agreement.
- (r)    “(z)    “Disclosing Party” has the meaning set forth in Section 9(a) of the Cooperation Agreement.
- (s)    “(aa)    “Dispute” has the meaning set forth in Section 13(j) of the Purchase Agreement.
- (t)    “(bb)    “DW Companies” has the meaning set forth in the introductory paragraph of the Cooperation Agreement
- (u)    “(cc)    “DWBI” has the meaning set forth in the introductory paragraph of the Cooperation Agreement.
- (v)    “(dd)    “DWBIT” has the meaning set forth in the introductory paragraph of each of the Purchase Agreement and the Cooperation Agreement
- (w)    “(ee)    “DWW” means Deepwater Wind, LLC, a Delaware limited liability company.
- (x)    “(ff)    “DWW Guarantee” has the meaning set forth in Section 8(j) of the Purchase Agreement.
- (y)    “(gg)    “Engineering Documents” has the meaning set forth in Section 2(a)(iv) of the Purchase Agreement.
- (z)    “(hh)    “Environmental Claims” means any and all administrative, regulatory or judicial actions, suits, demands, demand letters, claims, liens, notices of non-compliance or violation, investigations, proceedings, consent orders or consent agreements relating in any way to any Environmental Law (hereafter “Claims”), including, without limitation, (a) any and all Claims by Governmental Entities for enforcement, cleanup, removal, response, remedial or other

actions or damages pursuant to any applicable Environmental Law and (b) any and all Claims by any person seeking damages, contribution, indemnification, cost recovery, compensation or injunctive relief resulting from Hazardous Materials or arising from alleged injury or threat of injury to health, safety or the environment.

(aa) “Environmental Laws” means any federal, state, local or foreign statute, law, ordinance, regulation, rule, code or order and any enforceable judicial or administrative interpretation thereof, including any judicial or administrative order, consent decree or judgment, relating to pollution or protection of the environment, flora, fauna or natural resources, and any other Law, now or hereafter in effect and as amended, relating to the environment, the protection of animals, the protection of Native American Tribal Resources, health, safety or Hazardous Materials (including, without limitation, those relating to the use, handling, transportation, treatment, storage, disposal, release or discharge thereof), including, without limitation, CERCLA; the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901 *et seq.*; the Hazardous Materials Transportation Act, 49 U.S.C. §§ 6901 *et seq.*; the Clean Water Act, 33 U.S.C. §§ 1251 *et seq.*; the Toxic Substances Control Act, 15 U.S.C. §§ 2601 *et seq.*; the Clean Air Act, 42 U.S.C. §§ 7401 *et seq.*; the Safe Drinking Water Act, 42 U.S.C. §§ 300f *et seq.*; the Atomic Energy Act, 42 U.S.C. §§ 2011 *et seq.*; the Federal Insecticide, Fungicide and Rodenticide Act, 7 U.S.C. §§ 136 *et seq.*; the Endangered Species Act, Pub. L. No. 93-25, 87 Stat. 884, the Marine Mammal Protection Act, 35 U.S.C. §§ 1361-1423h; the Historic Preservation Act, 16 U.S.C. §§ 470-470x-6; and the Federal Food, Drug and Cosmetic Act, 21 U.S.C. §§ 301 *et seq.*

(bb) “EPC Agreement” has the meaning set forth in Section 8(c) of the Cooperation Agreement.

(cc) “Expense Adjustment” has the meaning set forth in Section 3(b) of the Purchase Agreement.

(dd) “Export Cable” has the meaning set forth in the Recitals to the Cooperation Agreement.

(ee) “Extended Group” has the meaning set forth in Section 13(c) of the Purchase Agreement.

(ff) “FERC” means the Federal Energy Regulatory Commission and any successor thereto.

(gg) “Fiber Optic Cable” has the meaning set forth in Section 6(a) of the Cooperation Agreement.

(hh) “Force Majeure” means an unusual, unexpected and significant event: (i) that was not within the control of the Party claiming its occurrence (the “Claiming Party”); (ii) that could not have been prevented or avoided by the Claiming Party through the exercise of reasonable diligence; and (iii) that limits, prohibits or prevents the Claiming Party from performing its obligations under the Cooperation Agreement. Notwithstanding the foregoing, under no circumstances shall Force Majeure include (y) any occurrence or event that merely

increases the costs or causes an economic hardship to the Claiming Party or (z) any occurrence or event that was caused by the Claiming Party. In addition, a delay or inability to perform attributable to the Claiming Party's lack of preparation, the Claiming Party's failure to timely obtain and maintain all Permits to be obtained by it under the Purchase Agreement or the Cooperation Agreement, failure to satisfy contractual conditions or commitments, or lack of or deficiency in funding or other resources shall each not constitute a Force Majeure.

(ii)     “Generator” has the meaning set forth in the Recitals to the Purchase Agreement.

(jj)     “Governmental Approvals” has the meaning set forth in Section 5(b) of the Purchase Agreement.

(kk)     “Governmental Entity” means any federal, state or local governmental agency, authority, department, instrumentality or regulatory body, any federally recognized tribe, and any court or tribunal, with jurisdiction over the Parties or the Assets.

(ll)     “Hazardous Materials” means (a) any petroleum, petroleum products, by-products or breakdown products, radioactive materials, asbestos-containing materials or polychlorinated biphenyls or (b) any chemical, material or substance defined or regulated as toxic or hazardous or as a pollutant or contaminant or waste under any applicable Environmental Law.

(mm)     “IHA Permit” means the Incidental Harassment Authorization for the Transmission Facilities under the Marine Mammal Protection Act, as amended.

(nn)     “Indemnified Party(ies)” has the meaning set forth in Section 12(a) of the Purchase Agreement.

(oo)     “Information” has the meaning set forth in Section 9(b) of the Cooperation Agreement.

(pp)     “Interconnection Agreement” has the meaning set forth in Section 8(a) of the Purchase Agreement.

(qq)     “Interconnection Documents” has the meaning set forth in Section 8(a) of the Cooperation Agreement.

(rr)     “ISO-NE” means ISO New England Inc. and any successor thereto.

(ss)     “ISO-NE Rules” means all rules and procedures adopted and administered by ISO-NE governing wholesale power markets and electric transmission in New England, as such rules may be amended from time to time.

(tt)     “Liens” has the meaning set forth in Section 2(c) of the Purchase Agreement.

(uu) “Losses” has the meaning set forth in Section 12(a) of the Purchase Agreement.

(vv) “Material Adverse Effect” means an adverse effect on (i) the business, assets, liabilities, operations or condition, financial or otherwise, of the Parties, (ii) the Assets, (iii) the Governmental Approvals, (iv) the validity or enforceability of, or the Parties’ ability to perform any of their individual material obligations under, the Purchase Agreement, the Cooperation Agreement or any of the Transfer Documents, (v) the ability of National Grid to obtain any National Grid Permit or RIDOT Permit or maintain any Transferred Permit or enforce its rights and interests in and to any Asset after the Closing, or (vi) the ability of National Grid to construct the Transmission Facilities as contemplated by DWBIT and National Grid as of the date of the Purchase Agreement.

(ww) “Moody’s” means Moody’s Investors Service, Inc., and any successor thereto.

(xx) “National Grid” has the meaning set forth in the introductory paragraph of each of the Purchase Agreement and the Cooperation Agreement.

(yy) “National Grid Permits” has the meaning set forth in Section 5(d) of the Purchase Agreement.

(zz) “NEP” has the meaning set forth in Section 8(a) of the Purchase Agreement.

(aaa) “NOAA” means the National Oceanic and Atmospheric Administration, National Marine Fisheries Service Commission and any successor thereto.

(bbb) “Other Information” has the meaning set forth in Section 2(a)(vii) of the Purchase Agreement.

(ccc) “Party(ies)” has the meaning set forth in the introductory paragraph of the Cooperation Agreement

(ddd) “Permit Encumbrances” means any conditions in any Transferred Permits, RIDOT Permits and Governmental Approvals affecting any of the Assets, which in any case either (x) were in existence as of the date of the Purchase Agreement or (y) are acceptable to National Grid in its sole discretion.

(eee) “Permits” means any permit, authorization, license, order, consent, waiver, exception, exemption, variance or other approval by or from, and any filing, report, certification, declaration, notice or submission to or with, any Governmental Entity required to authorize action relating to the ownership, siting, construction, installation, operation, use, maintenance, or cost recovery of the Assets and the Transmission Facilities under any Applicable Legal Requirements.

(fff) “Person” means an individual, partnership, corporation, limited liability company, limited liability partnership, limited partnership, association, trust, unincorporated organization, or a government authority or agency or political subdivision thereof.

(ggg) “PPA” means the Power Purchase Agreement dated as of June 30, 2010 between National Grid and DWBIT, as amended and/or restated from time to time.

(hhh) “Property Rights” has the meaning set forth in Section 2(a)(i) of the Purchase Agreement.

(iii) “Purchase Agreement” means the Transmission Facilities Purchase Agreement dated as of [\_\_\_\_\_], 2014 between National Grid and DWBIT to which this Schedule A is attached, as the same may be amended and/or restated from time to time.

(jjj) “Purchase Price” has the meaning set forth in Section 3 of the Purchase Agreement.

(kkk) “Real Estate Costs” has the meaning set forth in Section 3 of the Purchase Agreement.

(lll) “Recipient” has the meaning set forth in Section 9(a) of the Cooperation Agreement.

(mmm) “Reports” has the meaning set forth in Section 2(a)(v) of the Purchase Agreement.

(nnn) “Representatives” has the meaning set forth in Section 9(a) of the Cooperation Agreement.

(ooo) “RFP Responses” has the meaning set forth in Section 2(a)(vi) of the Purchase Agreement.

(ppp) “RIDOT Permits” has the meaning set forth in Section 5(d) of the Purchase Agreement.

(qqq) “S&P” means Standard & Poor’s Financial Services LLC, and any successor thereto.

(rrr) “Site” means each parcel of real property that is the subject of any of the Property Rights.

(sss) “Tax(es)” means all forms of taxation and duties whenever created or imposed, whether imposed by a local, municipal, state, foreign, federal or other Governmental Entity, and includes import duties, income, gross receipts, ad valorem, excise, value-added, transaction privilege, sales, use, transfer, franchise, license, stamp, occupation, withholding, employment, payroll, property and other taxes, together with any interest, penalty, addition to tax or additional amount imposed by any Governmental Entity.

(ttt) “Transfer Documents” has the meaning set forth in Section 4(b) of the Purchase Agreement.

(uuu) “Transferred Permits” has the meaning set forth in Section 2(a)(ii) of the Purchase Agreement.

(vvv) “Transmission Facilities” has the meaning set forth in Recitals to the Purchase Agreement.

(www) “Transmission Facilities Costs” has the meaning set forth in Section 8(a) of the Purchase Agreement.

Cooperation  
Agreement

## COOPERATION AGREEMENT

This COOPERATION AGREEMENT made as of the [\_\_] day of [\_\_\_\_], 2014 (this “Agreement”), among Deepwater Wind Block Island Transmission, LLC, a Delaware limited liability company (“DWBIT”), Deepwater Wind Block Island, LLC, a Delaware limited liability company (“DWBI” and together with DWB<sup>I</sup>, the “DW Companies”), and The Narragansett Electric Company d/b/a National Grid, a Rhode Island corporation (“National Grid”) (the DW Companies and National Grid is each referred to individually as a “Party” and together as the “Parties”).

### W I T N E S S E T H:

WHEREAS, National Grid and DWBI are parties to the PPA, pursuant to which National Grid has agreed to purchase the energy, capacity and certain attributes produced by the Generator to be constructed by DWBI; and

WHEREAS, the PPA was negotiated and entered into pursuant to R.I.G.L. ch. 39-26.1-7, which required that DWBI propose the construction of the Transmission Facilities between the Town of New Shoreham and the Rhode Island mainland and which provided National Grid the option to own, operate or otherwise participate in the Transmission Facilities; and

WHEREAS, in connection with the Generator, DWBI will install an export cable (“Export Cable”) which will interconnect the Generator with the Transmission Facilities; and

WHEREAS, DWB<sup>I</sup> began the process of developing the Transmission Facilities as contemplated by R.I.G.L. ch. 39-26.1-7 and in connection therewith, has acquired certain assets; and

WHEREAS, National Grid and DWB<sup>I</sup> have entered into the Purchase Agreement, pursuant to which National Grid will purchase the Assets, which are associated with the development of the Transmission Facilities; and

WHEREAS, the Parties wish to provide for their continued cooperation in the development of the Transmission Facilities before and after National Grid’s acquisition of such Assets pursuant to the Purchase Agreement, subject to the terms and conditions of this Agreement;

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, the receipt and adequacy of which are hereby acknowledged, the Parties agree as follows:

1. Definitions. Capitalized terms not otherwise defined herein are defined in Schedule A hereto. Defined terms in this Agreement shall include in the singular number the plural and in the plural number the singular. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms.

2. Joint Solicitation for Goods and Services.

(a) DWBI and National Grid will require certain of the same goods and services in order to develop and construct the Generator and the Export Cable and the Transmission Facilities, respectively, which goods and services are set forth on Schedule 1 hereto (the “Common Materials”).

(b) DWBI and National Grid will at their sole discretion coordinate their solicitation for the Common Materials, as follows:

(i) When either DWBI or National Grid anticipates issuing a request for proposals or similar document with respect to any of the Common Materials or otherwise to undertake the solicitation for Common Materials and is interested in soliciting for the Common Materials with the other Party, it will notify the other Party of such interest;

(ii) The Party receiving notice of such interest in soliciting for Common Materials jointly will respond within five (5) Business Days of receipt of such notice regarding its interest in jointly soliciting for such Common Materials; and

(iii) If the Party receiving such notice indicates an interest in jointly soliciting for such Common Materials, DWBI and National Grid shall use commercially reasonable efforts to consider whether to solicit for such Common Materials jointly, subject to Section 2(c) of this Agreement.

(c) Notwithstanding the foregoing, neither DWBI nor National Grid shall be required to participate in any joint solicitation for the Common Materials, and the Parties acknowledge that concerns about timing or procurement policies, among other issues, could require that they solicit the Common Materials separately. Either Party has the right to choose not to participate in any joint solicitation in its sole discretion. To the extent that DWBI and National Grid jointly solicit any of the Common Materials, each shall enter into a separate purchase order, agreement and/or other documentation for the procurement of the Common Materials, and neither will be liable for (i) any obligations of the other with respect to any of the Common Materials or (ii) any damages to the other for any failure of any joint solicitation of the Common Materials to result in the procurement of those Common Materials or any particular terms and conditions pursuant to which any Common Materials may be procured.

(d) Each Party remains fully liable for its own costs in connection with the solicitation or procurement of the Common Materials and for the construction of the facilities to be constructed by such Party.

3. Permit Applications and Appeals.

(a) DWBIT will cooperate with National Grid in obtaining the National Grid Permits after the Closing and/or transferring to National Grid any National Grid Permits that DWBIT may have obtained in draft or final form prior to Closing. National Grid will reimburse DWBIT for its reasonable and documented out-of-pocket costs incurred in connection with any actions taken by DWBIT at the request of National Grid after the Closing to assist National Grid

in obtaining the National Grid Permits to the extent such costs were not incurred as a result of any action or failure to act by either of the DW Companies.

(b) To the extent that after the Closing any of the Transferred Permits or RIDOT Permits is required to be revised or reissued, DWBIT shall take, or cause to be taken, all actions reasonably requested by National Grid to assist in obtaining such revised or reissued Transferred Permit or RIDOT Permit, and National Grid will reimburse DWBIT for its reasonable and documented out-of-pocket costs in connection with such actions to the extent that such costs were not incurred as a result of an action or failure to act by either of the DW Companies.

(c) To the extent that after the Closing either of the DW Companies becomes aware of any updated information with respect to any of the Permits, it will promptly provide such information to National Grid, including a copy of any written information with respect to any of the Permits.

4. Access to DW Companies' Personnel and Records. The DW Companies shall, at their own expense, (i) permit National Grid to examine any and all of the drawings, records, reports and other papers and files of the DW Companies relating to the Transmission Facilities and the Assets (including any records, reports and other papers relating to a request for reimbursement under Section 3 of this Agreement), (ii) make any copies and extracts requested by National Grid pursuant to (i) herein and (iii) make their officers, employees, consultants, engineers, accountants and other professional advisors reasonably available to National Grid to discuss the design and construction of the Transmission Facilities, in each case during normal working hours and upon reasonable advance notice. Without limiting the generality of the foregoing, the DW Companies will, at their own expense, cooperate with National Grid in connection with (a) a study to determine the optimal size for the undersea transmission cable that will be part of the Transmission Facilities, (b) the environmental impact study of any Site or the route of the Transmission Facilities and (c) the building permits for the switchyard in Narragansett, Rhode Island and the substation in New Shoreham, Rhode Island to be constructed by National Grid.

5. Additional Real Estate Rights.

(a) Without limiting any provision of the Purchase Agreement, National Grid and DWBIT will use commercially reasonable efforts to cooperate in obtaining, prior to the Closing, all rights-of-way, easements and other real estate rights needed for (A) the underground installation of the transmission cable that is a part of the Transmission Facilities and will run from Scarborough State Beach in Narragansett, Rhode Island to National Grid's Wakefield substation in South Kingstown, Rhode Island where the Transmission Facilities will terminate or such other route as National Grid may approve in its sole discretion and (B) the installation or removal of any switching or substation facilities that required in connection with the Transmission Facilities, each in a form acceptable to National Grid, as provided in Section 8(o) of the Purchase Agreement.

(b) Without limiting the provisions of Section 5(a), DWBI and DWBIT will use commercially reasonable efforts to cooperate with National Grid, at the request and expense

of National Grid, in order to obtain any additional real estate rights identified by National Grid (other than as set forth in Section 5(a) or in the Purchase Agreement) as required or helpful for the construction or operation of the Transmission Facilities.

6. Fiber Optic Cable.

(a) The Transmission Facilities will include a fiber optic cable between the interconnections with National Grid's transmission facilities in Narragansett, Rhode Island and New Shoreham, Rhode Island (the "Fiber Optic Cable"). Subject to the Transmission Facilities being placed into service and subject to Section 6(b) below, National Grid will provide access to a minimum of 12 fiber pairs of the Fiber Optic Cable to DWBI and a minimum of four (4)fiber pairs of the Fiber Optic Cable to the Town of New Shoreham, Rhode Island, in each case at a cost of \$1.00 per annum and upon the terms and conditions in a mutually acceptable fiber use agreement, which each of DWBI and the Town of New Shoreham will be required to execute in order to receive such access to the fiber optic cable under this Section 6.

(b) THE CAPACITY ON THE FIBER OPTIC CABLE IS PROVIDED TO DWBI AND TO THE TOWN OF NEW SHOREHAM "AS IS" AND "WHERE IS." NATIONAL GRID DOES NOT MAKE, AND SHALL NOT BE DEEMED TO HAVE MADE, AND HEREBY EXPRESSLY DISCLAIMS, ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE VALUE, CONDITION, DESIGN, OPERATION, PRIOR USE, MERCHANTABILITY OR FITNESS FOR USE FOR A PARTICULAR PURPOSE OF THE FIBER OPTIC CABLE, AS TO THE ABSENCE OF ANY LATENT OR OTHER DEFECTS, WHETHER OR NOT DISCOVERABLE, AS TO THE ABSENCE OF ANY INFRINGEMENT OF ANY PATENT, TRADEMARK OR COPYRIGHT, AS TO THE ABSENCE OF ANY OBLIGATIONS BASED ON STRICT LIABILITY, LIABILITY IN TORT, OR ANY OTHER REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO THE FIBER OPTIC CABLE OR ANY PART THEREOF.

7. Transferred Permits, RIDOT Permits and Governmental Approvals. Under the Purchase Agreement, National Grid's obligation to purchase the Assets at the Closing is conditioned upon, among other things, the receipt by National Grid and/or DWBIT of all applicable Transferred Permits, RIDOT Permits and Governmental Approvals, which Transferred Permits, RIDOT Permits and Governmental Approvals must be final and not subject to appeal, rehearing, or stop-work, cease-and-desist or similar order (except as set forth in the Purchase Agreement). Each of the Parties will use commercially reasonable efforts to obtain and to cooperate with the other Parties to obtain the Transferred Permits, RIDOT Permits and Governmental Approvals prior to the Closing.

8. Construction of Transmission Facilities.

(a) The Parties acknowledge that National Grid intends to follow its regular commercial practices in the construction of the Transmission Facilities. The Interconnection Agreement (together with ISO-NE Rules, the "Interconnection Documents") set forth the Parties' rights and obligations with respect to DWBI's interconnection of the Generator to National Grid's transmission system. Nothing set forth in this Agreement shall in any way

increase, expand or alter National Grid's or DWBI's rights, obligations or liabilities with respect to the Transmission Facilities beyond any such rights, obligations or liabilities set forth in the Interconnection Documents, in each case subject to the terms and conditions set forth in the Interconnection Documents.

(b) WITHOUT LIMITING THE GENERALITY OF THE FOREGOING AND WITHOUT LIMITING ANY PROVISION OF THE INTERCONNECTION DOCUMENTS, NATIONAL GRID DOES NOT MAKE HEREIN, AND SHALL NOT BE DEEMED TO HAVE MADE HEREIN, ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE VALUE, CONDITION, DESIGN, OPERATION, PRIOR USE, MERCHANTABILITY OR FITNESS FOR USE FOR A PARTICULAR PURPOSE OF, OR TIMING OF THE CONSTRUCTION OF, THE TRANSMISSION FACILITIES OR ANY PART THEREOF, AS TO THE ABSENCE OF ANY LATENT OR OTHER DEFECTS, WHETHER OR NOT DISCOVERABLE, AS TO THE ABSENCE OF ANY INFRINGEMENT OF ANY PATENT, TRADEMARK OR COPYRIGHT, AS TO ANY OBLIGATIONS BASED ON STRICT LIABILITY, LIABILITY IN TORT, OR ANY OTHER REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO TRANSMISSION FACILITIES OR ANY PART THEREOF.

(c) Without limiting the foregoing, to the extent that (i) any contract between National Grid and another Person pursuant to which such other Person will construct all or a portion of the Transmission Facilities (an "EPC Agreement") includes a provision requiring such other Person to pay damages to National Grid for a failure to complete its work under such EPC Agreement by a date certain ("Delay Damages") and (ii) National Grid actually receives Delay Damages under any such EPC Agreement, National Grid shall, within 60 days after its receipt of such Delay Damages, pay to DWBIT fifty percent (50%) of the net amount of any Delay Damages actually received by National Grid under such EPC Agreement after deducting from such Delay Damages all out-of-pocket costs incurred by National Grid as result of the failure of such other Person to complete its work by that date certain and all out-of-pocket costs incurred by National Grid in collecting such Delay Damages; provided, however, that the Parties acknowledge that the damages suffered by National Grid as a result of such failure to complete that work by that date certain will be greater than its out-of-pocket costs associated therewith and such damages cannot be quantified at this time. Nothing set forth herein requires National Grid (1) to enter into an EPC Agreement with any particular Person, (2) to include a provision for the payment of Delay Damages under any EPC Agreement, or (3) to seek or collect Delay Damages under any EPC Agreement. In addition, to the extent that National Grid receives any amount under an EPC Agreement that is not attributable solely to the failure of a Person to complete its work under such EPC Agreement by a date certain, National Grid shall not pay any of such amount to DWBIT under this Section 8(c) or otherwise.

## 9. Confidentiality.

(a) Each Party receiving Information (as defined below) under this Agreement (the "Recipient") shall receive all such Information in strict confidence, shall exercise reasonable care to maintain the confidentiality and secrecy of the Information, and, except to the extent expressly permitted by this Agreement, shall not divulge Information to any third party without the prior written consent of the Party providing that Information ("Disclosing Party"). The

foregoing notwithstanding, the Recipient may disclose Information to its affiliates and to the directors, officers, members, managers, employees, contractors and representatives of such Recipient and its affiliates ("Representatives") to the extent each such Representatives have a need to know such Information for the purposes contemplated by this Agreement and agree to observe and comply with the obligations of the Recipient under this Agreement with regard to such Information. The Recipient shall be responsible hereunder for any breach of the terms of this Agreement to the extent caused by its Representatives.

(b) For purposes of this Section 9, the term "Information" means: (i) all discussions, negotiations, financial, technical and other non-public or proprietary information and/or data, which is furnished or disclosed by the Disclosing Party or its Representatives to the Recipient or its Representatives in connection with this Agreement or the Transmission Facilities and that is described or identified (at the time of disclosure) as being non-public, confidential or proprietary, or the non-public or proprietary nature of which is apparent from the context of the disclosure or the contents or nature of the information disclosed; (ii) all memoranda, notes, reports, files, copies, extracts, inventions, discoveries, improvements or any other thing prepared or derived from the information described in Section 9(b)(i), above; and (iii) all CEII.

(c) The confidentiality obligations and restrictions contained in this Section 9 shall not apply to Information that, (i) at the time of disclosure to the Recipient, is in the public domain, or thereafter enters the public domain without any breach of this Agreement by the Recipient or any of its Representatives, (ii) is rightfully in the possession or knowledge of the Recipient or its Representative prior to its disclosure by the Disclosing Party to the Recipient hereunder, (iii) is rightfully acquired by the Recipient or its Representative from another Person who is not, to the knowledge of the Recipient, under any obligation of confidence with respect to such Information, or (iv) is developed by the Recipient or its Representative independently of the Information disclosed to it (as evidenced by written documentation.)

(d) Each Party agrees that if it is required by law, by a court or by other Governmental Entity (including, without limitation, by oral question, interrogatory, request for information or documents, subpoena, civil or criminal investigative demand or other process or as required to obtain any Permit or an amendment to any Permit) to disclose any of the Disclosing Party's Information, it shall provide the Disclosing Party with prompt notice of any such request or requirement, to the extent permitted to do so by applicable law, so that the Disclosing Party may seek an appropriate protective order or waive compliance with the provisions of this Agreement. If, failing the entry of a protective order or the receipt of a waiver hereunder, the Recipient (or any Representative of the Recipient) is, in the opinion of its counsel, legally compelled to disclose such Information, the Recipient may disclose that portion of the Information which its counsel advises must be disclosed and such disclosure shall not be deemed a breach of any term of this Agreement. In any event, the Recipient will use commercially reasonable efforts to seek confidential treatment for Information so disclosed if requested to do so by the Disclosing Party, and will not oppose any action by, and will reasonably cooperate with, the Disclosing Party to obtain an appropriate protective order or other reliable assurance that confidential treatment will be accorded the Information.

(e) The Recipient and each of its Representatives shall use Information disclosed by the Disclosing Party solely in connection with this Agreement and shall not use,

directly or indirectly, any Information for any other purpose without the Disclosing Party's prior written consent.

(f) Each Party shall return and deliver, or cause to be returned and delivered, to the Disclosing Party, or destroy (with certification of destruction delivered to Disclosing Party), all tangible Information, including copies and abstracts thereof, within 30 days of a written request by the Disclosing Party. The foregoing notwithstanding, the Recipient may retain one copy of such Information for archival purposes only and subject to compliance with the terms of this Agreement.

(g) Except with respect to any Information that is CEII, Recipient's duties of confidentiality as set forth in this Section 9 shall have a term of three (3) years from the date of the execution of this Agreement; with respect to any Information that is CEII, Recipient's obligations and duties hereunder shall not expire or terminate while that Information is CEII..

10. Representations and Warranties of DW Companies. Each of the DW Companies represents and warrants to National Grid, solely as to itself, as follows:

(a) Organization and Good Standing; Power and Authority. It is a limited liability company, validly existing and in good standing under the laws of State of Delaware and is duly qualified and in good standing under the laws of the State of Rhode Island. It has all requisite power and authority to own and operate its business and properties and to execute, deliver, and perform its obligations under this Agreement.

(b) Due Authorization; No Conflicts. Its execution and delivery of this Agreement, and its performance of its obligations hereunder, have been duly authorized by all necessary actions on its part and do not and, under existing facts and Applicable Legal Requirements, will not: (i) contravene its certificate of formation, operating agreement and other constitutive documents applicable to it; (ii) conflict with, result in a breach of, or constitute a default under any note, bond, mortgage, indenture, deed of trust, license, contract or other agreement to which it is a party or by which any of its properties may be bound or affected; or (iii) violate any order, writ, injunction, decree, judgment, award, statute, law, rule, regulation or ordinance of any Governmental Entity or agency applicable to it or any of its properties.

(c) Binding Agreement. This Agreement has been duly executed and delivered on its behalf and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally and by general equitable principles (regardless of whether enforceability is sought in a proceeding in equity or law).

(d) No Proceedings. Except to the extent relating to the Governmental Approvals, there are no actions, suits or other proceedings, at law or in equity, by or before any Governmental Entity or any other body pending or, to the best of its knowledge, threatened against or affecting it which relate in any manner to this Agreement or any transaction contemplated hereby, or which it reasonably expects to lead to a Material Adverse Effect.

(e) Consents and Approvals. Its execution and delivery and its performance of its obligations under this Agreement do not and, under existing facts and law, will not, require any approval, consent, permit, license or other authorization of, or filing or registration with, or any other action by, any Person which has not been duly obtained, made or taken, and all such approvals, consents, permits, licenses, authorizations, filings, registrations and actions are in full force and effect, final and non-appealable.

11. Representations and Warranties of National Grid. National Grid represents and warrants to the DW Companies as follows:

(a) Organization and Good Standing; Power and Authority. National Grid is a corporation duly chartered, validly existing and in good standing under the laws of State of Rhode Island. National Grid has all requisite power and authority to execute, deliver, and perform its obligations under this Agreement.

(b) Due Authorization; No Conflicts. The execution and delivery of this Agreement, and the performance by National Grid of its obligations hereunder, have been duly authorized by all necessary actions on the part of National Grid and do not and, under existing facts and Applicable Legal Requirements, will not: (i) contravene its certificate of incorporation, bylaws and other constitutive documents applicable to National Grid; (ii) conflict with, result in a breach of, or constitute a default under any note, bond, mortgage, indenture, deed of trust, license, contract or other agreement to which it is a party or by which any of its properties may be bound or affected; or (iii) violate any order, writ, injunction, decree, judgment, award, statute, law, rule, regulation or ordinance of any Governmental Entity or agency applicable to it or any of its properties.

(c) Binding Agreement. This Agreement has been duly executed and delivered on behalf of National Grid and constitutes a legal, valid and binding obligation of National Grid, enforceable against it in accordance with its terms, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally and by general equitable principles (regardless of whether enforceability is sought in a proceeding in equity or law).

(d) No Proceedings. Except to the extent relating to the Governmental Approvals, there are no actions, suits or other proceedings, at law or in equity, by or before any Governmental Entity or any other body pending or, to the best of its knowledge, threatened against or affecting National Grid which relate in any manner to this Agreement or any transaction contemplated hereby, or which National Grid reasonably expects to lead to a material adverse effect on the validity or enforceability of this Agreement.

(e) Consents and Approvals. The execution and delivery and performance by National Grid of its obligations under this Agreement do not and, under existing facts and law, will not, require any approval, consent, permit, license or other authorization of, or filing or registration with, or any other action by, any Person which has not been duly obtained, made or taken, and all such approvals, consents, permits, licenses, authorizations, filings, registrations and actions are in full force and effect, final and non-appealable.

12. **No Partnership, Etc.** No agency, partnership, joint venture, or other joint relationship is created by this Agreement. No Party will hold itself out as an agent or representative of another Party to any other Person or claim that it has the ability to bind another Party in any agreement with any other Person as a result of this Agreement. Neither this Agreement nor any discussions or disclosures hereunder shall prevent any Party from conducting similar discussions with other parties or performing work, so long as said discussions or work do not result in the disclosure of Information in violation of the terms of this Agreement. The terms of this Agreement shall not be construed to limit either Party's right to independently engage in any transaction, or independently develop any information or data, without use of the other Party's Information.

13. **Assignment.**

(a) Except as permitted by this Section 13, this Agreement may not be assigned by any Party without the prior written consent of the other Parties, which consent may not be unreasonably withheld, conditioned or delayed. When assignable, this Agreement shall be binding upon, shall inure to the benefit of, and may be performed by, the successors of the Parties. Any Party shall promptly provide the other Parties with a notice of any assignment of this Agreement by such Party permitted under this Section 13. Any purported assignment not in compliance with these provisions shall be null and void.

(b) Either of the DW Companies shall have the right to assign this Agreement without consent of National Grid to any assignee of the PPA as collateral security in connection with any debt or equity financing of the Generator.

(c) National Grid shall have the right to assign this Agreement without consent of the DW Companies (a) to an affiliate of National Grid; (b) to any Person to which National Grid assigns the PPA; (c) in connection with (i) any merger or consolidation of National Grid with or into another Person; (ii) any exchange of all of the common stock or other equity interests of National Grid or National Grid's parent for cash, securities or other property; or (iii) any acquisition, reorganization, or other similar corporate transaction involving all or substantially all of the common stock or other equity interests in, or assets of, National Grid; or (d) to any substitute purchaser of the Assets under the Purchase Agreement.

14. **Termination.**

(a) **Termination by Mutual Consent.** The Parties may terminate this Agreement by mutual agreement at any time, but any such termination must be pursuant to a written instrument signed by all Parties.

(b) **Closing Deadline.** The Parties agree that should the Closing not occur prior to the date that is two (2) years after the date of this Agreement, any Party shall have the independent right to terminate this Agreement without the consent of the other Parties and with no further liability of any of the Parties to the other Parties.

(c) Automatic Termination. Upon the termination of the Purchase Agreement prior to the Closing for any reason, this Agreement shall automatically terminate, and no notice or further action will be necessary to confirm such termination.

(d) Effect of Termination. Except with respect to Section 9 of this Agreement, the provisions of which shall survive the termination of this Agreement, none of the Parties shall have any further obligations or liabilities to each other upon and after the termination of this Agreement.

## 15. Miscellaneous Provisions.

(a) Expenses. Except as otherwise provided herein, all costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby will be paid by the Party incurring such costs and expenses.

(b) Force Majeure. Neither Party shall be considered in breach of this Agreement or liable for any delay or failure to comply with this Agreement (other than the failure to pay amounts due hereunder), if and to the extent that such delay or failure is attributable to the occurrence of a Force Majeure; provided that the Party claiming relief under this provision shall immediately (i) notify the other Party in writing of the existence of the Force Majeure, (ii) exercise all reasonable efforts necessary to minimize delay caused by such Force Majeure, (iii) notify the other Party in writing of the cessation or termination of said Force Majeure and (iv) resume performance of its obligations hereunder as soon as practicable thereafter; provided, however, that the Parties shall not be excused from paying any unpaid amounts due prior to occurrence of the Force Majeure.

(c) Further Assurances. At any time, and from time to time, at the reasonable request of a Party and at the sole cost and expense of such requesting Party, the other Parties shall use commercially reasonable efforts to provide such additional information, documents, books and records, execute and deliver such agreements, certificates, undertakings, documents and instruments, prepare, execute and file such Permit applications, make such other filings and registrations, obtain such waivers and consents, and take such further action as the requesting Party reasonably deem useful or required to accomplish the purposes of this Agreement.

(d) Limitation of Remedies, Liability and Damages. THE PARTIES CONFIRM THAT EACH PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY, SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY HEREIN PROVIDED, NO PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE.

(e) Obligations without Recourse to Extended Group. The Parties agree that, other than with respect to the DWW Guarantee, their obligations arising under (or relating to) this Agreement shall be without recourse to any member of the Extended Group of that Party,

and no member of the Extended Group shall have any liability in such capacity for the obligations of any Party. For the avoidance of doubt, each member of the Extended Group is a third-party beneficiary of this Section 15(e). The Parties reserve the right to modify or terminate this Agreement pursuant to the terms hereof or thereof without the consent of any member of the Extended Group.

(f) Amendment and Modification. This Agreement may be amended, modified or supplemented at any time but only by the written agreement of all the Parties.

(g) Notices. All notices and other communications hereunder shall be in writing and shall be deemed to have been given when delivered by hand or by facsimile transmission, telexed or upon receipt when mailed by registered or certified mail (return receipt requested), postage prepaid, to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

If to the DW Companies: Jeffrey M. Grybowski  
Chief Executive Officer  
c/o Deepwater Wind Holdings, LLC  
56 Exchange Terrace, Suite 101  
Providence, RI 02903  
Fax: (401) 228-8004

With a copy to: David Schwartz, Esq.  
General Counsel  
c/o Deepwater Wind Holdings, LLC  
56 Exchange Terrace, Suite 101  
Providence, RI 02903  
Fax: (401) 228-8004

If to National Grid: William Malee  
Director, Transmission Commercial Services  
National Grid  
40 Sylvan Road  
Waltham, Massachusetts 02451  
Fax: (781) 907-5720

With a copy to: Jennifer Brooks Hutchinson, Esq.  
Senior Counsel  
National Grid  
280 Melrose Street  
Providence, RI 02907  
Fax: (401) 784-4321

(h) Counterparts. Any number of counterparts of this Agreement may be executed, and each shall have the same force and effect as an original. Facsimile or electronic (.pdf) signatures hereon or on any notice or other instrument delivered under this Agreement shall have the same force and effect as original signatures.

(i) Severability. If any term or provision of this Agreement or the interpretation or application of any term or provision to any prior circumstance is held to be unenforceable, illegal or invalid by a court or agency of competent jurisdiction, the remainder of this Agreement and the interpretation or application of all other terms or provisions to Persons or circumstances other than those which are unenforceable, illegal or invalid shall not be affected thereby, and each term and provision shall be valid and be enforced to the fullest extent permitted by law.

(j) Descriptive Headings. The descriptive headings contained in this Agreement are for convenience of reference only and shall have no effect on the interpretation or meaning hereof.

(k) Entire Agreement. This Agreement, including the schedules hereto, embody the entire agreement and understanding of the parties with respect to the transactions contemplated hereby. The schedules hereto are an integral part of this Agreement and are incorporated by reference herein, and all references in this Agreement to schedules shall mean the schedules so attached and incorporated by reference.

(l) Disputes. In the event of any Dispute, the Parties shall attempt in the first instance to resolve such Dispute through consultations between the Parties. If such consultations do not result in a resolution of the Dispute within fifteen (15) days after notice of the Dispute has been delivered to either Party, then such Dispute shall be referred to the senior management of the Parties for resolution. If the Dispute has not been resolved within fifteen (15) days after such referral to the senior management of the Parties, then the Parties may seek to resolve such Dispute in the courts of the State of Rhode Island. The Parties agree to the exclusive jurisdiction of the state and federal courts located in the State of Rhode Island for any legal proceedings that may be brought by a Party arising out of or in connection with this Agreement.

(m) Third Party Beneficiaries. Except as provided in Sections 6 and 15(e) of this Agreement, nothing in this Agreement nor any action taken hereunder shall be construed to create any duty, liability or standard to any Person not a Party to this Agreement or entitle any Person not a Party to this Agreement to any claim, cause of action, remedy or right of any kind.

(n) Governing Law. Interpretation and performance of this Agreement shall be in accordance with, and shall be controlled by, the laws of the State of Rhode Island (without regard to its principles of conflicts of law).

*[Signature page follows]*

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

**DEEPWATER WIND BLOCK ISLAND  
TRANSMISSION, LLC**

By: \_\_\_\_\_

Name:

Title:

**DEEPWATER WIND BLOCK ISLAND, LLC**

By: \_\_\_\_\_

Name:

Title:

**THE NARRAGANSETT ELECTRIC COMPANY,  
D/B/A NATIONAL GRID**

By: \_\_\_\_\_

Name:

Title:

## SCHEDULE 1

### COMMON MATERIALS

Goods and services relating the following:

- Transition vaults at landfall locations
- Horizontal directional drilling services
- Submarine cable engineering, procurement and construction
- Transportation of the submarine cable from its manufacturing location to Rhode Island
- Installation of the submarine cable, including the reservation of the appropriate vessels, crew, installation tools and pull-in services

The Parties may supplement this list from time to time, as they may mutually agree in writing.