

Land Lease and Wind Easement

Kenowa Ridge Wind Project

This Land Lease and Wind Easement (this “**Lease**”) is made effective as of the last date executed by a party hereto (the “**Effective Date**”) by and between _____ ([collectively] “**Lessor**”), and SGS DEVELOPMENT, LLC, a Delaware limited liability company (“**Lessee**”) (collectively, the “**Parties**”).

WITNESSETH:

WHEREAS, Lessor is the owner of the real property legally described in Exhibit A attached hereto and incorporated by reference herein (the “**Premises**”); and

WHEREAS, Lessee desires to obtain a land lease and wind easement from Lessor, on, along, over and under the Premises for the purposes of wind energy conversion for the generation, distribution and transmission of electric power and related purposes (“**Wind Project Purposes**”) as described herein;

NOW, THEREFORE, in consideration of the understandings and mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor and Lessee, intending to be legally bound, mutually agree to the following terms and conditions:

ARTICLE I. Premises

Section 1.1 General

- (a) Lessor leases exclusively to Lessee and Lessee leases from Lessor the Premises for the sole purpose of constructing, installing, operating and maintaining wind energy conversion turbines (“**Wind Turbine(s)**”), wind resource and weather measurement equipment (including any Met Station as defined in Section 3.1 (g)), electric substation, operations and maintenance facility, supporting structures, foundations and pads, footings, electrical transformers, electrical storage, fixtures, and storage equipment, electric distribution and transmission lines, communication lines and facilities, access roads (including both construction of new roads and augmentation of existing roads), interconnection facilities, temporary construction facilities, and related facilities and equipment (hereinafter “**Wind Facilities**”) on the Premises. After Lessee determines the intended or actual location of the Wind Facilities in its sole discretion, upon request by Lessee, Lessor shall enter into an amendment to this Lease specifying the location of the Wind Facilities. If Lessee changes the intended or actual location of the Wind Facilities from the initial determination, then upon

request by Lessee, Lessor shall enter into an amendment to this Lease specifying the new location of the Wind Facilities.

- (b) Lessee shall use the Premises only for the construction, installation, maintenance, and operation of the Wind Facilities and as otherwise set forth herein. Any improvements, fixtures or other structures, other than the Wind Facilities shall not be installed without the express written consent of Lessor, not to be unreasonably withheld, conditioned or delayed. Lessee shall also be entitled to ingress and egress over and across the Premises to and from its Wind Facilities and appurtenant equipment and electrical power lines, whether located on the Premises or elsewhere, and such additional areas of the Premises as shall be reasonably necessary to access a public roadway.
- (c) Lessor reserves all rights to use the Premises except to the extent Lessor's use interferes with Lessee's use of the Premises in accordance with this Lease or violates the provisions of this Lease, including this Section 1.1 and Section 5.

Section 1.2 Wind Easement

Lessor grants Lessee an exclusive easement for the free flow of wind throughout the Premises during the Term. Any obstruction to the free flow of the wind is prohibited throughout the entire area of the Premises, which shall consist horizontally three hundred and sixty degrees (360°) from any point where any Wind Facility is or may be located at any time from time to time (each such location referred to as a ("Site")) and for a distance from each Site to the boundaries of the Premises, together vertically through all space located above the surface of the Premises, 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 Premises through each Site to each point and on and along such line to the opposite exterior boundary of the Premises. Lessor shall obtain Lessee's prior written approval as to the location of any future structures that are (a) greater than fifty feet (50') in height, or (b) used for permanent human residential purposes, or (c) located within one thousand three hundred feet (1,300') or less from any Wind Turbine located on the Premises or on adjacent property, or (d) would otherwise violate any setback requirements in applicable zoning or safety standards. Lessor may not place or plant any trees, structures or improvements on the Premises after the date of this Lease which may, in Lessee's sole judgment, impede or interfere with the flow of wind to any Site or Wind Facility, whether located on the Premises or elsewhere, unless Lessor has received prior approval from Lessee for any such trees, structure or improvement. Lessee may construct and maintain reasonable security devices on the Premises which Lessee in its reasonable discretion deems appropriate and necessary for the protection of the Wind Facilities, including, but not limited to, any type of permanent gate or fencing around the Site, temporary fencing around other Wind Facilities, or other security safeguards.

ARTICLE II. Lease Term

Section 2.1 Lease Term

- (a) This Lease shall be effective for a period of forty (40) years from the Effective Date (such period as may be extended as set forth herein, the **"Term"**), unless terminated earlier in accordance with the terms of this Lease, which period may be extended for one (1) additional period of ten (10) years upon ninety (90) days prior written notice from Lessee to Lessor.
- (b) If, at any time during the Term of this Lease, Lessee deems it to be necessary to meet legal requirements for preserving the validity of the Lease in accordance with the intent of the Parties, Lessee may request that Lessor execute a new lease substantially in the form of this Lease with a term of no longer than the remaining balance of the Term (including the extension option set forth in paragraph (a) above) at the time the new lease is executed.
- (c) In addition to the purposes set forth in Section 1.1 above, during the period between the Effective Date and the Operating Period (defined below), Lessor agrees to allow Lessee, its employees, agents, contractors or subcontractors the right to enter the Premises for the purpose of undertaking surveying, soil testing, environmental assessments, the installation, inspection and maintenance and removal of wind monitoring equipment and other related due diligence activities deemed necessary by Lessee for the investigation of the feasibility of development of the Premises for the Wind Project Purposes (including Lessee describing the Premises in any proposal submitted to sell electricity to a prospective power purchaser), all at no cost to Lessor (**"Due Diligence Activities"**). Lessee shall pay compensation to Lessor for any crop loss or destruction resulting from the Due Diligence Activities pursuant to Section 6.2 below.

Section 2.2 Termination of Lease

The occurrence of any of the following events shall terminate this Lease and neither party shall have any further obligation to the other party except as expressly set forth herein:

- (a) The expiration of the Term of this Lease as set forth in Section 2.1, as such Term may be extended in accordance herewith;
- (b) The written agreement of the Parties to terminate this Lease;
- (c) An uncured material breach of this Lease by either party hereto and the election of the non-breaching party to terminate this Lease pursuant to Article IX;
- (d) After expiration of the useful economic life of the Wind Turbines installed by Lessee, including re-powered Wind Turbines, as provided in Section 4.3, Lessee gives written notice of termination of this Lease;

- (e) Lessee fails to pour the foundation for the first Wind Turbine to be installed on the Project (as defined below) within ten (10) years of the date of this Lease:
- (g) At any time upon notice by either party after Lessee notifies Lessor in writing that no Wind Facilities will be constructed on the Premises; or
- (h) Lessee elects to terminate this Lease pursuant to Section 5.4, Section 8.1 or Section 9.5.

Section 2.3 Survival of Covenants

The Parties acknowledge that the covenants, conditions, rights and restrictions in favor of Lessee pursuant to this Lease including, but not limited to, the easement described in Section 1.2, and Lessee's use of and benefit from those covenants, conditions, rights and restrictions, may constitute a portion of a larger wind energy project ("**Project**") with which the Premises will share structural and transmission components, ingress and egress, utility access, and other support, all of which are specifically designed to be interrelated and integrated in operation and use for the Project, and that the covenants, conditions, rights and restrictions in favor of Lessee pursuant to this Lease shall not be deemed nominal, invalid, inoperative or otherwise be disregarded while any portion of the Project remains operational.

ARTICLE III. Rent and Taxes

Section 3.1 Rent

- (a) During the initial twelve- (12-) month period following the Effective Date, Lessee shall pay to Lessor a minimum annual rental payment equaling the greater of (i) Five Hundred and 00/100 Dollars (\$500.00), or (ii) Ten and 00/100 Dollars (\$10.00) per acre of land comprising the Premises as described in Exhibit A. For any period thereafter prior to the commencement of the Operating Period (as defined in subsection 3.1(b) below) Lessee shall pay to Lessor a minimum annual rental payment equaling the greater of (A) Two Hundred Fifty and 00/100 Dollars (\$250.00), or (B) Ten and 00/100 Dollars (\$10.00) per acre of land comprising the Premises as set forth in Exhibit A (the "**Premises Acreage**"). The rental payments made to Lessor pursuant to this Section 3.1(a) shall be referred to as "**Pre-Operation Rent.**" All Pre-Operation Rent obligations shall be prorated for any partial year and are payable only for the portion of the Term prior to the commencement of the Operation Period. All Pre-Operation Rent payments shall be due and payable within thirty (30) days after the anniversary date of this Lease, with the first payment due within thirty (30) days after execution of the Lease.
- (b) The "**Operating Period**" of the Term shall commence on the earlier of (i) the date the Wind Facilities in the Project commence commercial operations by delivering commercial quantities of electricity to the electric utility grid ("**Project COD**"); and (ii) the date provided to Lessor in a written notice from Lessee that shall be the date of commencement of the Operating Period (such date to be hereinafter defined as the "**Operating Commencement Date**").

- (c) **"Gross Revenues"** means revenue from electricity sales together with all revenue paid to Lessee other than the revenue from electricity sales that may result from the production of electricity from the Wind Facilities which may include, but shall not be limited to, green tags, emissions credits, renewable portfolio standard certificates and any other non-electricity revenues from the Wind Facilities).
- (d) Within thirty (30) days after the Operating Commencement Date and on each anniversary thereof, Lessee shall pay the following annual rent for the Premises:
- (i) Three Thousand Five Hundred and 00/100 Dollars (\$3,500.00) per megawatt of installed capacity of Wind Turbines located on the Premises, if any (**"Turbine Rent"**); and
- (ii) The greater of (A) the product of the Gross Revenues from the Project and an allocation of four percent (4%) of Gross Revenues minus the sum of Turbine Rent for all Wind Turbines in the Project, divided by the total acreage of the Project and multiplied by the Premises Acreage; and (B) One Thousand and 00/100 Dollars (**"Acreage Rent"**). For avoidance of doubt, the applicable formula is as follows:

$$((\text{Project Gross Revenues} \times 4\%) - \text{Project Turbine Rent}) / \text{Project Acreage} \times \text{Premises Acreage}$$

Notwithstanding the foregoing, if the Operating Period Commencement Date is prior to Project COD, the annual rent payments applicable to such period shall not be less than the Pre-Operation Rent.

- (e) If Lessee installs a tower, sensors, and data logging electronics on the Premises for the sole purpose of collecting meteorological data (**"Met Station"**), Lessee shall pay Lessor a fee of One Thousand Dollars and No/100 (\$1,000.00) per Met Station per year while the Met Station is installed (the **"Met Station Fee"**). The Met Station Fee will be paid annually and within thirty (30) days after the end of each calendar year, beginning with the year in which the Met Station is installed on the Premises. ✓
- (f) If an electric substation or operations and maintenance facility for the Project is planned to be installed on the Premises, then Lessee, at Lessee's option may purchase the actual acreage Lessee needs for the operations and maintenance facility or substation. Upon the exercise of its rights under this Section 3.1(h) and receiving fee title to such property, Lessee shall make a one-time payment to Lessor payable within thirty (30) days of the Installation Date, equal to two (2) times the fair market value of such acreage for its current land use. If the parties are unable to agree on such fair market value, then fair market value shall be determined by written appraisal performed by an independent appraiser reasonably acceptable to Lessor and Lessee.
- (g) If a Temporary Staging Area (defined below) for the Project is planned to be installed on the Premises, then Lessee, at Lessee's option and upon notice to Lessor of such intended use shall pay Lessor a fee of One Thousand and No/100 Dollars (\$1,000.00) per acre per year ✓

for the actual acreage Lessee needs for the Temporary Staging Area for the period during which Lessee uses the Temporary Staging Area. **“Temporary Staging Area”** as used herein shall mean that area that is used in connection with the Project for the placement of one or more construction trailers, one or more temporary parking lot(s), temporary access or service roads, and temporary storage and lay down area(s) for various wind turbine and transmission structure components, equipment and materials commonly associated with the construction of Wind Facilities. The fee for the Temporary Staging Area will be paid annually in advance and within thirty (30) days after Lessee’s notification of such intended use.

- (h) All payments described in this Section 3.1 shall be prorated as applicable for any partial year.

Section 3.2 Payments

Lessee shall, upon execution hereof, pay Lessor an advance payment of Pre-Operation Rent equal to the amount payable under Section 3.1(a) for the first year of the Term and Lessor acknowledges receipt of this amount.

Section 3.3 Records

Upon request of Lessee pursuant to the notice provisions in Article X, Lessor shall be entitled to copies of any statements or payment records from the purchasers of electricity and any invoices, receipts, production records or other information necessary for Lessor to confirm the compensation and accuracy of Acreage Rent, subject to the provisions of Section 10.8. Lessee shall have the right to make such documentation available to Lessor at its local office for the Project.

Section 3.4 No Representation

Lessee makes no representation or warranty as to the likelihood that the Wind Facilities will generate sufficient electricity, or that any purchase or sales agreement for such electricity will provide adequate revenues, so as to create any entitlement in Lessor to Acreage Rent during any period of time. Lessor acknowledges that the operation of the Wind Facilities is subject to adverse weather, lack of wind, equipment failures and other events beyond the control of Lessee which may interrupt or prevent electricity generation, and that receipts for electricity generated may also be affected by the terms of any relevant power purchase or sale agreement and performance by any buyer. Any statement by Lessee to Lessor as to the expected production from the Wind Facilities or the amount of expected Acreage Rent is purely an estimate based on the information available to Lessee at the time and is not a guarantee that any such production will occur or that such an amount of Acreage Rent will become due to Lessor at any time.

Section 3.5 Taxes, Assessments and Utilities

- (a) Lessor shall pay, when due, all real property taxes and assessments levied against the Premises and all personal property taxes and assessments levied against any property and improvements owned by Lessor and located on the Premises. Subject to Section 3.5(c), if Lessor shall fail to pay any such taxes or assessments when due, Lessee may, at its option, pay those taxes and assessments and any accrued interest and penalties, and deduct the amount of its payment, together with interest equal to Bank of America's prime rate plus five percent (5%) and penalties, from any rent otherwise due to Lessor from Lessee.
- (b) Lessee shall pay all personal property taxes and assessments levied against the Wind Facilities when due. If the Premises experiences any increase in the amount of real property taxes assessed as a result of the installation of the Wind Facilities on the Premises, including any reclassification of the Premises, Lessee shall pay or reimburse Lessor an amount equal to the increase no later than ten (10) days prior to the date each year on which the applicable real estate taxes are due to be paid, provided that Lessor provides Lessee with copies of the applicable current and past statements of real estate taxes payable for the Premises and any related information demonstrating the reasons for any increase in real estate taxes. Lessor and Lessee agree to cooperate to minimize the total amount of real property taxes paid with respect to the Premises, including amendment of the Lease to the extent reasonably possible without materially altering the benefits or burdens on either party as set forth herein in order to avoid the construction of this Lease as a "transfer of ownership" as that term is used in MCL 211.27a. If the Premises is part of a larger tax parcel, Lessee shall be responsible for reimbursement of solely the portion of the taxes attributable to the Premises, based on the acreage of the Premises versus the acreage of the larger tax parcel.
- (c) Either party may contest the validity or amount of any levied taxes, assessments or other charges for which each is responsible under this Lease as long as such contest is pursued in good faith and with due diligence and the party contesting the tax, assessment or charge provides evidence to the other party that it has paid the obligation in question or established adequate reserves to pay the obligation in the event of an adverse determination.
- (d) Lessee shall pay for all water, electric, telecommunications and any other utility services used by the Wind Facilities or Lessee on the Premises.
- (e) Lessor has disclosed to Lessee whether the Premises are subject to a PA 116 Farmland Development Right Agreement ("**PA 116 Agreement**") with the Michigan Department of Agriculture and Rural Development ("**MDARD**") pursuant to MCL 324.26101 et seq. If the Premises are subject to a PA 116 Agreement, (i) Lessor shall provide Lessee with a copy of such PA 116 Agreement, together with all amendments and modifications, and (ii) Lessor shall cooperate with Lessee, MDARD, and local authorities to abide by all requirements of the PA 116 Agreement in conjunction with all aspects of the development, construction and operation of the Wind Facilities on the Premises. Lessor and Lessee agree jointly to use commercially reasonable efforts to cause the Premises not to be reclassified from its present agricultural or open space exemption, if any, as a result of this Lease.

ARTICLE IV. Lessee's Covenants

Lessee covenants, represents and warrants to Lessor as follows:

Section 4.1 Liens

Lessee shall keep the Premises free and clear of all liens and claims of liens for labor, materials, services, supplies and equipment performed on or furnished to Lessee or any Wind Facility on the Premises in connection with Lessee's use of the Premises. Lessee may contest any such lien, but shall post a bond or utilize other available means to remove any lien, which is created during the contested proceeding. Lessee agrees to otherwise remove any lien or encumbrance for which it is responsible pursuant to this Section 4.1 within sixty (60) days of the creation of any such lien or encumbrance.

Section 4.2 Permits and Laws

Lessee and its designees shall at all times comply with all federal, state and local laws, statutes, ordinances, rules, regulations, judgments and other valid orders of any governmental authority with respect to Lessee's activities pursuant to this Lease and shall obtain all permits, licenses and orders required to conduct any and all such activities. Upon request by Lessee, Lessor shall enter into an amendment to this Lease to provide additional written provisions, if any, that are required by applicable law to be in this Lease.

Section 4.3 Lessee's Improvements

All Wind Facilities constructed, installed or placed on the Premises by Lessee pursuant to this Lease shall be the sole property of Lessee, and Lessor shall have no ownership or other interest in any Wind Facilities on the Premises. Throughout the Term, Lessee shall, at its sole cost and expense, maintain Lessee's Wind Facilities in good condition and repair, ordinary wear and tear excepted. All Wind Facilities constructed, installed or placed on the Premises by Lessee pursuant to this Lease may be moved, replaced, repaired or refurbished by Lessee at any time. At the end of the Term, including any termination of this Lease, Lessee shall remove its Wind Facilities as set forth in Section 9.2. If Lessee fails to remove any of the Wind Facilities within the required time period, such Wind Facilities shall be considered abandoned by Lessee and Lessor may remove these Wind Facilities from the Premises and dispose of them in its sole discretion without notice or liability to Lessee. If Lessor incurs costs to decommission and remove any of the Wind Facilities due to Lessee's failure to do so within the required period, Lessee hereby agrees to indemnify Lessor for such net costs and agrees to reimburse Lessor for those amounts reasonably incurred, within sixty (60) days of receipt of adequate documentation of the costs.

Section 4.4 Hazardous Wastes

Lessee shall not use, dispose of or release on the Premises or cause or permit to exist or be used, stored, disposed of or released on the Premises as a result of Lessee's operations, any substance which is defined as a "hazardous material", "toxic substance" or "solid waste" in applicable federal, state or local laws, statutes or ordinances, except in such quantities as may be required in its normal business operations and only if such use is not harmful to Lessor and is in full compliance with all applicable laws.

Section 4.5 Insurance

Lessee shall obtain and maintain, or cause to be maintained, in force policies of insurance covering the Wind Facilities and Lessee's activities on the Premises at all times during the Term, including specifically commercial general liability insurance with a combined single limit of liability for bodily injury and property damage of One Million Dollars (\$1,000,000.00) per occurrence and with an annual general aggregate of One Million Dollars (\$1,000,000.00). Such insurance coverage for the Wind Facilities and Premises may be provided as part of a blanket policy provided the limits required herein apply separately to occurrences related to the Wind Facilities and Lessee's activities on the Premises. Any such policies shall name Lessor as an additional insured and shall provide for thirty (30) days prior written notice to Lessor of any cancellation or material change. Lessee shall provide Lessor with copies of certificates of insurance evidencing this coverage upon written request by Lessor. In the event Lessee elects to self-insure, then upon written request by Lessor, Lessee will deliver a Memorandum of Insurance or a written statement confirming Lessee's self-insurance status to Lessor.

ARTICLE V. Lessor's Covenants

Lessor covenants, represents and warrants to Lessee as follows:

Section 5.1 Title and Authority

Except to the extent otherwise stated in this Lease, Lessor is the sole owner of the Premises in fee simple and each person or entity signing the Lease on behalf of Lessor has the full and unrestricted authority to execute and deliver this Lease and to grant the easements and rights granted herein. All persons having any ownership interest in the Premises (including spouses) are signing this Lease as Lessor. When signed by Lessor, this Lease constitutes a valid and binding agreement enforceable against Lessor in accordance with its terms. There are no unrecorded encumbrances or liens or third party rights affecting or against the Premises except as disclosed in writing by Lessor to Lessee, including Crop Leases (subject to Section 5.4(c) below).

Section 5.2 Quiet Enjoyment

(a) As long as Lessee is not in default under this Lease, Lessee shall have the quiet use and enjoyment of the Premises in accordance with the terms of this Lease without any interference of any kind by Lessor or any third party. Lessor and its activities on the Premises and any grant of rights Lessor makes to any other person shall not interfere with any of Lessee's activities pursuant to this Lease, and Lessor shall not interfere with any of Lessee's activities pursuant to this Lease,

and Lessor shall not interfere or allow interference with the wind speed or wind direction over the Premises or otherwise engage in activities which might impede or decrease the output or efficiency of the Wind Facilities.

(b) Under no circumstances shall Lessee or any of Lessee's invitees, agents or contractors hunt on the Premises. Lessor expressly reserves the right to hunt or to allow its invitees and licensees to hunt on the Premises, so long as such hunting is done in a safe manner and does not interfere with Lessee's rights hereunder, damage any Wind Facilities, or endanger or injure any of Lessee's personnel, business invitees, agents, contractors or property belonging to Lessee, Lessee's invitees, agents or contractors. If Lessor authorizes any such hunting, Lessor shall indemnify Lessee, its personnel, contractors and invitees from any such interference, damage or injury caused by hunting by, or permitted or authorized by, Lessor. Notwithstanding the foregoing, Lessor shall not permit any hunting during periods when Lessee's or Lessee's contractors' construction personnel are present on the Premises during construction or repair of any Wind Turbine, Site and/or Wind Facilities. Such prohibition shall apply to Lessor and its employees, invitees and licensees, and Lessor shall include such prohibition in all agreements granting hunting rights on the Premises. The provisions of this paragraph shall survive termination of this Lease.

(c) As of the Effective Date, Lessor has not entered into any other leases, easements or other agreements granting rights for the development of wind energy on the Premises. During the Term of this Lease, Lessor shall not lease or grant an easement or any other right with respect to the Premises to any other entity for the purpose of development, construction and/or operation of any Wind Facilities.

Section 5.3 Hazardous Materials

Lessor shall not use, store, dispose of or release on the Premises or cause or permit to exist or be used, stored, disposed of or released on the Premises, any substance which is defined as a "hazardous substance", "hazardous material", to "solid waste" in any federal, state or local law, statute or ordinance, except in such quantities as may be required in its normal business operations and only if such use is not harmful to Lessee and is in full compliance with all applicable laws.

Section 5.4 Cooperation

(a) Lessor shall cooperate (at no out of pocket cost to Lessor) with Lessee to the extent Lessee deems it necessary to file applications with federal, state, and local governmental bodies or agencies or obtain approvals, zoning changes, Federal Aviation Administration clearance, environmental permits, storm water permits, road permits, and grading, construction, building, operations and any other governmental permits, licenses and approvals (collectively, "**Project Approvals**"). Lessor agrees to execute all documents including, if applicable, any waivers or consents, and attend all meetings reasonably necessary to obtain the Project Approvals for the Premises, at Lessee's expense. Lessor hereby waives, to the extent possible under applicable law, and agrees to execute such documents reasonably evidencing such waiver, any and all setback requirements set forth in any applicable zoning or licensing ordinances, codes and/or

other statutes. To the extent any applicable setback requirements cannot be waived under applicable law, Lessee will comply with such setback requirements. Lessor covenants and agrees not to contest or oppose Lessee's proposed use of the Premises or any adjacent property proposed to be used in the Project in any proceeding or public hearing before any federal, state or local governmental entity. In the event Lessee fails to obtain all Project Approvals, Lessee may terminate this Lease.

(b) To the extent that the Premises is or becomes subject to a mortgage ("**Fee Mortgage**"), Lessor hereby agrees that it shall use reasonable efforts to cause the lender or other mortgagee (the "**Fee Mortgagee**") to deliver to Lessee a subordination and/or non-disturbance agreement in a form reasonably satisfactory to Lessee and executed by the Fee Mortgagee within fifteen (15) business days after written request by Lessee. If Lessor is unable to obtain a satisfactory agreement from the Fee Mortgagee, (a) Lessee may terminate this Lease by giving ten (10) days' prior notice of such termination to Lessor, whereupon this Lease shall terminate, or (b) if Lessee elects not to terminate this Lease, and in the event of Lessor's default under the Fee Mortgage, Lessee shall have the right, but not the obligation, to make payments in fulfillment of Lessor's obligations to the Fee Mortgagee and may offset the amount of such payments from any amounts due to Lessor under this Lease.

(c) To the extent that as of the date of recordation of the Lease, the Premises is farmed in whole or in part by a tenant farmer ("**Tenant Farmer**") whereby the Tenant Farmer has the right to farm and/or harvest certain crops located on the Premises subject to a lease, either oral or written ("**Crop Lease**"), Lessor hereby agrees that it shall use reasonable efforts to cause the Tenant Farmer to execute and deliver to Lessee a subordination and non-disturbance agreement executed by the existing Tenant Farmer in a reasonable form provided by Lessee within fifteen (15) business days after written request from Lessee. If Lessor is unable to obtain a satisfactory agreement from the existing Tenant Farmer, Lessee (i) may terminate this Lease by giving ten (10) days' prior notice of such termination to Lessor, whereupon this Lease shall terminate, or (ii) shall, if Lessee elects not to terminate this Lease, have the right, but not the obligation, to enter into an agreement with the existing Tenant Farmer providing for the protection of Lessee's rights and interests under this Lease and in and to the Premises.

(d) Lessor shall provide Lessee with such further assurances and shall execute any estoppel certificates, consents to assignments or additional documents, which may be reasonably necessary for recording purposes, or requested by Lessee or any of its lenders.

ARTICLE VI. Indemnification

Section 6.1 Indemnification

Each party (the "**Indemnifying Party**") agrees to defend, indemnify and hold harmless the other party and the other party's officers, directors, employees, representatives, mortgagees and agents (collectively, the "**Indemnified Party**") against any and all losses, damages, claims, expenses and liabilities for physical damage to property and for physical injury to any person, including, without limitation, reasonable attorneys' fees, to the extent resulting from or arising out

of (i) any operations or activities of the Indemnifying Party on the Premises (including as to Lessor, any operations or activities on the Premises by any person or entity other than Lessee prior to the Effective Date); (ii) any negligent or intentional act or omission on the part of the Indemnifying Party; or (iii) any breach of this Lease by the Indemnifying Party. This indemnification shall not apply to losses, damages, claims, expenses and liabilities to the extent caused by any negligent or intentional act or omission on the part of the Indemnified Party. This indemnification shall survive the termination of this Lease.

Section 6.2 Surface Damage

(a) The Parties anticipate and acknowledge that Lessor may suffer damage to tiles, fences, and other property or improvements on the Premises arising out of Lessee's construction, installation, decommission, relocation, and maintenance of Wind Facilities on the Premises ("**Surface Damage**"). Lessee shall pay Lessor fair compensation for any such Surface Damage, and, if the Parties cannot reach agreement as to the amount which would constitute fair compensation, such amount shall be determined by a written appraisal performed by an independent appraiser reasonably acceptable to Lessor and Lessee. After construction is complete, Lessee shall not be responsible to pay Lessor any losses of income, rent, business opportunities, profits or other losses arising out of Lessor's inability to grow crops or otherwise use the Premises except as specifically set forth in Section 6.2(c) below.

(b) During initial construction, Lessee shall pay Lessor crop damage on a per acre basis (prorated for fractional portions), for any and all portions of the Premises that are taken out of commercial crop production during the construction of the Wind Facilities and any and all crops that are removed or damaged as a direct result of Lessee's construction of Wind Facilities on the Premises ("**Crop Damages**"). Crop Damages shall be deemed to have occurred only to the extent Lessee's construction of Wind Facilities on the Premises materially interferes with Lessor's ability to farm such portions of the Premises in which such construction occurs, assuming that Lessor was actually farming such portions of the Premises immediately prior to Lessee's commencing construction of the Wind Facilities on the Premises. Such Crop Damages shall be paid one time per growing season in which they occur in accordance with the following:

(i) Crop Damages payments will equal "Amount of damaged acres" multiplied by "Average yield in the County of Premises" multiplied by "Price";

(ii) "Amount of damaged acres" shall be determined by Lessee's representative.

(iii) "Average yield in the County of Premises" shall be based on the average yield for the last three (3) years of the affected growing crop in the County as published by the National Agricultural Statistical Service through the website (www.nass.usda.gov), or if unavailable, another publicly available information source for average yields in the County; and

(iv) "Price" shall be based on the future price applicable to such crop for December delivery during the year that crop damages occur, and will be the closing price of that year's

December futures quoted on the 15th day of the month in which the damages occur as posted by the Chicago Board of Trade, or if unavailable another publicly available information source.

(c) It is the intention of the Parties that the Turbine Rent and Acreage Rent payable hereunder includes compensation for damages incidental to such existence and operation. Therefore, after construction of the Wind Facilities is complete, Lessee shall pay Lessor for any Crop Damages only to the extent that such damage occurs outside the boundaries of the access roads and Wind Facilities installed on the Premises pursuant to this Lease or otherwise outside the graveled area surrounding the base of any Wind Facilities installed on the Premises. Such Crop Damages shall be paid one time per growing season in which they occur in accordance with the following:

(i) "Amount of damaged acres" multiplied by "Average yield in the County of Premises" multiplied by "Price";

(ii) "Amount of damaged acres" shall be determined by Lessee's representative;

(iii) "Average yield in the County of Property" shall be based on the average yield for the latest 3 years of the affected growing crop in the County as published by the National Agricultural Statistical Service through the website (www.nass.usda.gov), or if unavailable, another publicly available information source for average yields in the County; and

(iv) "Price" shall be based on the future price applicable to such crop for December delivery during the year that crop damages occur, and will be the closing price of that year's December futures quoted on the 15th day of the month in which the damages occur as posted by the Chicago Board of Trade, or if unavailable another publicly available information source.

(c) Notwithstanding Section 6.1(b) and (c) above, should any growing crops damaged on the Premises include fruit trees, Lessor shall be compensated for any crops that consist of fruit trees at the rate of [\$_____] per tree lost due to Lessee's initial construction or after initial destruction to the extent such damage is caused by the existence or operation of the Wind Facilities outside of the access roads and Wind Facilities locations.

Section 6.3 Intentionally Deleted.

Section 6.4 Limitation on Damages

NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS LEASE, NEITHER PARTY SHALL BE ENTITLED TO, AND EACH OF LESSOR AND LESSEE HEREBY WAIVES ANY AND ALL RIGHTS TO RECOVER, CONSEQUENTIAL, INCIDENTAL, 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 LEASE.

Section 6.5 Waiver of Jury Trial

EACH OF THE PARTIES KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES THE RIGHT TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED ON THIS LEASE, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS LEASE AND ANY AGREEMENT CONTEMPLATED TO BE EXECUTED IN CONJUNCTION HEREWITH, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY HERETO. EACH OF THE PARTIES TO THIS LEASE WAIVES ANY RIGHT TO CONSOLIDATE ANY ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT OR HAS NOT BEEN WAIVED. THIS PROVISION IS A MATERIAL INDUCEMENT TO EACH OF THE PARTIES FOR ENTERING INTO THIS LEASE.

Section 6.6 Restoration Requirements

Upon any Discontinuance of Use (defined below), or upon any termination or expiration of this Lease (**"Termination"**), Lessee shall, within one hundred eighty (180) days (the **"Restoration Period"**), decommission the Wind Facilities and restore the Premises as follows (collectively, the **"Final Restoration Requirements"**):

(a) Surface Damage shall be assessed and determined by the Parties as set forth in Section 6.2, and removal of all above-grade and below-grade Wind Facilities located on the Premises to not less than four (4) feet below ground level. Lessee shall not have any obligation to remove any cables, lines or conduit which is buried four (4) feet or more below-ground level.

(b) Any access roads constructed by Lessee may remain on the Premises at Lessee's option, unless Lessor specifically requests their removal in writing within thirty (30) days of Termination.

(c) All roads in existence as of the Effective Date shall remain on the Premises. If requested by Lessor in writing within thirty (30) days of Termination, such existing roads shall be restored to their original width.

(d) To the extent applicable law requires final restoration requirements that are in addition to or different from those described in this paragraph, Lessee shall comply with such applicable requirement(s). Upon request by Lessee, Lessor shall enter into an amendment to this Lease to further confirm the applicable law required additional final restoration requirements (if any).

Lessor hereby grants Lessee a license to access the Premises during the Restoration Period for the purposes of completing the Final Restoration Requirements. The Restoration Period specified above may be extended by the applicable local county zoning administrator (or other applicable local county person or agency) following a written request by Lessee. **"Discontinuance of Use"** shall be defined for the purposes of this paragraph as occurring when

any Wind Turbine goes for one (1) year without energy production; provided, however that any such period during which (i) a plan is developed and submitted to the applicable local county zoning administrator (or other applicable local county official or agency) outlining the steps and schedule for returning the Wind Turbines to service and during the period such plan is being implemented or (ii) non-production is caused by an event of Force Majeure, shall not count toward such one- (1-) year period.

Section 6.7 Decommissioning Security for Removal of Wind Facilities.

On or by the fifteenth (15th) anniversary after Project COD, Lessee shall be obligated to obtain and deliver to Lessor or an applicable governmental entity a bond or letter of credit in form and substance reasonably satisfactory to Lessor and Lessee securing the performance of the Final Restoration Requirements (the “**Decommissioning Security**”). The Decommissioning Security shall equal the estimated amount, if any (the “**Net Removal Costs**”) by which the cost of the Final Restoration Requirements exceeds the salvage value of the Wind Facilities which Net Removal Costs shall be determined as set forth below. To the extent that the Net Removal Costs are zero (or negative), the Decommissioning Security shall not be required, provided, however, that Lessee shall re-evaluate the need for a Decommissioning Security every five years after the fifteenth (15th) anniversary after the Project COD. Lessee shall not be required to deliver such Decommissioning Security to Lessor if Lessee is in the process of replacing, upgrading, repowering or otherwise redeveloping the Wind Turbines on the Premises (any such event being defined as an “**Upgrade**”), or commits in writing with notice to Lessor by no later than the thirteenth (13th) anniversary after the Project COD of its plans to do so. However, in that event Lessee shall be required to deliver such Decommissioning Security on or by the twenty-fifth (25th) anniversary of the Project COD if such Upgrade of the Wind Turbines on the Premises does occur and shall deliver such Decommissioning Security on the sixteenth (16th) anniversary after the Project COD if such Upgrade does not occur by that date. Once in place, Lessee shall keep the Decommissioning Security in force throughout the remainder of the Term. The Net Removal Costs shall be determined by an independent engineer selected by Lessee, and the decision of such independent engineer as to the Net Removal Costs shall be conclusive as between and binding upon the Parties hereto. The cost incurred for the services of the independent engineer shall be borne by Lessee. To the extent applicable law requires a Decommissioning Security that is different than the one described in this paragraph, Lessee shall comply with such applicable requirement; and upon request by Lessee, Lessor shall enter into an amendment to this Lease to further confirm the applicable law required additional Decommissioning Security provisions (if any).

ARTICLE VII. Assignment; Encumbrance of Lease

Section 7.1 Right to Encumber

- (a) Lessee may at any time mortgage all or any part of its interest in the Lease and rights under this Lease and/or enter into a collateral assignment of all or any part of its interest in the Lease or rights under this Lease to any entity (“**Lender**”) without the consent of Lessor. Any Lender

shall have no obligations under this Lease until such time as it exercises its rights to acquire Lessee's interests subject to the lien of Lender's mortgage by foreclosure or otherwise assumes the obligations of Lessee directly.

- (b) Lessor and Lessee agree that, once all or any part of Lessee's interests in the Lease are mortgaged or assigned to a Lender, they will not modify or terminate this Lease without the prior written consent of the Lender.
- (c) Lessor agrees that any Lender shall have the right to make any payment and to do any other act or thing required to be performed by Lessee under this Lease, and any such payment, act or thing performed by Lender shall be effective to prevent a default under this Lease and any forfeiture of any of Lessee's rights under this Lease as if done by Lessee itself.
- (d) During the time all or any part of Lessee's interests in the Lease are mortgaged or assigned to any Lender, if Lessee defaults under any of its obligations and Lessor is required to give Lessee notice of the default Lessor shall also be required to give Lender notice of the default. Lessee shall provide Lessor with Lender's address and appropriate notification information. If Lessor becomes entitled to terminate this Lease due to an uncured default by Lessee, Lessor will not terminate this Lease unless it has first given written notice of the uncured default and of its intent to terminate this Lease to the Lender and has given the Lender at least thirty (30) days to cure the default to prevent termination of this Lease. If within such thirty (30) day period the Lender notifies the Lessor that it must foreclose on Lessee's interest or otherwise take possession of Lessee's interest under this Lease in order to cure the default, Lessor shall not terminate this Lease and shall permit the Lender a reasonable period of time necessary for the Lender, with the exercise of due diligence, to foreclose or acquire Lessee'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 Lessee. The time within which Lender must foreclose or acquire Lessee's interest shall be extended to the extent Lender is prohibited by an order or injunction issued by a court or the operation of any bankruptcy or insolvency law from commencing or prosecuting the necessary foreclosure or acquisition.
- (e) The acquisition of all or any part of Lessee's interests in the Lease by any Lender through foreclosure or other judicial or nonjudicial proceedings in the nature of foreclosure, or by any conveyance in lieu of foreclosure, shall not require the consent of Lessor nor constitute a breach or default of this Lease by Lessee, and upon the completion of the acquisition or conveyance Lessor shall acknowledge and recognize Lender as Lessee's proper successor under this Lease upon Lender's cure of any existing Lessee defaults and assumption of the obligations of Lessee under this Lease prospectively.
- (f) In the event this Lease is rejected by a trustee or a debtor-in-possession in any bankruptcy or insolvency proceeding Lessor agrees, upon request by any Lender within sixty (60) days after the rejection or termination, to execute and deliver to Lessee or Lender a new Lease for the Premises which (i) shall be effective as of the date of the rejection or termination of this Lease, (ii) shall be for a term equal to the remainder of the Term of this Lease before giving effect to such rejection or termination, and (iii) shall contain the same terms, covenants, agreements,

provisions, conditions and limitations as are contained in this Lease (except for any obligations or requirements which have been fulfilled by Lessee or Lender prior to rejection or termination). Prior to the execution and delivery of any such new lease, Lessee or Lender shall (i) pay Lessor any amounts which are due Lessor from Lessee, (ii) pay Lessor any and all amounts which would have been due under this Lease but for the rejection or termination from the date of the rejection or termination to the date of the new lease and (iii) agree in writing to perform or cause to be performed all of the other covenants and agreements to be performed by Lessee under this Lease to the extent Lessee failed to perform them prior to the execution and delivery of the new lease.

Section 7.2 Assignment

- (a) Lessee may assign, sublease, transfer or convey its interests in this Lease without Lessor's consent provided that (i) any such assignment or conveyance shall not be for a period beyond the Term of this Lease; (ii) the assignee or transferee shall be subject to all of the obligations, covenants and conditions applicable to the Lessee, (iii) Lessee shall not be relieved from its obligations under this Lease by virtue of the assignment or conveyance unless (x) Lessee assigns or conveys its entire interest under this Lease to the assignee or transferee and the assignee or transferee, at the time of such assignment or conveyance, demonstrates its ability to perform (as measured by reasonable industry standards) the Lessee's obligations, covenants and conditions under this Lease in their entirety or (y) such assignment or conveyance is to a majority-owned subsidiary of Lessee. In the event Lessee assigns its interest under this Lease in accordance with this Section 7.2(a), Lessor shall, upon the request of the successor Lessee, enter into a separate lease agreement with the successor Lessee whereby Lessor will lease the Premises to the assigning Lessee for a term not extending beyond the then-remaining portion of the Term (including any extension or option to extend thereof) on a non-exclusive basis for access, ingress and egress and for the purposes of developing, constructing, reconstructing, maintaining, replacing, refurbishing or operating the Wind Facilities. The Parties each agree that the foregoing agreement and the execution of any lease agreement in connection therewith does not interfere or conflict with the exclusive nature of this Lease.
- (b) Lessor may assign, transfer or convey this Lease or any interest in this Lease, subject to Lessee's consent, which shall not be unreasonably withheld, conditioned, or delayed. Lessor's request for consent from Lessee hereunder shall be in writing and shall provide that (i) the terms of the assignment, if those terms require Lessee to make payments to the assignee; and (ii) in the case of a collateral assignment by Lessor, the assignee acknowledges the validity and superiority of the lien of this Lease. It shall not be deemed unreasonable for Lessee to withhold consent to an assignment if, at the time of the assignment, Lessor is in default under the terms of this Lease. Lessor shall not be relieved from liability for any of its obligations under this Lease by virtue of any permitted assignment or conveyance unless the assignment or conveyance occurs in conjunction with a transfer or conveyance of Lessor's interests in the Premises, and the assignee or transferee assumes the obligations, covenants and conditions of the Lessor under this Lease in their entirety. Upon request for such consent, Lessee shall respond in writing within ten (10) business days. Lessor shall in no event

otherwise assign the right to receive rent or any benefits due to Lessor hereunder to a third party without the prior written consent of Lessee.

Section 7.3 Continuing Nature of Obligations

The burdens of the wind easement and all other rights granted to Lessee in this Lease shall run with and against the Premises and shall be a charge and burden on the Premises and shall be binding upon and against Lessor and its successors, assigns, permittees, licensees, lessees, employees and agents. This Lease and wind easement shall inure to the benefit of Lessee and its successors, assigns, permittees, licensees and lessees and the obligations of Lessee under this Lease shall bind Lessee's successor, assignees, permittees and licensees.

ARTICLE VIII. Condemnation/Force Majeure

Section 8.1 Condemnation

If eminent domain proceedings are commenced against all or any portion of the Premises and the taking and proposed use of the Premises would prevent or adversely affect Lessee's construction, installation or operation of Wind Facilities on the Premises, the Parties shall either amend this Lease to reflect any necessary relocation of the Premises or Wind Facilities which will preserve the value and benefit of this Lease to Lessee, together with any corresponding payments, or, at Lessee's option, this Lease shall terminate in which event neither party shall have any further obligations.

Section 8.2 Proceeds

All payments made by a condemnor on account of a taking by eminent domain shall be the property of Lessor, except that Lessee shall be entitled to any award or amount paid for the reasonable costs of removing or relocating any of the Wind Facilities or the loss of any such Wind Facilities or the use of the Premises pursuant to this Lease (based on the full Term of the Lease, without regard to termination thereof caused by the taking). Lessee shall have the right to participate in any condemnation proceedings.

Section 8.3 Force Majeure - Delays

Except as otherwise expressly provided in this Lease, should the performance of any act required by this Lease to be performed by either Lessor or Lessee be prevented or delayed by reason of any act of God, strike, lock-out, labor trouble, inability to secure materials, restrictive governmental laws or regulations, or any other cause not the fault of the party required to perform the act, the time for performance of the act will be extended for a period equivalent to the period of delay and performance of the act during the period of delay will be excused.

ARTICLE IX. Default and Termination

Section 9.1 Events of Default

Each of the following shall constitute an event of default, which shall permit the nondefaulting party to pursue such remedies as may be available at law or equity (subject to Section 6.4):

- (a) any failure by Lessee to pay rent or other sums owed by Lessee to Lessor hereunder, if the failure to pay continues for thirty (30) days after written notice from Lessor; or
- (b) any other material breach of this Lease by either party which continues for thirty (30) days after written notice of default from the nondefaulting party or, if the cure will take longer than thirty (30) days, the length of time necessary to effect cure as long as the defaulting party is making diligent efforts to cure during that time.

Section 9.2 Surrender

Upon the termination or expiration of this Lease, Lessee shall peaceably surrender the Premises to Lessor in accordance with the Final Restoration Requirements on or before the expiration of the Restoration Period unless such period is extended pursuant to Section 6.6 above.

Section 9.3 Specific Performance

Lessor acknowledges and agrees that should Lessor breach any of its obligations hereunder or otherwise fail to permit Lessee to exercise any of the rights and privileges granted herein, Lessee shall have the right to seek specific enforcement of this Lease.

Section 9.4 Record

Lessor and Lessee shall execute in recordable form, and Lessee shall have the right to record, a memorandum of this Lease in any form Lessee reasonably requests, including the form attached hereto as Exhibit B. Upon the termination or expiration of this Lease, Lessee shall provide Lessor with a recordable instrument evidencing the termination of this Lease.

Section 9.5 Lessee Termination

Subject to Section 7.1(b), Lessee shall have the right to terminate this Lease, as to all or any part of the Premises at any time and/or for any reason, effective upon notice from Lessee to Lessor.

ARTICLE X. Miscellaneous

Section 10.1 Notice

Notices, consents or other documents required or permitted by this Lease must be in writing and given by personal delivery or facsimile, delivered by Federal Express or other

reputable overnight courier, or sent by registered mail or certified mail, return receipt requested, and postage prepaid, and shall be sent to the respective Parties as follows:

To Lessor:

To Lessee:

SGS Development, LLC
c/o Semptra Renewables
488 8th Avenue
San Diego, CA 92101
Attention: Real Estate Advisor, Legal
Tel: (619) 696-4808

Each Party may change its address (and the person(s) to whom notice is to be sent) by giving written notice of such change to the other Parties in the manner provided in this Section 10.1. Any notice provided for herein shall become effective only upon actual receipt by the party to whom it is given, unless such notice is only mailed by certified mail, return receipt requested, in which case it shall be deemed to be received five (5) business days after the date it is mailed.

Section 10.2 No Third-Party Beneficiaries

Except for the rights of Lenders set forth above, no provision of this Lease is intended to nor shall it in any way inure to the benefit of any third party so as to constitute any such person a third-party beneficiary under this Lease, or of anyone or more of the terms of this Lease, or otherwise give rise to any cause of action in any person not a party to this Lease.

Section 10.3 Entire Agreement

It is mutually understood and agreed that this Lease constitutes the entire agreement between Lessor and Lessee and supersedes any and all prior oral or written understandings, representations or statements, and that no understandings, representatives or statements, verbal or written, have been made which modify, amend, qualify or affect the terms of this Lease. This Lease may not be amended except in a writing executed by both Parties.

Section 10.4 Governing Law

This Lease is made in Michigan and shall be governed by the laws of the State of Michigan. Exclusive venue for any action arising out of or related to this Lease shall be in the United States District Court for the Western District of Michigan.

Section 10.5 Cooperation

Each of the Parties, without further consideration, agrees to execute and deliver such additional documents and take such action as may be reasonably necessary to carry out the purposes and intent of this Lease and to fulfill the obligations of the respective Parties.

Section 10.6 Waiver

Neither party shall be deemed to have waived any provision of this Lease or any remedy available to it unless such waiver is in writing and signed by the party against whom the waiver would operate. Any waiver at any time by either party of its rights with respect to any rights arising in connection with this Lease shall not be deemed a waiver with respect to any subsequent or other matter.

Section 10.7 Relationship of Parties

This Lease shall not be interpreted or construed to create an association, joint venture, fiduciary relationship or partnership between Lessor and Lessee or to impose any partnership obligation or liability or any trust or agency obligation or relationship upon either party. Lessor and Lessee shall not have any right, power, or authority to enter into any agreement or undertaking for, or act on behalf of, or to act or be an agent or representative of, or to otherwise bind, the other party.

Section 10.8 Confidentiality

The Parties acknowledge that during the course of the performance of their respective obligations under this Lease, either party may need to provide information to the other party, which the disclosing party deems to be confidential, proprietary or a trade secret. Any such information, which is marked confidential or otherwise indicated as confidential, shall be treated confidential by the receiving party and shall not be disclosed to any other person without the prior consent of the disclosing party. The receiving party agrees that such party shall make disclosure of any such confidential information only to attorneys, consultants, or agents (each individually a “**Representative**” and collectively, “**Representatives**”) to whom disclosure is reasonably necessary during the course of the performance of their respective obligations under this Lease. The receiving party shall appropriately notify such Representatives that the disclosure is made in confidence and shall be kept in confidence in accordance with this Lease. The receiving party shall be responsible for the failure of such Representatives to comply with the terms of hereof. The terms and conditions of this Lease shall be deemed confidential and subject to the provisions of this Section 10.8. The provisions of this Section 10.8 shall survive the expiration or earlier termination of this Lease.

Section 10.9 Brokerage Commission

Each of Lessor and Lessee warrants and represents to the 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. Each party shall indemnify, defend, protect and hold the other party harmless from and against all damages, losses, costs, expenses (including reasonable attorneys' fees), liabilities and claims with respect to any claims made by any other broker or finder based upon such broker's or finder's representation or alleged representation of such indemnifying party.

Section 10.10 Partial Invalidity

Should any provision of this Lease 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, unimpaired by the holding. If the Term of this Lease, or other right hereunder are found to be in excess of the longest duration permitted by applicable law, then the provisions hereof which specify such term of duration shall be severed from this Lease, and the Term instead shall expire on the latest date permitted by applicable law.

Section 10.11 Counterparts

This Lease may be executed in two or more counterparts and by different Parties on separate counterparts, all of which shall be considered one and the same agreement and each of which shall be deemed an original.

[Signatures appear on the following page.]

IN WITNESS WHEREOF, this Lease has been duly executed on the day and date set forth below the respective signatures of Lessor and Lessee to be effective as of the last date executed by a party hereto.

Lessor:

By: _____

Name: _____

Date: _____

Lessee:

SGS Development, LLC, a Delaware limited liability company

By: _____

Name: _____

Its: _____

Date: _____

EXHIBIT A
DESCRIPTION OF SITE

[complete for each parcel]

Parcel ID No. _____
Acres _____

Parcel ID No. _____
Acres _____

Parcel ID No. _____
Acres _____

Total Acres: _____

EXHIBIT B
FORM OF MEMORANDUM OF LEASE

[MEMORANDUM OF LAND LEASE]

This Memorandum of Land Lease ("Memorandum") made effective as of _____, (the "Effective Date") by and between _____ (collectively hereinafter "Lessor"), and SGS DEVELOPMENT, LLC, a Delaware limited liability company (hereinafter "Lessee") (collectively the "Parties".)

RECITALS

A. Lessor and Lessee have entered into that certain Land Lease and Wind Easement (the "Agreement") as of the Effective Date, which affects that certain real property more particularly described in Exhibit "A" attached hereto and incorporated by reference herein (the "Premises").

B. The Parties have executed this Memorandum and are recording the same to provide constructive notice of the Lessee's interest in the Premises, of certain easements and rights granted to Lessee in the Premises as part of the Agreement and of certain other agreements affecting the Premises during the Term of the Agreement.

NOW, THEREFORE, in consideration of the payments and covenants provided in the Agreement and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged:

1. Lessor has granted Lessee the exclusive right to use the Premises for constructing, installing, operating and maintaining wind energy conversion turbines, wind resource and weather measurement equipment, supporting structures, foundations and pads, footings, electrical transformers, fixtures, and storage equipment, electric distribution and transmission lines, access roads, interconnection facilities and related facilities and equipment (collectively, "Wind Facilities") on the Premises during the term of the Agreement.

2. The Agreement prohibits any obstruction to the free flow of the wind throughout the entire area of the Premises (or onto contiguous properties), which shall consist horizontally three hundred and sixty degrees (360°) from any point where any Wind Facility is or may be located at any time from time to time (each such location referred to as a ("Site")) and for a distance from each Site to the boundaries of the Premises, together vertically through all space located above the surface of the Premises, that is, one hundred eighty degrees (180°) or such greater number or numbers of degrees as may be necessary to extend from along the exterior boundary of the Premises through each Site to each point and on and along such line to the opposite exterior boundary of the Premises.

3. Lessor has also granted to Lessee as of the Effective Date the right of access on, over and across the Premises for ingress and egress to and from its Wind Facilities and appurtenant equipment and electrical power lines whether located on the Premises or elsewhere and such additional areas of the Premises as shall be reasonably necessary to access a public roadway.

4. The Agreement provides that, during the term of the Agreement, Lessor and its

activities on the Premises and any grant of rights Lessor makes to any other person shall not interfere with any of Lessee's activities pursuant to the Agreement, and Lessor shall not interfere with any of Lessee's activities pursuant to the Agreement, and Lessor shall not interfere or allow interference with the wind speed or wind direction over the Premises or otherwise engage in activities which might impede or decrease the output or efficiency of the Wind Facilities

5. The initial term of the Agreement is forty (40) years from the Effective Date, subject to the terms and provisions contained therein. Lessee has also been granted an option to extend the initial term for one additional 10-year period, subject to the terms of the Agreement.

6. All of the terms, conditions, provisions and covenants of the Agreement are hereby incorporated into this Memorandum by reference as though fully set forth herein. This Memorandum does not supersede or modify the provisions of the Agreement. Should there be any inconsistency between the terms of this Memorandum and the Agreement, the terms of the Agreement shall control. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Agreement.

7. The Premises shall be subject to the provisions set forth in the Agreement and herein, which provisions shall run with the Premises and shall be binding upon and inure to the benefit of the Parties and each other person and entity having any interest therein during the term of the Agreement and their respective heirs, successors and assigns.

8. This Memorandum may be executed in multiple counterparts, each of which shall be deemed an original and all of which when taken together shall constitute one and the same document

[Signatures on the following page.]

IN WITNESS WHEREOF, the Parties have executed this Memorandum as of the date set forth below the respective signatures of Lessor and Lessee to be effective as of the Effective Date.

LESSOR:

By: _____
Name: _____
Date: _____

STATE OF MICHIGAN)
) ss:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2017, by _____, the _____ of _____, a _____, on behalf of the _____.

*
Notary Public, _____ County, MI
My commission expires: _____

[Signatures continued on the following page.]

LESSEE:

By: _____

Name: _____

Title: _____

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA }

COUNTY OF _____

On _____, 2017, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), on behalf of SGS Development, LLC, a Delaware limited liability company, and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

Commission No.: _____

Expiration Date: _____

This Instrument Drafted By and
When Recorded, Return To:

SGS Development, LLC
c/o Sempra Renewables
488 8th Avenue
San Diego, CA 92101
Attention: Real Estate Advisor, Legal

**SGS Development, LLC – Land Lease and Wind Easement
Confidential**

Exhibit A
The Premises

ADDENDUM TO LAND LEASE AND WIND EASEMENT

Kenowa Ridge Wind Project

This ADDENDUM TO LAND LEASE AND WIND EASEMENT ("Addendum") is dated and effective as of September 25, 2017 between Leslie L. Bull and Lynnette K. Bull, as Trustees of The Leslie L. Bull Living Trust, u/a/d January 14, 2003 (collectively "Lessor"), and SGS DEVELOPMENT, LLC, a Delaware limited liability company ("Lessee").

WHEREAS Lessor and Lessee entered into that certain Land Lease and Wind Easement effective as of the date hereof (the "Lease") for the purpose of development and conversion of the wind resources on the Premises on the terms and conditions more particularly described therein;

WHEREAS all capitalized terms used herein shall have the meanings ascribed to them in the Lease unless otherwise defined in this Addendum.

NOW THEREFORE, in consideration of the mutual covenants contained in the above-referenced Agreement, the sufficiency and adequacy of which are hereby acknowledged, Lessor and Lessee agree to the following:

1. Section 3.1 (d) (i) of the Lease is hereby deleted in its entirety and replaced as follows:

"(i) Four Thousand Two Hundred Fifty and 00/100 Dollars (\$4,250.00) per megawatt of installed capacity of Wind Turbines located on the Premises, if any ("**Turbine Rent**"). Turbine Rent shall increase by two-point five percent (2.5%) every five (5) years following the Operating Commencement Date; and"

2. **Miscellaneous.**

a. Except as specifically set forth herein, all terms and conditions of the Lease are unmodified and in full force and effect. In the event of any conflict between the Lease and this Addendum, this Addendum shall control as to the modified terms and conditions set forth above.

b. This Addendum shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

c. This Addendum may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and any of the parties hereto may execute this Addendum by signing any such counterpart.

[Signatures on the following page.]

Lessee:

SGS DEVELOPMENT, LLC,
a Delaware limited liability company

By: 

Name: Larry S. Folks

Its: Vice President



AEP Renewables
Kenowa Ridge Project Office
142 N. Main Street
Cassnovia, MI 49318

October 3, 2019

Bull Leslie L Living Trust
16530 Hall Rd
Cassnovia, MI 49318

Dear Bull Leslie L Living Trust,

AEP Renewables continues to make progress with the Kenowa Ridge Wind Project in our efforts to bring local, clean energy to Cassnovia and Tyrone Townships. We are working with Cassnovia Township to clarify the conditions of the special-use permit and are hopeful that negotiations with the Township will be successful.

You may have read or heard about two lawsuits associated with the Kenowa Ridge special-use permit approved by the Cassnovia Township Board earlier this year. A citizens group filed one lawsuit, and AEP Renewables filed the other. The legal action by AEP Renewables was a procedural appeal to protect our permit to build Kenowa Ridge, which meets and exceeds the current wind ordinance requirements. This appeal addresses significant changes to the permit that were made when it was approved. We are working with Cassnovia Township's attorney to address the specific conditions that were added by the Township Board in April so the project can proceed on schedule.

The Kenowa Ridge Wind Project will generate more than \$20 million in tax revenues that will directly benefit the Township, local schools, fire departments and support public services. In addition, Kenowa Ridge will create jobs and training that will benefit the local economy and community from its construction and operation. Communities throughout Michigan have benefited from wind energy projects that provide funding for state-of-the-art fire and rescue equipment and quality school and social programs.

We hope you will be able to join us at a landowners' dinner we are planning later this fall to provide updates and address any questions you may have. We expect that negotiations with the Township will be completed soon, and we will have more information to share at that time. In the meantime, please feel free to call me at 619-681-4140. You can also contact Jim Mansfield, our local community organizer and representative at 616-675-0341, or make an appointment to stop by to talk to him at our new Kenowa Ridge project office in the Old Cassnovia Elementary School.

For more information about the Kenowa Ridge project, visit AEPRenewables.com/kenowa-ridge/.

Kind regards,

Richard Nerzig
Director Renewables Development