

WIND FARM NEIGHBOR EASEMENT AGREEMENT

THIS WIND FARM NEIGHBOR EASEMENT AGREEMENT (this "Agreement") is made, dated and effective as of _____, 20____ (the "Effective Date") by and between _____ residing at _____ and their successors and assigns ("Owner"), and _____ ("Developer"). Owner and Developer may hereafter be referred to herein individually as a "Party" and together as the "Parties."

RECITALS

- A. Owner owns the real property legally described on Exhibit A, attached hereto and made a part hereof ("Owner's Property").
- B. Developer is developing an electric-generating wind power project ("Wind Farm") in Ida County, Iowa ("Wind Farm Property"). Developer expects that some of the wind turbine generators, including associated towers, foundations, and support structures (collectively the "Generating Units") of the Wind Farm will be installed on land adjacent to or near Owner's Property.
- C. Although Developer is taking commercially reasonable measures to minimize the side-effects of the operation and construction of the Wind Farm's Generating Units and other related facilities on property near or adjacent to the Wind Farm, including Owner's Property, and Developer does not expect these side effects to exceed any industry standards regarding sound, shadow flicker, or television interference, Owner understands and accepts that operation of Generating Units may have some impacts on the Wind Farm's neighbors, including the Owner's Property.
- D. Developer and Owner believe it is in their mutual best interest to enter into this Agreement to document their expectations as to possible side effects of construction and operation of the Wind Farm. Also, although no Generating Units or other related facilities of the Wind Farm are planned for installation on Owner's Property, Developer wishes to obtain Effects, Sound and Shadow Easements from landowners who are neighbors of the Wind Farm for the benefit of the Wind Farm and as an opportunity to provide Owner with certain economic benefits to accrue from operation of the Wind Farm.

AGREEMENT

1. Grant of Effects, Sound and Shadow Easements. Owner hereby grants and conveys to Developer an exclusive easement on, over, under and across all of the Owner's Property to permit Generating Units or other wind energy conversion systems on adjacent property or elsewhere to cast shadows or flicker onto the Owner's Property; impact view or visual effects from the Owner's Property; and cause or emit noise, vibration, air turbulence, wake, and electromagnetic and frequency interference.
2. Construction Impact. Developer recognizes that Owner due to its location next to construction areas may be inconvenienced by construction noise and activities. Owner acknowledges Developer has informed Owner of the potential impacts of construction and agrees the compensation provided in this Agreement is adequate for the impacts described.
3. Payment for Construction Impact and Easements. In consideration of this Agreement and the rights granted herein, Developer shall pay to Owner a fee in the amount and at the times described on Exhibit B.

4. Term. The term of this Agreement and the Easements described above (the "Term") shall commence upon the Effective Date and shall end on the date that is forty (40) years following the date on which the Wind Farm begins Commercial Operation. "Commercial Operation" shall mean the date on which Developer first produces wind energy in commercial quantities from Generating Units located on the Wind Farm Property. Upon termination of the Easements, Developer shall file a termination of the Easements in the public records. If Commercial Operation does not occur within seven (7) years of the Effective Date, or if the operation of the constructed Wind Farm ceases for a continuous period of five (5) years, and Developer and any successors or assigns have abandoned the development or operation of the Wind Farm, then Owner may request by written notice to Developer to terminate and quitclaim this Agreement, and Developer shall deliver a termination and quitclaim of this Agreement in recordable form within forty-five (45) days of any such request.

5. Encumbrance of Easements; Required Notices to Lenders.

5.1 Right to Encumber. Developer may at any time mortgage to any entity (herein, a "Lender") all or any part of Developer's interest under this Agreement and the easements and rights created by this Agreement without the consent of Owner.

5.2 Covenants for Lenders' Benefit. Should Developer mortgage any of its interest as provided above, Developer and Owner expressly agree between themselves and for the benefit of each of the Lenders as follows:

(a) They will not modify or cancel this Agreement without the prior written consent of the Lender, which consent shall not be unreasonably withheld or delayed.

(b) The Lender shall have the right to do any act or thing required to be performed by Developer under this Agreement, and any such act or thing performed by the Lender shall be as effective to prevent a default under this Agreement and/or a forfeiture of any of Developer's rights under this Agreement as if done by Developer itself.

(c) No default which requires the giving of notice to Developer shall be effective unless a like notice is given to all Lenders. If Owner shall become entitled to terminate this Agreement due to an uncured default by Developer, Owner will not terminate this Agreement unless it has first given written notice of such uncured default and of its intent to terminate this Agreement to each Lender and has given each Lender at least thirty (30) days to cure the default to prevent such termination of this Agreement. Furthermore, if within such thirty (30) day period a Lender notifies Owner that it must foreclose on Developer's interest or otherwise take possession of Developer's interest under this Agreement in order to cure the default, Owner shall not terminate this Agreement 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 Developer's interest under this Agreement and to perform or cause to be performed all of the covenants and agreements to be performed and observed by Developer.

(d) In case of the termination of this Agreement as a result of any default or the bankruptcy, insolvency or appointment of a receiver in bankruptcy for Developer, Owner shall give prompt notice to the Lenders. Owner shall, upon written request of the first priority Lender, made within forty (40) days after notice to such Lender, enter into a new easement agreement with such Lender, or its designee, within twenty (20) days after the receipt of such request. Such new easement agreement shall be effective as of the date of the termination of this Agreement by reason of default by Developer, upon the same terms, covenants, conditions and agreements as contained in this Agreement. Upon the execution of any such new easement agreement, the Lender shall (i) pay Owner any amounts which are due Owner from Developer, (ii) pay Owner any and all amounts which would have been due under this Agreement (had this Agreement not

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been terminated) from the date of the termination of this Agreement to the date of the new easement agreement, and (iii) agree in writing to perform or cause to be performed all of the other covenants and agreements set forth in this Agreement to be performed by Developer to the extent that Developer failed to perform the same prior to the execution and delivery of the new easement agreement.

6. Assignment. Developer shall have the right without Owner's consent to sell, convey, lease, or assign all or any portion of the Agreement and/or the Easements on either an exclusive or non-exclusive basis, or to apportion, grant sub-easements, co-easements, separate easements, leases, licenses or similar rights, however denominated, (collectively, "Assignments"), to one or more persons or entities (collectively, "Assignees"). Under no circumstances shall any Lender or Assignee have any greater rights of ownership or use of the Easements than the rights granted to Developer in this Agreement. Any member or partner of Developer or an Assignee shall have the right without Owner's consent to transfer any membership or partnership interest in Developer or such Assignee to one or more persons or entities.

7. Default. If Developer fails to perform its obligations hereunder (an "Event of Default"), then it shall not be in default hereunder unless it fails to cure such Event of Default within sixty (60) days after receiving written notice from Owner stating with particularity the nature and extent of such Event of Default and specifying the method of cure (a "Notice of Default"); provided, however, that if the nature or extent of the obligation or obligations is such that more than sixty (60) days are required, in the exercise of commercially reasonable diligence, for performance of such obligations(s), then Developer shall not be in default if it commences such performance with such sixty (60) day period and thereafter pursues the same to completion with commercially reasonable diligence.

8. Estoppel Certificates. Owner shall execute estoppel certificates (certifying as to truthful matters, including without limitation that no default then exists under this Agreement, if such be the case), consents to assignment and non-disturbance agreements as Developer or any Lender may reasonably request at any time and from time to time. Owner and Developer shall cooperate in (i) amending this Agreement from time to time to include any provision that may be reasonably requested by Developer or Owner or any Lender to implement the provisions contained in the Agreement or to preserve a Lender's security interest and (ii) executing any documents which may reasonably be required by Developer or a Lender. Owner shall request any of Owner's lenders to execute an agreement of non-disturbance from any Lender with respect to Developer's interest in the Owner's Property.

9. Overburdening. Owner hereby agrees that (i) no use of or improvement to Owner's Property or any Wind Farm Property permitted by this Agreement and (ii) no apportionment, Assignment or granting of a subeasement thereof shall, separately or in the aggregate, constitute an overburdening of the Easements.

10. Covenants Running With the Land. The Parties hereby agree that all of the covenants and agreements contained in this Agreement touch and concern the real estate described in this Agreement and are expressly intended to, and shall, be covenants running with the land and shall be binding and a burden upon Owner's Property and each Parties' present or future estate or interest therein and upon each of the Parties, their respective heirs, administrators, executors, legal representatives, successors and assigns as holders of an estate or interest in the Owner's Property (including without limitation, any Lender or other person acquiring title from any such person upon foreclosure or by deed in lieu of foreclosure), and shall benefit Developer and its respective heirs, administrators, executors, legal representatives, successors and assigns and the Wind Farm Property.

11. Further Acts and Assurances. Each Party hereby agrees that each shall execute such additional documents or instruments, and shall undertake such actions as are necessary and

appropriate to effectuate the intent of this Agreement, including in the case of Owner, such additional documents as may be reasonably required by any Lenders and Assignees.

12. Entire Agreement. This Agreement constitutes the entire agreement between Owner and Developer and no promises or representations, express or implied, either written or oral, not herein set forth shall be binding upon or inure to the benefit of Owner and Developer. This Agreement shall not be modified by any oral agreement, either express or implied, and all modifications hereof shall be in writing and signed by both Owner and Developer.

13. Remedies and Termination. If Developer violates the terms or conditions of this Agreement, Owner shall be entitled to any remedy available under applicable law or equity, subject to the default provisions contained herein; provided, however, that no such default shall result in a termination of the Easements granted by this Agreement. The Easements shall not be terminable by Owner under any circumstances. If Owner violates the terms or conditions of this Agreement, Developer shall be entitled to any remedy available under applicable law or equity. Developer shall have the right to terminate this Agreement at any time, by giving written notice of termination to the Owner.

14. Severability and Parties Bound. The enforceability, invalidity, or illegality of any provisions of this Agreement shall not render the other provisions hereof unenforceable, invalid or illegal. This Agreement shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and the assigns of the respective Parties hereto. Upon transfer of Owner's interest in Owner's Property, or the interest of Developer in this Agreement, the transferring party shall be deemed released from further obligation or liability hereunder as to matters first arising after such transfer.

15. Notices. Any notice to be given hereunder or which either Party wishes to give to the other shall be in writing and may be delivered personally to the other or given by mailing by depositing the same in the U.S. Mail, with all postage and certification charges thereon prepaid, in a sealed envelope and sent by registered or certified mail with return receipt requested, addressed as follows:

If to Owner:

If to Developer:

or to such other address as either Party shall hereafter specify by written notice to the other. Any notice shall be deemed delivered three days after deposit in the mail in accordance with the foregoing provision.

16. Attorneys' Fees. If any event or dispute arising out of or relating to this Agreement and resulting in litigation or arbitration between or affecting the Parties hereto, the prevailing Party shall be entitled to reasonable attorneys' fees and costs.

17. Waiver. The waiver of any covenant, condition, or agreement contained herein shall not vitiate this Agreement or any of the Easements, terms, covenants, conditions or provisions herein. The waiver of the time for performing any act shall not constitute a waiver of the time for performing any other act or any identical act required to be performed at a later time.

18. Governing Law. This Agreement shall be governed by the law of the State in which the Owner's Property is located.

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

20. Confidentiality. Owner shall not disclose to others (except Owner's family, legal counsel, prospective Lenders and Assignees, and financial advisors who recognize and agree to preserve and maintain the confidentiality of such information) the terms of this Agreement.

21. Memorandum. The Parties agree Developer may record the memorandum of this Agreement attached as Exhibit C in the official land records of the county in which the Owner's Property is located, and that this Agreement shall not be recorded.

SIGNATURES TO FOLLOW ON NEXT PAGE

Sample

IN WITNESS WHEREOF, Owner and Developer have caused this Agreement to be executed and delivered as of the Effective Date set forth above.

"DEVELOPER"

By: _____

Sample

“OWNER”

«TITLE HOLDER 1 SIGNATURE»

«TITLE HOLDER 2 SIGNATURE»

Sample

EXHIBIT A

«LEGAL DESCRIPTION»

Sample

EXHIBIT B

PAYMENT SCHEDULE

A one-time payment of One Thousand dollars (\$1,000) upon signing this Agreement; and

If a Generating Unit is installed within one-half mile of a residence existing on the Owner's Property as of the date of this Agreement, then Owner shall be paid either (initial one of the following options):

_____ OPTION 1:

An annual payment of Five Hundred dollars (\$500); payable not later than January 31 of each year of the Term following the latter of (i) the date on which the Wind Farm begins Commercial Operation, as defined in Section 4 of the Agreement, or (ii) the date on which a Generating Unit is installed within one-half mile of a residence existing on the Owner's Property as of the date of this Agreement. Such annual payment shall be adjusted upwards by the greater of two percent (2%) per year on a compounded basis or by the percentage change, if any, in the GDIPD for the preceding available four quarters. GDIPD means the gross domestic product implicit price deflator, as computed and published quarterly by the U.S. Department of Commerce (Index 2000=100), as presented and revised from time to time in the "Gross Domestic Product: [applicable quarter] Quarter 'Final' Press Release" released periodically by the Bureau of Economic Analysis.

_____ OPTION 2:

A single one-time payment of Nine Thousand dollars (\$9,000) payable within sixty (60) days after the latter of (i) the date on which the Wind Farm begins Commercial Operation, as defined in Section 4 of the Agreement, or (ii) the date on which a Generating Unit is installed within one-half mile of a residence existing on the Owner's Property as of the date of this Agreement.

Exhibit C

Prepared by: «Tyrone Thomas, Esq.»

Return to: Highland Wind Energy LLC, Attn: Land Administration, One South Wacker Drive, Suite 1900,
Chicago, IL 60606

Inquiries to: MidAmerican Energy Company, Attn: Jamie A. Baker, 4299 Northwest Urbandale Drive,
Urbandale, IA 50322; (515) 242-3980

MEMORANDUM OF WIND FARM NEIGHBOR EASEMENT AGREEMENT

_____ and their successors and assigns ("Owner"), and
_____, and its successors and assigns ("Developer"), have executed a
Wind Farm Neighbor Easement Agreement ("Agreement") dated as of _____, 201____
("Effective Date") and have agreed to record this memorandum ("Memorandum") solely to give
notice of the existence of the Agreement. This Memorandum does not amend, supplement or
supersede the Agreement, which will govern if any provision of this Memorandum conflicts with or
is inconsistent with any provision of the Agreement.

1. Easements and Other Provisions: The Agreement includes a grant of Effects, Sound and
Shadow Easements in connection with commercial wind power project ("Wind Farm") affecting
Owner's Property, which Owner's Property is described on the attached copy of Exhibit A. The
Agreement also includes provisions regarding construction impacts.

2. Term. The term of the Agreement and the Easements granted therein (the "Term")
commenced on the Effective Date and shall end on the date that is forty (40) years following the
date on which the Wind Farm begins Commercial Operation. "Commercial Operation" shall mean
the date on which Developer first produces wind energy in commercial quantities from Generating
Units located on the Wind Farm Property (as described in the Agreement). Upon termination of
the Easements, Developer shall file a termination of the Easements in the public records. If
Commercial Operation does not occur within seven (7) years of the Effective Date, or if the
operation of the constructed Wind Farm ceases for a continuous period of five (5) years, and
Developer and any successors or assigns have abandoned the development or operation of the
Wind Farm, then Owner may request by written notice to Developer to terminate and quitclaim
this Agreement, and Developer shall deliver a termination and quitclaim of this Agreement in
recordable form within forty-five (45) days of any such request.

3. Mortgages and Assignments: Developer may, upon notice to Owner, but without need to
obtain Owner's consent or approval: (i) mortgage, collaterally assign, or otherwise encumber and
grant security interests in all or any part of its interest in this Agreement and the Easements; and
(ii) assign or otherwise convey all or part of its interest in this Agreement and the Easements to
third parties. Owner may sell, mortgage, assign or convey away all or a part of Owner's interest
in Owner's Property without consent of Developer, but any conveyance shall be subject to the
terms of the Agreement.

4. Addresses of Parties: The addresses of the parties are as follows:

Owner:

(10)