

Prepared By: Ted Francois, Interstate Power and Light, 200 First Street SE, Cedar Rapids, IA 52401-1409, (800) 664-8020
Return to: Ted Francois, Interstate Power and Light, 200 First Street SE, Cedar Rapids, IA 52401-1409, (800) 664-8020

WIND EASEMENT

This Wind Easement ("Easement") is made effective as of the 1st day of September, 2008¹ (the "Effective Date"), by and among **Clay Farm, Inc., an Iowa corporation** (hereinafter "Grantor") and Interstate Power and Light Company, an Iowa corporation and its assigns (hereinafter "Grantee"). In consideration of the following covenants and terms, Grantor and Grantee mutually agree as follows:

ARTICLE 1 PREMISES

Section 1.1 Grant of Wind Facilities Easement

- (a) Grantor grants and conveys to Grantee an easement for the real property legally described in Exhibit A attached hereto (the "Premises") for the purpose of constructing, installing, owning, operating, maintaining, repairing, replacing, re-powering or removing one or more wind energy generation turbine(s), supporting structures, foundations and pads, footings, electrical transformers, fixtures, electric distribution and transmission lines, cables, power poles, access roads, and related facilities and equipment ("Wind Facilities") on the Premises to the extent set forth in this Easement.
- (b) Grantee shall use the Premises only for the construction, installation, maintenance, repairing, replacement, re-powering, operation and removal of the Wind Facilities. Any improvements, fixtures or other structures, other than the Wind Facilities, shall not be installed without the express written consent of

¹ The effective date will be determined and filled in by IPL, but it will be no later than 12/31/08. **Addendum language included.**

Grantor, which shall not be unreasonably withheld. Grantee shall also be entitled to unrestricted ingress and egress to and from its Wind Facilities and appurtenant equipment and electrical power lines over the Premises and such additional areas of the Premises as shall be reasonably necessary to access all Wind Facilities.

- (c) Grantee reserves the right to relocate its Wind Facilities upon the Premises during the Term of this Easement. Grantor shall retain the right to use that portion of the Premises not occupied by Wind Facilities to the extent its use is consistent with Sections 1.2 and 5.2, for farming, grazing, or conservation.
- (d) Grantee shall also be entitled to ingress to and egress to and from the Wind Facilities and over and across the Premises to and from publicly maintained roads. Grantor hereby grants Grantee an exclusive easement, for the Term of this Easement, permitting Grantee to construct, install, maintain, operate, repair, replace, re-power and remove the Wind Facilities.
- (e) Grantee will revise Exhibit A of this Easement upon request of Grantor to show the actual area occupied by the Wind Facilities initially or as thereafter relocated.

Section 1.2 Wind Easement

Any obstruction to the free flow of the wind is prohibited throughout the entire area of the real property owned by Grantor and described on Exhibit B (the "Easement Premises"), which shall consist horizontally three hundred and sixty degrees (360°) from any point where any Wind Facilities are 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 Easement Premises, together vertically through all space located above the surface of the Easement 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 Easement Premises through each Site to each point and on and along such line to the opposite exterior boundary of the Easement Premises. Trees, structures and improvements located on the Easement Premises as of the date of this Easement shall be allowed to remain and Grantee may not require their removal. Grantor may not place or plant any trees, structures or improvements on the Easement Premises after the date of this Easement that are greater than thirty-five (35) feet in height or within five hundred (500) feet of a wind generation turbine or meteorological tower, which may, in Grantee's sole judgment, impede or interfere with the flow of wind to any Site or Wind Facilities, unless Grantor has received prior written approval from Grantee, approval not to be unreasonably withheld for any such trees, structure or improvement. The provisions of this Section 1.2 shall survive for the full Term of this Easement including any and all Extended Terms and Termination.

**ARTICLE II
EASEMENT TERM AND TERMINATION**

Section 2.1 Easement Term

- (a) The term of this Easement (“Initial Term”) is twenty-five (25) years from the Effective Date of the Easement unless terminated earlier or extended in accordance with its terms. The Initial Term may be extended, if at all, by the Grantee at its sole option for two additional ten (10) year periods (the “Extended Term”) concurrently, for the first Extended Term, with the expiration of the Initial Term or, for the second Extended Term, with the expiration of the first Extended Term. If Grantee decides to exercise its option to extend the then-current Term and enter into an Extended Term, it shall deliver written notice to Grantor no later than four (4) months prior to the expiration of the then-current Term. The Extended Term(s) shall be on all of the same terms and conditions as provided in this Easement. The Initial Term plus any additional Extended Terms shall be referred to herein as the Term of this Easement.
- (b) If, at any time during the Term of this Easement, including any and all Extended Terms, Grantee deems it to be necessary or desirable to meet legal or regulatory requirements, Grantee may request that Grantor re-execute a new easement substantially in the form of this Easement with a term equal to the Term of this Easement and Grantor shall execute and enter into the new easement with Grantee or its designee.

Section 2.2 Termination of Easement

The occurrence of any of the following events shall terminate this Easement:

- (a) The expiration of the Term of this Easement as set forth in Section 2.1; or
- (b) The written agreement of both parties to terminate this Easement; or
- (c) An uncured material breach of this Easement by either party and the election of the non-breaching party to terminate the Easement pursuant to Article IX.

Section 2.3 Survival of Covenants

The parties acknowledge that the covenants, conditions, rights and restrictions in favor of Grantee pursuant to this Easement including, but not limited to, the Easement Premises described in Section 1.2, and Grantee’s use of and benefit from those covenants, conditions, rights and restrictions, may constitute a phase of a larger wind energy 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 full life of the project (such phase will constitute the “Project” for the purposes of this Easement) and that the covenants,

conditions, rights and restrictions in favor of Grantee pursuant to this Easement shall not be deemed nominal, invalid, inoperative, abandoned, or otherwise be disregarded while any portion of the Project remains operational.

ARTICLE III PAYMENT AND TAXES

Section 3.1 Payment

- (a) Grantee shall pay to Grantor an annual base payment (the "Base Payment") equal to Five Hundred and 00/100 Dollars (\$500.00) for the rights under this Easement related to the Wind Facilities. In addition to the Base Payment, Grantee shall pay to Grantor an annual turbine payment (the "Turbine Payment") of Four Thousand and 00/100 Dollars (\$4,000.00) per turbine, if one or more turbines are located on the Premises, for the first eleven (11) years of the Easement Term. On the twelfth (12th) year, the Turbine Payment will be Five Thousand and 00/100 Dollars (\$5,000.00) per turbine located on the Premises. On each successive year thereafter during the Term, the annual Base Payment and Turbine Payment payments will increase at the rate of two and one-half percent (2.5%) per year for the remainder of the Term. Grantee's obligation to pay Base Payments shall commence one year after the Effective Date of this Agreement. Grantee's obligation to pay Turbine Payment shall commence upon commercial operation of the Project. All Base Payment and Turbine Payment obligations shall be prorated for any partial year.
- (b) Grantee shall pay Grantor a bonus of One Thousand and 00/100 Dollars (\$1,000.00) within forty-five (45) days of the Effective Date.

Section 3.2 Taxes, Assessments and Utilities

- (a) Grantor 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 Grantor and located on the Premises. Subject to Section 3.2(c), if Grantor shall fail to pay any such taxes or assessments when due, Grantee may, at its option, pay those taxes and assessments and any accrued interest and penalties, and deduct the amount of its payment from any Base Payment otherwise due to Grantor from Grantee. In the event such taxes and assessments are greater than any Base Payment due, in addition to deducting the payment from any Base Payment due, Grantee may pursue legal options for the differences.
- (b) Grantee shall pay all personal property taxes and assessments levied against the Wind Facilities when due including any production tax imposed on the electricity produced by the Wind Facilities. Grantee shall provide proof of such payment upon request of Grantor.

- (c) Either party may contest the validity or amount of any levied taxes, assessments or other charges for which each is responsible under this Easement as long as such contest is pursued in good faith and with due diligence and the party contesting the tax, assessment or charge has paid the obligation in question or posted bond to pay the obligation in the event of an adverse determination. Both parties shall cooperate in pursuit of any such appeal.
- (d) Grantee shall pay for all water, electric, telecommunications and any other utility services used by the Wind Facilities or Grantee on the Premises.

ARTICLE IV GRANTEE'S COVENANT

Grantee covenants, represents and warrants to Grantor as follows:

Section 4.1 Liens

Grantee 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 Grantee or any Wind Facility on the Premises in connection with Grantee's use of the Premises. Grantee may contest any such lien, but shall post a bond or utilize other available means to remove any lien that is created during the contested proceeding. Grantee agrees to otherwise remove any lien or encumbrance for which it is responsible pursuant to this paragraph within sixty (60) days of the creation of any such lien or encumbrance.

Section 4.2 Permits and Laws

Grantee 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 Grantee's activities pursuant to this Easement and shall obtain all permits, licenses and orders required to conduct any and all such activities.

Section 4.3 Grantee's Improvements

All Wind Facilities constructed, installed or placed on the Premises by Grantee pursuant to this Easement shall be the sole property of Grantee and Grantor shall have no ownership or other interest in any Wind Facilities on the Premises. Throughout the Term Grantee shall, at its sole cost and expense, maintain Grantee's Wind Facilities in good condition and repair, ordinary wear and tear excepted. All Wind Facilities constructed, installed or placed on the Premises by Grantee pursuant to this Easement may be moved, replaced, repaired or refurbished by Grantee at any time. At the end of the Term of this Easement, including any termination of the Easement, Grantee shall remove all its Wind Facilities within twelve (12) months from the date the Term expires or the Easement terminates, with foundations being removed to a depth of 48 inches; however, collector system or other buried facilities will be de-energized and remain buried. If Grantee fails

to remove any of the Wind Facilities within the required time period, such Wind Facilities shall be considered abandoned by Grantee and Grantor may remove these Wind Facilities from the Premises and dispose of them in its sole discretion without notice or liability to Grantee. In the event Grantee fails to remove any of the Wind Facilities as required, and Grantor removes such Wind Facilities at Grantor's expense, Grantee shall reimburse Grantor for all reasonable costs of removing those Wind Facilities as required by the Easement, less any salvage value received by Grantor, within thirty (30) days after receipt of an invoice from Grantor.

Section 4.4 Hazardous Materials

Grantee shall, and shall cause its subcontractors to, comply with all Hazardous Material Laws in connection with Grantee's operations on the Premises.

"Hazardous Materials" means and includes asbestos or any substance containing asbestos, polychlorinated biphenyls, any explosives, radioactive materials, chemicals known or suspected to cause cancer or reproductive toxicity, pollutants, effluents, contaminants, emissions, infectious wastes, any petroleum or petroleum-derived waste or product or related materials and any items defined as hazardous, special or toxic materials, substances or waste under any Hazardous Material law. "Hazardous Material Laws" collectively means and includes any local, state or federal law, statute, ordinance, rule, regulation or order relating to public health, safety or the environment.

Grantee shall only use Hazardous Materials on the Premises or cause or permit to exist or be stored on the Premises as a result of Grantee's operations in such quantities as may be required in its normal business operations, used per manufacturer's instructions, and used only for its intended use. Grantee agrees to properly store, transport and dispose of all Hazardous Materials introduced, used, produced or generated in the course of Grantee's construction, operation and maintenance of equipment located on Grantor's Premises. In addition, no disposal of any Hazardous Material shall take place on the Premises.

In the event that the Grantee or any of its subcontractors causes any spills or releases of any Hazardous Materials into the environment which require reporting and remediation under Hazardous Material Laws, the Grantee shall be responsible for ensuring timely and adequate compliance with reporting to regulatory agencies and accomplishing remediation requirements.

ARTICLE V GRANTOR COVENANTS

Grantor covenants, represents and warrants to Grantee as follows:

Section 5.1 Title and Authority

Grantor is the sole owner of the Premises and Easement Premises in fee simple and each person or entity signing the Easement on behalf of Grantor has the full and unrestricted

authority to execute and deliver this Easement and to grant the easements and rights granted herein. All persons having any ownership interest in the Premises and Easement Premises (including spouses) are signing this Easement as Grantor. When signed by Grantor, this Easement constitutes a valid and binding agreement enforceable against Grantor in accordance with its terms. There are no encumbrances or liens against the Premises. Upon request, Grantor shall provide to the Grantee title evidence supporting the representations, warranties and covenants of this Section 5.1.

Section 5.2 Quiet Enjoyment

As long as Grantee is not in default under this Easement, Grantee shall have the quiet use and enjoyment of the Premises in accordance with the terms of this Easement without any interference of any kind by Grantor or any person claiming through Grantor. Grantor and its activities on the Premises and any grant of rights Grantor makes to any other person shall not interfere with any of Grantee's activities pursuant to this Easement, Grantor shall not interfere with any of Grantee's activities pursuant to this Easement, and Grantor shall not interfere or allow interference with the wind speed or wind direction over the Easement Premises or otherwise engage in activities which might impede or decrease the output or efficiency of the Wind Facilities.

Section 5.3 Hazardous Materials

Grantor shall, and shall cause its subcontractors and tenants to, comply with all Hazardous Material Laws in connection with Grantor's operations on the Premises. "Hazardous Materials" has the same definition as provided in Section 4.4.

Grantor shall only use Hazardous Materials on the Premises or cause or permit to exist or be stored on the Premises as a result of Grantor's operations in such quantities as may be required in its normal business operations, used per manufacturer's instructions, and used only for its intended use. Grantor agrees to properly store, transport and dispose of all Hazardous Materials introduced, used, produced or generated in the course of Grantor's work on the Premises. In addition, no disposal of any Hazardous Material shall take place on the Premises.

In the event that the Grantor or any of its subcontractors or tenants causes any spills or releases of any Hazardous Materials into the environment which require reporting and remediation under Hazardous Material Laws, the Grantor shall be responsible for ensuring timely and adequate compliance with reporting to regulatory agencies and accomplishing remediation requirements.

Grantor hereby represents, warrants and covenants as of the date of this Agreement and further warrants at the time of each Turbine Payment payment, as follows for Hazardous Materials: to the best of the Grantor's knowledge and belief, (i) there are no abandoned wells, solid waste disposal sites, or Hazardous Materials located on, under or adjacent to the Premises (ii) the Premises do not contain levels of petroleum or Hazardous Materials which require remediation or monitoring, and (iii) the Premises are not subject to any

judicial or administrative action, investigation or order under any applicable Hazardous Material Laws. Grantor, its subcontractors or tenants have done nothing to contaminate the Premises with Hazardous Materials. The Grantor is and shall be responsible for the remediation and removal of any contaminated soil which resulted from its normal business operations. The Premises do not, and, to the best of Grantor's knowledge, have never contained any underground or above ground storage tanks, except for those described on Exhibit C attached hereto ("Underground or Aboveground Storage Tanks").

Section 5.4 Cooperation

Grantor represents that Grantor has disclosed, and during the Term shall disclose, fully to Grantee any leases, grants or other rights made by Grantor to any other party in connection with the Premises. Grantor shall cooperate with Grantee in good faith to obtain nondisturbance and subordination agreements from any person or entity with a lien, encumbrance, mortgage, easement or other exception to Grantor's fee title to the Premises or Easement Premises to the extent necessary to eliminate any actual or potential interference by any such lienholder with any rights granted to Grantee under this Easement. Grantor shall also cooperate with Grantee to obtain and maintain any permits needed for the Wind Facilities. Grantor shall also provide Grantee with such further assurances and shall execute any estoppel certificates, consents to assignments or additional documents that may be reasonably necessary for recording purposes or requested by Grantee or any of its lenders. In consideration of the mutual benefits arising under this Easement, Grantor, to the extent permitted by law, hereby waives any and all statutory liens and other lien rights now or hereafter existing in any property of Grantee on the Premises.

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, mortgagors and agents (collectively the "Indemnified Party") against losses, damages, claims, expenses and liabilities for physical damage to property and for physical injury to any person, to the extent resulting from or arising out of (i) any operations or activities of the Indemnifying Party on the Premises; (ii) any negligent or intentional act or omission on the part of the Indemnifying Party; or (iii) any breach of this Easement 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. Grantee's obligations regarding crop damage are specified in Section 6.2 below and are not covered under this indemnification. This indemnification shall survive the termination of this Easement.

In no event shall either party be liable for indirect, incidental, or consequential damages (other than death or bodily injury), including but not limited to loss of profits or revenue or down time costs.

Section 6.2 Crop Damage

The parties anticipate and acknowledge that Grantor may suffer damage to crops, tile, fences, and other property or improvements on the Premises caused by Grantee's construction, installation and maintenance of Wind Facilities on the Premises. Grantee shall pay Grantor fair compensation for any such losses or damage, and, if the parties cannot reach agreement as to amount which would constitute fair compensation, the issue shall be submitted to arbitration before the American Arbitration Association or any arbitrator mutually agreed to by the parties.

ARTICLE VII ASSIGNMENT

Section 7.1 Assignment

Grantee may assign, sublease, transfer or convey its interest in this Easement without Grantor's consent provided that (i) any such assignment or conveyance shall not be for a period beyond the Term of this Easement and (ii) the assignee or transferee shall be subject to all of the obligations, covenants and conditions applicable to the Grantee.

Section 7.2 Continuing Nature of Obligations

- (a) The Easement and related rights granted by Grantor in this Easement to Grantee are an easement in gross for the benefit of Grantee, its successors and assigns, as owner of the rights created by the Easement. The Easement and other rights granted by Grantor in this Easement are independent of any lands or estates of interest in lands, there is no other real property benefiting from the Easement granted in this Easement and, as between the Premises and other tracts of property on which Grantee may locate Wind Facilities, no tract is considered dominant or servient as to the other.
- (b) The burdens of this Easement and all other rights granted to Grantee in this Easement shall run with and against the Premises and Easement Premises and shall be a charge and burden on the Premises and Easement Premises and shall be binding upon and against Grantor and its successors, assigns, permittees, licensees, grantees, employees and agents. This Easement shall inure to the benefit of Grantee and its successors, assigns, permittees, licensees and grantees.

**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 such property would in the reasonable judgment of Grantee prevent or adversely affect Grantee's construction, installation or operation of Wind Facilities on the Premises, the parties shall either amend this Easement to reflect any necessary relocation of the Wind Facilities which will preserve the value and benefit of the Easement to Grantee, together with any corresponding payments, or, at Grantee's option, this Easement shall terminate, in which event neither party shall have any further obligation to the other party.

Section 8.2 Proceeds

All payments made by a condemnor on account of a taking by eminent domain shall be the property of the Grantor, except that Grantee 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 the Easement. Grantee shall have the right to participate in any condemnation proceedings to this extent.

Section 8.3 Force Majeure

Neither Grantor nor Grantee shall be liable to each other, or be permitted to terminate this Easement, for any failure to perform an obligation of this Easement to the extent such performance is prevented by a Force Majeure, which shall mean an event beyond the control of the party affected and which, by exercise of due diligence and foresight, could not reasonably have been avoided.

**ARTICLE IX
DEFAULT/TERMINATION**

Section 9.1 Events of Default

Each of the following shall constitute an event of default that shall permit the nondefaulting party to terminate this Easement or pursue other remedies available at law or equity:

- (i) any failure by Grantee to pay Base or Turbine Payments if the failure to pay continues for thirty (30) days after written notice from Grantor;
- (ii) any other material breach of this Easement 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

For the period between the date of termination or expiration and the date upon which Grantee completes removal of the Wind Facilities as required under Section 4.3 of this Easement, Grantee shall pay Grantor Base Payment(s) on an annual basis, prorated as applicable.

Section 9.3 Specific Performance

Grantor acknowledges and agrees that should Grantor breach any of its obligations hereunder or otherwise fail to permit Grantee to exercise any of the rights and privileges granted herein, Grantee shall have the right to seek specific enforcement of this Easement. In that event, Grantor agrees that Grantee has no adequate remedy at law.

ARTICLE X MISCELLANEOUS

Section 10.1 Notice

Notices, consents or other documents required or permitted by this Easement must be given by personal delivery, facsimile or certified mail and shall be sent to the respective parties as follows:

To Grantor: Clay Farm, Inc.
1076A Hwy. 65
Hampton, IA 50441

To Grantee: Interstate Power and Light Company
Attention: Ted Francois
200 First St. S.E.
Cedar Rapids, IA 52401-1409

Section 10.2 No Third Party Beneficiaries

No provision of this Easement 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 Easement, or of any one or more of the terms of this Easement, or otherwise give rise to any cause of action in any person not a party to this Easement.

Section 10.3 Entire Agreement

It is mutually understood and agreed that this Easement and the attached Exhibits A through C constitute the entire agreement between Grantor and Grantee and supersede any and all prior oral or written understandings, representations or statements, and that no understandings, representations or statements, verbal or written, have been made which modify, amend, qualify or affect the terms of this Easement. This Easement may not be amended except in a writing executed by both parties.

Section 10.4 Governing Law

This Easement is made in Iowa and shall be governed by the laws of the State of Iowa.

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 Easement 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 Easement 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 Easement shall not be deemed a waiver with respect to any subsequent or other matter.

Section 10.7 Relationship of Parties

The duties, obligations and liabilities of each of the parties are intended to be several and not joint or collective. This Easement shall not be interpreted or construed to create an association, joint venture, fiduciary relationship or partnership between Grantor and Grantee or to impose any partnership obligation or liability or any trust or agency obligation or relationship upon either party. Grantor and Grantee 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 Easement, either party may need to provide information to the other party that the disclosing party deems to be confidential, proprietary or a trade secret. Any such information that is marked or identified as confidential at the time of disclosure shall be treated as confidential by the receiving party and shall not be disclosed to any other person without the prior written consent of the disclosing party.

Section 10.9 Recording of Easement

Grantee shall be entitled to record this Easement to document its interest in the Premises.

Section 10.10 Counterparts

This Easement 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.

[SIGNATURE PAGE FOLLOWS]

EXHIBIT A

PREMISES

The South Half (S $\frac{1}{2}$) of the Northwest Quarter (NW $\frac{1}{4}$), AND the North Half (N $\frac{1}{2}$) of the North Half (N $\frac{1}{2}$) of the Southwest Quarter (SW $\frac{1}{4}$), AND the South Half (S $\frac{1}{2}$) of the Northeast Quarter (NE $\frac{1}{4}$), all in Section Sixteen (16), Township Ninety-one (91) North, Range Twenty (20) West of the 5th P.M., Franklin County, Iowa, EXCEPT highway right-of-way, AND EXCEPT that part of the S $\frac{1}{2}$ of the NE $\frac{1}{4}$ of Sec. 16-T91N-R20W of the 5th P.M., Franklin County, Iowa, described as follows: Commencing at the SE Corner of the NE $\frac{1}{4}$ of said Section 16; thence N 00°00'00" E, 1,003.15 feet along the East line of the S $\frac{1}{2}$ of the NE $\frac{1}{4}$ of said Section 16 to the point of beginning; thence continuing N 00°00'00" E, 315.13 feet along the East line of the S $\frac{1}{2}$ of the NE $\frac{1}{4}$ of said Section 16 to a point on the North line of the S $\frac{1}{2}$ of the NE $\frac{1}{4}$ of said Section 16; thence N 89°32'51" W, 420.8 feet along the North line of the S $\frac{1}{2}$ of the NE $\frac{1}{4}$ of said Section 16; thence S 00°48'29" E, 314.53 feet; thence S 89°27'05" E, 416.37 feet to the point of beginning; AND EXCEPT Commencing at the SE Corner of the NE $\frac{1}{4}$ of said Section 16; thence N 00°00'00" E, 708.79 feet along the East line of the S $\frac{1}{2}$ of the NE $\frac{1}{4}$ of said Section 16 to the point of beginning; thence continuing N 00°00'00" E, 294.36 feet along the East line of the S $\frac{1}{2}$ of the NE $\frac{1}{4}$ of said Section 16; thence N 89°27'05" W, 416.37 feet; thence S 01°04'58" E, 292.69 feet; thence S 89°11'36" E, 394.82 feet to the point of beginning; AND EXCEPT a parcel of land designated as Parcel "A", located in part of the SE $\frac{1}{4}$ of the NE $\frac{1}{4}$ of Sec. 16-T91N-R20W of the 5th P.M., Franklin County, Iowa, described as: Beginning at the E $\frac{1}{4}$ Corner of said Section 16; thence on an assumed bearing N 00°06'29" E 684.89 feet along the East line of said NE $\frac{1}{4}$; thence N 89°04'08" W 242.97 feet; thence S 00°09'11" W 686 feet to the South line of said NE $\frac{1}{4}$; thence S 89°19'52" E 243.5 feet along said South line to the point of beginning.

**NOTICE OF SALE
AND
ASSIGNMENT AND ASSUMPTION OF PARTIAL EASEMENT PAYMENTS**

THIS NOTICE OF SALE AND ASSIGNMENT AND ASSUMPTION OF PARTIAL EASEMENT PAYMENTS ("Agreement") is made as of this 29th day of November, 2010 by and among Clay Farm, Inc., an Iowa corporation, (whether one or more, collectively hereinafter the "Seller"), and Kae-Don Corp., an Iowa corporation (whether one or more, collectively hereinafter the "Purchaser").

R E C I T A L S

WHEREAS, Seller was the owner of certain real property located in Franklin County, Iowa, more particularly described on Exhibit A attached hereto and made a part hereof (the "Property"), which is subject to that certain Wind Easement dated May 19, 2008, (the "Wind Easement"), entered into by and between Clay Farm, Inc., an Iowa corporation, as Grantor and Interstate Power and Light Company, as Grantee and a Memorandum of Wind Easement which was recorded in the Office of the Registrar of Deeds for Franklin County, Iowa on July 28, 2008 as Document No. 2008-00001791 (the "Memorandum") (the Wind Easement and Memorandum are hereinafter collectively referred to as the "Easement").

WHEREAS, on April 5th, 2010, Seller conveyed fee simple title of the Property to Purchaser, subject to the terms and provisions of the Easement. A copy of the recorded deed of conveyance is attached hereto as Exhibit B;

WHEREAS, Seller desires to transfer and assign a portion of their right to receive the Base and Turbine payments (as such terms are defined in the Easement) ("Easement Payments") due under and pursuant to the Easement to Purchaser;

WHEREAS, Purchaser wishes to accept such transfer and assignment of a portion of the Easement Payments.

A G R E E M E N T

NOW THEREFORE, in consideration of the foregoing, the covenants and agreements hereinafter contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Assignment. Seller hereby transfers and assigns to the Purchaser a portion of the right, title and interest to receive the Easement Payments due under the Easement as follows. Easement Payments shall be divided such that 40% will be paid to Purchaser. Upon any transfer of title by the Purchaser, Purchaser will provide proof satisfactory to Grantee of the transfer and enter into such documents as Grantee deems appropriate to

evidence the transfer of title and assignment of their portion of all future Easement Payments.

2. **Assumption.** Purchaser hereby accepts the foregoing assignment of partial Easement Payments and hereby assumes and agrees to perform in accordance with, and be bound by all of the covenants, terms and obligations of the Easement.

3. **Notices.** All payments to Purchaser, any notice, communication, request or other document or demand required or permitted under this Agreement shall be in writing and shall be deemed delivered on the earlier to occur of (a) receipt or (b) the date of delivery, refusal or non-delivery indicated on the return receipt, if deposited in a United States Postal Service Depository, postage prepaid, sent certified or registered mail, return receipt requested, or if sent via a recognized commercial courier service providing for a receipt, addressed to Purchaser or Grantee, as the case may be, at the following addresses:

If to Purchaser, who is receiving a portion of the easement payment:

Kae-Don Corp.
1076 Hwy 65
Hampton, Iowa 50441

If to Grantee:

Interstate Power and Light Company
200 First Street, SE
Cedar Rapids, IA 52401
Attention: Real Estate and Right of Way Department

Any party may change its address for purposes of this Section 3 by giving written notice of such change to the other parties in the manner provided in this Section 3. Notices given before actual receipt of notice of change shall not be invalidated by the change.

4. **Change of Ownership; Payments.** In order for Grantee to make the payments due under the Easement on a timely basis, the parties hereto agree that in the event of any anticipated change in the ownership of all or any portion of the Property, the Purchaser (as defined in this Agreement) shall provide written notice thereof to Grantee at least thirty (30) days prior to the date on which such change in ownership is scheduled to occur. This notice requirement applies to any change in the ownership of all or any portion of the Property, whether due to a sale, assignment, transfer, bequest, or other voluntary disposition and whether due to divorce, gift, foreclosure, bankruptcy, or any other reason (voluntary or involuntary) (each a "Transfer"). If a Transfer occurs, Grantee shall make all payments due under the Easement to Purchaser as set forth in the Easement and in accordance with the terms of this Agreement unless the parties to the Transfer provide for the allocation of such payments to some other person or entity in the

documents of Transfer or in a separate written agreement provided to Grantee. Such notices shall be sent to Grantee at the address listed in Section 3 above.

5. **Purchaser's U.S. Taxpayer Number.** Purchaser's U.S. taxpayer identification number is disclosed on the W-9 attached hereto as **Exhibit C** and made a part hereof. Purchaser understands that this taxpayer identification number may be disclosed to the Internal Revenue Service by Grantee for reporting of the Easement Payments paid to Purchaser pursuant to the terms of the Easement.

6. **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

7. **Severability.** If any provisions of this Agreement shall, under any circumstances, be deemed invalid or inoperative, the Agreement shall be construed as though the invalid or inoperative provisions were deleted, and the rights and obligations of the parties shall be construed and enforced accordingly.

8. **Governing Law.** This Agreement is executed, delivered and intended to be performed, construed and interpreted in accordance with the laws of the State of Iowa.

9. **Amendments in Writing.** This Agreement and any of the terms hereof may not be terminated, amended, supplemented, waived or modified orally, but only by an instrument in writing executed by the party against which enforcement of the termination, amendment, supplement, waiver or modification is sought.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date first above written.

EXHIBIT A

The South Half of the Northwest Quarter and the North Half of the North Half of the Southwest Quarter of Section 16, Township 91 North, Range 20 West of the 5th P.M., Franklin County, Iowa.

PREPARER: William J. Lorenz, 26 S. First Ave., PO Box 618, Marshalltown, IA 50158; Phone: (641) 752-4271

**Clay Farm Inc. and Kae-Don Inc.
Wind Easement Payment Agreement**

The parties hereto previously had an interest in 200 acres, more or less, which were subject to a Wind Farm Easement Agreement with Alliant Utilities. The parties have split their interests and are entering into this Agreement for purposes of splitting their interests in the easement payments for the easement with Alliant Utilities.

WHEREAS, Clay Farm Inc. was previously the owner of the following described real estate, to wit:

The South Half of the Northwest Quarter and the North Half of the North Half of the Southwest Quarter and the South Half of the Northeast Quarter of Section 16, Township 91 North, Range 20 West of the 5th P.M., Franklin County, Iowa; and

WHEREAS, Clay Farm Inc. previously granted a Wind Easement Option to Interstate Power and Light Company, dated May 19, 2008 and filed July 28, 2008 as Document No. 2008-00001791;

WHEREAS, the officers and directors of Clay Farm Inc. entered into an agreement to divide the farm, with Clay Farm Inc. retaining approximately 120 acres and a new corporation, Kae-Don Inc. retaining approximately 80 acres;

WHEREAS, as a result of said agreement:

- A. Clay Farm Inc., is the owner of the following described real estate:

The South Half of the Northwest Quarter and the North Half of the North half of the Southwest Quarter, Section 16, Township 91N, Range 20 West of the 5th P.M., Franklin County, Iowa; and

B. Kae-Don Inc. is the owner of the following described real estate:

The South Half of the Northeast Quarter of Section 16, Township 91 North, Range 20 West of the 5th P.M., Franklin County, Iowa EXCEPT Parcel "D" described as the West 243.80 feet of the South Half of the Northeast Quarter of Section 16, Township 91 North, Range 20 West of the 5th P.M. as shown in the Plat of Survey recorded as Document No. 2009-2382; , Franklin County, Iowa AND EXCEPT That part of the South Half of the Northeast Quarter of Section 16 Township 91 North, Range 20 West of the 5th P.M., Franklin County, Iowa, described as follows: Commencing at the Southeast corner of the Northeast Quarter of said Section 16; thence N 00°00' E, 1003.15 feet along the East line of the South Half of the Northeast Quarter of said Section 16 to the point of beginning; thence continuing N 00°00'00" E, 315.13 feet along the East line of the South Half of the Northeast Quarter of said Section 16 to a point on the North line of the South Half of the Northeast Quarter of said Section 16; thence N 89°32'51" W, 420.80 feet along the North line of the South Half of the Northeast Quarter of said Section 16: thence S 00°48'29" E, 314.53 feet; thence S 89°27'05" E, 416.37 feet to the point of beginning, containing 3.03 acres, subject to easements of record AND EXCEPT That part of the South Half of the Northeast Quarter of Section 16, Township 91 North, Range 20 West of the 5th P.M., Franklin County, Iowa, described as follows: Commencing at the Southeast corner of the Northeast Quarter of said Section 16; thence N 00°00'00" E, 708.79 feet along the East line of the South Half of the Northeast Quarter of said Section 16 to the point of beginning; thence continuing N 00°00'00" E, 294.36 feet along the East line of the South Half of the Northeast Quarter of said Section 16; thence N 89°27'05" W, 416.37 feet; thence S1°04'58" E, 292.69 feet; thence S89°11'36" E, 394.82 feet to the point of beginning, containing 2.73 acres, subject to easements of record AND EXCEPT That part of the Northeast Quarter of Section 16, Township 91 North, Range 20 West of the 5th P.M., Franklin County, Iowa, described as follows: Commencing at the Southeast corner of the Northeast Quarter of said Section 16; thence N 00°00'00" E, 1003.15 feet along the East line of the Northeast Quarter of said Section 16; thence N

89°27'05" W, 139.61 feet to the point of beginning; thence continuing N 89°27'05" W, 84.00 feet; thence S 00°00'00" W, 76.00 feet parallel with the East line of the Northeast Quarter of said Section 16; thence S89°27'05" E, 84.00 feet; thence N 00°00'00" E 76.00 feet parallel with the East line of the Northeast Quarter of said Section 16 to the point of beginning, containing 0.15 acres AND EXCEPT Parcel "A" located in the Southeast Quarter of the Northeast Quarter of Section 16, Township 91 North, Range 20 West of the 5th P.M., as shown by the Survey recorded in the office of the Franklin County Recorder on October 8, 2007 in Instrument No. 20072168; and

WHEREAS, the parties desire to enter into an Agreement for the division of the easement payments from Interstate Power and Light Company (now its successor and assignee, Alliant Utilites).

NOW, THEREFORE, in consideration of mutual promises herein made, and other good and valuable consideration, the parties hereby agree as follows:

1. Easement option payments will be divided, with Kae-Don Inc. to receive 40 percent of any payments and Clay Farms Inc. to receive 60 percent of any payments. Currently the total option payment is \$500.00 per year;
2. If the option is exercised and wind turbines or other wind farm facilities are placed on any individual parcel, the owner of that parcel shall receive 100 percent of the payments from the utility company for those wind farm facilities on its land;
3. If a wind turbine or other wind farm facilities, or construction, occur over both parcels, any payments shall be divided according to the number of acres affected in each parcel by the construction of the roads, towers, buried cables, or other wind farm facilities. (As an example, if the total area affected is 3 acres, with 2 acres on the Kae-Don Inc. parcel and 1 acre on the Clay Farm Inc. parcel, Kae-Don Inc. shall receive 2/3 of the annual payment and Clay Farm Inc. will receive 1/3 of the annual payment); and
4. This Agreement shall inure to the benefit of and shall be binding upon the parties and their heirs, successors and assigns.