



North Path
An Invenenergy Project

New Mexico Landowner Protocol

**For Right-of-Way Acquisition for
New Mexico North Path Transmission Project**

Invenenergy

Introduction

New Mexico North Path electric transmission (North Path or "Project") has established the Landowner Protocol ("Protocol") as part of North Path Transmission LLC ("Company") approach to Right-of-Way ("ROW") acquisition for the Project, in order to recognize and respect the interests of Landowners.

The Landowner Protocol is a comprehensive policy of how North Path interacts, communicates, and negotiates with Landowners. The Landowner Protocol includes: the establishment of a Code of Conduct, the Company's approach to Landowner and easement agreement negotiations, the Company's compensation package, determination of land valuation, the tracking of obligations to Landowners, the availability of arbitration to Landowners, and adherence to applicable decommissioning requirements.

1. Definitions

- **Landowner** - Person(s) holding legal title to property from whom the Company is seeking, or has obtained, a temporary or permanent easement, or any person(s) legally authorized by a Landowner to make decisions regarding the mitigation or restoration of agricultural impacts to such Landowner's property, including livestock.
- **Market Value** - Median price per acre based on the property type in each county determined by comparable sales as identified by a certified appraiser that the Company deems fair and reasonable.
- **Project** – Refers to the New Mexico North Path (North Path) transmission line and related facilities to be constructed, owned, and operated/maintained by Invenergy Transmission LLC.
- **Right-of-way (ROW)** – Includes the permanent and temporary easements that the Company acquires for the purpose of constructing and operating the Project.
- **Tenant** – Refers to the person(s) primarily responsible for working or managing the property, typically with a lease or handshake deal.
- **Transmission Support Structure** – Towers, foundations, guy wires, or other physical components needed to support conductors and other transmission facilities.

2. Code of Conduct

North Path has implemented a Code of Conduct for its employees, subcontractors, ROW acquisition agents, and any other personnel representing the Project with the goal of acquiring voluntary transmission line easements by respectfully talking to and understanding the concerns and priorities of Landowners. The Code of Conduct governs all communications and interactions with Landowners and occupants of affected property. North Path requires all employees, agents and representatives to follow the Code of Conduct, which among other Company principles, requires that (1) all communications with Landowners and occupants be factually correct and made in good faith (2) all communications and interactions with Landowners and occupants be respectful and reflect fair dealing and (3) all communications and interactions with Landowners and occupants respect the privacy of Landowners and other persons. Landowners are provided with contact information for ROW agents, as well as a secondary contact to report any possible violations of the Code of Conduct. Reported violations of the Code of Conduct are taken seriously and are investigated by management team.

3. Approach to Landowner and Easement Agreement Negotiations

North Path is committed to conducting easement negotiations in a fair manner that is respectful of property rights. The Company desires to establish and maintain long-lasting relationships with Landowners. North Path strives to implement the following key elements as part of its approach to easement negotiations:

- Communicating the overall purpose for the Project to Landowners;
- Seeking to actively involve Landowners in the routing process during the open-house and public meetings, as well as during one-on-one meetings between land agents and Landowners;
- Providing clear information to Landowners on the routing criteria used by North Path;
- Providing a review process for Landowner-requested siting changes on their property;
- Demonstrating respect for private property rights and existing land uses;
- Offering a fair and comprehensive compensation package for transmission line easements, which is described in more detail below;
- Utilizing the same methodology for determining compensation for all Landowners in order to ensure that all Landowners receive fair and consistent compensation, regardless of who they are or when they sign an easement agreement;
- Listening to Landowner concerns and establishing a process for negotiating easement provisions where possible to address these concerns; and
- Documenting agreements with Landowners to ensure that negotiated provisions and obligations are met during construction, maintenance and operation.

The goal of these policies is to obtain voluntary transmission line easements. Because of its approach to compensation, which provides options for ongoing annual payments, the Project recognizes that it is proposing to enter into a long-term business relationship with Landowners and the intent is to start that relationship off based on a solid foundation of respect and fairness. North Path approach to Landowner negotiations will not change regardless of when these negotiations take place.

4. Compensation

North Path will pay Landowners for the total acreage comprising the easement area. The easement payment is meant to reflect at a minimum the fair Market Value of such an easement area. The per-acre estimated fair Market Value of the Landowner's property is determined by:

Market Value refers to the median price per acre based on comparable sales. The market value is determined and assigned by the County. The dollar per acre Market Value will be multiplied by the easement acreage and then a premium will be applied to determine compensation as shown in the Easement Calculation Sheet found in the easement agreement.

The easement area of some of the easements to be acquired may be very small in size. Therefore, North Path will provide Landowners a minimum easement payment of \$2000 for all parcels in each county, regardless of the size of the easement area on their land.

5. Tracking of Landowner Obligations

North Path tracks obligations negotiated by Landowners in the easement agreement, as well as any obligations captured by land agents or other employees in activity notes and status comments or Landowner questionnaires ("Landowner Obligations"). There will be a designated point of contact responsible for communicating with Landowners, contractors, and subcontractors to address Landowner obligations and construction/reclamation stipulations.

Prior to entering a Landowner's property for surveys or construction, North Path will notify the appropriate personnel of all Landowner obligations. Contract information of a designated point of

contact will be provided to Landowners to communicate any issues or concerns during surveys and construction.

North Path will continue to be in contact with Landowners throughout the operation of the project with regard to ongoing impacts, issues, or concerns.

6. Binding Arbitration

If North Path and a Landowner have reached agreement on the form of easement but are unable to reach agreement on the Market Value, then at the Landowner's request, North Path will submit the issue of Landowner compensation to binding arbitration which will be administered by the American Arbitration Association, or a like third party.