# WIND ENERGY LEASE AGREEMENT

This WIND ENERGY LEASE AGREEMENT (this "Agreement") is made, dated and effective as of the Effective Date (defined below), by and between Landowner (defined below) and Canadian Hills Wind, LLC, an Oklahoma limited liability company ("Lessee").

1. <u>Basic Provisions</u>. Each term that is enclosed by parentheses and quotation marks in the preamble, premises, or body of this Agreement, or that is specified as a defined term in this Agreement, is and shall be a defined term. Wherever used in this Agreement with initial capitalization, each term defined in this Agreement shall have the meaning ascribed to it in this Agreement. Each of the following terms that is in bold print and enclosed by quotation marks is also a defined term and wherever used in this Agreement shall have the meaning set forth below adjacent to such term:



1.2 "Property" The real property located in Canadian County, State of Oklahoma ("State"), that is described on Exhibit A attached hereto and incorporated herein by this reference. The parties agree that the Property consists of 48.00 acres of land.

1.3 "Effective Date" Sept. 10 ,20 10

1.4 "Site Evaluation Period"

The period commencing on the Effective Date and expiring on the first to occur of (i) the third (3rd) anniversary of the Effective Date which represents the commencement of the Development Period, (ii) the Commencement of Construction (as defined in Section 4.1 below), or (iii) the date Lessee pays the first Annual Alternative Rent Payment (as defined in Section 1.11 below) to Landowner.

1.5 "Site Evaluation Period Payments" Landowner shall be paid a one-time payment within thirty (30) days of the Effective Date of this Agreement as follows: (i) Fifteen Hundred Dollars (\$1,500) if the Property contains eight hundred (800) acres or more; (ii) One Thousand Dollars (\$1,000) if the Property contains three hundred twenty (320) acres to seven hundred ninetynine (799) acres; (iii) Seven Hundred Fifty Dollars (\$750) if the Property contains one hundred fifty (150) acres to three hundred nineteen (319) acres; and (iv) Five Hundred Dollars (\$500) if the Property contains one (1) acre to one hundred forty-nine (149) acres.

1.6 "Development Period"

The period commencing on the expiration of the Site Evaluation Period and expiring on the first to occur of (i) the third (3rd) anniversary of the date of commencement of the Development Period, unless extended pursuant to the provisions below (ii) the Commencement of Construction (as defined in Section 4.1 below), or (iii) the date Lessee pays the first Annual Alternative Rent Payment (as defined in Section 1.11 below) to Landowner. The Development Period may be extended by Lessee for an additional two (2) years upon (a) written extension notice by Lessee to Landowner given within the Development Period, and (b) Lessee's one-time payment to Landowner of Two Dollars and Fifty Cents per acre (\$2.50/acre) with such extension notice.

1.7 "Development Period Payments"

Landowner shall be paid Five Dollars per acre (\$5.00/acre), rounded up to the nearest whole acre, contained within the Property for the first twelve (12) months of the Development Period and for each subsequent year of the Development Period with the first payment due within sixty (60) days of the commencement of the Development Period.

1.8 "Lease Rate Chart (Operating Fees)"

The Lease Rates during the Extended Term, the First Renewal Term and the Second Renewal Term will be as follows:

Extended Term Lease Years	Lease Rate
Years 1-10	4%
Years 11-20	6%
Years 21-30	8%
First Renewal Term – 10 years (if applicable)	8%
Second Renewal Term – 10 years (if applicable)	8%

- **1.9 "Installation Fee"** One-time payment of Two Thousand Five Hundred Dollars (\$2,500) for each wind turbine installed on the Property by Lessee.
- 1.10 "Extended Term" The thirty (30) year period commencing upon the date described in Section 4.2 of this Agreement.
- 1.11 "Annual Landowner shall be paid an annual payment of Five Dollars per acre (\$5.00/acre), rounded up to the nearest whole acre. This annual payment amount shall be adjusted annually for inflation as set forth in Section 1.19 below.
- **1.12 "Met Tower Fee"** Five Hundred Dollars (\$500) per year, prorated for any partial year, for each meteorological tower installed on the Property by Lessee.
- 1.13 "Substation Fee" One-time payment of Two Thousand Five Hundred Dollars per acre (\$2,500/acre) (prorated for fractional acres)

occupied by either a permanent substation or operation and maintenance ("O&M") building (including any parking lot and fenced area) installed on the Property by Lessee during the Construction Period. If a permanent substation or O&M building is installed on the Property at any time after the Construction Period, the Substation Fee shall be adjusted for inflation as set forth in Section 1.19 below.

1.14 "Temporary Improvement Fee"

One-time payment of Five Hundred Dollars per acre (\$500/acre) (prorated for fractional acres) occupied by a temporary improvement of any kind, including but not limited to temporary security, office, and guest facilities, staging areas, power generation facilities used for wind turbine installations, laydown areas, temporary roads and crane paths, crane pads, and related facilities (collectively, the "Temporary Improvements"). An improvement shall be deemed "temporary" if it will be located on the Property for less than one year.

1.15 "Transmission & Access Easement Fee"

If no wind turbines are installed on the Property, one-time payment of Eight Dollars per rod (\$8/rod) for each permanent road and each transmission line located on the Property, provided that Lessee may install multiple transmission wires in the same entrenchment without any additional consideration; or Twelve Dollars per rod (\$12/rod) for each permanent road and transmission line located on the Property if road and transmission line(s) are generally parallel to each other, measured in each case to include the total distance of the combined road and transmission line corridor to the extent located within the Property.

1.16 "Person"

Any natural person, corporation, limited liability company, association, partnership, joint venture, trust, estate, Governmental Authority, and other entity or organization, whether acting in an individual, fiduciary or other capacity.

1.17 "Governmental Authority"

Any federal, provincial, state, county, parish, city, municipal or tribal governmental body, commission, council, legislature, court, tribunal, agency or board, including the Oklahoma Corporation Commission.

1.18 "Lessee Representative" Any shareholder, member, partner, owner, officer, director, manager, employee, agent, representative, invitee or guest of Lessee.

1.19 "CPI"

The Consumer Price Index for "All Urban Consumers, U.S. City Average, All Items" issued by the Bureau of Labor Statistics of the United States Department of Labor. If the CPI base year is changed, the CPI will be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. All payments that are stated to be adjusted for inflation shall be adjusted annually by the increase or decrease in the CPI. The base for computing the increase or decrease in the CPI for this purpose (the "Beginning Index") shall be the CPI for the third calendar quarter of the calendar year immediately preceding the calendar year in which the initial payment is made for all payments that commence prior to the Operations Date, and the third calendar quarter of the calendar year immediately preceding the calendar year in which the Operations Date occurs for all payments that commence only after the Operations Date. The adjustment shall be determined\_by multiplying the subject fee by a fraction, the numerator of which is the CPI published for the third calendar quarter of the calendar year immediately prior to the calendar year of each adjustment and the denominator of which is the Beginning Index. If the CPI is discontinued or revised, such other government index or computation by which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the CPI had not been discontinued or revised.

2. <u>Lease and Confirmation</u>. For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Landowner, Landowner hereby leases the Property to Lessee, subject to and in accordance with the terms and provisions of this Agreement, all of which are accepted and agreed to by Lessee in consideration of such lease.

# 3. Purpose of Lease; Permitted Uses.

- 3.1 Purpose of Lease. Prior to the termination of this Agreement, Landowner shall not allow, authorize or permit any Person other than Lessee to use any portion of the Property for Wind Energy Purposes, as defined in this Section 3.1. The lease created by this Agreement is solely and exclusively for Wind Energy Purposes only, and throughout the term of this Agreement, Lessee shall have the sole and exclusive right to use the Property for Wind Energy Purposes and to convert all of the wind resources of the Property, subject to and in accordance with this Agreement. Lessee shall use the Property only for Wind Energy Purposes and no other purpose, including without limitation, any agricultural purposes. For purposes of this Agreement, "Wind Energy Purposes" means: wind resource evaluation; wind energy development; converting wind energy into electrical energy; collecting and transmitting the electrical energy converted from wind energy; and all activities reasonably required or necessary therewith.
- 3.2 <u>Permitted Uses of Property by Lessee during Site Evaluation and Development Periods</u>. The rights granted to Lessee in this Agreement permit Lessee, without limitation, to do the following on the Property during the Site Evaluation and Development Period insofar as any such activity is reasonably required or necessary for Wind Energy Purposes at the Property:
- 3.2.1 Extract soil samples, perform geotechnical tests, perform environmental site assessments, and conduct such other tests, studies, inspections and analysis on the Property as Lessee deems is reasonably necessary, useful or desirable. Lessee and its representatives, employees, agents, invitees and permittees shall have the right of access and right-of-way on, over and across the Property for ingress and egress to and from the Property at any time and from time to time, on foot and by vehicle, including use of existing rights-of-way and easements serving the Property, all for

the purpose of making surveys, physical inspections and investigations, including but not limited to construction, wildlife and environmental studies and performing drilling, excavation and other geotechnical activities and studies on, in and under the Property considered necessary, useful or desirable for Lessee to determine if the Property is suitable for use for Wind Energy Purposes.

- **3.2.2** Construct, erect, install, reinstall, operate, use, replace, relocate and remove from time to time meteorological and wind measuring equipment, including but not limited to anemometer towers and all necessary and proper appliances and fixtures for use in connection with said towers, to determine the feasibility of wind energy conversion on the Property, on adjacent property or elsewhere.
- 3.3 <u>Permitted Uses of Property by Lessee during the Construction Period, the Extended Term and the Renewal Terms</u>. The rights granted to Lessee in this Agreement permit Lessee, without limitation, to do the following during the Construction Period (as defined in <u>Section 4.1</u>), the Extended Term, and any Renewal Terms insofar as reasonably required or necessary for Wind Energy Purposes:
- **3.3.1** Extract soil samples, perform geotechnical tests, and conduct such other tests, studies, inspections and analysis on the Property as Lessee deems necessary, useful or appropriate.
- 3.3.2 Construct, erect, install, reinstall, operate, use, replace, relocate and remove from time to time, the following "Windpower Facilities" on the Property:
- (a) meteorological and wind measuring equipment, including but not limited to anemometer towers and all reasonably necessary and proper appliances and fixtures for use in connection with said towers
- (b) wind turbines, steel towers, foundations and concrete pads, support structures, footings, anchors, fences and other fixtures and facilities, maintenance, security, office and/or guest facilities, staging areas for the assembly of equipment, power generation facilities to be operated in conjunction with large wind turbine installations, control buildings, laydown areas, crane pads, and related facilities and equipment;
- (c) electrical wires and cables required for the gathering and transmission of electrical energy and/or for communication purposes, which may be placed overhead on appurtenant support structures or underground in accordance with the provisions of Section 3.3.5, and one or more substations or interconnection or switching facilities from which Lessee may interconnect to a utility transmission system or the transmission system of another purchaser of electrical energy, together with the appropriate rights of way on, along, in and under the Property solely for such purposes; and
- (d) any other improvements, including roads, facilities, machinery and equipment that Lessee reasonably determines are necessary, useful or appropriate to accomplish any of the foregoing (and Lessee shall have the right to clear trees, brush and vegetation as reasonably necessary in its reasonable judgment to accommodate such improvements and the operation thereof).
  - 3.3.3 Use, maintain and operate Windpower Facilities on the Property.
- 3.3.4 Lessee shall not construct any roadway on the Property unless such roadway leads to a wind turbine, substation, O&M building or other permanent improvement also located on the Property. Any permanent roadway constructed by Lessee shall not exceed sixteen feet (16') in width and shall be maintained in good and reasonable repair, grade, and condition, such that the roadways can be crossed by tractors, farm equipment and other vehicles. All roadways used by Lessee shall be properly graveled and leveled. Lessee will not construct any road that will permanently have a negative impact on the natural surface water drainage on the Property or create any erosion. Any roads crossing existing terraces shall be constructed with waterways and berm heights maintained per National Resources Conservation Service standards. All roads constructed by Lessee shall be for the sole use of Lessee, its agents, contractors, invitees and licensees, and for Landowner's personal use. Lessee shall not construct any other roads in addition to those proposed to Landowner on the site development plan.
- 3.3.5 All buried lines and cables shall be buried a minimum of thirty-six inches (36") below the existing surface. Terraces that are disturbed due to the installation of buried lines and cables shall be restored per National Resources Conservation Service standards. Overhead energy transmission lines shall be limited to those reasonably necessary to interconnect the Windpower Facilities (including "backbone" collection system lines) to the Project substation or to the utility transmission system of any purchaser of electrical energy, or to traverse rolling terrain, creeks or other bodies of water where buried lines are not reasonably practical.
  - 3.3.6 Lessee shall not use any product in the construction of any Windpower Facilities or roadways that will permanently sterilize the soil.
- 3.3.7 At least thirty (30) days prior to commencing the Construction Period (as defined in the following paragraph), Lessee shall provide Landowner with a site development plan for the Property including all proposed sites and locations for all roads, turbines, electricity transmission lines, substations, O&M buildings, or any other constructs constituting Windpower Facilities. Within thirty (30) days after Landowner has been provided with the site development plan, Landowner will notify Lessee of any potential problems foreseen with the proposed locations of the Windpower Facilities and offer good faith suggestions, comments and possible remedies to address the areas of concern to aid Lessee in its final site development planning. Lessee will consider Landowner's suggestions and comments, and wherever reasonable, revise the site development plan to accommodate or mitigate the impact to the Property to address reasonable Landowner concerns regarding the location of the Windpower Facilities. Lessee shall make good faith efforts to locate Windpower Facilities in areas consistent with Landowner's reasonable requests, while making, efforts to keep close proximity to pre-existing access roads and property lines, while limiting surface obstructions (including overhead energy transmission lines), and constructing roads consistent with Section 3.3.4. Lessee shall make all final siting decisions in its sole and absolute discretion.

- **3.4** <u>Ingress and Egress</u>. This Agreement includes the right of ingress to and egress from the Windpower Facilities (whether located on the Property, on adjacent property or elsewhere) over and across the Property by means of any existing roads and lanes thereon, and by such other route or routes as Lessee may construct on the Property from time to time, as previously reviewed by Landowner in Section 3.3.7 above.
- 3.5 <u>Survival of Covenants</u>. The covenants, conditions, rights and restrictions in favor of Lessee under this Agreement and Lessee's reliance on and benefit from those covenants, conditions, rights and restrictions may necessarily be a portion of a larger wind energy project which will from time to time share structural and transmission components, ingress and egress, utility access, and other support, with the Windpower Facilities located on the Property; accordingly, the covenants, conditions, rights and restrictions in favor of Lessee pursuant to this Agreement shall not be deemed invalid or inoperative or otherwise be disregarded while any portion of the Windpower Facilities on the Property or an adjacent property are under development, being replaced, or operational.
- 3.6 Grant of Wind Easement. Any new structure or improvement erected after the Effective Date of this Agreement causing obstruction to the free flow of the wind by Landowner or Persons other than Lessee or a Tenant or Assignee (as defined in Section 10.1 below) is prohibited throughout the entire area of the Property, which shall consist horizontally three hundred and sixty degrees (360°) from any point where any Windpower Facilities are or may be located at any time or from time to time (each such location referred to as a "Site") and for a distance from each Site to the boundaries of the Property, together vertically through all space located above the surface of the Property, that is, one hundred eighty degrees (180°) or such greater number or numbers of degrees as may be necessary to extend from each point on and along a line drawn along the surface from each point along the exterior boundary of the Property through each Site to each point and on and along such line to the opposite exterior boundary of the Property; except that Landowner may, at any time after the Effective Date of this Agreement and from time to time, erect an oil drilling unit or oil well servicing unit upon any portion of the Property at least 500 feet from any then-existing wind turbine generator for a period of no more than 45 consecutive days for purposes of oil and gas drilling. Landowner may erect an oil drilling unit or oil well servicing unit closer than 500 feet from any then-existing wind turbine generator upon prior written approval from Lessee, which approval will not be unreasonably withheld.

Landowner may not otherwise place or plant any trees, structures or improvements on the Property after the Effective Date of this Agreement which may, in Lessee's reasonable judgment, exercised with the utmost good faith, impede or interfere with the flow of wind to any Site or the Windpower Facilities, unless Landowner has received prior written approval, which approval will not be unreasonably withheld, from Lessee for any such trees, structures or improvements. Structures and improvements located on the Property as of the Effective Date of this Agreement shall be allowed to remain and Lessee may not require their removal.

3.7 <u>Division into Separate Leases</u>. For purposes of this Agreement, the term "Project" means one or more wind turbine units and associated Windpower Facilities that are constructed, installed and/or operated on the Property and/or on other lands in the general vicinity of the Property (the "Project Area") by or on behalf of Lessee or an affiliate thereof as an integrated energy generating and delivery system.

Lessee may use the Property for one Project or Lessee may divide the Property between two or more separate Projects. If Lessee elects to so divide the Property into two or more Projects, then Landowner shall, within twenty (20) days after written request from Lessee, and without demanding any additional consideration, bifurcate this Agreement by entering into and delivering to Lessee two or more stand-alone new leases (which shall supersede and replace this Agreement) that provide Lessee with separate leasehold estates in different portions of the Property, as designated by Lessee. Each of such new leases shall: (a) specify the portion(s) of the Property to be covered thereby, (b) contain the same terms and conditions as this Agreement (except for any requirements that have been fulfilled by Lessee or any other Person or entity prior to the execution of such new leases, and except for any modifications that may be required to ensure that each Party's combined obligations under such new leases do not exceed such Party's obligations under this Agreement) and be in a form reasonably acceptable to Lessee; (c) be for a term equal to the remaining term of this Agreement; (d) contain a grant of access, transmission, communications and other easements for the benefit of the bifurcated leasehold estates, covering such portion or portions of the Property as Lessee may designate; (e) require payment to Landowner of only an acreage-proportionate part of each Site Evaluation Period Payment, Development Period Payment and Annual Alternative Rent Payment (which under all such new leases shall in the aggregate equal the amounts that are due under this Agreement); and (f) enjoy the same priority as this Agreement over any lien, encumbrance or other interest against the Property. Further, notwithstanding any other provision of this Agreement, in the event of any uncured default under any other such new lease.

- 3.8 Non-exclusive Grant of Rights. Landowner hereby grants Lessee a non-exclusive right, privilege, license and easement for the benefit, use and enjoyment of all of the following:
- (a) Any and all easements, rights-of-way, rights of entry, hereditaments, privileges and appurtenances benefiting, belonging to or inuring to the benefit of Landowner and pertaining to the Property.
- (b) Any and all right, title and interest of Landowner in and to any land in the bed of any street, road, avenue or alley (open, proposed or closed) in front of or adjoining the Property and any and all right, title and interest of Landowner, in and to any rights-of-way, rights of ingress or egress, or other interests in, on, or to any land, highway, street, road, avenue or alley (open, proposed or closed) in, on, or across, in front of, abutting, or adjoining the Property.
- (c) Any and all right, title and interest of Landowner in and to any strips or gores of land adjacent or contiguous to the Property, whether those lands are owned or claimed by deed, limitations, or otherwise.
- 3.9 <u>Lateral Support</u>. Lessee shall have and exercise the right of subjacent and lateral support for Windpower Facilities on the Property to whatever extent is necessary for the safe construction, operation and maintenance of Windpower Facilities. Landowner expressly covenants that Landowner shall not excavate so near the sides of or underneath the Windpower Facilities as to undermine or otherwise adversely affect their stability.

#### 4. Site Evaluation Period; Development Period; Construction Period; Extended Term; Renewal Terms.

- 4.1 Site Evaluation Period; Development Period; Construction Period. Lessee's rights under this Agreement shall continue initially throughout the Site Evaluation and Development Periods and, if applicable, the Construction Period. The "Construction Period" is the period commencing on the date, if any, Lessee commences the pouring of a foundation for one or more wind turbines in the Project (the "Commencement of Construction") and expiring on the Operations Date (as defined in Section 5.5(a) below), but in no event without the mutual written agreement of Landowner and Lessee shall the term of the Construction Period extend beyond the third (3rd) anniversary of the commencement of the Development Period if Lessee has not previously extended the term of the Development Period for two additional years pursuant to Section 1.6 above, or beyond the fifth (5th) anniversary of the commencement of the Development Period if Lessee has extended the term of the Development Period for two additional years pursuant to Section 1.6 above. Lessee and Landowner understand and agree that in no event shall Commencement of Construction include survey or wind measurement work, site clearing, the installation of fencing, temporary storage buildings or trailers, placement of equipment or construction materials on the Property, construction of roads on the Property, or Lessee's undertaking of any of the activities permitted on the Property during the Development Period, pursuant to Section 3.2 above. Notwithstanding anything to the contrary in this Agreement, Lessee shall have no obligation to commence construction of any wind turbines on the Property to start the Construction Period during the term of this Agreement, and this Agreement shall remain in full force and effect throughout the Site Evaluation and Development Periods and, provided Lessee pays Landowner the Annual Alternative Rent Payments pursuant to Section 5.6, throughout the Extended Term, and if applicable, any Renewal Terms, regardless of whether or not there is a Constr
- 4.2 Extended Term; Renewal Terms. If Lessee or any Assignee or Tenant (as defined in Section 10.1 below) either (i) installs one or more wind turbines on the Property, or (ii) pays Landowner the first Annual Alternative Rent Payment prior to the expiration of the Development Period or the Construction Period, then this Agreement shall automatically be extended for the Extended Term of thirty (30) years. In the event of any such extension for the Extended Term, the Extended Term shall commence on the first to occur of (i) the Operations Date (as defined in Section 5.5(a) below), or (ii) the date Lessee pays the first Annual Alternative Rent Payment (as defined in Section 5.6 below). During the Extended Term, Lessee and any Tenant or Assignee (as defined in Section 10.1 below) may, by notice to Landowner no later than thirty (30) days prior to the expiration of the Extended Term, elect to extend this Agreement for an additional ten-year period commencing upon the expiration of the Extended Term (the "First Renewal Term"). Similarly, Lessee and any Tenant or Assignee may, by notice to Landowner no later than thirty (30) days prior to the expiration of the First Renewal Term, elect to extend this Agreement for a second ten-year period commencing upon the expiration of the First Renewal Term (the "Second Renewal Term"). The First Renewal Term and the Second Renewal Term shall be referred to collectively as the "Renewal Terms" and individually as a "Renewal Term". With respect to each extension of the term of this Agreement, Landowner and Lessee shall execute in recordable form, and Lessee shall then record, a memorandum evidencing the extension, satisfactory in form and substance to Lessee.
- 5. Payments. Lessee will pay Landowner the following amounts:
- **5.1** <u>Site Evaluation Period Payments</u>. In order to keep this Agreement in effect during the Site Evaluation Period, Lessee shall pay the Site Evaluation Period Payment to Landowner within thirty (30) days of the Effective Date of this Agreement.
- **5.2 <u>Development Period Payments</u>**. In order to keep this Agreement in effect during the Development Period, Lessee shall pay Development Period Payments to Landowner as follows:
- (a) Within sixty (60) days of the end of the Site Evaluation Period, Lessee shall pay Landowner the Development Period Payment for the first twelve (12) consecutive months of the Development Period.
- (b) For each subsequent year of the Development Period beginning on the first anniversary of the commencement of the Development Period, Lessee shall pay Landowner the Development Period Payment within thirty (30) days of said anniversary during the Development Period.

Development Period Payments will automatically discontinue the earlier of (i) the Commencement of Construction, (ii) the date Lessee pays the first Annual Alternative Rent Payment to Landowner, or (iii) any termination of this Agreement, pursuant to the provisions of Section 13.1 below.

- 5.3 Met Tower Fee. Lessee shall pay Landowner an annual Met Tower Fee for each meteorological tower, if any, installed on the Property by Lessee during the Site Evaluation Period, Development Period, Construction Period, Extended Term or any Renewal Term. Met Tower Fee payments for each such meteorological tower will discontinue the earlier of (i) the removal of the meteorological tower from the Property, or (ii) any termination of this Agreement by Lessee. The Met Tower Fee payment shall be due, if at all, within forty-five (45) days after the installation of the meteorological tower and no later than each subsequent anniversary of the date of installation of the meteorological tower, prorated for any partial year.
- **5.4** <u>Installation Fees.</u> Lessee shall pay to Landowner a one-time Installation Fee for each wind turbine installed on the Property by Lessee during the Construction Period, Extended Term, First Renewal Term, or Second Renewal Term, including installation of a wind turbine on a relocated turbine site within the boundaries of the Property. No additional Installation Fee, however, shall be due upon any replacement or repowering of an existing turbine during the Extended Term, First Renewal Term, or Second Renewal Term. Each Installation Fee shall be paid fifty percent (50%) upon Commencement of Construction (as defined in Section 4.1 above) and fifty percent (50%) at the Operations Date (as defined in Section 5.5(a) below).

## 5.5 Operating Fees.

- (a) After the Operations Date, as defined below, if a wind turbine is installed on the Property, and for so long as each wind turbine so installed remains on the Property until its physical removal therefrom, Lessee shall pay to Landowner, per calendar quarter, the following fee (the "Operating Fees") based on the net electrical generation of the wind turbines located on the Property. The Operating Fee will be calculated by: (i) dividing the total number of megawatt hours ("MWh") of electricity generated by all the wind turbines located on the Property during the quarter in question (as measured by the meter located at each such wind turbine that is connected to the same Revenue Meter), by the total number of MWh of electricity generated during the quarter by all the wind turbines included in the Project as measured by the meter located at each such wind turbine that is connected to the same Revenue Meter (ii) multiplying the result in Section 5.5(a)(i) by the Project Gross Revenue (as defined below) associated with such Revenue Meter for the same lease quarter, and (iii) multiplying the result in Section 5.5(a)(ii) by the applicable Lease Rate from Section 1.8. A "Revenue Meter" is a meter which determines the amount of electrical energy paid for by third parties; wind turbines in a Project may be connected to different Revenue Meters. The "Operations Date" is the date that wind turbines representing at least ninety-five (95%) of the installed capacity of the Project are authorized and able to continuously and reliably generate and deliver energy to the Revenue Meter(s) serving the Project.
- (b) Notwithstanding the foregoing, in no event shall Operating Fees be less than Four Thousand Nine Hundred (\$4,900) per turbine (the "Minimum Payment") for any calendar year during the Extended Term and any Renewal Terms (prorated for any partial year). In the event any or all wind turbines are replaced and repowered with larger wind turbines, such minimum annual payments shall increase in accordance with the percent increase of the size of the MW generator of the new wind turbine over the wind turbine being replaced. (For example, if a turbine is replaced and repowered with a 25% larger turbine, the Minimum Payment for that turbine will increase from \$4,900 to \$6,125 per turbine.) The Minimum Payment amount shall be adjusted annually for inflation as set forth in Section 1.19. If the Minimum Payment exceeds the aggregate payments made to Landowner under paragraph (a) above for any calendar year following the Operations Date (prorated for any partial year), Lessee will pay the difference between the two amounts to Landowner by March 1 of the following year.

#### (c) Example (for illustration purposes only):

- Step 1. Determine the percentage of electricity generated from Landowner's Property as compared to the electricity generated from the Project. Remember, each turbine has its own meter. To do this, divide the megawatt hours generated from the Landowner's Property by the total megawatt hours generated by the Project. This step will yield a percentage used in the next step.
- Step 2. Multiply the percentage determined above times the total Project Gross Revenues to determine the revenue generated by the Landowner's Property. This step will yield a dollar amount used in the next step.
- Step 3. Multiply the revenue generated from the Landowner's Property by the Lease Rate to determine the amount of the Landowner's check for that period based on a percentage of production revenue.
- Step 4. At the end of the calendar year, compare the sum of all Operating Fees paid to Landowner for the calendar year with the Minimum Payment as set forth in paragraph (b) above. Landowner receives a check for the amount, if any, that the Minimum Payment exceeds the sum of the Operating Fees for the calendar year by March 1 of the following calendar year.
- (d) Operating Fees shall be paid quarterly during the calendar year and shall be due within forty-five (45) days after the end of each quarter during the Extended Term and, if applicable, the First Renewal Term and Second Renewal Term. For purposes of this Section 5.5, the first calendar quarter of the Extended Term will commence on the Operations Date and shall end on the last day of the next ending calendar quarter provided at least ninety (90) days have transpired; otherwise, on the last day of the next calendar quarter.
- (e) Within forty-five (45) days after the end of each quarter during the Extended Term and, if applicable, the First Renewal Term and Second Renewal Term, Lessee shall deliver to Landowner a statement of: (A) the MWh of electric energy sold during that quarter from the wind turbines installed both (1) on the Property, and (2) within the Project; (B) the Project Gross Revenue actually received during such quarter for the sale of the MWh specified in (A) above; and (C) a determination of the Operating Fee due according to the provisions of this Section 5.5.
- (f) As used in this Agreement, "Project Gross Revenue" with respect to any Revenue Meter means total monies received from utility companies and all other purchasers derived from the sale of electric energy and capacity produced, delivered to the grid, and sold from wind turbines in the Project that are connected to such Revenue Meter, net of wheeling, integration, transmission and/or congestion charges (if any) paid by Lessee. Project Gross Revenue shall include the sale of credits for greenhouse gas reduction or the generation of renewable or alternative energy, including any renewable energy credits as defined in the applicable laws, regulations and rules for the state in which the Project is located. Project Gross Revenue does not include (1) Production Tax Credits (defined as the renewable energy production tax credits described in Section 45 of the Internal Revenue Code, 1986, as amended ("PTCs"), as determined with respect to the Federal tax liability of the owner of the wind turbines and associated equipment installed in connection with the Project, or any other Canadian County, State of Oklahoma or federal tax credits, (2) grants from private or public entities, or (3) any proceeds from the sale, lease, financing or other disposition of any Windpower Facilities or any interest in this Agreement or the Project.
- (g) Landowner may, upon written notice to Lessee delivered within one hundred twenty (120) days after the end of any calendar year, and at Landowner's sole expense, audit the Project Gross Revenue for such calendar year. Lessee will make all records pertaining to the Project Gross Revenue for such calendar year from all sources available to Landowner, or its auditor, for review or copying, within forty-five (45) days after Lessee's receipt of Landowner's written notice.
- (h) To the extent that (i) Lessee does not receive revenue from the sale of electricity generated by the wind turbines on the Property under an arms-length power purchase agreement or other third party off-take agreement, (ii) Lessee is using the electricity for its own use in a manner in which Lessee does not receive actual revenue from the use of such electricity, or (iii) Lessee is a utility selling electricity to third party retail or wholesale customers, then Lessee will be deemed to have received Project Gross Revenue under this Agreement for any such electricity in an amount

equal to the product of the megawatt-hours of such electricity and the Index Price (as defined below), calculated on a daily basis. As used herein, the term "Index Price" means the daily index price published by *Megawatt Daily* for SPP (calculated separately for each day for "On-peak" and "Offpeak" hours). If such index ceases to be published, Landowner and Lessee shall reasonably agree on a substitute index that approximates the wholesale price of electricity produced from the Project, is easily verifiable and is published daily. This Section shall not require any additional payment by Lessee if Landowner has been paid Operating Fees for the same electricity pursuant to Section 5.5.

- 5.6 Annual Alternative Rent Payments. If Lessee does not install one or more wind turbines on the Property prior to the end of the Development Period or, if applicable, the Construction Period, Lessee shall nevertheless have the right to extend the term of this Agreement for the Extended Term and the Renewal Terms by paying to Landowner at any time prior to the expiration of the Development Period or, if applicable, the Construction Period, the first Annual Alternative Rent Payment (as defined in Section 1.11 above). If Lessee installs a substation, O&M building, road or transmission line but no wind turbine on the Property, Lessee shall extend the term of this Agreement for the Extended Term and, if applicable, the Renewal Terms and pay the Annual Alternative Rent Payment. Until such time, if any, as Lessee has installed one or more wind turbines on the Property and such wind turbine generates electricity in commercial quantities (at which time Operating Fees shall be payable pursuant to Section 5.5 in lieu of Annual Alternative Rent Payments), subsequent Annual Alternative Rent Payments shall be paid annually within forty-five (45) days after the end of each calendar year of the Extended Term, the First Renewal term and the Second Renewal Term. The Annual Alternative Rent Payments for the first calendar year and any other partial years shall be prorated. If the Property consists of more than one Tract (as identified on Exhibit A), each Tract upon which Lessee does not install one or more wind turbines prior to the end of the Development Period or, if applicable, the Construction Period, shall be eligible for the Annual Alternative Rent Payment in accordance with the provisions above.
- 5.7 <u>Substation Fee</u>. Lessee shall pay Landowner a one-time Substation Fee if a substation or O&M building is constructed on the Property by Lessee during the Construction Period, Extended Term or any Renewal Terms. The Substation Fee shall be in addition to any Annual Alternative Rent Payment that might be due pursuant to <u>Section 5.6</u> above. No additional consideration shall be due upon any replacement of any substation or O&M building within the boundaries of the Property during the Extended Term, or any Renewal Terms, except that if Landowner's crops are damaged during such replacement, Lessee shall pay damages to Landowner in accordance with <u>Section 8.14</u> below. If a substation or O&M building is removed before the termination of this Agreement, Lessee shall restore the portion of the Property affected by the substation or O&M building to its original state as nearly as is reasonably possible within one hundred eighty (180) days of such removal. Each Substation Fee shall be paid, if at all, within thirty (30) days after the Operations Date (as defined in <u>Section 5.5(a)</u> above).
- **5.8** Temporary Improvement Fee. Lessee shall pay Landowner a one-time Temporary Improvement Fee if a Temporary Improvement is installed on the Property by Lessee during the Construction Period, Extended Term or any Renewal Terms. The one-time Temporary Improvement Fee shall be paid within thirty (30) days after the completion of construction, installation, or location of the Temporary Improvement on the Property.
- 5.9 <u>Transmission and Access Easement Fee.</u> Lessee shall pay Landowner a one-time Transmission and Access Easement Fee, if required pursuant to <u>Section 1.15</u> above, if transmission line facilities or one or more roads are installed on the Property by Lessee during the Construction Period, Extended Term or any Renewal Terms. The Transmission and Access Easement Fee shall be in addition to any Annual Alternative Rent Payment that might be due pursuant to <u>Section 5.6</u> above. The Transmission and Access Easement Fee payment shall be paid, if at all, within thirty (30) days after the later of (i) the Operations Date, or (ii) thirty (30) days after completion of the road or transmission line facilities.
- **5.10** No Representation. Other than those representations and warranties set forth in Section 8 below, Lessee has neither made, nor makes, any representations or warranties, verbally, in any written estimates of production, in this Agreement or otherwise, concerning the likelihood that Lessee will install Windpower Facilities on the Property or that any Windpower Facilities installed on the Property will generate electricity sufficient to create any entitlement in Landowner to Operating Fees during any period of time. Landowner acknowledges that Lessee has no obligation to generate or sell any amount of electrical energy from the Property.
- 6. Ownership of Windpower Facilities. Landowner shall have no ownership or other interest in any Windpower Facilities installed on the Property or any environmental attributes produced therefrom, including without limitation any and all credits, benefits, emissions reductions, offsets and allowances of any kind, howsoever entitled, attributable to the Windpower Facilities or the electric energy, capacity or other generator-based products produced therefrom. The manner of operation of the Windpower Facilities, including but not limited to decisions on when to conduct maintenance, is within the sole discretion of Lessee.
- 7. Taxes. Lessee shall pay any taxes separately assessed against the Windpower Facilities directly to the taxing authority. Lessee shall also pay any increased or additional taxes, including applicable ad valorem taxes, levied against the Property caused solely by the installation or operation of the Windpower Facilities on the Property, including any loss of exemption for the Property as a result of the Windpower Facilities or this Agreement, attributable to periods both before and after the Effective Date, to the extent that such tax is not separately assessed to Lessee and paid directly by Lessee to the taxing authorities. Lessee shall not be liable for taxes attributable to facilities installed by Landowner or others on the Property, or, except as provided above, to the underlying value of the Property itself. It is a condition to Landowner's right to payment or reimbursement of any such taxes hereunder not separately billed to Lessee that Landowner submit the tax bill to Lessee within ten (10) days after Landowner receives the bill from the taxing authority. Lessee shall have the right to pay its portion of the taxes directly to the taxing authority. Landowner shall pay its portion of the taxes, and if Landowner fails to do so within thirty (30) days prior to delinquency, Lessee shall be entitled (but not obligated) to make payments in fulfillment of Landowner's obligations to the taxing authority and may offset the amount of such payments from amounts due Landowner under this Agreement.
- 8. Lessee's Representations, Warranties, and Covenants. Lessee hereby represents, warrants and covenants to Landowner as follows:
- 8.1 <u>Landowner Activities</u>. Landowner shall be able to use the Property for any purpose, including but not limited to, ranching, farming and hunting to the extent such use by Landowner does not, currently or in the future, interfere with the free flow of wind necessary to Lessee's operations

hereunder or enjoyment of the rights hereby granted. Lessee shall make reasonable efforts not to disturb Landowner's activities on the Property to the extent such activities are consistent with Lessee's rights under this Agreement.

- **8.2** Lessee Activities. Lessee shall not bring pets, illegal drugs, or firearms of any kind on the Property nor shall Lessee use the Property for recreational purposes. Should Lessee's representatives, agents, contractors or invitees be found on the Property in possession of illegal drugs or firearms they may be summarily ejected from and thereafter excluded from the Property by the Landowner. Lessee shall dispose of any excavated soil or materials from the construction of the Windpower Facilities that are unwanted by Landowner or not compatible with Landowner's farming operations in a way that will not negatively affect the integrity of the surrounding farming soil or result in crop damage.
- **8.3** Ingress/Egress. Lessee shall post the access roads it constructs going to the Windpower Facilities as being private roads only for use by authorized personnel in connection with the Windpower Facilities. Landowner may use or cross such roads only to the extent that Landowner does not interfere with Lessee's rights under this Agreement. Lessee shall maintain any roads it constructs on the Property. Any exterior gate owned by Landowner which Lessee, its invitees or contractors, is permitted to utilize under this Agreement will be kept closed, and locked if applicable, by Lessee except during actual passage through it. No livestock will be permitted to pass through any gate opened by Lessee. If requested by Landowner, Lessee shall install Lessee's locks on specified gates used by Lessee and keep them locked, furnishing keys only to Lessee's authorized representatives. All travel by Lessee shall be confined to roads and no off-road travel is permitted unless absolutely necessary for development, construction, maintenance or operation of Windpower Facilities.
- **8.4 Fences.** Lessee shall repair or replace any fences which are cut or taken down in Lessee's operation. Prior to cutting any fence, Lessee shall notify Landowner in writing and will brace the fence adequately on both sides of the proposed cut so that when the cut is made there will be no slackening of the wires. Lessee shall install in any cut a metal gate, cattle guard or suitable equivalent reasonably acceptable to Landowner given existing land use. Lessee agrees that any gates, cattle guards or wire gaps that are installed will be stretched tight and anchored.
- **8.5** <u>Utilities</u>. Lessee shall pay for all utility charges relating to the Windpower Facilities located on the Property and have accounts for such utilities placed in the name of the Lessee, if applicable.
- **8.6** Insurance. Lessee shall, at its expense, maintain a commercial general liability insurance policy insuring Lessee and Landowner against loss or liability caused by Lessee's occupation and use of the Property under this Agreement, in an amount not less than Five Million Dollars (\$5,000,000) of combined single limit liability coverage per occurrence, accident or incident, which has a commercially reasonable deductible. Such required coverage amount shall be adjusted every ten (10) years following the Operations Date to reflect the percentage increase, if any, in the CPI, as defined in Section 1.19 (provided that the Beginning Index shall be the CPI for the third calendar quarter of the calendar year immediately preceding the calendar year in which the Operations Date Occurs). Certificates of such insurance evidencing the coverages required by this Agreement shall be provided to Landowner at Landowner's reasonable request. Lessee shall have the right to use a qualified program of self-insurance to meet the insurance requirements.
- 8.7 Indemnity. Lessee will indemnify, defend and hold harmless Landowner against any and all losses, costs, expenses, claims, causes of action, and liabilities for physical damage to any real or personal property and for physical injuries or death to Landowner, Landowner's property, the public, or to domestic or wildlife animals, to the extent caused by Lessee and or any Lessee Representative, including, without limitation any activity, use, operation or presence of Lessee or any Lessee Representative, Lessee's construction, operation or removal of Windpower Facilities on the Property, except to the extent such damages, injuries or death are caused or contributed to by the gross negligence or willful misconduct of Landowner or Landowner's tenants, invitees or permittees. The reference to property damage in the preceding sentence does not include any damages to crops or any losses of rent, business opportunities, profits and the like that may result from Landowner's loss of use of any portions of the Property occupied by, or otherwise attributable to the installation of, Windpower Facilities pursuant to this Agreement, and Lessee shall expressly have no obligation to pay Landowner any compensation for any crop damage or for any loss of business related to any portion of the Property that is taken out of commercial crop production during the term of this Agreement, except as otherwise stated in this Agreement. Landowner authorizes Lessee, at Lessee's sole expense, to take reasonable safety and security measures to reduce the risk of damage to the Windpower Facilities or the risk that the Windpower Facilities will cause damage, injury or death to people, livestock, other animals and property, including without limitation, fencing around the perimeter of the Windpower Facilities as Lessee's right of possession shall be exclusive for all purposes. This Section 8.7 shall survive the termination of this Agreement.
- 8.8 Requirement of Governmental Agencies. Lessee, at its expense, shall comply with valid laws, ordinances, statutes, orders and regulations of any Governmental Authority applicable to the Windpower Facilities. In its sole discretion and through appropriate legal proceedings brought in the name of Lessee or in the names of both Lessee and Landowner where appropriate or required, Lessee shall have the right to contest the validity or applicability to the Property or Windpower Facilities of any law, ordinance, statute, order, regulation, property assessment or the like now or hereafter made or issued by any federal, state, county, local or other Governmental Authority or entity. Landowner shall cooperate in every reasonable way in such contest, provided Lessee reimburses Landowner for its reasonable and actual out-of-pocket expense directly incurred in connection with such cooperation, to the extent Lessee has approved such expense in advance. Any such contest or proceeding, including any maintained in the name of Landowner, shall be controlled and directed by Lessee, but Lessee shall protect Landowner from Lessee's failure to observe or comply during the contest with the contested law, ordinance, statute, order, regulation or property assessment.
- **8.9** Construction Liens. Lessee shall keep the Property free and clear of all liens and claims of liens for labor and services performed on, and materials, supplies or equipment furnished to, any portion of the Property in connection with Lessee's use of the Property pursuant to this Agreement. Lessee shall, within sixty (60) days after it receives notice of the filing of such lien, remove or bond around such lien pursuant to applicable law.
- 8.10 <u>Hazardous Materials</u>. Lessee shall not violate, and shall indemnify Landowner against, any violation by Lessee or Lessee's agents or contractors of any federal, state or local law, ordinance or regulation relating to the generation, manufacture, production, use, storage, release or

threatened release, discharge, disposal, transportation or presence of any substance, material or waste which is now or hereafter classified as hazardous or toxic, or which is regulated under current or future federal, state or local laws or regulations, on or under the Property. Lessee shall not use, dispose, release, emit, or discharge any hazardous material, pollutant, contaminant, or other deleterious substance at or from the Property.

- **8.11** Beautification. Lessee shall maintain its improvements on the Property in good repair and keep the Windpower Facilities and ingress and egress routes free from refuse, litter and debris at all times provided such was created by Lessee, its invitees, licensees or contractors.
- **8.12** <u>Post-Construction Soil De-Compaction</u>. Lessee shall make commercially reasonable efforts to de-compact any soils Lessee has caused to be compacted outside access roads, underground collection runs and turbine pad areas during construction or operation of the Windpower Facilities.
- 8.13 Conservation Reserve Program. To the extent Lessee's construction of Windpower Facilities on the Property requires the removal of any of the Property from participation in the Conservation Reserve Program or any substantially similar program (any such program, "CRP") in which it was enrolled and qualified on the Effective Date of this Agreement, Lessee shall reimburse Landowner for any penalties and reimbursement obligations owed by Landowner to the government agency administering the CRP as a consequence of such removal. Lessee's payment obligation hereunder shall not extend to reimbursement of Landowner for CRP payments that would otherwise have been made to Landowner after the Effective Date for the portion of the Property removed from the CRP. Such reimbursement will be paid by Lessee to Landowner only if each of the following conditions is fulfilled:
- (a) Within ninety (90) days following the Effective Date, Landowner provides Lessee with reasonable documentation evidencing Landowner's right to receive CRP payments as of the Effective Date for any part of the Property, including, without limitation: (i) any and all contracts pursuant to which Landowner is receiving CRP payments for the Property; and (ii) a description of the acreage on the Property for which Landowner is receiving CRP payments on the Effective Date;
- (b) Landowner takes reasonable action to appeal, contest, or seek mitigation or reduction, of any removal of any of the Property from participation in the CRP made, in whole or part, due to the construction of Lessee's Windpower Facilities on the Property; provided that Landowner makes no representation or warranty that such appeal, contest, mitigation or reduction request will be successful; and
- (c) Landowner notifies Lessee of any proposed or threatened removal of any of the Property from participation in the CRP made, in whole or part, due to the construction of Lessee's Windpower Facilities on the Property not more than thirty (30) calendar days after the Landowner receives notice of such removal.
- 8.14 Crop Damage. After initial construction of the Windpower Facilities is complete (or during construction, subject to the provisions contained in this Section), Lessee shall pay Landowner for crop damage on a per acre basis (prorated for fractional acres), for any and all portions of the Property upon which crops are damaged as a result of Lessee's commercial operations (or construction activities, subject to the provisions contained in this Section), provided that Landowner was farming such portions of the Property immediately prior to such crop damage occurring. Lessee shall pay Landowner damages only to the extent that such crop loss occurs outside the boundaries of the access roads and Windpower Facilities installed on the Property pursuant to this Agreement and outside the graveled area surrounding the base of any Windpower Facilities installed on the Property. For the purposes of this Section 8.14, the "boundaries" of the Windpower Facilities shall include the immediate area upon which improvements are located plus a 10-foot wide perimeter surrounding the immediate area. It is the intention of the parties that compensation paid to Landowner under Sections 1.9, 1.12, 1.13, 1.14, and 1.15 includes payment for any and all crop damage incidental to the development, installation, and construction of the Windpower Facilities. Compensation for any other crop damage, or crop damage occurring after construction is complete, shall equal:

Damaged Acreage multiplied by the greater of County Average Yield or Insured Crop Yield or Base Table Yield multiplied by Price.

- "Damaged Acreage" shall be the area, measured in acres, of the land for which damages are required to be paid based on the foregoing paragraph, which area shall be determined based on Landowner's reasonable estimate as reasonably reviewed and agreed to by Lessee's representative.
- "County Average Yield" shall be based on the average yield for the last three (3) years of wheat ("Total for Crop") in the county in which the Property is located as published by the USDA National Agricultural Statistics Service through http://www.nass.usda.gov, or if unavailable, another publicly available information source of average yields for the county in which the Property is located.
- "Insured Crop Yield" shall be taken from the crop damage/loss insurance policy held on the particular piece of property in question by the landowner.
- "Base Table Yield" shall be the following amounts per acre:

Soybeans	24 bushels
Corn	95 bushels
Wheat	50 bushels
Milo	85 bushels
Cotton	700 pounds
Sunflowers	1500 pounds

<sup>&</sup>quot;Price" shall be based on the type of crop, as follows:

The "Price" for wheat shall be based on the wheat future price for December delivery during the year that crop damage occurs, and will be the closing price of that year's December futures quoted on the 15th of the month in which damage occurs as posted by Kansas City Board of Trade, or if unavailable, another publicly available information source.

The "Price" for corn and soybeans shall be based on the future price of corn or soybeans, as applicable, for March delivery for the year following the year that crop damage occurs, and will be the closing price of the following year's March futures quoted on the 15<sup>th</sup> of the month in which damage occurs as posted by Chicago Board of Trade, or if unavailable, another publicly available information source.

The "Price" for cotton shall be based on the future price of cotton for March delivery for the year following the year that crop damage occurs, and will be the closing price of the following year's March futures quoted on the 15<sup>th</sup> of the month in which damage occurs as posted by New York CSCE Cotton Trade, or if unavailable, another publicly available information source.

The "Price" for mile shall be based on future price of corn, less 5%, as applicable, for March delivery for the year following the year that crop damage occurs, and will be the closing price of the following year's March futures quoted, less 5%, on the 15<sup>th</sup> of the month in which damage occurs as posted by Chicago Board of Trade, or if unavailable, another publicly available information source.

The "Price" for sunflowers shall be based on future price of soybeans, divided by 40, for March delivery for the year following the year that crop damage occurs, and will be the closing price of the following year's March futures quoted, divided by 40, on the 15<sup>th</sup> of the month in which damage occurs as posted by Chicago Board of Trade, or if unavailable, another publicly available information source.

If the data described above is unavailable, the "Price" shall be based on the actual receipts from Landowner's then contemporary sales of such crop.

To the extent that Landowner demonstrates crop damage to a specialty crop (i.e., a crop not normally grown within the county in which the Property is located) that Landowner has planted and which was damaged during the operation of the Windpower Facilities, the parties agree that the crop damage calculation shall remain the same as identified above, except that (i) the "County Average Yield" shall be based on the actual yield for the specialty crop on the Property and (ii) the "Price" shall be the market price of the specialty crop, determined (A) as described above, or (B) if the data described above is unavailable, then based on the actual receipts from Landowner's then contemporary sales of such specialty crop.

Any compensation due under this Section shall be paid within sixty (60) days following (i) Landowner's written notice to Lessee of crop damage and (ii) Lessee's agreement as to the existence of such crop damage and the calculated amount of compensation due to Landowner. The foregoing shall be Landowner's sole and exclusive remedy and compensation for crop damage or loss caused by Windpower Facilities.

- **8.15** <u>Land Release</u>. Following the eighth (8<sup>th</sup>) anniversary of the Effective Date and at the written request of Landowner, Lessee shall release from the terms of this Agreement any Tract (as listed on Exhibit A) upon which no Windpower Facilities have been installed, provided that no portion of said Tract is located within an Offset Area (as defined below). For purposes of this <u>Section 8.15</u>, "Offset Area" shall mean the following areas of the Property:
  - (a) a circular area surrounding any then-existing wind turbine within the Project (whether located on the Property or on nearby property) having a radius equal to two thousand five hundred (2,500) feet;
  - (b) within seventy-five (75) feet of the centerline of any transmission line, distribution line, power line, water line, communication line, transformer, substation, interconnection facility, meter, protection equipment, or road (whether located on the Property or on other nearby property) that is part of the Windpower Facilities;
  - (c) within fifty (50) feet of any building, fence, gate, sign or other structure that is part of the Windpower Facilities (whether located on the Property or on other nearby property); and
  - (d) any other areas of the Property reasonably necessary for the operation, maintenance, repair, and reconstruction of the Windpower Facilities (whether located on the Property or on other nearby property).

If a Tract is released in accordance with the provisions of this Section, Lessee shall continue to pay the Alternative Annual Rent Payment to the extent required by Section 5.6 of this Agreement on all non-released Tracts.

8.16 Weed Control. During the construction of any Windpower Facilities on the Property by Lessee, and so long as such Windpower Facilities remain on the Property, Lessee shall, at its sole expense, take such measures as may be reasonably necessary to prevent or control any weeds growing within ten (10) feet of any wind turbine or on either side of any roadway constructed by Lessee. If Lessee fails to comply with the provisions of this Section 8.16, Landowner shall give Lessee written notice thereof which identifies such failure with sufficient detail to enable Lessee to cure the same. If Lessee does not commence such cure within thirty (30) days after such notice is given or continue to pursue the same thereafter with due diligence, Landowner may take such actions as may be reasonably required to perform such obligations and all of the costs and expenses paid by Landowner in doing so shall be reimbursed to Landowner by Lessee within ten (10) days after receiving Landowner's written demand and a copy of the related invoice or other appropriate evidence of payment. Lessee shall not use or store on the Property any pesticide, fungicide, insecticide, weed killer, or any other product that is prohibited by the State of Oklahoma Department of Agriculture, Food and Forestry and shall use best practices in the use and storage of all pesticides, herbicides and adjuvents with special consideration for sensitive locations listed by the Oklahoma Department of Agriculture, Food and Forestry.

9. Landowner's Representations, Warranties, and Covenants. Landowner hereby represents, warrants and covenants to Lessee as follows:

- 9.1 Landowner's Authority. Landowner is the sole owner of the Property and has the unrestricted right and authority to execute this Agreement and to grant to Lessee the rights granted hereunder. No rights to convert the wind resources of the Property or to otherwise use the Property for Wind Energy Purposes have been granted to or are held by any party other than Lessee. Each Person signing this Agreement on behalf of Landowner is authorized to do so, and all Persons having any ownership or possessory interest in the Property (including spouses) are signing this Agreement as Landowner. When signed by Landowner, this Agreement constitutes a valid and binding agreement enforceable against Landowner in accordance with its terms. Each spouse signing this Agreement agrees that any rights of community property, homestead, dower, contribution, and the like shall be subject and subordinate to this Agreement and the easement rights granted hereby. Landowner hereby releases and waives all rights under and by virtue of any applicable homestead exemption laws as to the easements and rights granted hereunder.
- 9.2 No Interference. Landowner's activities and any voluntary grant of rights Landowner makes to any Person or entity, whether located on the Property or elsewhere, shall not, currently or in the future, impede or interfere in any material respect with: (i) the siting, permitting, construction, installation, maintenance, operation, replacement, or removal of Windpower Facilities, whether located on the Property or elsewhere; (ii) the flow of wind, wind speed or wind direction over the Property; (iii) access over the Property to Windpower Facilities, whether located on the Property or elsewhere; or (iv) the undertaking of any other activities of Lessee permitted under this Agreement. In no event during the term of this Agreement shall Landowner construct, build or locate or allow others to construct, build or locate any improvements which would interfere with the free and unobstructed flow of wind across the Property, interfere with Lessee's operations on the Property or impede Lessee's access to the Property. Landowner further warrants and represents that (i) there are no pending or, to Landowner's knowledge, threatened, condemnation or similar proceedings, lawsuits or other claims with respect to the Property or Landowner that could have a material adverse affect on the ownership, operation or value of the Property (Landowner further agreeing to immediately inform Lessee if any of the foregoing arise during the term of this Agreement), (ii) there are no currently existing options, rights of refusal, or other rights in favor of third parties relating to the Property or any interest therein that could materially interfere with the development, construction, or operation of wind energy projects on the Property or that could materially and adversely affect or change the wind flow over the Property, and (iii) Landowner will include as a term and condition to any conveyance on or after the Effective Date of any interest in the mineral estate in the Property, including any lease thereof, that any owner of any mineral interest in the Property (a) shall use the surface of the Property in a manner that reasonably accommodates Lessee's surface use as described herein and with due regard for the rights of Lessee with respect to the surface use, (b) shall make only such use of the surface of the Property as shall avoid material impairment of Lessee's actual or anticipated surface use as described herein, and (c) shall limit any drilling, mining or other activity for extraction of minerals from the Property to occur only on those areas of the surface of the Property that are consented to in advance by Lessee, which consent shall not be unreasonably withheld, delayed or conditioned.
- 9.3 Water. Landowner grants Lessee no right to utilize the water resources on the Property owned by Landowner in conjunction with the Windpower Facilities without prior written agreement signed by Landowner. Lessee shall not (expressly or by implication or by operation of law) acquire any title to or right to use for any purpose, any water, oil, gas, coal, mineral or substance other than as provided for in this Agreement.
- 9.4 Title Review and Cooperation. Landowner shall cooperate with Lessee to obtain nondisturbance, subordination and other title curative agreements from any Person with a lien, encumbrance, mortgage, lease or other exception to Landowner's fee title to the Property to the extent necessary to eliminate any actual or reasonable potential interference by any such Person with any rights granted to Lessee under this Agreement. If Lessee and Landowner are unable to obtain such agreements from any third party holding an interest in the Property, Lessee, and any Assignee or Tenant, in addition to any other rights provided for herein, shall be entitled (but not obligated) to make payments in fulfillment of Landowner's obligations to such third party and may offset the amount of such payments from amounts due Landowner under this Agreement. Landowner shall also provide Lessee with any further assurances and shall execute any estoppel certificates, consents to assignments or additional documents that may be reasonably necessary for recording purposes or otherwise reasonably requested by Lessee.
- 9.5 Requirements of Governmental Agencies/Lenders. Landowner shall assist and fully cooperate with Lessee in complying with or obtaining any land use permits and approvals, tax-incentive or tax-abatement program approvals, building permits, environmental impact reviews or any other approvals required or deemed desirable by Lessee in connection with the development, financing, construction, installation, replacement, relocation, maintenance, operation or removal of Windpower Facilities, including execution of applications for such approvals and delivery of information and documentation related thereto, and execution, if required, of any orders or conditions of approval. Lessee shall reimburse Landowner for its reasonable and actual out-of-pocket expense directly incurred in connection with such cooperation, to the extent Lessee has approved such expenses in advance. Landowner shall make available to Lessee copies of all field tiling surveys, environmental, geotechnical and other site assessments, surveys, plans and other such records of Landowner to the extent such information relates directly to the proposed Windpower Facilities. In the event that any laws, rules, regulations or ordinances of any governmental agency provide for minimum setbacks from the exterior boundaries of the Property for Windpower Facilities constructed on the Property or adjacent real property, then Landowner waives any and all such setback requirements for the benefit of Lessee, the owner of adjacent real property, and their respective successors and assigns. Further, if requested by Lessee, Landowner shall execute and deliver to Lessee one or more separate setback waivers in a form provided by Lessee, which Lessee may then record at its own expense. This waiver shall survive the termination of this Agreement for as long as wind turbines or other Windpower Facilities exist on real property adjacent to the Property.
- 9.6 Indemnity. Landowner will defend, indemnify and hold harmless Lessee for, from and against liability for physical damage to property (including, without limitation, roads constructed by Lessee) and for physical injuries or death to Lessee or its tenants, invitees, contractors or the public, to the extent caused by the operations, activities, acts or omissions of Landowner or its invitees, permittees, employees, contractors or tenants (other than Lessee). Landowner shall not be responsible for the acts of any trespasser on the Property.
- 9.7 Hazardous Materials. Landowner shall not violate, and shall indemnify Lessee for, from and against any violation (past, present or future) by Landowner or Landowner's agents or contractors of, any federal, state or local law, ordinance or regulation relating to the generation, manufacture, production, use, storage, release or threatened release, discharge, disposal, transportation or presence of any substance, material or waste which is now or hereafter classified as hazardous or toxic, or which is regulated under current or future federal, state or local laws or regulations, on or under the Property.

- 9.8 Quiet Enjoyment. Landowner covenants and warrants that Lessee shall peacefully hold and enjoy all of the rights granted by this Agreement for its entire term without hindrance or interruption by Landowner or any Person lawfully or equitably claiming by, through, under or superior to Landowner subject to the terms of this Agreement.
- 9.9 <u>Cooperation</u>. Landowner shall fully support and cooperate with Lessee in the conduct of its operations and the exercise of its rights hereunder, and in carrying out and otherwise giving full force and effect to the purpose and intent of this Agreement, including in Lessee's efforts to obtain from any Governmental Authority or any other Person or entity any environmental impact review, permit, entitlement, approval, authorization or other rights necessary or convenient in connection with operations.

#### 10. Assignment: Subleases; Cure.

- 10.1 Assignees and Tenants. Lessee and any Assignee (as defined below) may grant co-leases, separate leases, subleases, easements, licenses or similar rights (however denominated) to one or more Assignees or Tenants (as defined below) (together referred to for purposes of this Section 10 as a "Transferee"), or sell, convey, lease, assign, mortgage, encumber or transfer to one or more Transferees this Agreement, or any right or interest in this Agreement, or any or all right or interest of Lessee in the Property without Landowner's consent; provided that Lessee's sublease or license of any right or interest in the Property will not relieve Lessee of its obligations or liabilities with respect to this Agreement. Any assignment by Lessee to a Transferee of any or all right or interest of Lessee in this Agreement will relieve Lessee of its obligations or liabilities under this Agreement, but only to the extent the same are assumed by such Transferee. Lessee or any Assignee that has transferred an interest in the Property under this Section, or that has conveyed a sublease, shall give written notice to Landowner of the name and address of the Transferee for notice purposes within ten (10) days after the effective date of such transfer, provided that failure to give such notice shall not constitute a default under this Agreement but rather shall only have the effect of not binding Landowner with respect to such assignment or sublease until such notice shall have been given. An "Assignee" is any of the following: (i) any one or more parties involved in financing or refinancing of any Windpower Facilities, including, without limitation, any lender to or investor in Lessee or in any Windpower Facilities; (ii) any purchaser or lessee of any of the Windpower Facilities, or any purchaser of all or substantially all of the membership interests in Lessee or of all or any portion of Lessee's interest in this Agreement; (iii) a corporation, limited liability company, partnership or other entity now existing or hereafter organized in which Lessee, or any affiliate, owns (directly or indirectly) at least fifty-one percent (51%) of all outstanding shares of voting stock or ownership interests; (iv) a partnership now existing or hereafter organized, a general partner of which is a corporation or limited liability company as described in clause (iii) above; or (v) a corporation, limited liability company, partnership or other entity that acquires all or substantially all of Lessee's or Lessee's business, assets or capital stock, directly or indirectly, by purchase, merger, consolidation or other means. A "Tenant" is any Person who succeeds to the leasehold interest of Lessee as an Assignee or to whom a sublease is conveyed by Lessee or an Assignee. Notwithstanding anything herein to the contrary, in connection with the exercise of the rights of Lessee with respect to the transmission of electricity generated by the Windpower Facilities, Lessee, in its sole discretion and without further act or consent of Landowner, shall have the right to grant to any utility the right and easement to install, construct, operate, maintain, remove and replace electric transmission, interconnection and switching facilities on the Property; provided that such right shall be subject to the terms and conditions of this Agreement. Landowner agrees to execute such other documents and take such acts as are reasonably necessary or required to reflect such assignment, including any documents required for recording of such easement or assignment.
- 10.2 Assignee/Tenant Obligations. No Assignee or Tenant which does not directly hold an interest in this Agreement, and no Assignee or Tenant which holds an interest in or lien on or security interest in this Agreement for security purposes, shall have any obligation or liability under this Agreement prior to the time that such Assignee or Tenant directly holds an interest in this Agreement or, in the case of an interest, lien or security interest for security purposes, the holder thereof succeeds to absolute title to such interest, in this Agreement. Any such Assignee or Tenant shall be liable to perform obligations under this Agreement only for and during the period such Assignee or Tenant directly holds such interest or absolute title.
- 10.3 Right to Cure Defaults/Notice of Defaults/Right to New Lease. To prevent termination of this Agreement or any partial interest therein, Lessee, or any Assignee or Tenant, shall have the right, but not the obligation, at any time prior to the termination, to pay any or all amounts due hereunder, and to do any other act or thing required of any Assignee, Tenant or Lessee hereunder or necessary to cure any default and to prevent the termination of this Agreement. As a precondition to exercising any rights or remedies as a result of any alleged default by Lessee, provided that Landowner has received Assignee or Tenant's notice address pursuant to this Section 10 of this Agreement, Landowner shall give written notice of the default to each Assignee and each Tenant, concurrently with delivery of such notice to Lessee, specifying in detail the alleged event of default and the required remedy. Each such Assignee and each Such Tenant shall have the same amount of time to cure said default as is given to Lessee pursuant to this Agreement, which cure period for each Assignee and each Tenant shall commence to run concurrently with the cure period given to Lessee in this Agreement. Notwithstanding the foregoing provisions of this Section 10.3, any Assignee who is a Lender (as defined in Section 11.3 below) will have the rights of a Lender as set forth in Section 11.3 in lieu of the rights set forth in this Section 10.3. In the event of a default under this Agreement by any Assignee or Tenant, Landowner shall give written notice of the Assignee or Tenant's default to the Lessee, concurrently with delivery of such notice to the Assignee or Tenant, specifying in detail the alleged event of default and the required remedy. The Assignee or Tenant shall have sixty (60) days after receipt of such notice to cure the default. Lessee shall have an additional thirty (30) days after the end of such cure period to cure the existing default if the Assignee or Tenant has failed to cure the default.
- 10.4 Acquisition of Interest. The acquisition of all or any portion of Lessee's or an Assignee's or Tenant's interest in the Property or the Windpower Facilities or this Agreement by another Assignee or Tenant or any other Person through foreclosure or other judicial or nonjudicial proceedings in the nature thereof or any conveyance in lieu thereof, shall not require the consent of Landowner or constitute a breach of any provision or a default under this Agreement. Upon Landowner's receipt of written notice of such acquisition or conveyance, Landowner shall recognize the Assignee or Tenant, or such other party, as Lessee's or such other Assignee's or Tenant's proper successor.
- 10.5 Certificates, etc. Landowner shall execute such estoppel certificates (certifying as to such matters as Lessee may reasonably request, including without limitation that no default then exists under this Agreement, if such be the case) and/or consents to assignment and/or

nondisturbance agreements as Lessee or any Assignee or Tenant may reasonably request from time to time. Landowner and Lessee shall cooperate in amending this Agreement from time to time to include any provision that may be reasonably requested by Lessee, Landowner or any Assignee or Tenant for the purpose of implementing the provisions contained in this Agreement or of preserving an Assignee's security interest.

- 11. Lender Protection. Lessee and any Assignee or Tenant may, at any time and without the consent of Landowner, grant to any Person or entity (herein, together with that Person's or entity's successors and assigns, a "Lender") one or more mortgages, trust deeds or similar security interests in all or any part of its interests under this Agreement (a "Mortgage"). In the event any such Mortgage is granted, the Lender thereunder shall, for so long as its Mortgage remains in effect, be entitled to the protections described in the following provisions of this Section 11, upon delivery to Landowner of notice of its name and address. No Mortgage executed by Lessee or any Lessee Representative or Assignee or Tenant shall encumber Landowner's fee interest in and to the Property.
- 11.1 Consent to Modification, Termination or Surrender. So long as any Mortgage remains in effect, this Agreement shall not be modified, and Landowner shall not accept a surrender of any of the Property or a termination or release of this Agreement by Lessee prior to expiration of all periods described in Section 4, without the prior written consent of all Lenders.
- 11.2 Notice of Default; Opportunity to Cure. As a precondition to exercising any rights or remedies for any alleged default under this Agreement, Landowner shall give written notice of the default to each Lender (for which Landowner has received notice of and an address for) concurrently with delivery of such notice to Lessee, an Assignee or a Tenant, as applicable, specifying in detail the alleged default and the required remedy. In the event Landowner gives any such notice, the following provisions shall apply:
- (a) The Lender shall have the same period after receipt of the default notice as is given to Lessee to remedy or cause to be remedied the default, plus, in each instance, (i) an additional thirty (30) days in the event of a monetary default and (ii) an additional thirty (30) days in the event of any other type of default, provided that such 30-day period shall be extended for the time reasonably required to complete such cure, including the time required for the Lender to perfect its right to cure such default by obtaining possession of the Property (including possession by a receiver) or by instituting foreclosure proceedings, so long as the Lender commences the cure prior to the expiration of the time periods set forth above and thereafter acts with reasonable and continuous diligence. Lender shall have the absolute right to do any act or thing required to be performed by Lessee, an Assignee or any Tenant under this Agreement, and any such act or thing performed by a Lender shall be as effective to prevent a default under this Agreement and/or a forfeiture of any rights under this Agreement as if done by Lessee, the Assignee or Tenant itself.
- (b) During any period of possession of the Property by a Lender (or a receiver requested by such Lender) and/or during the pendency of any foreclosure proceedings instituted by a Lender, the Lender shall pay or cause to be paid the rent and all other monetary charges payable by Lessee, an Assignee or any Tenant which have accrued and are unpaid at the commencement of such period and those which accrue thereafter during such period. Following acquisition of Lessee's, an Assignee's or any Tenant's leasehold estate by the Lender or its assignee or designee as a result of foreclosure or assignment in lieu of foreclosure, or by a purchaser at a foreclosure sale, this Agreement shall continue in full force and effect and the Lender or other party acquiring title to the leasehold estate shall, as promptly as reasonably possible, commence the cure of all non-monetary defaults hereunder and thereafter diligently process such cure to completion, whereupon Landowner's right to terminate this Agreement based upon such defaults shall be deemed waived; provided, however, the Lender or other party acquiring title to the leasehold estate shall not be required to cure those defaults which are not reasonably susceptible of being cured or performed by such party ("Non-Curable Defaults"). Non-Curable Defaults shall be deemed waived by Landowner upon completion of foreclosure proceedings or acquisition of Lessee's, Assignee's or Tenant's interest in this Agreement by such party.
- (c) Upon the sale or other transfer by the Lender of the leasehold interests acquired pursuant to foreclosure or assignment in lieu of foreclosure, the Lender or other acquiring party shall have no further duties or obligations hereunder.
- (d) Nothing herein shall be construed to extend this Agreement beyond periods contemplated in Section 4 or to require a Lender to continue foreclosure proceedings after the default has been cured. If any default by Lessee under this Agreement is cured within the cure period and the Lender discontinues foreclosure proceedings, this Agreement shall continue in full force and effect.
- 11.3 New Lease to Lender. If this Agreement terminates as a result of any default, foreclosure or assignment in lieu of foreclosure, or bankruptcy, insolvency or appointment of a receiver in bankruptcy, Landowner shall give prompt written notice to the Lender. Landowner shall, upon written request of the first priority Lender that is made within forty-five (45) days after notice to such Lender, enter into a new lease of the Property with such Lender, or its designee, which shall be effective as of the date of the termination of this Agreement, and shall be upon the same terms, covenants, conditions and agreements as contained in this Agreement; provided that the Lender shall have cured any monetary defaults prior to requesting that Landowner enter into a new lease. Upon the execution of any such new lease, the Lender shall (i) perform all other obligations of Lessee and/or the Assignee or Tenant under the terms of this Agreement, to the extent performance is then due and susceptible of being cured and performed by the Lender; and (ii) agree in writing to perform, or cause to be performed, all non-monetary obligations which have not been performed by Lessee, the Assignee or Tenant that would have accrued under this Agreement up to the date of commencement of the new lease, except those obligations which constitute Non-Curable Defaults. Any new lease granted to the Lender shall enjoy the same priority as this Agreement over any lien, encumbrance or other interest created by Landowner. The provisions of this Section 11.3 shall survive termination of this Agreement and shall continue in effect thereafter and, from the effective date of termination to the date of execution and delivery of such new lease, such Lender may use and enjoy said Property without hindrance by Landowner or any Person claiming by, through or under Landowner, provided that all of the conditions for a new lease as set forth in this Section are complied with.
- 11.4 <u>No Waiver</u>. No payment made to Landowner by any Lender shall constitute an agreement that such payment was, in fact, due under the terms of this Agreement or a waiver of the Lender's rights with respect to any wrongful, improper or mistaken notice or demand with respect to such payment.

- 11.5 No Merger. There shall be no merger of this Agreement, or of the leasehold estate or other interests created by this Agreement, with the fee estate in the Property by reason of the fact that this Agreement or any such interests may be held, directly or indirectly, by or for the account of any Person or Persons who shall own the fee estate or any interest therein, and no such merger shall occur unless and until all Persons at the time having an interest in the fee estate in the Property, and all Persons (including Lenders) having an interest in or under this Agreement and any portion of the fee estate shall join in a written instrument effecting such merger and shall duly record the same.
- 11.6 Further Amendments. Upon request, Landowner shall (1) amend this Agreement to include any provision reasonably required by a Lender or proposed Lender, provided such amendment does not materially impair Landowner's rights or substantially increase the burdens or obligations of Landowner under this Agreement, and (2) execute such estoppel certificates (certifying as to such matters as Lender may reasonably request, including, without limitation, that no default then exists under this Agreement, if such be the case) and other additional instruments reasonably requested by any Lender to evidence the status of this Agreement and Lender's rights under this Agreement.
- 12. Condemnation. Should title or possession of all of the Property be taken in condemnation proceedings by a government agency or governmental body under the exercise of the right of eminent domain, or should a partial taking render the remaining portion of the Property wholly unsuitable for Lessee's use, then this Agreement shall terminate upon the vesting of title or taking of possession. All payments made on account of any taking by eminent domain shall be made in the following order of priority: (i) An amount equal to the aggregate of any cost or loss that Lessee may sustain in the removal and/or relocation of any Windpower Facilities or other equipment from the Property, shall be paid to Lessee; (ii) An amount equal to the value of Lessee's easement estate hereunder but for the taking shall be paid to Lessee; (iii) An amount equal to the compensation for the taking of the Property (excluding the interests described in (ii) above) shall be paid to Landowner; and (iv) All remaining amounts of the award shall be paid to Landowner or Lessee consistent with applicable laws. Lessee shall have the right to participate in any settlement proceedings.

#### 13. Default and Termination.

- 13.1 Lessee's Right to Terminate. Lessee shall have the right to terminate this Agreement, and Assignees and Tenants shall have the right to terminate their respective interests in or under this Agreement, as to all or any part of the Property at any time and/or any reason, effective upon thirty (30) days' written notice to Landowner. If such termination is as to only part of the Property, this Agreement (or the respective interests of the relevant Assignees or Tenants, as applicable) shall remain in effect as to the remainder of the Property.
- 13.2 Default. If a party hereto (the "Defaulting Party") fails to perform its obligations hereunder (an "Event of Default"), then it shall not be in default hereunder unless it fails to cure such Event of Default within sixty (60) days after receiving written notice from the other party (the "Non-Defaulting Party") stating with particularity the nature and extent of such Event of Default and specifying the method of cure (a "Notice of Default"); provided, however, that if the nature or extent of the obligation or obligations is such that more than sixty (60) days are required, in the exercise of commercially reasonable diligence, for performance of such obligation(s), then the Defaulting Party shall not be in default if it commences such performance within such sixty (60) day period and thereafter pursues the same to completion with commercially reasonable diligence. Bankruptcy filed by Lessee under Chapter 7 of the Bankruptcy Code or insolvency of the Lessee shall be deemed a default hereunder.
- 13.3 Remedies. Subject to Sections 10 and 11, upon an uncured default by a Defaulting Party under this Agreement after applicable notice and opportunity to cure, the Non-Defaulting Party shall be entitled to exercise any and all remedies available to it hereunder, at law or in equity, all of which remedies shall be cumulative. Such remedies shall include the right in the Non-Defaulting Party to pay or perform any obligations of the Defaulting Party that have not been paid or performed as required hereunder, and to obtain (a) subrogation rights therefor and (b) immediate reimbursement from the Defaulting Party for the actual, reasonable and verifiable out-of-pocket costs of such payment or performance; provided, however, that if Landowner is the Defaulting Party, then Lessee may (but shall not be obligated to) offset such out-of-pocket costs against any amounts due or to become due to Landowner under this Agreement.
- 13.4 Payment Under Protest; Tolling. The Defaulting Party may cure any monetary Event of Default by depositing the amount in controversy (not including claimed consequential, special or punitive damages) in escrow with any reputable third party escrow, or by interpleading the same, which amount shall remain undistributed until final decision by a court of competent jurisdiction or upon agreement by the parties. No such deposit shall constitute a waiver of the Defaulting Party's right to institute legal action for recovery of such amounts. The time period for cure of any non-monetary Event of Default shall be tolled during such period of time the matter is subject to a judicial contest.
- 13.5 Interest. Any amount which shall become due and payable by one party to the other hereunder shall bear interest from five (5) days after the date due to the date paid, at a rate equal to the lesser of two (2) points over the Prime Rate set forth in the "Money Rates" section of the New York edition of the Wall Street Journal or the maximum rate permitted by law, such interest being payable upon demand.
- 13.6 Effect of Termination. Upon termination of this Agreement, whether as to the entire Property or only as to part, Lessee shall (i) upon written request by Landowner, execute and deliver to Landowner a release in recordable form, releasing the Property from all of Lessee's right, title and interest in and to the Property, or to that part thereof as to which this Agreement has been terminated, and (ii) post a performance bond, letter of credit, or other form of security or financial surety ("Restoration Security") reasonably acceptable to Landowner to secure Lessee's performance of its obligation to restore the Property under this Section 13.6. The amount of the Restoration Security shall be equal to the amount of the third-party bid accepted by Lessee for completion of the work required for the restoration of the Property. As soon as practicable thereafter, Lessee shall cause to be removed all above-ground Windpower Facilities and wind power turbine and project substation foundation(s) down to a depth of four (4) feet from the natural surface from the Property or portion as to which this Agreement was terminated, exclusive of any continuing right established pursuant to this Agreement to survive the term of this Agreement, and restore the soil surface to its original condition as nearly as possible. If Lessee fails to post the Restoration Security prior to beginning restoration of the Property or fails to remove such Windpower Facilities within eighteen (18) months of termination of this Agreement, Landowner may remove such Windpower Facilities, in which case Lessee shall reimburse Landowner for reasonable and actual costs of removal incurred by Landowner, less any salvage value received by Landowner, within thirty (30) days after receipt of an invoice from Landowner. In the event the county or other Governmental Authority requires Lessee to provide security for removal or

decommissioning of the Project, Lessee shall provide a single Restoration Security that benefits both Landowner and the Governmental Authority in a manner consistent with the requirements of the Governmental Authority, and such Restoration Security will be deemed to satisfy the requirements of this Section. If such Restoration Security is used, the Governmental Authority shall have access to the Property pursuant to reasonable notice to effect or complete the required removal or decommissioning. This Section 13.6 shall survive the termination of this Agreement.

14. <u>Easements</u>. Upon the request of Lessee at any time and from time to time during the term of this Agreement, Landowner shall deliver to Lessee, duly executed and in recordable form, a document converting any of Landowner's access rights and/or rights to construct and maintain Windpower Facilities (including transmission lines, substations and other transmission facilities) on the Property under this Agreement to an easement format (each, an "Easement"). Each such Easement must be: (a) in a form reasonably acceptable to Landowner, (b) subject to all the terms and conditions of this Agreement related to such Easement (including any restrictions on the size and location thereof), and (c) for a term equal to the remaining term of this Agreement.

#### 15. Miscellaneous.

- 15.1 Force Majeure. If performance of this Agreement or of any obligation hereunder is prevented or substantially restricted or interfered with by reason of an event of Force Majeure (defined below), the affected party, upon giving notice to the other party, shall be excused from such performance to the extent of and for the duration of such prevention, restriction or interference. The affected party shall use its reasonable efforts to avoid or remove such causes of nonperformance and shall continue performance hereunder whenever such causes are removed. "Force Majeure" means fire, earthquake, flood or other casualty or accident; strikes or labor disputes; war, civil strife or other violence, any law, order, proclamation, regulation, ordinance, action, demand or requirement of any government agency or utility, or any other act or condition beyond the reasonable control of a party hereto.
- 15.2 Confidentiality. Landowner shall maintain in the strictest confidence, for the benefit of Lessee, any Assignee or Tenant, all information pertaining to the financial terms of or payments under this Agreement, Lessee's site or product design, methods of operation, methods of construction, power production or availability of the Windpower Facilities, and the like, whether disclosed by Lessee, any Assignee or Tenant, or discovered by Landowner, unless such information either (i) is in the public domain by reason of prior publication through no act or omission of Landowner or its employees or agents; or (ii) was already known to Landowner at the time of disclosure and which Landowner is free to use or disclose without breach of any obligation to any Person or entity. Landowner shall not use such information for its own benefit, publish or otherwise disclose it to others, or permit its use by others for their benefit or to the detriment of Lessee, any Assignee or Tenant. Notwithstanding the foregoing, Landowner may disclose such information to Landowner's lenders, attorneys, accountants and other personal financial advisors solely for use in connection with their representation of Landowner regarding this Agreement; any prospective purchaser of the Property who has made a written offer to purchase or otherwise acquire the Property that Landowner desires to accept; or pursuant to lawful process, subpoena or court order requiring such disclosure, provided Landowner in making such disclosure advises the party receiving the information of the confidentiality of the information and obtains the written agreement of said party not to disclose the information, which agreement shall run to the benefit of and be enforceable by Lessee. Landowner shall obtain Lessee's written consent before issuing a press release or having any contact with or responding to the news media with any operational, sensitive or confidential information with respect to this Agreement, the wind power project to be constructed on the Property by Lessee, or any other existing wind power project owned or operated by Lessee. The provisions of this Section 15.2 shall survive the termination or expiration of this Agreement.
- 15.3 Successors and Assigns. This Agreement shall burden the Property and shall run with the land. This Agreement shall inure to the benefit of and be binding upon Landowner and Lessee and, to the extent provided in any assignment or other transfer under Section 10 hereof, any Assignee or Tenant, and their respective heirs, transferees, successors and assigns, and all Persons claiming under them. References to "Lessee" in this Agreement shall be deemed to include Assignees and Tenants which hold a direct ownership interest in this Agreement and actually are exercising rights under this Agreement to the extent consistent with such interest.
- **15.4** No Recordation; Memorandum of Lease. Landowner shall not record this Agreement. Landowner and Lessee shall execute a Memorandum of Lease Agreement in a mutually agreed upon form (the "Memorandum"), and Lessee may record same in the Real Property Records of the county in which the Property is located. Landowner hereby consents to the recordation of the interest of an Assignee in the Property.
- 15.5 Notices. All notices or other communications required or permitted by this Agreement, including payments to Landowner, shall be in writing and shall be deemed given when personally delivered, or in lieu of such personal service, five (5) days after deposit in the United States mail, first class, postage prepaid, certified, or the next business day if sent by reputable overnight courier, provided receipt is obtained and charges prepaid by the delivering party. Any notice shall be addressed as follows:

If to Landowner: Mrs. Ruth Ellen Quinnett 8 Kelaen Dr. Bella Vista, AR 72715-5008 Telephone No: If to Lessee:
Apex Wind Energy Holdings, LLC
Attn: Contracts Administration
212 East High Street
Charlottesville, VA 22902
Facsimile: 434-220-3712

Telephone No.: 434-220-3710

If to any Assignee or Tenant:

At the address indicated in the notice to Landowner provided under <u>Section 10.1</u> hereof. Any party may change its address for purposes of this paragraph by giving written notice of such change to the other parties in the manner provided in this paragraph.

15.6 Entire Agreement: Amendments. This Agreement constitutes the entire agreement between Landowner and Lessee respecting its subject matter. Any agreement, understanding or representation respecting the Property, this Agreement or any other matter referenced herein not expressly set forth in this Agreement, or in a subsequent writing signed by both parties, is null and void. This Agreement shall not be modified or amended except in a writing signed by both parties. No purported modifications or amendments, including, without limitation, any oral agreement (even if supported by new consideration), course of conduct or absence of a response to a unilateral communication, shall be binding on either party.

## 15.7 Legal Matters.

- 15.7.1 This Agreement shall be governed by and interpreted in accordance with the laws of the State. In the event of any dispute hereunder, the parties covenant and agree that such dispute will be resolved only by arbitration, conducted in Oklahoma City, Oklahoma by the American Arbitration Association ("AAA"), pursuant to the Commercial Arbitration Rules (as the same may be amended from time to time). Each party hereto agrees to participate therein diligently and in good faith. Except as otherwise specified in this Agreement, in any dispute involving more than One Hundred Thousand Dollars (\$100,000), three arbitrators shall be employed. Otherwise, a single arbitrator shall be used. Absent a showing of good cause, the hearing shall be conducted within 90 days from the service of the statement of claim. The determination made in each such arbitration shall be binding on the parties thereto and may be entered for judgment or otherwise enforced in any court of competent jurisdiction. All fees and expenses of the arbitrator(s) and of the AAA itself shall be borne equally by the parties. The prevailing party shall be entitled to reimbursement by the non-prevailing party of all fees and expenses of the arbitration and all reasonable attorney's fees and costs. Nothing in this agreement to arbitrate shall preclude a party from obtaining injunctive relief from a court of competent jurisdiction prohibiting any on-going breaches by another party of his/its continuing obligations under this Agreement pending arbitration. This Section 15.7.1 shall survive the termination of this Agreement.
- 15.7.2 Except with respect to the rights conferred upon Lenders, Assignees and Tenants hereunder (which Lenders, Assignees and Tenants and their respective successors and assigns are hereby expressly made third party beneficiaries hereof to the extent of their respective rights hereunder), the covenants contained herein are made solely for the benefit of the parties and their respective successors and assigns, and shall not be construed as benefiting any Person or entity who is not a party to this Agreement.
- 15.7.3 Any rule of construction to the effect that ambiguities are to be resolved in favor of either party shall not be employed in the interpretation of this Agreement and is hereby waived. No waiver by a party of any provision of this Agreement shall be deemed to be a waiver of any other provision hereof. The use of the neuter gender includes the masculine and feminine, and the singular number includes the plural, and vice versa, whenever the context so requires. The terms "include", "includes" and "including", as used herein, are without limitation. Captions and headings used herein are for convenience of reference only and do not define, limit or otherwise affect the scope, meaning or intent hereof. The term "hereof" or "herein" means the entirety of this Agreement unless otherwise indicated.
- 15.7.4 If Landowner consists of more than one Person or entity, then (a) each reference herein to "Landowner" shall include each Person and entity signing this Agreement as or on behalf of Landowner and (b) the liability of each such Person and entity shall be joint and several. If this Agreement is not executed by one or more of the Persons or entities comprising the Landowner herein, or by one or more Persons or entities holding an interest in the Property, then this Agreement shall nonetheless be effective, and shall bind all those Persons and entities who have signed this Agreement.
- 15.7.5 NEITHER PARTY SHALL BE ENTITLED TO, AND EACH OF LANDOWNER AND LESSEE HEREBY WAIVES ANY AND ALL RIGHTS TO RECOVER, CONSEQUENTIAL, INCIDENTAL, INDIRECT AND PUNITIVE OR EXEMPLARY DAMAGES, HOWEVER ARISING, WHETHER IN CONTRACT, IN TORT, OR OTHERWISE, UNDER OR WITH RESPECT TO ANY ACTION TAKEN IN CONNECTION WITH THIS AGREEMENT. THIS WAIVER DOES NOT APPLY TO THE INDEMNITIES OF THE PARTIES CONTAINED IN THIS AGREEMENT WITH RESPECT TO THIRD PARTY CLAIMS AND LESSEE'S OBLIGATIONS TO PAY LANDOWNER FOR DAMAGES AS SPECIFICALLY SET FORTH IN THIS AGREEMENT, INCLUDING FOR CROP DAMAGES UNDER SECTION 8.14.
- 15.8 Partial Invalidity. Should any provision of this Agreement be held in a final and unappealable decision by a court of competent jurisdiction to be either invalid, void or unenforceable, the remaining provisions hereof shall remain in full force and effect and unimpaired by the court's holding. Notwithstanding any other provision of this Agreement, the parties agree that in no event shall the term of this Agreement be longer than the longest period permitted by applicable law.
- 15.9 Tax Credits. If under applicable law the holder of a leasehold interest in the nature of that held by Lessee, an Assignee or a Tenant under this Agreement becomes ineligible for any tax credit, benefit or incentive for alternative energy expenditure established by any local, state or federal government, then, at Lessee's option, Landowner and Lessee shall amend this Agreement or replace it with a different instrument (without adverse impact to the timing or amount of revenues Landowner would otherwise be entitled to receive under this Agreement or any other provision of this Agreement that benefits Landowner) so as to convert Lessee's interest in the Property to a substantially similar interest that makes Lessee eligible for such tax credit, benefit or incentive.
- 15.10 No Partnership. Nothing contained in this Agreement shall be construed to create an association, joint venture, trust or partnership covenant, obligation or liability on or with regard to any one or more of the parties to this Agreement.
- 15.11 Counterparts. This Agreement may be executed with counterpart signature pages and in duplicate originals, each of which shall be deemed an original, and all of which together shall constitute a single instrument.

15.12 Favorable Terms. Prior to the Commencement of the Extended Term, Lessee shall include by amendment or modification to this Agreement, any more favorable Fees and Payments (as defined below) taken as a whole contained within later revisions of the Wind Energy Lease between Lessee and a different landowner whose Property is within the Project Area. Landowner may, with reasonable notice and at Landowner's sole expense, audit Wind Energy Lease Agreements by and between Lessee and adjacent landowners within the Project Area ("Comparison Agreements") during any term of this Agreement. Lessee shall make all such Comparison Agreements available to Landowner, or its auditor, for review or copying, within twenty (20) days of a written request. Lessee agrees to retroactively apply any monetary benefits, with interest as set forth in Section 13.5, based on said more favorable Fees and Payments in a Comparison Agreement and Landowner agrees that it shall have no right to sue for damages under this clause. "Fees and Payments" shall include Site Evaluation Period Payments, Development Period Payments, Operating Fees, Installation Fees, Annual Alternative Rent Payments, Met Tower Fees, Substation Fees, Temporary Improvement Fees, or Transmission and Access Easement Fees.

[signature pages follow]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered by their duly authorized representatives as of the date set forth below the respective signatures of Landowner and Lessee to be effective as of the Effective Date.

## LESSEE:

## CANADIAN HILLS WIND, LLC

Apex Wind Energy Holdings, LLC By: a Delaware limited liability company,

By: Mark W. Goodwin
Title: President

LANDOWNER:

Kight Eller Juriste Trustee

By: Kille Eller Gunnett Trust Date: 9-10-2010

Ruth Ellen Quinnett, Trustee, Ruth Ellen Quinnett Revocable Trust

u/a/d April 9, 1996

# **EXHIBIT A**

# **Legal Description of Property**

The Property is all of the following Tracts, situated West of the Indian Meridian, County of Canadian, State of Oklahoma, consisting of 48.00 acres, more particularly described as follows:

# Tract 1:

A tract of land lying in and being a part of the Northeast Quarter (NE/4) of Section Three (3), Township Thirteen North (T13N), Range Eight West (R08W) of the Indian Meridian, Canadian County, Oklahoma, more particularly described as follows, to-wit:

COMMENCING at the Northeast (NE) corner of said Northeast Quarter;

THENCE North 89°44'27" West 1643.32 feet to the point of beginning;

THENCE South 00°35'49" West 1415.00 West 1415.00 feet;

THENCE North 89°44'30" West 981.36 feet to the West line of said Northeast Quarter;

THENCE North 00°23'58" East 1415.00 feet to the Northwest (NW) corner of said Northeast Quarter;

THENCE South 89°44'27" East 985.99 feet to the point of beginning, containing 31.95 acres, more or less.

Tax Parcel Reference: 090034820 (31.95 acres)

## Tract 2:

A tract of land lying in and being a part of the West Half (W/2) of the Northwest Quarter (NW/4) of Section Three (3), Township Thirteen North (T13N), Range Eight West (R08W) of the Indian Meridian, Canadian County, Oklahoma, more particularly described as follows, to-wit:

COMMENCING at the Northwest (NW) corner of said West Half;

THENCE South 00°13'22" West 1592.92 feet to the point of beginning;

THENCE South 89°41'21" East 1316.91 feet;

THENCE South 00°18'39" West 531.38 feet;

THENCE North 89°40'19" West 1316.09 feet;

THENCE North 00°13'22" East 530.98 feet to the point of beginning, containing 16.05 acres more or less.

Tax Parcel Reference: 090034828 (16.05 acres)

NOTE: Landowner requests and Lessee agrees that the following will not be constructed on the property listed above: a) substation; b) operations and maintenance facility; c) parking lot and/or any common area structure.