

## WIND FARM LEASE AGREEMENT

THIS WIND FARM LEASE AGREEMENT (hereinafter "Lease") is entered into as of the Effective Date, by and between Lessor and Lessee (Lessor or Lessee being also hereinafter referred to as a "Party" or, collectively, "Parties").

1. **Definitions.** The following terms shall have the following meanings when capitalized in this Lease:

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|-----|---------------------------------|--|
| 1.1 | "Lessor"                        | <u>Regina Appel, a single person</u>   |
| 1.2 | "Lessor's Address"              | Street or Box: <u>731 SE Pond's Edge Circle</u><br>City, State, Zip: <u>Ankeny, IA 50021</u><br>Phone: _____<br>Facsimile: _____<br>E-mail address: _____  |
| 1.3 | "Property"                      | That certain land located in <u>Pipestone</u> County, State of Minnesota (the " <b>C</b> ounty"), and described in <u>Exhibit A</u> hereto and incorporated herein by this reference.<br>Tax Parcel Identification Number: <u>10.033.0300 and 10.033.0250</u>  |
| 1.4 | "Lessee"                        | EDF Renewable Development, Inc., a Delaware corporation its successors and assigns   |
| 1.5 | "Lessee's Address"              | 15445 Innovation Drive<br>San Diego, CA 92128<br>Attn: Land and Title Administration<br>Phone: 858-521-3300<br>Facsimile: 858-521-3333   |
| 1.6 | "Effective Date"                | <u>October 2, 2012</u>   |
| 1.7 | "Pre-Operating Period"          | A period commencing on the Effective Date and ending on the Wind Farm Operations Date as defined in <u>Section 4.3</u> but in no event longer than seven (7) years from the Effective Date.  |
| 1.8 | "Pre-Operating Period Payments" | An annual payment of Ten Dollars (\$10.00) per acre comprising the Property until the end of the Pre-Operating Period.   |
| 1.9 | "Quarterly Operating Payments"  | A payment of (a) Six Hundred Twenty-Five Dollars (\$625.00) per one (1.0) megawatt of turbine nameplate capacity installed on the Property (rounded to the nearest hundred dollar) and (b) Five Dollars (\$5.00) per acre comprising the Property as of the date of payment, said amount shall be adjusted upwards and payable in quarterly installments in accordance with <u>Section 4.3</u> . |

2. **Agreement to Lease.** Lessor hereby leases to Lessee for the term set forth below, the Property for the following rights and purposes:

2.1 The exclusive right to the free and unobstructed flow of wind to and across the Property, together with the exclusive right to use the Property for the following purposes: wind resource evaluation, using, converting, maintaining and capturing the wind, wind energy development, energy collection, and related wind energy development uses, including, but not limited to, the development, erection, installation, construction, improvement, reconstruction, enlargement, removal, relocation, replacement and repowering, and the use, maintenance, repair and operation, of the following, as Lessee determines: anemometers, meteorological towers and other wind and weather measurement, monitoring and recording equipment and facilities; wind turbine generators and their associated towers and foundations (each such wind turbine generator being referred to herein as a **"WTG"**); power generation facilities to be operated in conjunction with the WTG installations; together with the non-exclusive right to install, construct, remove, relocate, replace, use, maintain, repair and operate roads, bridges, culverts and erosion control facilities; staging and laydown areas, signs: fences to surround the WTGs and/or transformers; gates; other safety and protection facilities; and any other improvements, fixtures, facilities, appliances, machinery and equipment, whether temporary or permanent, that are related thereto or associated therewith (all of the foregoing, whether located on the Property or located on nearby lands as part of a single integrated project, collectively a **"Wind Farm"** or **"Wind Farm Operations"**).

2.2 A non-exclusive right for the development, erection, installation, construction, improvement, interconnection, reconstruction, enlargement, removal, relocation, replacement and repowering, and the use, maintenance, repair and operation of, facilities for the storage, collection, distribution, step-up, step-down, wheeling, transmission and sale of electricity and for communications in connection with the WTGs, including the following, at such locations as Lessee shall determine that are developed, constructed and/or operated on the Property and/or on property to be acquired by leasehold or by fee purchase, by or on behalf of Lessee: underground and/or overhead distribution, collection and transmission lines; underground and/or overhead control, communications and radio relay systems and telecommunications equipment; energy storage facilities; interconnection and/or switching facilities, circuit breakers, transformers; cables, wires, fiber, conduit, footings, foundations, towers, poles, crossarms, guy lines and anchors, and any related or associated improvements, fixtures, facilities, appliances, machinery and equipment to grant access to third parties for transmission access, (collectively, the **"Transmission Facilities"**).

2.3 A non-exclusive easement for vehicular and pedestrian access, ingress and egress to, from and over the Property, at such locations as Lessee shall determine, for purposes related to or associated with the Wind Farm and/or the Transmission Facilities installed or to be installed on the Property, or for promotional or marketing purposes and a non-exclusive easement on adjacent property or elsewhere; which, without limiting the generality of the foregoing, shall entitle Lessee to use and improve any existing and future roads and access routes (a) from time to time located on or providing access to the Property, (b) across any other property owned by Lessor and (c) across any access routes over which Lessor has the right to travel. Any actions of Lessee on this adjacent land shall be subject to Sections 4.7, 5.7, 11.1 and 11.2.

2.4 A non-exclusive right to extract soil samples, perform geotechnical tests, and conduct such other tests, studies, inspections and analysis of or on the Property as Lessee deems necessary, useful or appropriate.

3. **Term**

3.1 The term of this Lease (the **"Term"**) begins on the Effective Date and terminates upon the earlier of: (a) thirty-seven years after the Effective Date or (b) the date this Lease is terminated as permitted herein or by operation of law. This Lease shall not terminate solely because of abandonment or nonuse except as provided herein.

4. **Payments to Lessor.**

4.1 **Pre-Operating Period Payments.** As consideration for this Lease, Lessee shall make the initial Pre-Operating Period Payment to Lessor in the amount set forth in Section 1.8 above within sixty (60) days of the Effective Date for the first year of such Pre-Operating Period, and for each anniversary year thereafter until the Wind Farm Operations Date, as defined in Section 4.3 below, Lessee shall divide the sum of the Pre-Operating Payments into four equal quarterly installments to be paid to Lessor within sixty (60) days after the end of each Calendar Quarter, as defined below, to which such Pre-Operating Payment pertains. If, on the date any Pre-Operating Period Payment would be due, there exist any liens for which subordination agreements to be obtained pursuant to Section 6.2 have not been obtained, Lessee may withhold such Pre-Operating Period Payments until all such subordination agreements have been obtained and delivered to Lessee whereupon such Pre-Operating Period Payments shall promptly be paid to Lessor without interest. Lessee agrees that the Pre-Operating Period Payments shall not be prorated and therefore once made shall not be refundable, in whole or in part if Lessee elects not to construct or operate a Wind Farm on the Property.

4.2 **Calendar Quarter.** For the purposes of this Lease, "Calendar Quarter" shall mean January 1 through March 31, April 1 through June 30, July 1 through September 30 and October 1 through December 31.

4.3 **Quarterly Operating Payments** Commencing with the Wind Farm Operations Date, regardless of the amount of electricity generated on the Property, Lessee shall make quarterly payments to Lessor (the "**Quarterly Operating Payments**") in the amount set forth in Section 1.9 hereof until this Lease expires or is rightfully terminated. Beginning with February 15 of the first calendar year after the first anniversary of the Wind Farm Operations Date and for each twelve (12) month period thereafter, the annual amount of the Quarterly Operating Payments shall be adjusted upwards by two and one-half percent (2.5%) compounded annually. Quarterly Operating Payments based on acreage shall be calculated based on the acreage for the Property as more particularly described in Exhibit A. For purposes of this Lease, the "**Wind Farm Operations Date**" shall mean the date upon which net electricity is regularly generated, delivered and sold (excluding start-up and testing of the wind turbine generators) by the Wind Farm to purchasers of generated electricity or used in-house. Quarterly Operating Payments shall be paid, in arrears, sixty (60) days after the end of each Calendar Quarter during which Wind Farm Operations are conducted, unless such day falls on a weekend or holiday in which case it shall be due on the next business day.

4.4 **Meteorological Tower Payment.** Lessor grants Lessee the right to erect meteorological tower(s) ("**Met Tower(s)**") on the Property. In the event Lessee elects to erect one or more Met Towers, Lessee shall pay to Lessor the amount of Seven Hundred Fifty Dollars (\$750.00) per Calendar Quarter per Met Tower commencing on the installation of the meteorological tower until the removal of the Met Tower. Such payments shall be paid, in arrears, sixty (60) days after the end of each Calendar Quarter, unless such day falls on a weekend in which case it shall be due on the next business day.

4.5 **Disclaimer.** It is understood by Lessor that any estimates, projections or other data regarding the megawatt capacity of a proposed Wind Farm that include the Property are not and shall not be deemed to be or include any representations or warranties of the Lessee, its successors or assigns (including any representation that the Wind Farm or any part of the Wind Farm will be constructed), and Lessor acknowledges that Lessor is not relying on any such estimates, projections or other data.

4.6 **Credits.** Lessee shall be exclusively entitled to apply for, collect, receive, and obtain the benefit of all credits, set-offs, payments or other consideration arising out of the electrical energy generated by the Wind Farm and the sale, transportation and distribution of such energy including, without limitation: (i) federal, state and local production tax credits (including credits under Section 45 of the Internal Revenue Code of 1986, as amended), production incentive payments and other renewable energy credits; (ii) green pricing programs, green tags, renewable energy credit trading programs; and (iii) environmental air quality credits, emission credits, greenhouse gas reduction credits, environmental

set-offs and similar benefits (collectively "**Credits**"). Lessor shall reasonably assist Lessee in applying for and receiving such Credits.

4.7 Crop Damage. In the event that Lessee's assessment, construction, operations or maintenance activities on the Property are the direct cause of damage or destruction to crops then being grown on the Property, Lessee agrees to pay to Lessor a Fair Market Price (as hereinafter defined) for said crops during the growing season in which such crops were damaged or destroyed. Lessee shall pay such amount within sixty (60) days after the Wind Farm Operations Date. If the Property is leased for crop production, Lessor will be directly responsible for any agreements with said agricultural tenant regarding any crop loss as a result of the Wind Farm. Crop damages shall be computed using the following formula: the "**Fair Market Price**" for the crop damaged or destroyed times "**Yield**" times the number of Acres (or partial acres) damaged or destroyed. "**Yield**" will be the average of the previous three seasons' yields according to Lessor's records for the land area that includes the damaged area. If Lessor fails to provide yield records as required herein, "**Yield**" will be the average yields recorded for the county in which the Property is located for the year in which the damage occurred.

"**Fair Market Price**" shall be determined at Lessee's sole discretion by documenting and recording the greater price per unit of damaged or destroyed crop as of (a) November 1<sup>st</sup> of the same year during which construction of the Wind Farm commenced, or (b) March 1<sup>st</sup> of the same year, as posted at the Farm Service Agency ("**FSA**") office located closest to the Wind Farm and other sources of crop data such as the County Extension Office in the area of the Wind Farm and the USDA. Should Lessor or its agricultural tenant have purchased a valid crop insurance policy on the crop then being grown on the Property and damaged or destroyed by Lessee, Lessor may request that Lessee pay to Lessor the insured price per unit of said crop as described in such policy. Such a request shall not be unreasonably withheld provided that upon request by Lessee, Lessor present a certificate of insurance or similar instrument confirming the existence of said policy and the insured price per unit of crop. Any payments of the insured price to Lessor's agricultural tenant will be made directly to Lessor.

4.8 Request to Refrain from Growing Crops. Lessee may request that Lessor not grow or allow crops to grow within reasonable areas around existing or planned WTG's or Transmission Facilities (including any laydown or staging areas). In the event of such request, Lessor shall neither grow, nor allow the growth of crops by a tenant or invitee, in the areas covered by the request of Lessee. Lessee shall compensate Lessor for the crop not grown in accordance with Section 4.7 as if a crop had been grown.

4.9 Request to Remove Crops. If Lessee requests Lessor to remove crops Lessor shall remove such crops within seven (7) calendar days of such request. If Lessor is required to remove crops at any time for installation or maintenance, Lessee shall pay to Lessor the amount of Five Hundred Dollars (\$500.00) as an inconvenience fee in addition to the right to receive crop damage payments pursuant Section 4.7.

4.10 Soil Compaction. If Lessee's construction activities on the Property cause significant compaction of the soil or materially alter the contour of the Property, Lessee shall restore such portions of the Property to their approximate condition existing immediately before said activities to the extent reasonably practicable.

4.11 Soil Compaction Payment. For areas in which heavy construction traffic or crane movements have occurred during initial construction of the Wind Farm, Lessee shall pay to Lessor a one-time payment equal to the crop damage in that portion of any area in which crop damage has occurred due to soil displacement from construction traffic or that was actually compacted by the crane movements ("Soil Restoration Payment"). If the heavy construction traffic or heavy crane movements occur when crops are not in the field, the Soil Restoration Payment will be based on the crop that was in the compacted area in the growing season immediately preceding the movements. For clarification purposes, heavy construction traffic shall mean areas that have been crossed by construction vehicles multiple times or by vehicles of sufficient weight to cause soil displacement or soil compaction and heavy cranes shall mean tracker cranes with ground bearing pressures between 7,000 to 8,000 pounds per square foot.

5. Use of Premises and Location of Turbine Sites.

5.1 Lessee's Rights to Use Property. Lessee shall retain title to all buildings, improvements and equipment that comprise the Wind Farm, and shall have the right to remove them from the Property at any time. Lessee shall have the right to select the location for the WTGs, the Transmission Facilities, service roads, and associated Wind Farm buildings and equipment on the Property; provided, however, Lessee shall, upon Lessor's specific request, consult with Lessor and will give consideration to incorporating ideas and requests of Lessor into the planning and location of facilities but Lessee shall not be obligated to agree to such ideas or requests if such would burden the development, maintenance or operation of the Wind Farm. Lessee shall have the right to emit or cause the emission of noise, vibration, air turbulence, wake, and electromagnetic and frequency interference and to permit wind turbulence, to overhang, cast shadows, or cause flicker onto the Property and/or to impact Lessor's views of and from the Property. Nothing in this Lease shall be construed as requiring Lessee to construct or operate a Wind Farm or any other business or use on the Property or to commence or continue the operation of a Wind Farm or any portion thereof if it is so constructed.

5.2 Removal and Restoration. Simultaneous with the Notice of Termination (as hereinafter defined), Lessee shall present a decommissioning plan for the Wind Farm. The decommissioning plan shall include the removal of all physical material related to the Wind Farm to a depth of forty-eight (48) inches below the surface level and restoration of the surface of the land to substantially the same condition it was in at the Effective Date (reasonable wear and tear, condemnation, casualty damage and acts of God excepted), including returning the land to the same grade as of the Effective Date (reasonable wear and tear, condemnation, casualty damage and acts of God excepted) (all hereinafter referred to as "**Restoration**"). Lessee shall continue to make any and all payments to Lessor under this Lease throughout the Restoration. The decommissioning shall be at Lessee's expense and shall be completed within nine (9) months after presentation of the decommissioning plan to Lessor.

(a) In the event Lessor requires a decommissioning surety, Lessor shall give Lessee written notice no earlier than ten (10) years from the Effective Date to require Lessee to provide Lessor with a bond or letter of credit in the amount of the estimated Restoration Costs. Within no less than one hundred eighty (180) days after the receipt of the written notice, Lessor and Lessee shall determine the amount of the Restoration Costs as follows:

(i) Lessee shall obtain an estimate of the restoration cost from a qualified contractor licensed in the state in which the Property is located and notify the other of the name and address of the contractor which it has selected. Within thirty (30) days thereafter, Lessee shall provide the estimate to Lessor. In the event Lessor is not in agreement with Lessee's estimate, Lessor may, at its own cost and expense, obtain its own estimate within thirty (30) days of Lessee presenting its estimate. If the bids are within a ten percent (10%) difference of the cost of the other, Lessor shall be entitled to use the bid from its contractor as the basis for the Restoration Costs. In the event the bids are more than ten percent (10%) different, a third contractor shall be selected by the existing contractors. If they cannot agree upon such third contractor within a sixty (60) day period, the third contractor shall be selected by an Arbitrator of the American Arbitration Association for the County in which the Property is located upon application of either party. Within thirty (30) days of the appointment of the third contractor, the three contractors shall meet and exchange their estimates and the Restoration Costs shall be the average of the estimates of the three contractors ("**Restoration Costs**").

(ii) The bond/letter of credit shall remain in force until the completion of such work. Upon written request, no more than once in any calendar year, Lessor may request Lessee provide Lessor with information and documentation to confirm the existence and maintenance of such security in favor of Lessor.

(b) Notwithstanding any of the foregoing provisions, if Lessee is a Regulated Utility, no bond or other undertaking for the decommissioning costs shall be required and any existing bonds or other undertakings for said decommissioning and reclamation costs shall be released. Furthermore, the surety amount shall be reduced by the amount of bond or other security, if any, that Lessee is required to post by applicable governmental authorities for reclamation and decommissioning associated with the project improvements on the Property. For purposes of this Lease a "**Regulated Utility**" shall mean an electricity service provider who sells power to retail customers and is regulated by the state utility commission or its equivalent.

5.3 Lessor's Rights to Use Property. So long as and to the extent the same do not impair, affect or conflict with any of the rights granted to Lessee in this Lease, Lessor may use, lease, convey and encumber the Property for any lawful purpose, including, without limitation, agriculture and grazing, and Lessor and its tenants and licensees may make improvements to the Property if such improvements will not negatively impact wind generated electricity production on the Property in the determination of Lessee. Lessee agrees that such improvements shall not be unreasonably disallowed. Lessor shall not be responsible or liable to Lessee or Lessee's agents, affiliates or successors in interest for damages to the Wind Farm caused by grazing animals, including, without limitation, cattle, horses and sheep. Lessee shall be solely responsible for taking such measures, such as erecting fences or other barriers on the Property, as Lessee may deem reasonably necessary to prevent damage to the Wind Farm caused by grazing animals, including, but not limited to, cattle, horses and sheep. Lessee shall not be responsible for any injuries to grazing animals resulting from Lessee taking any such measures. During construction of the Wind Farm, Lessee may designate certain areas as construction zones and neither Lessor nor Lessor's tenants or invitees shall be permitted in such areas without the consent of Lessee.

5.4 Waiver of Setback Requirements. Lessor hereby consents to Lessee's location of Wind Farm, including WTGs at any location upon the Property for turbines or any other Wind Farm at any location upon the Property and adjacent properties (a zero (0) foot setback requirement), including, without limitation, at or near property lines. Furthermore, in the event that the location of any Wind Farm to be installed or constructed on the Property or any adjacent properties along or near property lines is limited or restricted by any private agreements or restrictions or any applicable federal, state or local law, statute, ordinance, rule or regulation (collectively, "**Laws**"), Lessor hereby waives such limitations and restrictions, to the extent that the Lessor can legally do so.

5.5 Soil Erosion and Weed Control. During the construction of any road or Wind Farm on the Property by Lessee and so long as the road is used by Lessee or the Wind Farm remains on the Property, Lessee shall, at its expense, take such measures as may be reasonably necessary to prevent its road or Wind Farm from increasing the erosion of soil on the Property and shall have the right, at its expense, to take such measures as may be deemed necessary or desirable by Lessee to prevent or control any weeds growing within ten (10) feet of any of its WTGs, unless the Lessor notifies Lessee in writing that such measures are prohibited due to any certifications that the Lessor desires to maintain. If Lessor reasonably believes Lessee is not complying with any requirements to control erosion of soil or weed growth on the Property, it shall give Lessee written notice thereof which identifies such failure and the related locations 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, Lessor may, as its sole remedy for any alleged breach of the terms of this Section by Lessee, take such actions as may reasonably be required to perform such obligations and all of the costs and expenses paid by Lessor to unrelated third parties in doing so shall be reimbursed to Lessor by Lessee within thirty (30) days after receiving Lessor's written demand and a copy of the related invoice or other appropriate evidence of payment.

5.6 No Interference. Lessor shall not interfere with, and shall not allow any other Party to interfere with, the free, unobstructed and natural wind flow, wind speed or wind direction over and across the Property. This restriction shall extend to any improvements or obstructions that may reduce, reflect or divert wind in any location within the boundaries of the Property; provided, however, that trees, structures and improvements located on the Property as of the Effective Date shall be allowed to remain, and they

may be maintained, repaired or replaced so long as they do not exceed the size or materially deviate from their location as of the Effective Date. Lessor shall not conduct any activity, nor grant any rights to any third party, whether on the Property or elsewhere, that would interfere in any way with Lessee's use of the Property or the rights granted under this Lease.

(a) The restrictions of this Section 5.6 shall apply to areas encompassed by starting from the location of any installed WTG or WTG that may be installed at any time or from time to time on the Property or land adjacent to the Property, and expanding outward from the base of each WTG as follows: (i) horizontally three hundred sixty degrees (360°); (ii) vertically one hundred eighty degrees (180°) (or such greater degrees as may be necessary to achieve a vertical angle that extends from the surface of the land in all directions to the opposite surface of the land in opposing directions); and (iii) for a distance from each WTG as needed to extend over and throughout the entire Property to the furthestmost boundaries of the Property, it being the intent of the parties that such description of angles and distances expanding outward from any one WTG will result in encompassing all space above the surface of the entire Property. Lessor agrees to amend this Lease as requested by Lessee in order to satisfy any law, rule or regulation relating to the rights granted under this Section 5.6, or to further the intent of the parties that the descriptions of this Section 5.6 encompass all space above the surface of the entire Property as long as any WTG exists on the Property or other lands adjacent to the Property. The restrictions of this Section 5.6 are for the benefit of all property of the Wind Farm and shall be enforceable by Lessee or any sub lessee, assignee or Lender that acquires the rights of Lessee as described in Section 13 of this Lease.

(b) Notwithstanding the restrictions of this Section 5.6, Lessor may construct on the Property buildings or structures, so long as said buildings or structures are no more than fifty (50) feet in height and at least one thousand (1,000) feet, or the minimum required set back by any governmental agency, whichever is greater, from the closest point of any WTG (whether located on the Property or elsewhere in the Wind Farm) and pose no interference with any other part of the Wind Farm or similar facilities not located on the Property. Lessor may construct such buildings and structures that comply with the previous restrictions without prior consent from Lessee. However, in the event Lessor constructs a building or structure without the consent of Lessee and it is determined by Lessee that said building or structure violates the restrictions set forth in this paragraph, then in that event, after notice from Lessee, Lessor shall immediately remove, or cause to be removed, all non-complying buildings or structures, and shall pay Lessee any monies lost due to restricted access to the wind resource by virtue of Lessor's noncompliance with this Section.

5.7 Damages to Property. During the Term, Lessee agrees to repair any material physical damage to Lessor's drainage tile, fences and other tangible property located on the Property to the extent such damage is directly caused by Lessee's construction, installation, operations, maintenance or removal of the Wind Farm. Lessor shall promptly notify Lessee in writing of any damage that Lessor claims is Lessee's responsibility under this Lease along with reasonable evidence of the cause and extent of such damage. Upon receipt of such notice, Lessee shall promptly investigate and make the repair to the extent Lessee is responsible under this Lease. For any repairs required to be made by Lessee under this Lease, Lessee shall repair such damaged property to substantially the same condition of the property existing immediately before being damaged, to the extent reasonably practicable. If Lessee is responsible for damage caused to drainage tile and such damage is a direct cause of damage to or destruction of crops then being grown on the Property, the provisions of Section 4.7 shall apply with respect to compensation for crop damages.

5.8 Hunting. Lessor hereby reserves a non-exclusive, revocable license for hunting rights on the Property. Lessor specifically agrees to be fully liable and shall indemnify, defend and hold Lessee harmless against any and all losses, liabilities, claims, litigation, demands, defenses, judgments, suits, proceedings, costs, damage or harm to Lessee, its employees, licensees, invitees or agents resulting from or arising out of or in connection with Lessor's or Lessor's invitees' hunting activities on the Property. Lessee shall have the right to refuse hunting activities on the Property if such activities would compromise the safety and wellbeing of its employees, licensees, invitees or agents, provided, however, such refusal will not be unreasonable.

6. **Lessor's Representations and Warranties.**

6.1 **Authority and Execution.** Each person executing this Lease on behalf of Lessor represents and warrants that such person is duly and validly authorized to do so and that Lessor has the full right and authority to enter into this Lease, perform all of its obligations hereunder and grant the interests herein granted.

6.2 **Covenants of Title.** Lessor represents and warrants to Lessee that it owns the Property in fee simple and shall assist and cooperate fully with all reasonable efforts by Lessee to cure, correct or otherwise remove or mitigate defects, liens, encumbrances or other matters that may affect the title to the Property. All persons having any ownership or possessory interest in the Property (including spouses) are signing this Lease. Each spouse signing this Lease agrees that any rights of community property, homestead, dower, contribution, and the like shall be subject and subordinate to this Lease and the easements and other rights granted herein. Lessee may obtain a current preliminary title report for the Property at its expense showing all liens, encumbrances, and other exceptions to title to the Property. At the request of Lessee, Lessor shall obtain executed and acknowledged instruments and such other documents as the title company or Lessee may require to confirm Lessor's ownership of the Property or to complete or evidence the full granting of the leasehold interest in the Property as intended by this Lease. Lessor shall cooperate with Lessee to obtain a nondisturbance and/or subordination agreement from each lien holder (recorded or unrecorded) which provides terms reasonably acceptable to Lessee that the lien and rights of the lien holder shall not interfere with the Wind Farm and/or be subordinate to this Lease. Lessor will also obtain any necessary consent and/or subordination agreement in favor of Lessee and on terms reasonably acceptable to Lessee from any and all entities having a possessory interest in the Property.

6.3 **Hazardous or Toxic Substances or Materials.**

(a) Lessor represents and warrants to Lessee that (i) there exists no Hazardous Materials, as hereinafter defined, on the Property; (ii) Lessor will not use, store, dispose of or release any Hazardous Materials on the Property or (iii) Lessor will not cause or permit to exist or be used, stored, disposed of or released on the Property any Hazardous Material except in such quantities as may be required in its agricultural use of the Property and only if such use is not harmful to Lessee or its employees, contractors, guests, invitees, licensees, permittees, agents, and assigns, and is in full compliance with all applicable laws. Hazardous Materials is defined as a "hazardous substance", "hazardous material", "toxic substance" or "solid waste" in any federal, state or local law, statute or ordinance. Should any claim or action be brought against Lessor or in connection with the Property with respect to any of the foregoing, Lessor shall immediately notify Lessee and shall indemnify, defend and hold Lessee harmless from and against all costs, damages or harm resulting from or associated with such claim or action.

(b) Lessee covenants and agrees that it (i) shall not use, store, dispose of or release on the Property or (ii) cause or permit to exist or be used, stored, disposed of or released on the Property as a result of Lessee's operations, any Hazardous Material, except in such quantities as may be required in its normal business operations and only if such use is not harmful to Lessor or its employees and is in full compliance with all applicable laws. Should any claim or action be brought against Lessee in connection with its operations with respect to any of the foregoing, Lessee shall immediately notify Lessor and shall indemnify Lessor from all costs associated with such claim or action.

7. **Further Assurances; Cooperation.** Lessor shall fully support and cooperate with Lessee in the conduct of its operations and the exercise of its rights under this Lease (including with Lessee's efforts to (i) obtain any required permits from any governmental authority or any other person or entity such as any environmental impact review, permit, entitlement, approval, authorization or other rights, or (ii) sell any portion of the Wind Farm, assign or otherwise transfer all or any part of or interest under this Lease or obtain any financing). Lessor shall perform all such acts (including executing and delivering maps, instruments and documents within ten (10) days after receipt of a written request made from time to time by Lessee) as Lessee may reasonably specify to fully effectuate each and all of the purposes and intent



of the Lease. Without limiting the generality of the foregoing, within ten (10) days after receipt of a written request made from time to time by Lessee, Lessor shall: (a) enter into any reasonable amendment hereto; (i) to correct an error in this Lease; or (ii) to amend the legal description attached hereto, including replacing said legal description with a revised description prepared or provided by Lessee's surveyor or title company; (b) execute and deliver to Lessee any owner's affidavit reasonably requested by any title company or attorney reviewing title to the Property; (c) enter into any reasonable consent, subordination and/or nondisturbance agreement with any Lender, as defined in Section 14.1, stating that Lessor shall recognize the rights of the Lender and not disturb its possession of the Property so long as it is not in default under this Lease, and stating such other things as such Lender may reasonably request; (d) join with Lessee in the signing of any protest, petition, appeal or pleading that Lessee may deem advisable to file or in requesting any and all zoning changes or any waivers, variances, land use permits and/or approvals, in each case as Lessee may deem necessary or desirable for Lessee's development and use of the Property as contemplated by this Lease; and (e) if because of the nature of this Lease Lessee is unable to qualify for any tax credit or similar benefit associated with the Wind Farm or in connection with its operations, amend this Lease to assure that Lessee will receive such credits and benefits (but only if such amendment does not materially adversely affect Lessor's reasonable out-of-pocket expenses incurred by Lessor in connection with Lessor's cooperation pursuant to the provisions of this Section). Without limiting the generality of the foregoing, Lessor shall not oppose, in any way, whether directly or indirectly, any application by Lessee for any permit, approval or entitlement at any administrative, judicial, legislative or other level.

In addition to the foregoing provisions of this Section, (i) Lessor hereby authorizes Lessee, or its successors or assigns, to act as its agent and on its behalf in applying to any public agency for land use entitlements or permits necessary or convenient for the construction, operation and maintenance of wind-energy producing facilities on the Property, including but not limited to, general plan amendments, specific plans, zone changes, tentative and final maps, conditional use permits, variances, rights of way, or any kind of environmental permit, as well as grading permits, foundation permits, building permits, storm water drainage permits, driveway entrance permits or similar construction permits; (ii) Lessor further consents to a zero (0) set back requirement for turbines placed on parcels adjacent to all or any portion of the Property in connection with the development of a wind energy project on the Property by Lessee or its successors or assigns; and (iii) Lessor further authorizes the County in which the Property is located and its agents, consultants and employees to enter its Property for the purpose of making inspections necessary or convenient to the issuance of land use entitlements or permits for the construction, operation, and maintenance of wind energy monitoring and producing facilities on the Property. The rights and agreements set forth in this paragraph shall automatically expire upon the expiration or sooner termination of this Lease.

8. **Requirements of Governmental Agencies.** Lessee shall comply in all material respects with all valid laws applicable to the Wind Farm, but shall have the right, in its sole discretion and at its sole expense, in its name or in Lessor's name, to contest the validity or applicability of any law, ordinance, order, rule or regulation of any governmental agency or entity. Lessee shall control any such contest and Lessor shall cooperate with Lessee in every reasonable way in such contest, at no out-of-pocket expense to Lessor.

9. **Liens.** Lessor and Lessee shall keep the other's interest in the Property free and clear of all liens and claims of liens for labor and services performed on, and materials, supplies and equipment furnished in connection with Lessor's or Lessee's (as applicable) use of the Property, subject to Lessor's and Lessee's (as applicable) right to contest such liens and claims. If Lessor or Lessee (as applicable) wishes to contest any such liens or claims, such Party shall, within sixty (60) days after it receives notice thereof, provide a bond or other security as the other Party may reasonably request, or remove any such liens from the Property pursuant to applicable Laws.

10. **Confidentiality.** Lessor shall maintain in the strictest confidence, for the sole benefit of Lessee, all information pertaining to the terms and conditions of this Lease, including, without limitation, the financial terms, Lessee's site design and product design, methods of operation and methods of construction and power production of the Wind Farm. Without first obtaining written permission from

Lessee, Lessor shall not issue any statements or press releases or respond to any inquiries from the news media regarding such matters. This Section shall survive the termination or expiration of this Lease. Nothing in this Section shall prohibit sharing or disclosing information with either Party's counsel, accountants or current or prospective investors, purchasers, lenders or as required by law provided that the Party sharing or disclosing such information requires the recipient to maintain the confidentiality of such disclosed information.

11. **Indemnity.**

11.1 **Indemnity by Lessee.** Lessee shall defend, indemnify and hold harmless Lessor, and its affiliates, agents, directors, members, shareholders, employees, representatives, successors, assigns, or contractors (collectively, "**Lessor Parties**") from and against all liabilities, losses, costs, (including, without limitation, reasonable attorneys' fees) and expenses (collectively, "**Claims**") suffered or incurred by any of the Lessor Parties as a result of claims or causes of action (based on contract, tort, or otherwise) related to or arising out of any damage to property or bodily injury, including death, to persons to the extent caused by the activities of Lessee, its partners, members, affiliates, agents, directors, employees, representatives, successors, assigns, or contractors (collectively, "**Lessee Parties**") on or about the Property, except to the extent that such Claim is caused by any acts or wrongful omissions of any Lessor Parties. Lessor hereby waives any Claims against the Lessee Parties for damage or injury suffered by the Lessor Parties arising as a result of any audible or electromagnetic noise, vibration, electrical interference and radio frequency interference attributable to the Lessee Parties' operations on the Property or any other property, provided that nothing herein shall be deemed to release Lessee from its obligation to indemnify and hold harmless the Lessor Parties from third party claims under the first sentence of this Section 11.1. The Lessee Parties shall not be liable for losses of rent, business opportunities, profits or any other consequential damages that may result from the conduct of Lessee Parties' activities on the Property.

11.2 **Indemnity by Lessor.** Lessor shall defend, indemnify and hold harmless the Lessee Parties from and against any and all Claims for damage to property or bodily injury, including death, to persons to the extent caused by the activities of the Lessor Parties on or about the Property or arising out of the condition of the Property, except to the extent that such Claim is caused by the gross negligence or intentional misconduct of the Lessee Parties.

12. **Lessee's Insurance.** At all times during which Lessee is conducting any activities on the Property, and at all times during the Term of this Lease, Lessee shall, at its own cost and expense, obtain and maintain in effect (1) Commercial General Liability insurance, including bodily injury and property damage coverage with minimum limits of One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) aggregate and (2) Umbrella Liability Insurance with minimum limits of Five Million Dollars (\$5,000,000) per occurrence and Five Million Dollars (\$5,000,000) aggregate. Lessee shall upon reasonable written request provide to Lessor a certificate evidencing such coverage. In the event Lessee is a Regulated Utility, any or all insurance required of Lessee by this provision may be provided by self-insurance or through a program of self-insurance.

13. **Successors and Assigns.** This Lease shall inure to the benefit of, and be binding upon, Lessor and Lessee, and their respective heirs, successors and assigns. Lessor may sell, mortgage, transfer or lease the Property to others. However, any such sale, mortgage, lease or transfer by Lessor shall be subject to this Lease and any modifications or amendments thereof granted to Lessee prior to or after such sale, mortgage, lease or transfer. Further, any transfer of any portion of the surface rights of the Property shall automatically transfer with it the right to receive payments under this Lease in direct proportion to the fraction of the surface rights to the Property that have been transferred, said proportional payments being without regard to the presence or lack of Wind Farm facilities on the transferred parcel of the Property. Lessee may freely assign or sublet all or any portion of its interests under this Lease, and may sell, assign, lease or transfer any improvements (including WTGs and Transmission Facilities) that it may install on the Property, without obtaining the consent of Lessor. In the event of an assignment of Lessee's entire interest in this Lease, Lessee (including a successor Lessee by assignment) shall be released of all further liability under this Lease. If Lessee shall have assigned an interest or granted a

sublease with respect to all or a portion of the Property or the Wind Farm, no such assignment or sublease shall be affected by a cancellation or termination of this Lease, and Lessor shall recognize the rights of the assignee or holder of the sublease hereunder, provided only that such assignee or sublease holder attorn to Lessor upon its request. Lessor shall enter into a nondisturbance and attornment agreement, in form and substance reasonably acceptable to Lessee, upon the request of the assignee or sublease holder under any assignment or sublease. Lessee also shall have the right to grant subleases, licenses, easements or similar rights (however denominated) to one or more persons or entities with respect to any portion of its interests under this Lease, without obtaining the consent of Lessor.

#### 14. Leasehold Financing.

14.1 Right to Encumber. Lessee, any successor or assignee of Lessee, or any holder of a sublease or license (each hereinafter sometimes referred to as an "**Obligor**") may at any time mortgage, pledge, or encumber to any entity (herein, a "**Lender**") all or any portion of the Obligor's rights and interests under this Lease or such sublease or license, in each case without the consent of Lessor. For purposes of this Lease, each entity which now or hereafter is the recipient or beneficiary of any such mortgage, pledge, or encumbrance and whose lien or encumbrance is now or hereafter recorded in the official records of the County in which the Property is located, shall be referred to in this Lease as a "**Lender**".

14.2 Covenants for Lenders' Benefit. Lessee and Lessor expressly agree between themselves and for the benefit of any Lenders, that if an Obligor mortgages, pledges, or encumbers any of its rights and interests as provided in Section 14.1 above, then notwithstanding any other provision of this Lease to the contrary:

(a) Lessor and Lessee will not terminate, suspend, amend or modify, or take any action causing, consenting to, acquiescing in, or accepting the termination, suspension, amendment or modification of this Lease, if such amendment or modification would reduce the rights or remedies of any Lender hereunder or impair or reduce the security for any lien held by such Lender, without such Lender's consent.

(b) Each Lender shall have the right, at its discretion, to take, or cause to be taken, any action required to be performed under this Lease by the Obligor that is party to such Lender's mortgage, pledge or encumbrance, and any such action performed by such Lender shall be as effective to prevent or cure a default under this Lease and/or a forfeiture of any of such Obligor's rights under this Lease as if done by such Obligor itself.

(c) The right of a Lender to receive notices and to cure Obligor's defaults pursuant to the provisions of this Section 14.2 shall be available only to those Lenders which shall have notified Lessor in writing of their name and address, or whose lien is recorded in the official records of the County in which the Property is located, regardless of whether the specific provision in question expressly so states. No default which requires the giving of notice to Obligor shall be effective unless a like notice is given to all Lenders. If Lessor shall become entitled to terminate this Lease due to an uncured default by Obligor, Lessor will not terminate this Lease unless it has first given written notice of such uncured default and of its intent to terminate this Lease to each Lender and has given each Lender at least thirty (30) days after the expiration of the cure period which this Lease provides to Obligor for curing such default, to cure the default to prevent such termination of this Lease. Furthermore, if within such thirty (30) day period a Lender notifies Lessor that it must foreclose on Obligor's interest or otherwise take possession of Obligor's interest under this Lease in order to cure the default, Lessor shall not terminate this Lease and shall permit such Lender a sufficient period of time as may be necessary for such Lender, with the exercise of due diligence, to foreclose or acquire Obligor's interest under this Lease and to perform or cause to be performed all of the covenants and agreements to be performed and observed by Obligor. In the event a Lender shall elect to exercise its rights hereunder, such Lender shall have no personal liability to Lessor and the sole recourse of the Lessor in seeking enforcement of its obligations under this Lease or any new lease entered into pursuant to Section 14.2(d) below shall be to such Lender's interest in this

Lease and the Property. Upon the sale or other transfer by any Lender of its interest in the Lease or Property, such Lender shall have no further duties or obligations hereunder.

(d) In case of the termination or rejection of this Lease as a result of any default hereunder or the bankruptcy, insolvency or appointment of a receiver in bankruptcy, Lessor shall provide prompt notice thereof to the Lenders. Upon written request of the Lender that is the beneficiary of the first priority security interest in the Lessee's interest under this Lease, made within forty (40) days after notice to such Lender of such rejection or termination, Lessor shall enter into a new lease agreement with such Lender, or its designee or assignee, within twenty (20) days after the receipt of such request. Such new lease agreement shall be effective as of the date of the termination or rejection of this Lease, upon the same terms, covenants, conditions and agreements as contained in this Lease for the remaining term of the original Lease before giving effect to such termination or rejection. Lessor shall have no rights to terminate such new lease based upon defaults occurring prior to the execution of the new lease. Lessor hereby agrees with and for the benefit of the Lenders that the provisions of this Subsection shall survive termination, rejection or disaffirmation of the Lease, whether by default or as a result of the bankruptcy, insolvency or appointment of a receiver in bankruptcy and shall continue in full force and effect thereafter to the same extent as if this Subsection were a separate and independent instrument. It is the intent of the parties hereto that any such new lease shall have the same priority as this Lease.

(e) There shall be no merger of this Lease, or of the leasehold estate created by this Lease, with the fee estate in the Property by reason of the fact that this Lease or the leasehold estate or any interest therein 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 the Lenders) having an interest in the Lease or in the estate of Lessor and Lessee shall join in a written instrument effecting such merger and shall duly record the same.

(f) Lessor shall, at Lessee's or a Lender's request, provide to Lessee and such Lender (i) confirmation that such Lender is a "Lender" for purposes of this Lease, (ii) a consent and estoppels acknowledging the Lender's mortgage or other lien or encumbrance, confirming the continuing effectiveness of this Lease, identifying any modifications hereto and any breaches or defaults hereunder, and containing such other information and agreements as Lessee or such Lender may reasonably request, and (iii) such other certificates or affidavits as Lessee, such Lender or any title company selected by either Lessee or such Lender may reasonably request. Lessor shall duly execute and return same to Lessee and/or Lender within ten (10) days of Lessee's or Lender's request therefor. Should Lessor fail to timely execute and deliver the consent and estoppel, then Lessee and/or Lender may rely on the contents thereof and the consent and estoppel shall be conclusively binding upon Lessor.

15. **Taxes.** Lessee shall pay any personal property taxes on WTGs and/or for any such taxes that were directly attributable to wind energy conversion equipment installed by Lessee, and Lessor shall pay all real property taxes and assessments levied against the Property. However, Lessee shall also pay for any increase in the ad valorem property taxes levied against the Property that are assessed for the period from and after the date of this Lease until the end of the Term hereof to the extent such increase is caused solely by the Wind Farm Operations; provided, however, such obligation shall not include any recaptured taxes attributable to any period prior to the Effective Date of this Lease or any interest or penalties thereon or to any increases in taxes due to reassessment upon a transfer of the fee interest in the Property by Lessor, and Lessee shall have the right, at its own expense, to appeal or contest any such increases and to compromise and settle the same and Lessor shall execute such petitions and agreements and otherwise cooperate with Lessee to the extent reasonably necessary for Lessee to do so.

16. **Cure Rights.** If Lessor fails to pay the taxes or any other monetary obligations for which it is responsible hereunder, or otherwise defaults under this Lease, then, in addition to its other rights and remedies, Lessee shall have the right to pay such taxes and other obligations, and/or remedy any such default, by any appropriate means; and the cost thereof shall be reimbursed to Lessee by Lessor within

thirty (30) days after receipt of written notice from Lessee. Lessee may offset such cost against any amounts owed to Lessor under this Lease.

17. **Tax Credits.** If under applicable Laws Lessee is 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, Lessor and Lessee shall amend this Lease or replace it with a different instrument 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.

18. **Defaults and Remedies.** In the event of any alleged default or failure to perform any obligation under this Lease, the nondefaulting Party shall give the alleged defaulting Party written notice thereof, which notice shall include the acts required to cure the same with reasonable specificity. The Party failing to make any monetary payment when due shall have a period of thirty (30) days after such notice is given within which to cure such default. In the event of any other failure, the defaulting Party shall have a period of thirty (30) days within which to cure such default, which period shall be extended to the extent reasonably necessary to complete such cure so long as the cure was commenced within thirty (30) days after such notice is given and thereafter prosecuted with due diligence. Delinquent payments shall bear interest from their respective due dates until paid at the rate of the lesser of: (i) twelve percent (12%) per annum; or (ii) the maximum rate permitted by Law. Each Party shall have the right to recover its actual damages as a result of any default under this Lease which is not cured within the applicable cure period. Each Party waives its right to recover consequential damages as a result of any default under this Lease. Any prohibited conduct under this Lease may be enjoined and this Lease shall be specifically enforceable, but neither Party's remedies shall include the right to terminate this Lease or evict the other Party from the Property.

19. **Termination by Lessee.** Lessee may choose to terminate this Lease for all or part of the Property by three (3) months' advance written notice ("**Notice of Termination**") to Lessor at any time and for any reason. The portion of the Property remaining after any partial termination of this Lease shall thereafter be the "**Property**" for purposes of this Lease and all payment amounts based on acreage shall be adjusted accordingly.

20. **Attorneys' Fees.** The prevailing Party in any mediation, arbitration or litigation undertaken in connection with any default under this Lease shall be entitled to be paid its reasonable costs and attorneys' fees incurred in connection therewith by the losing Party, including such costs and fees as may be incurred on appeal, in any probate or bankruptcy proceeding, and in any petition for review, and including costs and fees as are incurred in connection with adjudication of any issues that are particular to such types of proceedings.

21. **Notices.** All notices to a Party pursuant to this Lease must be in writing and shall be sent only by United States Mail (first-class, certified, return-receipt requested); personal delivery; an overnight courier service which keeps records of deliveries; or facsimile. For purposes of giving notice hereunder, the addresses and facsimile numbers of the Parties are as set forth in Section 1.2 and Section 1.5 above. A Party may change its address and/or facsimile number at any time by giving written notice of such change to the other Party in the manner provided herein. Notices sent by certified mail shall be deemed given on the date of delivery or attempted delivery as shown on the return-receipt. Notices sent by personal delivery or courier service shall be deemed given on the date of delivery or refusal to accept delivery. Notices sent by facsimile shall be deemed given on the date of transmission as shown by the transmission record generated by the sending facsimile machine.

22. **Interpretation.** Each Party has reviewed this Lease and has been given an opportunity to obtain the assistance of counsel, and any rule of construction holding that ambiguities are to be resolved against the drafting Party shall not apply in the interpretation of this Lease. The captions of this Lease are for convenience and reference only, and shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Lease. A waiver of a breach of any of the provisions of this Lease shall not be deemed to be a waiver of any succeeding breach of the same or any

other provision of this Lease. Any determination of invalidity or unenforceability of any particular clause or provision of this Lease shall not affect the validity or enforceability of the remainder of this Lease.

23. **Force Majeure.** If performance of this Lease 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 as soon as such causes are removed. "**Force Majeure**" means: fire, earthquake, flood, tornado or other acts of God and natural disasters; 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 any other act or condition beyond the reasonable control of a Party.

24. **No Partnership.** Nothing contained in this Lease shall be deemed or construed by the Parties or by any third party to create the relationship of principal and agent, partnership, joint venture, co-tenants or any other association between Lessor and Lessee, other than the relationship of landlord and tenant.

25. **Controlling Law.** This Lease shall be governed and construed in accordance with the internal laws of the State in which the Property is located.

26. **Entire Agreement.** This Lease and the attached exhibits constitute the entire agreement between the Parties and shall supersede all other agreements, whether written or oral, respecting the subject matter of this Lease. No amendment, addendum or modification of any term or provision of this Lease shall be effective unless set forth in writing and signed by an authorized representative of the Parties.

27. **Execution in Counterparts.** This Lease may be executed in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same contract.

28. **Memorandum.** The Parties shall execute and record a memorandum of this Lease in the form attached hereto as Exhibit B. The Parties shall execute an amendment to the memorandum in each instance as reasonably requested by Lessee.

29. **Condemnation.** Should title or possession of all of the Property be taken in condemnation proceedings by a government agency, governmental body or private party 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 Lease shall terminate upon such vesting of title or taking of possession. All payments made on account of any taking by eminent domain shall be made to Lessor, except that Lessee, at its sole discretion, shall be entitled seek a separate award for any damages allowable by law, including but not limited to: (i) the removal and relocation Lessee's business, (iii) for the loss of goodwill, (iv) lost profits, (v) the loss and/or damage to any property that Lessee elects or is required not to remove, and (vi) for the loss of use of the Property by Lessee and Lessor shall have no right, title or interest in or to any separate award made therefore. It is agreed that Lessee shall have the right to participate in any settlement proceedings and that Lessor shall not enter into any binding settlement agreement without the prior written consent of Lessee, which consent shall not be unreasonably withheld.

30. **Waiver of Jury Trial.** EACH PARTY WAIVES ITS RESPECTIVE RIGHT TO ANY JURY TRIAL WITH RESPECT TO ANY LITIGATION ARISING UNDER OR IN CONNECTION WITH THIS LEASE.

31. **Quiet Enjoyment.** Lessor agrees that Lessee shall quietly and peaceably hold, possess and enjoy the Property pursuant to the terms of this Lease, and for the Term of this Lease, and any extension thereof, without any hindrance or molestation caused by Lessor or any party claiming by, through or under Lessor. Lessor shall defend title to the Property, and the use and occupancy of the same, against the claims of all others, except those claiming by or through Lessee. Lessor shall not enter into or modify

any documents, including any declarations, easements, restrictions or other similar instruments, which may materially affect the Property, or the rights and/or obligations of Lessee hereunder, without first obtaining the prior written consent of Lessee, which consent shall not be unreasonably withheld.

32. **Brokerage Commissions.** Lessor and Lessee warrant and represent to each other that there are no brokers' commissions, finders' fees or any other charges due to any broker, agent or other party in connection with the negotiation or execution of this Lease, or on behalf of either of them. Lessor and Lessee agree to defend, indemnify and hold each other harmless against all claims, liabilities, losses, damages, costs and expenses (including reasonable attorneys' fees and other costs of defense) arising out of a breach of these representations.

33. **Emergencies.** If Lessor becomes aware of any circumstances relating to the Wind Farm or the Property which creates an imminent risk of damage or injury to any person or any person's property, Lessor will immediately notify Lessee of such threat. If the threat relates to the Property and not to the Wind Farm, Lessor shall promptly take such action as is necessary or appropriate to prevent such damage or injury.

34. **Notice of Damage.** Lessor will promptly notify Lessee of any physical conditions or other circumstances Lessor becomes aware of that indicate there has been or might be damage to or loss of the use of the Wind Farm or that could reasonably be expected to adversely affect the Wind Farm.

35. **Mortgage Payment; Superiority of Lien.** Lessor agrees to promptly provide Lessee with a copy of any default notices that Lessor receives from any of its lenders or other party holding a mortgage or security interest in the Property. If Lessor fails to pay any of its obligations secured by a mortgage or other security interest on the Property when due, Lessee may, at its option, pay such amount and deduct it from the amount owed to Lessor under this Lease. In addition, Lessor expressly acknowledges and agrees that any contractual statutory or common Law lien rights in favor of Lessor or any mortgage granted by Lessor subsequent to the date of this Lease are and shall be expressly made subordinate and inferior to Lessee's right, title and interest in this Lease, any sublease permitted hereunder and/or the Easements granted by this Lease and to any liens and security interests granted by Lessee in favor of any Lender.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, the Parties have executed this Lease as of the date set forth above.

LESSOR:

Regina Appel  
Regina Appel

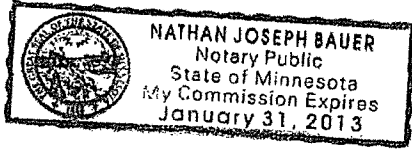
\_\_\_\_\_

STATE OF MN }  
COUNTY OF Lincoln } ss

This instrument was acknowledged before me on September 12,  
20 12, by Regina Appel, a single person.

[Signature]  
Signature of Notary Public

Place Notary Stamp or Seal Above





IN WITNESS WHEREOF, the Parties have executed this Lease as of the date set forth above.

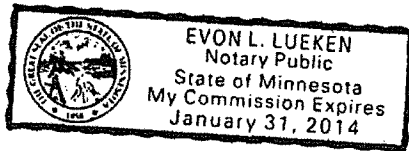
**LESSEE:**

EDF Renewable Development, Inc., a Delaware corporation

By: Kathryn O'Hair  
Printed Name: Kathryn O'Hair  
Title: Regional Development Director, Midwest Region

STATE OF Minnesota )  
COUNTY OF Hennepin ) ss.

The foregoing instrument was acknowledged before me this 2nd day of October, 2012 by Kathryn O'Hair, the Regional Development Director, Midwest Region of EDF Renewable Development, Inc., a Delaware corporation, on behalf of the corporation.



[Signature]  
Notary Public

Place Notary Stamp or Seal Above

**EXHIBIT A**

**DESCRIPTION OF THE PROPERTY**

Tax Parcel ID Number: 10.033.0300 and 10.033.0250

The Northeast Quarter of Section of Section Thirty-three (33), Township One Hundred Seven (107) North, Range Forty-four (44) West of the Fifth P.M., Pipestone County, Minnesota.

AND

The Northwest Quarter of Section Thirty-three (33), Township One Hundred Seven (107) North, Range Forty-four (44) West of the Fifth P.M., Pipestone County, Minnesota;

EXCEPT, That part of the Northwest Quarter of Section 33, Township 107 North, Range 44 West of the 5<sup>th</sup> Principal Meridian, Pipestone County, Minnesota, described as follows:

Beginning at the North Quarter corner of Section Thirty-three (33); thence North 89 degrees 52 minutes 15 seconds west (geodetic bearing) along the north line of the Northwest Quarter of said Section a distance of 661.89 feet; thence South 01 degrees 51 minutes 59 seconds east a distance of 50.03 feet to an iron stake; thence continuing South 01 degrees 51 minutes 59 seconds east a distance of 496.42 feet to an iron stake; thence North 84 degrees 21 minutes 53 seconds east a distance of 644.64 feet to an iron stake on the east line of said quarter; thence North 00 degrees 18 minutes 21 seconds east along said east line a distance of 481.37 feet to said point of beginning.

Said tract is subject to a roadway easement and any other easements of record, if any.

Acres: 312.31, more or less

**EXHIBIT B**

RECORDING REQUESTED BY AND  
WHEN RECORDED RETURN TO:

EDF Renewable Development, Inc.  
10 2<sup>ND</sup> Street NE, Suite 400  
Minneapolis, MN 55413

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(Space above this line for Recorder's use only)

MEMORANDUM OF WIND FARM LEASE AGREEMENT

THIS MEMORANDUM OF WIND FARM LEASE AGREEMENT ("**Memorandum**") is made and entered into as of \_\_\_\_\_, 20\_\_\_\_ by and between \_\_\_\_\_ ("**Lessor**"), and EDF Renewable Development, Inc., a Delaware corporation, its successors and/or assigns ("**Lessee**"),

WHEREAS:

A. On the date hereof, the Parties have entered into a Wind Farm Lease Agreement (the "**Lease**") which by its terms grants to Lessee lease rights for wind energy development and related rights, transmission lines and facilities, wind and weather monitoring and access on, over, under and across that certain land described in Exhibit A attached hereto and incorporated herein by this reference (the "**Property**");

B. The term of the Lease commences on the date hereof and may continue for a period of up to thirty-seven (37) years in accordance with the terms of the Lease, unless earlier terminated as provided in the Lease.

C. The Parties desire to enter into this Memorandum, which is to be recorded in order that third parties may have notice of the interests of Lessee in the Property and of the existence of the Lease and of certain easements and rights granted to Lessee in the Property as part of the Lease.

NOW, THEREFORE, in consideration of the payments and covenants provided in the Lease to be paid and performed by Lessee, Lessor hereby grants to Lessee the Lease (as that term is defined in the Lease), on, over, under and across the Property, on the terms and conditions set forth in the Lease. All of the terms, conditions, provisions and covenants of the Lease are hereby incorporated into this Memorandum by reference as though fully set forth herein, and the Lease and this Memorandum shall be deemed to constitute a single instrument or document. Should there be any inconsistency between the terms of this Memorandum and the Lease, the terms of the Lease shall prevail. The Lease contains the entire agreement of the Parties with respect to the subject matter thereof, and any prior or contemporaneous agreements, discussions or understandings, written or oral (including without limitation any options or agreements for easements previously entered into by the Parties with respect to the Property), are superseded by the Lease and shall be and hereby are released, revoked and terminated.

IN WITNESS WHEREOF, the Parties have executed this Memorandum as of the date set forth above.

"LESSOR"

\_\_\_\_\_

Printed Name: \_\_\_\_\_

STATE OF \_\_\_\_\_         )  
   ) ss.  
COUNTY OF \_\_\_\_\_         )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_,  
\_\_\_\_\_, by \_\_\_\_\_ [and \_\_\_\_\_], [a single individual]  
[husband and wife], on behalf of the [individual] [husband and wife].

\_\_\_\_\_ )  
Notary Public

Place Notary Stamp or Seal Above

IN WITNESS WHEREOF, the Parties have executed this Memorandum as of the date set forth above.

"LESSEE"

EDF Renewable Development, Inc., a Delaware corporation

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

STATE OF \_\_\_\_\_ )  
  ) ss.  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_,  
by Kathryn O'Hair, the Regional Development Director, Midwest Region of EDF Renewable Development,  
Inc., a Delaware corporation, on behalf of the corporation.

\_\_\_\_\_  
Notary Public

Place Notary Stamp or Seal Above

DRAFTED BY:  
EDF Renewable Development, Inc.  
10 2<sup>nd</sup> Street NE  
Suite 400  
Minneapolis, MN 55413

**EXHIBIT A**  
[Legal Description of Property]

Tax Parcel Identification Number: \_\_\_\_\_

Acres: \_\_\_\_\_