

LEASE OPTION AGREEMENT

This Lease Option Agreement (the "Option Agreement") is made and entered into effective as of the _____ day of November, 2004 (the "Effective Date") by and between _____ ("Owner"), and Zilkha Renewable Energy, LLC, a Delaware limited liability company, its successors and assigns ("Zilkha"). Owner and Zilkha are sometimes referred to herein individually as a "Party" and together as the "Parties".

Recitals

- A. Zilkha is interested in constructing wind energy facilities to provide clean, environmentally friendly, electrical energy.
- B. Zilkha has identified a number of potentially suitable sites, including Owner's real property in Clinton County, New York, more particularly described on Exhibit A attached hereto and made a part hereof (the "Property"), on which to build wind turbine generators on tubular towers, pad mounted transformers, substations, access roads, wind monitoring equipment, underground and overhead electrical transmission and communications lines, and other facilities for the operation of a wind project (collectively, the "Wind Power Facilities").
- C. Zilkha desires to acquire the right (but not the obligation) to lease the Property for the purpose of constructing Wind Power Facilities thereon, and Owner desire to grant such option to Zilkha, all on the terms set forth herein.

NOW THEREFORE, in consideration of these premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Owner and Zilkha do hereby agree as follows:

1. GRANT OF EXCLUSIVE OPTION.

Owner hereby unconditionally and irrevocably grants, bargains, sells and conveys to Zilkha, the exclusive right and option (the "Option") to lease the Property (or such portion thereof as may be designated by Zilkha) in accordance with the terms and conditions of a Wind Energy Lease Agreement ("Lease") to be entered into, which Lease shall contain provisions substantially similar to those set forth on Exhibit B and such other terms and conditions as are customary in transactions of this nature or that are reasonably requested by Zilkha. During the Option Term (as defined below), and other than the Option granted herein, Owner shall grant no option or other right in the Property with respect to Wind Power Facilities on the Property or any right related thereto. By executing this Option Agreement, Owner acknowledges that (i) Owner has the full power and authority to enter into and perform its obligations under this Option Agreement and (ii) Owner holds fee simple title to the Property and is the sole owner of the Property.

2. TERM OF OPTION.

The term of this Option Agreement shall commence on the Effective Date, and shall continue for seven (7) years expiring on the seventh anniversary of the Effective Date (the

“Option Term”), unless extended pursuant to the terms of Section 4 below or unless earlier terminated pursuant to the terms hereof.

3. CONSIDERATION FOR OPTION.

This Option Agreement is granted in consideration of a payment by Zilkha to Owner (the “Option Payment”) in an amount equal to the greater of (i) _____ per acre of Property that is subject to this Option Agreement or (ii) _____. The Option Payment chosen shall be paid to Owner by check within thirty (30) days of the Effective Date.

4. EXTENSION OF OPTION TERM.

Zilkha shall have the right to extend the seven (7) year Option Term for two (2) years (the “Extended Term”), upon satisfaction of the following conditions:

- (a) Zilkha notifies the Owner in writing of its intent to extend the Option Term no later than thirty (30) days before the expiration of the Option Term;
- (b) Zilkha tenders its check in the amount of _____ made payable to the Owner, along with the notice provided in paragraph (a); and
- (c) Zilkha is not in default at the time notice of such extension is given or, if Zilkha is in default at such time, Zilkha has undertaken to cure such default and such default is cured prior to the end of the Option Term.

The Option Term and Extended Term may collectively be referred to herein as the “Term”.

5. METHOD OF EXERCISING OPTION.

In the event Zilkha elects to exercise all or portions of the Option from time to time during the Term, Zilkha shall give written notice (the “Option Notice”) to the Owner specifying (a) the Property (or such portion thereof as may be designated by Zilkha) with respect to which the Option is exercised and (b) a copy of the Lease, containing terms substantially similar to those contained on Exhibit B, to be executed and the date on which the Lease is expected to commence, which shall be a date that in no event is later than thirty (30) days after the date of delivery of the Option Notice to Owner. Following Owner’s receipt of the Option Notice, Owner shall execute three (3) counterparts of the (i) Lease containing terms substantially similar to those set forth on Exhibit B and such other terms and conditions as are customary in transactions of this nature or that are reasonably requested by Zilkha, and (iii) Memorandum of Lease in the form to be attached as Exhibit C to the Lease (the “Memorandum of Lease”), forward such counterparts to Zilkha, which shall execute such counterparts and return one of each to the Owner. In consideration of Owner’s executing the Lease, Zilkha shall pay to Owner a Lease signing fee equal to the greater of (i) _____ per acre of Property that is subject to this Option Agreement or (ii) _____. The lease signing fee shall be paid to Owner by check within fourteen (14) days of the execution of the Lease by

Owner. Zilkha shall be entitled to record the Memorandum of Lease in the office of the County Clerk of Clinton County, New York. During the Term, Zilkha shall have the right but not the obligation to exercise all or any portion of the Option from time to time with respect to all or any portion of the Property.

6. TERMINATION.

Zilkha may terminate all or portions of this Option from time to time with respect to all or any portion of the Property during the Term by giving written notice to Owner. If Zilkha fails to pay the Option Payment by the date specified in Section 3 above, and such failure continues for thirty (30) business days after Zilkha's receipt of notice thereof from Owner, this Option shall terminate. Upon any such termination, Zilkha shall, upon the request of the Owner, execute and deliver to Owner a recordable release of all or portions of the Property so terminated under the Option.

If Zilkha fails to exercise the Option within the Term, then this Option Agreement and the rights of Zilkha granted hereunder shall automatically and immediately terminate without notice or any liability whatsoever to Owner or Zilkha and the Parties shall have no further rights or obligations hereunder. If this Option Agreement is terminated for any reason, then Owner shall not be required to refund any payments received from Zilkha under the terms of this Option Agreement prior to the date of termination.

Upon any surrender, termination or expiration of all or any portions of this Option Agreement not exercised, Zilkha shall, within one year thereof, upon the written request of Owner, restore the ground surface of the Property disturbed by Zilkha, if any, to a condition reasonably and commercially practical to that existing at the Property on the Effective Date.

7. BINDING NATURE AND ASSIGNMENT.

Zilkha shall have the absolute right at any time and from time to time, without obtaining Owner's consent, to assign, or otherwise transfer all or any portion of its right, title or interest under this Option Agreement, to any person including any affiliate of Zilkha.

8. NOTICE.

Any notice or communication required or permitted to be given by any provision of this Option Agreement will be in writing and will be deemed to have been given when delivered personally or by telefacsimile (with a confirming copy sent within one (1) business day by any other means described in this Section) to the Party designated to receive such notice, or on the first business day following the day sent by nationally-recognized overnight courier, or the third (3rd) business day after the same is sent by certified mail, postage and charges prepaid, directed to the following addressees or to such other or additional addressees as either Party to this Option Agreement might designate by written notice to the other Party:

To Owner:

Telefacsimile:
E-mail Address:

To Zilkha:

Zilkha Renewable Energy, LLC

Attention:
Telefacsimile:
E-mail Address: _____

With copies to:

Zilkha Renewable Energy, LLC
1001 McKinney, Suite 1740
Houston, Texas 77002
Attention: Leslie Freiman, Esq.
Telefacsimile: 713-571-6659
E-mail Address: lfreiman@zilkha.com

If notices or other communications are required in this Option Agreement to be given within a specified period and the end of such period falls on other than a business day, such period shall be extended to the next business day. As used in this Option Agreement “business day” shall mean any day other than a Saturday, Sunday, or holiday upon which national banks in Houston, Texas and New York, New York are closed for the conduct of business.

9. WIND MONITORING DEVICES AND STUDIES.

During the Term, Zilkha, its employees, agents and contractors, shall have the right to enter upon the Property for purposes of conducting activities reasonably related to the development of the Wind Power facilities, including the performance of all studies and surveys associated therewith, and may perform, or cause to be performed, such other tests and studies as Zilkha may desire in connection with the Option, including, without limitation, environmental, avian and cultural resource assessments, geotechnical, foundation and soil tests, title reports and land surveys, together with the right of egress and ingress, at Owner approved points of ingress and egress, over and across the Property, provided that said activities do not unreasonably interfere with Owner’s use of the Property as set forth in Section 10 below. Zilkha will notify Owner by telephone or other notice given in accordance with this Option Agreement five (5) calendar days, or as soon as reasonably possible, in advance of the arrival of such contractors performing such activities.

10. FARMING, HUNTING, LIVESTOCK GRAZING, AND OTHER ACTIVITIES.

During the Term, Owner (and its assignees, consultants, designees, or representatives) shall have the right to make reasonable use of the Property, including but not limited to hunting; farming; livestock production; telecommunications; tourism; eco-tourism; rock, sand, and gravel production; and petroleum production activities at the Property, provided the Owner agrees not to interfere with, or allow interference with, the wind monitoring or other activities described in Section 9 above. Zilkha, during the Term, shall not solicit or engage in any other activity on the Property that is not related to wind power production or the evaluation of the Property for its suitability for locating Wind Power Facilities on the Property.

11. MOST FAVORED NATION.

If Zilkha executes additional options with any landowners whose property lies within fifteen (15) miles of Owner's Property boundary and in the same state as Owner (the "Neighbor's Option"), and if the Neighbor's Option would have been more favorable to Owner had Owner executed an option similar to the Neighbor's Option, then Zilkha and Owner will amend this Option Agreement such that it reflects terms similar to the Neighbor's Option, and Zilkha will pay to Owner the additional money, if any, that Owner would have been paid had Owner signed an Option similar to the Neighbor's Option.

12. AMENDMENTS.

This Option Agreement shall not be amended or modified in any way except by an instrument signed by Owner and Zilkha.

13. GOVERNING LAW.

This Option Agreement shall be governed by and construed in accordance with the laws of the State of New York without giving force and effect to its conflicts of law provisions. The Parties agree that the subject matter of this Agreement is unique, and that specific performance shall be available to enforce the obligations undertaken under this Option Agreement.

14. MEMORANDUM OF OPTION.

The Parties shall execute a Memorandum of Option in the form of Exhibit C attached hereto and made a part hereof and shall record such Memorandum of Option in the office of the County Recorder of Clinton County, New York. This Option Agreement shall not be recorded.

15. OTHER USES.

Notwithstanding anything herein to the contrary, nothing herein shall prohibit Owner from leasing or conveying the Property; or granting easement or uses of the Property so long as such use does not interfere with Zilkha's use of said Property under this Option Agreement or under the Lease in accordance with the terms of the Lease if the Option is exercised by Zilkha.

16. MISCELLANEOUS.

16.1 Construction. Owner agrees that it will keep the terms of this Option Agreement strictly confidential and will not disclose the same to any other person or entity, except as may be required by the order of a court with jurisdiction. The Parties shall at all times hereafter execute any documents and do any further acts that may be necessary or desirable to carry out the purposes or intent of this Option Agreement. The representations and warranties of Owner contained in this Agreement, and the various covenants of the Parties set forth herein, shall all survive the exercise of the Option and the granting of the Lease to Zilkha. This Option Agreement may be executed with counterpart signature pages and in duplicate originals, each of which shall be deemed an original, and all of which together shall constitute a single instrument.

16.2 Prior Agreements Superseded. This Option Agreement constitutes the Parties' sole and entire agreement and supersedes any prior understandings or written or oral agreements between the Parties with respect to the subject matter hereof which are of no further force or effect. The Exhibits referred herein are integral parts hereof and are made a part of this Option Agreement by reference. The recitals at the beginning of this Option Agreement are hereby incorporated herein and expressly made a part of this Option Agreement.

16.3 Successors and Assigns; Runs with the Land. The Property shall be held, conveyed, assigned, hypothecated, encumbered, leased, used and occupied subject to the Option and the covenants, terms and provisions set forth in this Option Agreement, which Option, covenants, terms and provisions shall run with the Property and each portion thereof and interest therein, and shall be binding upon and inure to the benefit of the Parties and any other person and entity having any interest therein during their ownership thereof, and their respective grantees, heirs, executors, administrators, successors and assigns, and all persons claiming under them.

SIGNATURES TO FOLLOW ON NEXT PAGE

IN WITNESS WHEREOF, the Parties have executed this Option Agreement as of the Effective Date.

OWNER: _____

By: _____
Tax Identification No. _____

OWNER: _____

By: _____
Tax Identification No. _____

OWNER: _____

By: _____
Tax Identification No. _____

OWNER: _____

By: _____
Tax Identification No. _____

OWNER: _____

By: _____
Tax Identification No. _____

ZILKHA: Zilkha Renewable Energy, LLC,
a Delaware limited liability company

By _____
Title:

Exhibit A

Real Property Description. The Property/Properties consist(s) of approximately _____
acres of land in the Town of _____, Clinton County, New York as more specifically
described below:

Town of _____ Tax Map/SBL _____ acres _____

Town of _____ Tax Map/SBL _____ acres _____

Town of _____ Tax Map/SBL _____ acres _____

Town of _____ Tax Map/SBL _____ acres _____

Exhibit B Lease Terms

Subject to Section 1 of the Option Agreement, it is anticipated that the Lease to be entered into between Owner and Zilkha shall contain provisions substantially similar to the provisions contained on this Exhibit B and such other terms and conditions as are customary in transactions of this nature or that are reasonably requested by Zilkha. For purposes of the following provisions, Owner shall be identified as Lessor and Zilkha shall be identified as Lessee.

Lease. For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, that certain real property, including all air space thereof (the "**Property**"), located in Clinton County (the "**County**"), in the State of New York, as more particularly described on Exhibit attached hereto (and as generally depicted on the map attached hereto as Exhibit " -1"), upon all of the terms and conditions hereinafter set forth. Lessor and Lessee (together, the "**Parties**" and each a "**Party**") agree that for purposes of this Lease, the Property consists of _____ () acres of land.

Purpose of Lease. Pursuant to this Lease, Lessee shall have possession of the Property for the following purposes (collectively, "**Operations**"):

- a. Determining the feasibility of wind energy conversion on the Property or on neighboring lands, including studies of wind speed, wind direction and other meteorological data;
- b. Converting wind energy into electrical energy, and collecting and transmitting the electrical energy so converted;
- c. Developing, constructing, reconstructing, erecting, installing, improving, replacing, relocating and removing from time to time, and using, maintaining, repairing, operating and monitoring, all or any one of the following, for the benefit of one or more Projects (as defined below): (a) wind machines, wind energy conversion systems and wind power generating facilities (including associated towers, foundations, support structures, braces and other structures and equipment), and other power generation facilities to be operated in conjunction with wind turbine installations, in each case of any type or technology (collectively, "**Generating Units**"); (b) transmission facilities, including overhead and underground transmission, distribution and collector lines, wires and cables, conduit, footings, foundations, towers, poles, crossarms, guy lines and anchors, substations, interconnection and/or switching facilities, circuit breakers and transformers, and energy storage facilities; (c) overhead and underground control, communications and radio relay systems and telecommunications equipment, including fiber, wires, cables, conduit and poles; (d) meteorological towers and wind measurement equipment; (e) roads and erosion control facilities; (f) control, maintenance and administration buildings; (g) utility installations; (h) laydown areas and maintenance yards; (i) signs; (j) fences and other safety and protection facilities; and (k) other improvements, facilities, appliances, machinery and equipment in any way related to or associated with any of the foregoing (all of the foregoing, including the Generating Units, collectively, "**Wind Power Facilities**");

d. Vehicular and pedestrian ingress, egress and access to and from Wind Power Facilities on, over and across the Property by means of roads and lanes thereon if existing, or otherwise by such roads as Lessee or anyone else may construct from time to time, in each case for the benefit of one or more Projects (collectively, "**Access Rights**");

e. Drilling, redrilling, maintaining, repairing, using, operating, improving, replacing, relocating, plugging and abandoning water wells, and pumping and using water as needed in connection with one or more Projects; and

f. Undertaking any other activities that Lessee or a Sublessee (as defined below) determines are necessary, helpful, appropriate or convenient in connection with, incidental to or to accomplish any of the foregoing purposes or for the benefit of one or more Projects, including conducting surveys and environmental, biological, cultural and other tests and studies. Without limiting the generality of the foregoing, the Parties recognize that (a) power generation technologies are improving at a rapid rate and that Lessee or a Sublessee may (but shall not be required to) from time to time replace existing Generating Units on the Property with newer model (and potentially larger) Generating Units and (b) the Operations may be accomplished by Lessee, a Sublessee or one or more third parties authorized by Lessee or a Sublessee.

Easements.

a. In addition, Lessor hereby grants to Lessee the following easements:

(i) A non-exclusive easement for audio, visual, view, light, flicker, noise, vibration, air turbulence, wake, electromagnetic, electrical and radio frequency interference, and any other effects attributable to any Project or Operations;

(ii) An exclusive easement to use, convert, maintain and capture the free and unobstructed flow of wind currents and wind resources over and across the Property; and

b. Upon the request of Lessee or a Sublessee at any time and from time to time during the term of this Lease, Lessor shall grant thereto (in recordable form and containing such terms and provisions as may reasonably be requested by Lessee or such Sublessee), for no additional consideration, the following stand-alone easements (each, a "**Separate Easement**"): (a) one or more nonexclusive easements for Access Rights on, over and across the Property, including for vehicular and pedestrian ingress, egress and access to and from one or more Projects; and (b) one or more easements for Wind Power Facilities on, under, over and across the Property, for the benefit of one or more Projects; in each such case as, where and to whom designated by Lessee or such Sublessee. The term of each Separate Easement shall run concurrently with the term of this Lease, and shall terminate upon the expiration or termination hereof. For purposes of this Lease, the term "**Project**" means one or more Generating Units and associated Wind Power Facilities that are constructed, installed and/or operated on the Property and/or on other lands in the general vicinity of the Property by or on behalf of Lessee, a Sublessee or an affiliate of either thereof, as an integrated energy generating and delivery system.

Exclusivity. Lessee shall have the exclusive right to develop and use the Property for wind energy purposes and to convert all of the wind resources of the Property; provided, however, that nothing expressly or impliedly contained in this Lease or represented to Lessor shall be construed as requiring Lessee to (a) undertake construction, installation or operation of any Wind Power Facilities on the Property or elsewhere, (b) continue operation of any Wind Power Facilities from time to time located on the Property or elsewhere or (c) generate or sell any minimum or maximized amount of electrical energy from the Property; and the decision if, when and to what extent to construct, install or operate Wind Power Facilities, or to generate or sell electrical energy, shall be solely in Lessee's discretion. Lessor shall cooperate with Lessee and each Sublessee in connection with its Operations, and, upon request by Lessee, shall make available to Lessee for inspection copies of all reports, agreements, surveys, plans and other records of Lessor that relate to the wind on or across the Property or to the feasibility of wind energy development on the Property.

Term. This Lease shall initially be for a term (the "***Primary Term***") commencing on the Effective Date and ending thirty (30) years after the Effective Date.

Extended Term. Lessee shall have the right and option (the "***Lease Extension Option***") to extend the term of this Lease for one (1) four (4) year period ("***Extended Term***").

Rent.

a. For each year during the Primary Term and the Extended term, if any, Lessee shall pay to Lessor, as rent (the "***Minimum Rent***"), an amount equal to

As used herein, the term "***Extended Term Year***" refers to any calendar year that occurs during an Extended Term.

b. For each Year, Lessee shall also pay to Lessor, in additional rent (the "***Additional Rent***"), an amount equal to the greater of (i) multiplied by each MW then installed on the Property, or (ii) an amount (if any) by which the Production Rent (as defined below) for such Year exceeds the Minimum Rent plus Additional Rent payable for such Year. As used herein, the term "***Production Rent***" means an amount calculated by multiplying the Gross Revenues (as defined below) actually received over the course of a Year by The Minimum Rent and the Additional Rent together or the Production Rent, which ever is greater are referred to herein as the "***Rent***".

c. Rent shall be paid quarterly in arrears

d. Minimum rent and additional rent shall escalate in accordance with the Consumer Price Index (CPI)

e. For purposes hereof, the term "***Gross Revenues***" means the aggregate total revenue actually received by Lessee or a Sublessee, during the applicable period of time, from the sale, to the purchaser of the electricity, of electrical energy generated and sold from Generating Units then located on the Property. "Gross Revenues" shall also include any payments received: (a) from renewable energy credits or pollution credits that directly result

from construction and operation of Generating Units on the Property (except for production tax credits, other tax benefits and credits, or any reimbursement thereof); or (b) pursuant to a business interruption insurance policy or by the manufacturer of any Generating Unit under the provisions of its warranty therefor, in each case if made specifically in lieu of revenues from the normal operation of such Generating Units. "Gross Revenues" shall, without limitation, not include revenues received: (a) from the sale, lease, sublease, assignment, transfer or other disposition of Wind Power Facilities or any other of Lessee's or any Sublessee's improvements, trade fixtures or chattel (or any interest therein); (b) from sales of electrical energy produced by Generating Units not located on the Property; (c) from any rental or other payment received by Lessee in exchange for Lessee's assigning, subleasing, mortgaging or otherwise transferring all or any interest of Lessee in this Lease; (d) from the sale, modification or termination of any obligation under a power purchase contract; (e) from parasitic or other loss (i.e., electrical energy used to power Wind Power Facilities or Operations, or lost in the course of transforming, shaping, transporting or delivering the electricity); (f) from sales of electrical energy for which payment is not received (including because of a default by the purchaser thereof); (g) as reimbursement or compensation for wheeling costs or other electricity transmission or delivery costs; or (h) from production tax credits, other tax benefits and credits, or any reimbursement thereof received by Lessee or a Sublessee in connection with any Project. Except as provided above in this Section, Gross Revenues shall be calculated without offset for any costs of producing, gathering, storing, transporting, marketing or otherwise making electricity ready for sale.

[Exhibit B-1 contains examples of how the Rent would be calculated for landowners with zero, one, two and three Generating Units on their property for both Generating Units with 1.5MW of nameplate capacity and for Generating Units with 2.0MW of nameplate capacity. In order to calculate Rent payments, assumptions have been made for the price of energy, renewable energy credits (REC's) and for the annual capacity factor of the Generating Unit used in the examples.]

Construction Impact Fee. The Parties acknowledge that during construction of the Wind Power Facilities on the Property there may be noise related to construction and other impacts resulting from construction on the property such as loss of agricultural production. In order to compensate Lessor for such construction impacts, at Commencement of Construction, Lessee shall make a one-time payment equal to _____ per MW for each Generating Unit to be installed on the Property. "***Commencement of Construction***" shall mean the commencement, on an unlimited basis, of construction of the Generating Units on Owner's Property and shall not include preliminary inspections, tests or surveys needed to evaluate the feasibility of installing the Generating Units on Owner's Property.

No Interference. Neither Lessor's activities nor the exercise of any rights or interests heretofore or hereafter given or granted by Lessor to any Related Person (as defined below) of Lessor, whether exercised on the Property or elsewhere, shall, currently or prospectively, interfere with, impair or materially increase the cost of (a) the construction, installation, maintenance or operation of any Project, (b) vehicular or pedestrian access to, or the transmission of energy from, the Property, any Wind Power Facilities or any Project, (c) any Operations of Lessee or any Sublessee on the Property or with respect to any Project or (d) the undertaking of any other activities or the free enjoyment and exercise of any other rights or benefits given to or permitted

Lessee hereunder. Without limiting the generality of the foregoing, neither Lessor nor any Related Person of Lessor shall (i) interfere with or impair (A) the free, unobstructed and natural availability, accessibility, flow, frequency, speed or direction of air or wind over and across the Property (whether by planting trees, constructing buildings or other structures, or otherwise), or (B) the lateral or subjacent support for the Wind Power Facilities or (ii) engage in any other activity on the Property or elsewhere; in each case that might cause a decrease in the output or efficiency of Lessee's or any Sublessee's Generating Units. As used herein, the term "**Related Person**" means any member, partner, principal, officer, director, shareholder, predecessor-in-interest, successor-in-interest, employee, agent, heir, representative, contractor, sublessee, grantee, licensee, invitee or permittee of a specified Party, or any other person or entity that has obtained or hereafter obtains rights or interests from such Party.

Right To Assign, Sublease and Encumber. Lessee and each Sublessee shall have the absolute right at any time and from time to time, without obtaining Lessor's consent, to: (a) assign, sublease or grant an easement, subeasement or license in, or otherwise transfer all or any portion of its right, title or interest under this Lease, in its Sublease and/or in any Wind Power Facilities to any person or entity (each, other than a transfer to or from a Lender, a "**Transfer**"); and/or (b) encumber, hypothecate, mortgage or pledge (including by mortgage, deed of trust or personal property security instrument) all or any portion of its right, title or interest under this Lease, in its Sublease and/or in any Wind Power Facilities to any Lender as security for the repayment of any indebtedness and/or the performance of any obligation. As used herein, (i) the term "**Sublessee**" means any person or entity that receives a Transfer from Lessee of less than all of the right, title or interest under this Lease or in one or more Easements, (ii) the term "**Sublease**" means the grant or assignment of such rights from Lessee to a Sublessee and (iii) the term "**Lender**" means any financial institution or other person or entity that from time to time provides secured financing for some or all of Lessee's or a Sublessee's Project, Wind Power Facilities or Operations, collectively with any security or collateral agent, indenture trustee, loan trustee or participating or syndicated lender involved in whole or in part in such financing, and their respective representatives, successors and assigns. References to Lessee in this Lease shall be deemed to include any person or entity that succeeds (whether by assignment or otherwise) to all of the then-Lessee's then-existing right, title and interest under this Lease.

Lessee's Right To Terminate. Subject to the last sentence of this Section, Lessee shall have the right, at any time and from time to time during the term of this Lease, to surrender or terminate all or any portion of its right, title and interest in this Lease or the Easements (as to all or any portion or portions of the Property), by giving Lessor thirty (30) days notice and by executing and causing to be acknowledged and recorded in the Official Records of the County, a quitclaim deed describing with particularity the portion of such right, title or interest so quitclaimed and the part of the Property to which it applies. Upon any such quitclaim by Lessee, the Parties' respective rights and obligations hereunder (including as to the Rent) shall cease as to the portion of the Property or the right, title or interest herein as to which such quitclaim applies, but the Lease, the Easements and the Parties' respective rights and obligations hereunder shall remain in full force and effect as to any right, title and interest of Lessee not so quitclaimed. Notwithstanding anything herein to the contrary, if (i) Lessee or an affiliate of Lessee constructs, installs and continues to operate a Project on lands adjacent to or in the general vicinity of the Property, (ii) each property parcel within such Project boundary is greater than fifty (50) acres

and (iii) Lessee chose not to construct Generating Units for such Project on the Property, then Lessee shall not have the right to terminate this Lease.

Indemnity

Each Party (the "***Indemnifying Party***") shall defend, indemnify and hold harmless the other Party and such other Party's members, officers, agents, contractors, employees, subcontractors or invitees ("***Related Persons***") (each, an "***Indemnified Party***") from and against any and all claims, litigation, actions, proceedings, losses, damages, liabilities, obligations, costs and expenses, including attorneys', investigators' and consulting fees, court costs and litigation expenses (collectively, "***Claims***") suffered or incurred by such Indemnified Party, arising from (a) physical damage to the Indemnified Party's property (which (i) in Lessee's or any Sublessee's case, shall include damage to any improvements installed in accordance with this Lease and (ii) in Lessor's case, shall include damage to crops and livestock), to the extent caused by the Indemnifying Party or any Related Person thereof, (b) physical injuries or death to or of the Indemnified Party or the public, to the extent caused by the Indemnifying Party or any Related Person thereof, (c) any breach of any covenant, and any failure to be true of any representation or warranty, made by the Indemnifying Party under this Lease, (d) the presence or release of Hazardous Materials in, under, on or about the Property, which are or were brought or permitted to be brought onto the Property by the Indemnifying Party or any Related Person thereof or (e) the violation of any environmental Law by the Indemnifying Party or any Related Person thereof; provided, however, that in no event shall the Indemnifying Party be responsible for defending, indemnifying or holding harmless any Indemnified Party to the extent of any Claim caused by, arising from or contributed to by the negligence or willful misconduct of such Indemnified Party.

Taxes.

Zilkha will pay increase in real property taxes, if any directly attributable to Zilkha's improvements.