RECLAMATION AGREEMENT Case 696-S-11

OCT 1 9 2011 CHAMPAIGN CO. P & Z DEPARTMENT

KNOW ALL MEN BY THESE PRESENTS, that California Ridge Wind Energy LLC, ("Principal") and the Landowners are firmly bound unto Champaign County, State of Illinois ("Champaign County"), as set forth in this Reclamation Agreement to satisfy requirements of the Zoning Ordinance. Principal and Champaign County are sometimes referred to in this Reclamation Agreement as a Party or collectively as the Parties. Principal is firmly bound to Champaign County in the sum of the Financial Assurance (as defined below), well and truly provided unto Champaign County and said Principal binds itself, their successors and assigns, jointly and severally by these presents:

THE CONDITION OF THE FOREGOING OBLIGATION is such that:

WHEREAS, Champaign County has approved, or will approve, as a Special Use to the Champaign County Zoning Ordinance ("Zoning Ordinance"), the Principal's proposal to construct and install the Project. As part of the requirements for the approval of said Zoning Case, the Principal has entered into this Reclamation Agreement with Champaign County to provide for the final removal of the below ground and above-ground portions of the said Project and the structure supporting the said Project and any associated site grading and soil erosion control as may be necessary in accordance with the applicable laws and with the applicable ordinances and codes of Champaign County as related to Project decommissioning requirements.

NOW, THEREFORE, to fulfill the relevant requirements of the approval of Case 696-S-11, the conditions of this Reclamation Agreement are as follows:

- (1) This "Reclamation Agreement" shall consist of the following documents:
 - (a) This writing;
 - (b) The **Decommissioning Estimate**. (Attachment A)
 - (c) The **Decommissioning Report**, to the limited extent it defines **Reclamation Work**. (Attachment B).
 - (d) The list of Landowners (Attachment C).
 - (e) Memorandum of Agreement (Attachment D).

These form the entire **Reclamation Agreement** between the **Principal** and **Champaign County**, and, supersede all prior representations between the parties, written or oral. All of these documents are as fully a part of the **Reclamation Agreement** as if attached to this writing or repeated within it. Any inconsistencies shall be resolved by giving priority to the documents in the order listed above. Without limitation, this shall mean that any **Decommissioning Expenses** and **Salvage Value** set forth in the **Decommissioning Estimate**, shall prevail over conflicting values set forth in the **Decommissioning Report**.

- (2) Definitions, as used in this Reclamation Agreement:
- (a) "Abandoned": The Project is "Abandoned" if:

(i) The **Project** as a whole ceases producing electricity for a period of 6 consecutive months after it first starts producing electricity and the **Principal** is not diligently attempting to continue producing electricity, or any such cessation continues for a period of 12 consecutive months, regardless of the efforts of the **Principal**.

(ii) Any wind turbine or component of the **Project** thereof ceases to be functional for a period of more than 6 consecutive months after it first starts producing electricity and the **Principal** is not diligently repairing such wind turbine or component, or any such cessation continues for a period of 12 consecutive months, regardless of the efforts of the **Principal**.

(iii) There is a delay in the construction of any component part of the **Project** of more than 6 consecutive months after construction on that component begins and the **Principal** is not diligently working to continue construction activities, or any such delay continues for a period of 12 consecutive months, regardless of the efforts of the **Principal**

(iv) Any part of the **Project** appears in a state of disrepair or imminent collapse, and/or creates an imminent threat to the health or safety of the public or any person.

(v) The **Principal** determines any wind turbine or other component of the **Project** to be functionally obsolete, for tax purposes.

(vi) The **Principal's** existence as a corporate entity is dissolved.

(vii) Design compliance certification from Underwriter Laboratories or an equivalent third party is not secured within 6 consecutive months of completion of construction and the **Principal** is not diligently working to obtain such certification, or any such delay continues for a period of 12 consecutive months, regardless of the efforts of the **Principal**.

- (b) "Associated Costs": All administrative and ancillary costs associated with drawing upon the Financial Assurance and performing the Reclamation Work, or with monitoring the Principal's performance and completion of the Reclamation Work or with enforcing this Reclamation Agreement, including, but not limited to:
 - (i) Attorneys fees, legal fees and other liabilities incurred by **Champaign County** relating to the **Project**, to be paid by the **Principal** under Section (13) or Section (16)(e).

- (ii) Construction management fees and other professional service fees, incurred both before and after the **Reclamation Work**.
- (iii) The costs to Champaign County of preparing requests for proposals, bid documents, or other bid documents needed to comply with state law, and/or Champaign County's purchasing policies, as required to prepare the Reclamation Work.
- (iv) If the financial institution providing the Financial Assurance does not have an office within 200 miles of Urbana, Illinois, the cost to Champaign County for any travel to and from the institution required to implement this agreement and make use of the Financial Assurance, except where travel is not reasonably required for such purposes of implementation.
- (v) Any costs related to the removal of any covenants that were placed on the title to the land as a requirement for approval in said **Zoning Case**.
- (vi) Any increase in the cost of performing Reclamation Work caused by the Principal's exercise of its right to salvage parts of the Project, including, but not limited to, delays due to such exercise.
- (vii) Any costs incurred by **Champaign County** in maintaining the **Financial Assurance** due to breach by the **Principal** of its agreement with the issuer.
- (c) "Base Decommissioning Expense": Decommissioning Expense less Salvage Value, calculated using the values set forth in the Decommissioning Estimate.
- (d) **"Champaign County":** Champaign County, State of Illinois, and its agents, employees, consultants and contractors.
- (e) "Decommissioning Expenses": shall mean the costs of performing the Reclamation Work. Any costs incurred through a contract awarded using a competitive bidding or competitive request for proposal process required by State or Federal law, or applicable local ordinance, shall be deemed reasonable for this purpose.
- (f) "Decommissioning Estimate": as revised, is appended hereto as Attachment A.

- (g) "Decommissioning Report": Appendix B of the June 2011 California Ridge Wind Energy Project Decommissioning Report submitted with Special Use Permit Application in the Zoning Case, and appended hereto as Attachment B.
- (h) "**Financial Assurance**": an irrevocable letter of credit or successor letters of credit or an escrow account, or combination thereof, drawn upon or deposited in, as the case may be, a federally insured financial institution, in the form set forth in Section (4).
- (i) "Landowners": Those persons listed in Attachment C.
- (j) "Principal": California Ridge Wind Energy LLC,
- (k) "**Project**": a system as described and permitted in the **Zoning Case** in the townships of Ogden and Compromise, Champaign County, Illinois, as described in the **Special Use Permit**.
- (1) "Reclamation Work": removal and reclamation obligations described in subparagraph 6.1.1.A.4. of the Zoning Ordinance, including: Removal of above-ground portions of any structure on the Project's site, site grading, and interim soil erosion control; below-ground restoration, including final grading and surface treatment; repairs to any public Street used for the purpose of reclamation of the same; removal of access driveways for Champaign; and bringing the land covered by the Special Use Permit into compliance with the Zoning Ordinance, without reliance upon the Special Use Permit. The Reclamation Work includes, without limitation, the work described in the Decommissioning Report. Subject to the approval of the Champaign County Board, the Zoning Administrator shall have the sole discretion to determine what work is necessary for this purpose.
- (m) "Salvage Value" shall mean recoverable costs from the **Project**, including steel, concrete, or other basic metals, but shall not include the value of any reclaimed roadway materials.
- (n) "Special Use Permit": the permit granted in the Zoning Case.
- (o) "Zoning Administrator": Champaign County Zoning Administrator.
- (q) "Zoning Case": Champaign County Zoning Case 696-S-11.
- (r) "Zoning Ordinance": The Champaign County Zoning Ordinance, as it may be amended from time to time.

(3) At the time of application for any zoning use permit required by the **Special Use Permit**, the **Principal** shall provide **Champaign County Financial Assurance** in accordance with the provisions of Section 4 of this agreement, to be maintained and remain in effect for a period of twenty-five (25) years from the date the first turbine begins generating electricity.

- (4) The **Financial Assurance** shall be subject to the following:
 - (a) The amount of the irrevocable letter of credit shall be 210% of the **Decommissioning Cost Estimate**.
 - (b) The **Principal** shall gradually pay down the value of the irrevocable letter of credit by placing cash deposits in an escrow account over the first 13 years of the **Project's** operation as follows:
 - (i) The **Principal** and the **Champaign County** Board shall agree on a mutually acceptable financial institution at which an escrow account shall be established.
 - (ii) Champaign County shall be the beneficiary of the escrow account for the purpose of the reclamation of the **Project** in the event that the **Principal** is incapable of decommissioning the **Project**.
 - (iii) The Principal shall grant perfected security in the escrow account by use of a control agreement establishing the County as an owner of record, pursuant to the Secured Transactions Article of the Uniform Commercial Code, 810 ILCS 9/101 et seq.
 - (iv) The **Principal** shall make annual deposits to the escrow account over a 12 year period and shall simultaneously provide a replacement irrevocable letter of credit that is reduced accordingly.
 - (v) On January 1 of every third year for the first twelve years after the Special Use Permit is granted and every second year for the remainder of this Agreement, the Financial Assurance shall be adjusted as follows:
 - (A) The Principal, using an independent, Professional Engineer registered in the State of Illinois, shall adjust the amount of the Financial Assurance and Base Decommissioning Expenses held as part of this Agreement to ensure the Decommissioning Cost Estimate has been updated and reflects current, accurate information.
 - (B) Provided, however, that at no time will the amount of the total Financial Assurance be less than \$25,000 per wind turbine that is part of the Project, regardless of the actual estimated cost of the Reclamation Work. Said minimum Financial Assurance shall be

increased annually by known and documented rates of inflation since the **Project** was approved.

- (vi) At all times the total combined value of the irrevocable letter of credit and the escrow account shall be increased annually as necessary to reflect actual rates of inflation over the life span of the **Project** and the amount shall be equal to or exceed the following:
 - (A) the amount of the independent engineer's cost estimate as increased by known and documented rates of inflation since the **Project** was approved; plus
 - (B) an amount for any future years left in the anticipated life span of the **Project** at an assumed minimum rate of inflation of 3% per year.
- (vii) Any interest accrued on the escrow account that is over and above the total value required hereby shall go to the **Principal**.
- (viii) In order to provide funding for decommissioning at the time of decommissioning, the **Principal** may exchange a new irrevocable letter of credit in an amount equal to the amount in the escrow account in exchange for the **Champaign County** Board agreeing to a release of the full amount of the escrow account.

(5) If the **Principal** desires to remove equipment or property credited to the **Salvage Value** without the concurrent replacement of the property with property of equal or greater **Salvage Value**, or if the **Principal** installs equipment or property increasing the **Decommissioning Expenses** after the **Project** begins to produce electricity, at any point, the **Principal** shall first obtain the consent of the **Zoning Administrator**, which consent shall not be unreasonably withheld. If the **Principal's** lienholders remove equipment or property credited to the **Salvage Value**, the **Principal** shall promptly notify **Champaign County**. In either event, the **Financial Assurance** shall be adjusted to reflect any change in total **Salvage Value** and/or total **Decommissioning Expenses** resulting from any such removal or installation.

- (6) **Principal's** winding down of the **Project**.
- (a) The Principal may voluntarily, at such time as it deems it necessary and appropriate, and only with prior notice to the Zoning Administrator, perform and complete or cause to be performed and completed, the Reclamation Work. All Reclamation Work shall be completed within a ninety (90) day period, or the Principal shall demonstrate Reclamation Work is diligently being processed and

moving toward completion, to the satisfaction of the Zoning Administrator, following the Principal's notification to the Zoning Administrator. If the work is so completed, and verified on site by the Zoning Administrator or his designee, the Zoning Administrator shall draw upon the Financial Assurance to pay any accrued Associated Costs, and then release the remainder of the Financial Assurance to the issuer of the Financial Assurance, the Principal's obligation to provide Financial Assurance under this Agreement shall cease and the Special Use Permit shall then expire. The Principal's exercise of this right shall not, in any way, limit the authority of Champaign County under Section (9) or Paragraph 6.1.1.8 of the Zoning Ordinance, and may be denied to the extent it conflicts with this authority.

- (b) The **Principal** shall perform the **Reclamation Work** prior to:
 - (i) **Abandoning** the **Project**;
 - (ii) Ceasing production of electricity from the **Project**, after it has begun, other than in the ordinary course of business;
 - (iii) Transferring the **Project** other than in compliance with this **Reclamation Agreement**.
- (c) The Principal shall be responsible for paying the costs of performing the Reclamation Work and for paying any Associated Costs. The Principal's obligation to perform this Reclamation Work and to pay Associated Costs shall be independent of its obligation to provide Financial Assurance.
- (d) The liability of the **Principal** for failure to perform the **Reclamation Agreement** or any other breach of this **Reclamation Agreement** shall not be capped by the amount of the **Financial Assurance**.

(7) Abandonment Process. Once the Zoning Administrator has made a finding the **Project** has been Abandoned, the Zoning Administrator shall issue notice to the **Principal** that **Champaign County** will draw on the **Financial Assurance** within thirty (30) days unless the **Principal** appeals the Zoning Administrator's finding, pursuant to Paragraph 9.1.8 of the Zoning **Ordinance** or enters a written agreement with **Champaign County** to perform the **Reclamation Work** and remove the **Project** within ninety (90) days. No such notice is required if the **Zoning** Administrator determines the **Project** poses an imminent threat to the health and safety of the public or any person.

(8) The **Principal** shall pay any accrued **Associated Costs** upon sixty (60) days written demand from the **Zoning Administrator**.

(9) Drawing Upon the **Financial Assurance**:

(a) The **Zoning Administrator** may draw upon the **Financial Assurance** to have the **Reclamation Work** completed when any of the following occur:

(i) The **Project** is deemed **Abandoned**, under the process set forth in Section (7), and the **Principal** has not responded to the notice from the **Zoning Administrator** within thirty (30) days of its issuance; or, having responded, has not appealed the **Zoning Administrator**'s finding; or entered a written agreement to perform the **Reclamation Work** and remove the **Project**.

(ii) The **Principal** does not enter into, or breaches any term of, a written agreement with **Champaign County** to perform the **Reclamation Work** and/or remove the **Project** and or the **Project**'s supporting structures and regrade and provide soil and erosion control as provided in the approval of the **Zoning Case**.

(iii) Any material breach or performance failure of any provision of this **Reclamation Agreement**; including, but not limited to, the failure to maintain **Financial Assurance**; the failure to replace expiring **Financial Assurance** within the deadlines set forth herein; or the removal or replacement of equipment or property from the **Project** in violation of Section (5).

(iv) The **Principal** has filed a bankruptcy petition, or compromised **Champaign County**'s interest in the **Financial Assurance** in any way not specifically allowed by this **Reclamation Agreement**.

(v) A court of law, an arbitrator, mediator, or any state or Federal agency charged with enforcing State or Federal law has made a finding that either said **Project** or any of the facilities or structures supporting or constituting said **Project** and/or any related site grading and soil erosion controls or lack of same, constitutes a public nuisance or otherwise violates State or Federal law, or any State or Federal agency charged with enforcing State or Federal law has made a final determination imposing an administrative sanction on the **Project** or denying the **Project** a permit necessary for its lawful operation.

(vi) **Champaign County** discovers any material misstatement of fact, or misleading omission of fact, made by the **Principal** or its employees or agents in the course of the **Zoning Case**, or negotiations over this **Reclamation Agreement**.

(viii) The **Zoning Administrator** makes a determination the **Project**, or any part thereof, poses an imminent threat to public

safety or any person, pursuant to Section (9)(d), regardless of whether the **Project** has been determined **Abandoned** using the process set forth in Section (7).

- (ix) Any accrued unpaid Associated Costs exceed \$25,000.00
- (b) Champaign County may draw the Decommissioning Expenses and all accrued Associated Costs from the Financial Assurance. No dispute as to the necessity or reasonableness of Associated Costs or costs of performing the Reclamation Work will impair the ability of Champaign County to draw on the Financial Assurance.
- (c) If Champaign County draws on the Financial Assurance to enter a contract to have any portion of the Project dismantled, demolished, or deconstructed, Champaign County will notify Principal and allow the Principal to reclaim the Project and related equipment and remove the dismantled, demolished, or deconstructed equipment at Principal's sole cost, within sixty (60) days, or such later period agreed by the Zoning Administrator, subject to Section (5).
- (d) Public Safety Risk. The Zoning Administrator may draw upon the Financial Assurance immediately, to perform the any work reasonably necessary to respond to an imminent threat posed by the Project to the health or safety of the public or any person. The Zoning Administrator shall not be required to first give any notice of Abandonment under Section (7), or to first provide a right to remove salvage property under Section (9)(c). The Zoning Administrator, and other agents or contractors of Champaign County, shall have authority from the Principal and the Landowner to enter upon the Project to abate such risk. The Principal or Landowner may appeal the Zoning Administrator's determination of such imminent threat, under the process set forth at Paragraph 9.1.8, of the Zoning Ordinance, but its sole remedy shall be an adjustment to Financial Assurance for the remainder of the Project, and reinstatement of the Special Use Permit.
- (e) Any balance of the Financial Assurance that remains after the Reclamation Work shall be used to pay Associated Costs and any other liability the Principal owes Champaign County as a result of the Project. After these sums are paid, any remaining Financial Assurance shall be returned to the issuer of the Financial Assurance, the Principal's obligation to provide Financial Assurance under this Reclamation Agreement shall cease, and the Special Use Permit shall expire. The Principal's remaining obligations under this Reclamation Agreement shall continue.
- (f) Should Principal Abandon the Project and fail to exercise its right to remove components of the Project under this Reclamation Agreement, any components remaining after any cure periods due and owing to a lender pursuant to the construction financing of the Project have expired, may, at Champaign County's sole discretion, be deemed forfeited to Champaign County and may be sold by Champaign County to recover any accrued costs of performing the Reclamation

Work or Associated Costs, or any other liability owed Champaign County as a result of Reclamation Work on the Project that are not fully reimbursed by the Financial Assurance. The entire Salvage Value of the Project shall be applied to these debts, regardless of whether the amount exceeds the proposed Salvage Value used to determine the required Financial Assurance. Any surplus Salvage Value shall be returned to the Principal or its successors. This section shall not be construed to require Champaign County to take ownership of any component of the Project, and its failure to do shall not reduce any liability Principal owes Champaign County relating to the Project, under this Reclamation Agreement, or otherwise. The Principal and Champaign County agree to cooperate to enter into any documentation reasonably necessary to effect such the transactions set forth in this section.

(g) In accordance with the provisions of the Illinois Mechanic's Lien Act, 770 ILCS 60/1 and 60/7, **Principal** agrees that, upon the occurrence of the circumstances set forth in the foregoing sub-paragraph, any contractor retained by Champaign County to perform the **Reclamation Work** shall have a lien upon the **Project** to the full extent of all costs of performing the **Reclamation Work** and **Associated Costs**, and that such lien shall be superior to any claim or lien of any other creditor, incumbrancer or purchaser.

(10) The **Principal** shall be solely liable to the issuer of the **Financial Assurance** for all costs and fees associated with issuing and maintaining the **Financial Assurance**. **Principal** shall provide **Champaign County** with current copies of its agreement with the issuer of the **Financial Assurance** (e.g., escrow agreement, letter of credit). This agreement shall provide:

- (a) **Champaign County** is authorized to draw upon the **Financial Assurance** as provided in this **Reclamation Agreement**.
- (b) **Champaign County** will be a third party beneficiary of any such agreement between **Principal** and the issuer.
- (c) **Champaign County** will be notified by the issuer directly of any lapse or default in the agreement between the **Principal** and the issuer, and provided an opportunity to cure any default by the **Principal** so as to preserve its **Financial Assurance**.
- (d) Such agreement shall be renewed on a regular basis in accordance with this **Reclamation Agreement** or survive the expiration of the **Special Use Permit** and the expiration of this **Reclamation Agreement**.

(11) Transfer of Interest. This **Reclamation Agreement** shall inure to the benefit of and shall be binding upon the parties hereto, their respective successors, assignees, and legal representatives. This **Reclamation Agreement** may not be assigned without the written consent of the other parties hereto, which consent shall not be unreasonably withheld. The **Principal** shall ensure that any sale, assignment in fact or at law, or other such transfer of the **Principal's** interest in the **Project** be subject to the following terms:

(a) Upon any proposed change in ownership of the subject **Project**, but at least ninety (90) days prior to the legal transfer of title, the new owner shall:

(i) submit to the **Zoning Administrator** a new **Financial Assurance** of the same value;

(ii) sign a new **Reclamation Agreement** with conditions identical to this **Reclamation Agreement**.

(iii) provide a copy of all documents transferring ownership to the **Zoning Administrator.**

- (b) The sale, assignment in fact or at law, or such other transfer of the **Principal's** interest in the **Project** shall in no way affect or change the **Principal's** obligation to continue to comply with the terms of this **Reclamation Agreement**. Any such transfer shall include, as one of its terms, that the successor or assignee shall assume the terms, covenants and obligation of this **Reclamation Agreement**.
- (c) The Zoning Administrator shall release the Financial Assurance to the issuer only upon receipt of acceptable documentation from the new owner, and the issuer of the new owner's Financial Assurance, satisfying the Zoning Administrator of compliance with this Section (11), including but not necessarily limited to, documentation of the new Financial Assurance, any agreement between the new owner and the issuer of the Financial Assurance, and the new Reclamation Agreement, signed by the new owner and approved by the Champaign County Board.

(12) One hundred twenty (120) days prior to the expiration date of an irrevocable letter of credit submitted pursuant to this **Reclamation Agreement**, the **Zoning Administrator** shall notify the **Principal** in writing and request information about the **Principal**'s intent to renew the letter of credit, or remove the **Project**. The landowner shall have thirty (30) days to respond in writing to this request. If the **Principal**'s intention is to remove the **Project**, the **Principal** shall have a total of ninety (90) days, or reasonably agreed upon timeframe, from the initial notification to remove the **Project** and perform the **Reclamation Work**. At the end of ninety (90) days, or reasonably agreed upon timeframe shall have a period of thirty (30) days to either:

- (a) Confirm that the **Financial Assurance** has been renewed; or
- (b) Inspect the subject property to ensure the **Reclamation Work** has been performed.

At the end of this period, if the **Financial Assurance** has not been renewed and the **Reclamation Work** has not been performed, the **Zoning Administrator** may draw on the **Financial Assurance** and have the **Reclamation Work** performed

(13) The **Principal** shall reimburse **Champaign County** for all attorneys fees and legal fees incurred by **Champaign County** except to the extent of the intentional or willful and wanton misconduct of **Champaign County**, both before and after the **Reclamation Work**, in connection

with the performance of the **Reclamation Work**; and, if any action at law or in equity, is brought by **Champaign County** to enforce this **Reclamation Agreement** and **Champaign County** prevails in such litigation, **Champaign County** shall be entitled to receive from the **Principal** reasonable attorneys' fees and costs incurred, in addition to any other relief to which **Champaign County** may be entitled.

(14) Consideration. The **Principal**'s consideration for this **Reclamation Agreement** shall include the stipulation of **Champaign County** that the **Principal** has complied with the requirement of Paragraphs 6.1.1.A.4.. and 6.1.4.P of the **Zoning Ordinance**, for so long as the **Principal** has complied with this **Reclamation Agreement**. The **Landowners'** consideration for this **Reclamation Agreement** shall include the economic viability of the **Principal**, and the decreased risk of abandonment of derelict equipment on their property, and other good and valuable consideration.

(15) In no event shall **Champaign County** be obliged by this **Reclamation Agreement** to the **Landowners** to perform any **Reclamation Work** for the benefit of the **Landowners**.

- (16) Other requirements:
- (a) **Principal** shall notify **Champaign County** by certified mail of the commencement of a voluntary or involuntary bankruptcy proceeding, naming the **Principal** as debtor, within ten days of commencement of the proceedings.
- (b) **Principal** agrees that the sale, assignment in fact or at law, or such other transfer of **Principal**'s financial interest in the **Project** and related equipment shall in no way affect or change **Principal**'s obligation to continue to comply with the terms of this **Reclamation Agreement**. Any successor or assignee of **Principal** shall assume the terms, covenants and obligations of this Agreement and agree to be jointly and severally liable with the **Principal** for the **Reclamation Work** and all other reclamation liability for the **Project**.
- (c) Principal and the Landowners hereby authorize Champaign County the right of entry onto the Project premises for the purpose of inspecting the methods of reclamation, monitoring compliance with this Reclamation Agreement, confirming the Principal's assurances the Project has not been Abandoned. Upon Abandonment, the Principal and Landowners shall provide Champaign County and its prospective consultants and contractors access to the site of the Project for purposes of inspecting the site, and performing the Reclamation Work, if necessary.
- (d) Forum Selection. The parties agree that any disputes arising out of, related to, or connected with this **Reclamation Agreement** shall be litigated, if at all, solely in the Circuit Court of the Sixth Judicial Circuit, Champaign County, Illinois. The parties stipulate that jurisdiction and venue for any such disputes lies in this Court.
- (e) **Principal** shall defend, indemnify and hold harmless **Champaign County** from and against any and all claims, litigation, actions, proceedings, losses, damages,

liabilities, obligations, costs and expenses, including reasonable attorneys', investigators' and consulting fees, court costs and litigation expenses suffered or incurred by **Champaign County**, arising from any and all legal disputes, in law or equity, relating to **the Zoning Case**; and the actions or omissions of **Champaign County** or the **Principal** under this **Reclamation Agreement** or the **Special Use Permit**; whether such claims are brought by the **Landowners**, neighboring landowners, their respective assigns, successors in interest, third parties, or others, except to the limited extent such claims arise from the intentional or willful and wanton misconduct of **Champaign County**.

- (f) No Waiver or Relinquishment of Right to Enforce Agreement. Failure of any party to this **Reclamation Agreement** to insist upon the strict and prompt performance of the terms, covenants, agreements and conditions herein contained or any of them, upon any other party imposed, shall not constitute or be construed as a waiver or relinquishment of any party's right thereafter to enforce any such term, covenant, agreement or condition, but the same shall continue in full force and effect.
- (g) Severability. Should any provision of this **Reclamation Agreement** be held to be either invalid, void or unenforceable, the remaining provisions hereof shall remain in full force and effect, unimpaired by the holding.

(h) Notices. When any notice to the **Principal** is required by this **Reclamation Agreement**, it shall be deemed sent as of the date it is sent by registered or certified mail to the following address:

California Wind Energy LLC Attention: General Counsel 1 South Wacker Drive, Suite 1900

Chicago, Illinois 60606

Principal may change this address with thirty (30) days' notice by notifying the **Zoning** Administrator by registered or certified mail to the following address:

Champaign County Zoning Administrator 1776 East Washington Urbana, Illinois 61801

Notice to Landowners may be sent to the addresses set forth in Attachment C.

(i) Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. Delivery of an executed counterpart of a signature page to this **Reclamation Agreement** by telecopier shall be as effective as delivery of a manually signed counterpart to this **Reclamation**

Agreement.

- (j) Commencement of Project. This Reclamation Agreement shall be void if substantial construction of the Project is not commenced on or before March 1, 2013.
- (k) Governing Law. This **Reclamation Agreement** shall be governed by and interpreted in accordance with the laws of the State of Illinois (the state in which this **Reclamation Agreement** is deemed to have been executed and delivered), irrespective of any conflict of laws provisions.
- (1) Memorandum of Agreement. A Memorandum of this Reclamation Agreement, substantially in the form of Attachment D hereto, shall be recorded with the Champaign County Recorder of Deeds by the Principal at its expense within thirty (30) days after the execution of this Reclamation Agreement and a copy of the recorded Memorandum shall be delivered to the Zoning Administrator within sixty (60) days of the execution of this Reclamation Agreement.
- (m) This **Reclamation Agreement** shall survive the termination of the Special Use Permit.

(18) The signatory on behalf of California Ridge Wind Energy LLC has been authorized by California Ridge Wind Energy LLC to enter into this agreement.

[signature page to follow]

PRINCIPAL:

California Ridge Wind Energy LLC

By:	 	
Name:		
Its:		
Date: _		

ACKNOWLEDGMENT

STATE OF ILLINOIS

COUNTY OF COOK

Personally came before me this ____ day of _____, 2011, ____, who executed the foregoing instrument, and acknowledged the same, on behalf of California Ridge Wind Energy LLC.

)) SS.

)

(SEAL)

Name: ______ Notary Public, State of Illinois My Commission Expires: ______

COUNTY:

Champaign County, State of Illinois

By: ______ Name: ______ Its: _____ Date: _____

ACKNOWLEDGMENT

STATE OF ILLINOIS

COUNTY OF CHAMPAIGN

Personally came before me this _____ day of ______, 2011, _____, who executed the foregoing instrument, and acknowledged the same, on behalf of Champaign County, State of Illinois.

)) SS.

)

(SEAL)

Name:	
Notary Public, State of Illinois	
My Commission Expires:	

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South Concentration of the Con		Prof. Scham	the second s	All and the	Tot	al Salvage Value	\$4,865,400
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1 of 2

10/6/2011

Base Decommissioning Cost Estimate California Ridge Wind Project -

ATTACHMENT A

10/6/2011

June 2011

CALIFORNIA RIDGE WIND ENERGY PROJECT DECOMMISSIONING REPORT CHAMPAIGN COUNTY, ILLINOIS

Invenergy

Prepared for:

California Ridge Energy LLC c/o Invenergy Wind LLC One South Wacker Drive Suite 1900 Chicago, IL 60606 Prepared by

HDR Engineering, Inc. 701 Xenia Avenue South Minneapolis, MN 55416

Invenergy

California Ridge Wind Energy Project

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FIGURES

Figure 1 -Typical Wind Turbine Generator Figure 2 -Typical Foundation Designs Section Figure 3 -Typical access road section

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CALIFORNIA RIDGE WIND ENERGY

SYSTEM DESCRIPTION

The California Ridge Wind Energy, LLC (Project), is proposed to be a 200 Megawatt (MW) wind energy conversion system in Vermilion and Champaign counties, located north of the town of Royal and south of the cities of Gifford and Potomac, Illinois. The proposed wind farm will consist of the following primary components:

Number	Unit measure
134	Each
134	Each
134	Each
198,026	Lineal Foot (estimate)
425,937	Lineal Foot (estimate)
	134 134 134 134 198,026

Note: The exact number of turbines and lengths of access roads and medium voltage cables may change prior to construction. The lengths provided here are based on a May 2011 layout. California Ridge Wind Energy will provide as-built plans to the counties following construction.

DECOMMISSIONING SEQUENCE

In the event the Project requires decommissioning and removal, the following sequence for removal of the components will be used:

- Remove Rotors and Turbines
- Remove Towers and Internals
- Remove Collection Step-Up Transformers
- Partial Remove Wind Turbine Foundations
- Remove Access Roads

After removal of all equipment and materials the area will be regraded and topsoil will be restored.

WIND TURBINES

WIND TURBINE TECHNICAL DATA

The Project will use 134 GE 1.6-100 50/60 Hz (690 Volt electric power) Wind Turbines manufactured by General Electric for a system generating capacity of approximately 214 MW (figure 1). The towers are painted monopole tubular steel, white in color, with a hub height of 100 meters (328 feet). The project will use 100 meter (328 foot) diameter rotors. Each turbine and rotor will reach a total height of 150 meter (492 feet) above ground surface.

Properly maintained wind turbines have a minimum life of 20 years (Ton van de Wekken 2007). At the end of the project life, depending on market conditions and project viability, the wind turbines may be "re-powered" with new nacelles, towers, and/or blades. Alternatively, the wind turbines may be decommissioned and removed. The major components of the wind turbines (the tower, the nacelle, and blades) are modular items that allow for ease of construction and disassembly during decommissioning or replacement. Each tower is made up of approximately 253 tons of painted steel which is potentially salvageable. The nacelle has an overall unit weight of approximately 40 tons and is constructed of a combination of salvageable steel and various other materials. Portions of the components within the nacelle and generators can also be salvaged for scrap.

California Ridge Wind Energy Project

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METALS SALVAGE

Based on the construction details presented for the GE 1.6-100 turbine and associated tower and components, it was assumed that the tower and nacelle will yield approximately 80% salvageable materials. Since the hub assembly and bed plate are of manufactured steel, it is anticipated that the hub assembly will yield 100 percent salvageable metallic materials. Copper estimates were derived from manufacturers' cable descriptions, from the down tower cabling and internal wiring. Since the rotor/blades are constructed of predominantly non-metallic materials (fiberglass reinforced epoxy and carbon fibers), no salvage value for the rotor blades was used to develop the decommissioning cost estimate.

The current market value of steel, based on *Steelonthenet.com* (June 2011), is approximately \$380 per ton. Assuming only the steel from each turbine assembly and tower will be salvaged the salvage value of each turbine and tower assembly is estimated to be approximately \$124,465 each. Turbine salvage values could range from \$40,688 to \$174,652 given that market values fluctuate and the price of steel historically has shifted from \$106 to \$455 per ton.

The market value of copper has fluctuated dramatically this past year. As of December 2009, the price is approximately \$4.14 per pound (\$8,280 per ton). Therefore, estimated salvage value for copper is approximately \$53,820 per turbine. The total value for both copper and steel would be approximately \$180,785 per turbine. The table below summarizes the potential salvage value per turbine.

Item Uni		Price/unit	Price per Turbine
Tower (80% steel)	252.95 Ton	\$380	\$76,897
Nacelle (80% steel)	27.6 Ton	\$380	\$8,390
Hub (100% steel) and 101.1 T bed plate		\$380	\$38,418
Anchor Bolts	2.0 Ton	\$380	\$760
Total Steel price			\$124,465
Copper	6.5 Ton	\$8,280	\$53,820
Transformers 1 each		\$2,500	\$2,500
Grand Total			\$180,785

The estimated 2011 cost of erecting a turbine tower, hub, blades, and nacelle is approximately \$98,000. Therefore, the dismantling costs will be approximately \$98,000 per turbine location in 2011 costs. When the cost to transport the salvage unit is included, the total cost of dismantling the turbines and removing them from the site will be approximately \$129,000 per turbine. The removal costs are summarized in the conclusions of this report. The remainder of this report addresses the decommissioning costs for the surface and subsurface components.

WIND TURBINE TRANSFORMERS

Wind Turbine Transformer Design/Decommissioning

Each turbine step-up transformer sits adjacent to the turbine and is approximately 6 feet high and 6 feet wide. Each transformer will be disconnected, removed from site, and disposed of according to environmental and other regulatory conditions current at the time of the decommissioning. Salvers have indicated that they would remove the transformers for a \$2,500 credit per turbine. After decommissioning activities, the transformer pad areas will be scarified, as necessary and in consultation with the landowner, and the land restored as near as practicable to its original condition with native seed and soils.

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WIND TURBINE FOUNDATIONS

Wind Turbine Spread Foundation Design/Decommissioning

Each octagonal spread foundation pedestal and base is required by Vermilion County to be removed to a depth of 36 inches below the proposed final ground surface. The upper 54 inches of the turbine foundation will be removed by a jack hammer mounted on a bobcat or excavator. Complete off-site removal for demolition and disposal of the removed portions of the foundations is required per the lease agreement between the Project and the landowners hosting turbines. For the purpose of this report, the cost of removal and disposal off site is used to estimate the decommissioning costs of the foundations.

There is essentially no salvage value to the turbine foundations. The spread footing foundation design will consist of a solid reinforced concrete circular pedestal with dimensions of approximately 17 feet diameter, and an overall pedestal height of approximately 4 feet, 6 inches. Below the foundation pedestal is the foundation base section, an estimated octagonal geometry that is approximately 60 feet across the flat sides of the octagon, with an overall base thickness of 8 feet, 6 inches. The base sits on the supporting sub-grade approximately 12 feet below finish grade. A typical spread footing design is shown in Figure 2. The removal and disposal of the foundations are estimated as follows:

Activity	Cost	Unit
Mobilization and Excavation - Assume 1 Foundation per Day	\$2,500	per Foundation
Concrete Demolition - Assume 1/2 of a Foundation Pedestal per Day	\$10,000	per Foundation
Disposal/Backfill - Assume 1 Foundation per Day	\$3,500	per Foundation
Subtotal	\$16,000	per Foundation
Total Estimated Cost for 134 Foundation Removals	\$2,144,000	Total

ACCESS ROADS

Typical Access Road Construction Details

For the purposes of this report, the total length of access roads for the Project has been estimated at 198,026 linear feet, or 37.5 miles. The typical access road detail is included as Figure 3. The final access roads to each turbine will be approximately 16 feet wide with enlarged areas at the turbine sites and at intersections with connecting public roads. The existing soils will be excavated, shaped, and graded to match the typical contour of the land adjacent to the access road and compacted prior to construction of the roads. The construction of the access roads may consist of a geotextile fabric placed on a prepared subgrade with 6 inches of aggregate base (pit run gravel) and 6 inches of aggregate surface course Type B (CA-6), resulting in the estimated quantities as shown below:

Item	Number	Unit
Geotextile Fabric	352,046	Square Yards
Aggregate Base Course	58,674	Cubic Yards
Aggregate Surface Course	58,674	Cubic Yards

Access Road Decommissioning and Public Street Repair

Access road decommissioning will involve the removal and transportation of the aggregate materials from the site to a nearby site where the aggregate can be processed for salvage. It is possible that the local townships or farmers may accept this material without processing to use on their local roads; however, for the purpose of this report it is assumed that the materials will be removed and hauled to a reprocessing

California Ridge Wind Energy Project

site within 25 miles of the wind farm site. Any public streets damaged due to the reclamation process shall be repaired.

The decommissioning will also involve the removal and proper disposal of the geotextile fabric. It is assumed that during excavation of the aggregate a large portion of the geotextile will be "picked up" and sorted out of the aggregate at the aggregate reprocessing site. Geotextile fabric that is remaining, or large pieces that can readily be removed from the excavated aggregate, will be disposed of off site at a landfill.

In determining salvage value for the road materials, it was assumed that 75 percent of the aggregate surface course can ultimately be salvaged for future use as aggregate base course. It was also assumed that 50 percent of the aggregate base course could be reused as aggregate base course and that the remaining materials would be viable for general fill in non-structural fill areas. The geotextile fabric would not be suitable for use after removal so was not considered to have a salvage value. The following salvage values are used for the road materials assuming they will be picked up and hauled from the process site by others:

Removal Items	Cost	Unit
Reprocessed Aggregate to be used as Base Course	\$5.30	per Cubic Yard
Remaining Aggregate to be used as Fill	\$1.60	per Cubic Yard

The only scenario that could offer a lower cost for removal and salvage of the aggregate would be disposal at a nearby site that needed inert fill. There are no known sites in the area. Therefore, the decommissioning cost of the roads is based upon removal and salvage of the aggregate for use as base course or inert fill within a 25-mile radius of the wind farm site. The estimated costs for access road decommissioning would be as follows:

Removal Items	Quantity	Cost	Salvage	Net Cost
Geotextile Fabric (Square Yards)	352,046	\$176,023		\$176,023
Aggregate Base Course (Cubic Yards) (Reprocessed as Aggregate Base Course)	29,337	\$357,914	\$155,487	\$202,427
Aggregate Base Course (Cubic Yards) (Reprocessed as Fill)	29,337	\$357,914	\$46,939	\$310,974
Aggregate Surface Course (Cubic Yards) (Reprocessed as Aggregate Base Course)	44,006	\$536,870	\$233,231	\$303,640
Aggregate Surface Course (Cubic Yards) (Reprocessed as general fill in non-structural fill areas)	14,669	\$178,957	\$23,470	\$155,487
Totals		\$1,607,678	\$459,127	\$1,148,551

CRANE PADS

Crane pads will be approximately 60 feet by 40 feet and consist of compacted native material and approximately 1 foot of base fill. Crane pad aggregate will be removed and pad areas will be filled and scarified after decommissioning activities. The restoration will be performed in consultation with the landowner and pad sites will be restored as near as practicable to their original condition with native seed and soils. The estimated costs for crane pad decommissioning would be as follows:

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Removal Items	Quantity	Cost	Salvage	Net Cost
Geotextile Fabric (Square Yards)	35,733	\$17,867	- 1	\$17,867
Aggregate Base Course (Cubic Yards) (Reprocessed as Aggregate Base Course)	2,978	\$36,329	\$15,782	\$20,547
Aggregate Base Course (Cubic Yards) (Reprocessed as Fill)	2,978	\$36,329	\$4,764	\$31,564
Aggregate Surface Course (Cubic Yards) (Reprocessed as Aggregate Base Course)	5,956	\$72,658	\$31,564	\$41,093
Aggregate Surface Course (Cubic Yards) (Reprocessed as general fill in non-structural fill areas)	1,489	\$18,164	\$2,382	\$15,782
Totals		\$181,347	\$54,493	\$126,853

CABLES

Cable Wire and Trench Typical Installation

All cable trenches will be a minimum of 48 inches below the ground surface. In all cable locations outside of access roads, the trenches are backfilled with on-site earthen materials with at least 6 inches of topsoil. At roads, the cables will be in conduits which are a minimum of 48 inches below the final surface. The estimated total medium voltage cable length is 425,937 lineal feet.

Cable Wire and Trench Decommissioning

Since the cables will be located well below the ground surface and will not impose an obstacle to farm activities, physical removal of the cables is not considered to be required to restore the former use of the ground.

EARTHWORK AND TOPSOIL RESTORATION

Once all of the aboveground improvements are removed, the remaining work to complete Project decommissioning will consist of shaping and grading of the areas to as near as practicable to their original contour prior to construction of the turbine sites and access roads.

It is estimated that approximately 64,630 cubic yards of earthwork and topsoil will be necessary for restoration. Based upon the typical cost for this type of work within the Vermilion and Champaign county area, and the assumption that earth and topsoil can be found within 25 miles of the wind farm site, the following estimate of decommissioning cost for earthwork and topsoil restoration is provided:

Item	Quantity	Cost	Total Cost
	(Cubic Yards)	per Cubic Yard	LE ^O
Earth Fill (cubic yards) (access roads, crane pad and foundation pedestal areas)	64,630	\$10.60	\$685,078
Topsoil (cubic yards) and seed planting	64,630	\$10.60	\$685,078

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SUMMARY OF DECOMMISSION COSTS

The following is a summary of the total estimated costs for Project decommissioning. This estimate was developed using the various cost resources listed below:

- R.S. Means
- HDR Historical Data .
- Vendor Quotes
- Current/Historic Commodity Prices •
- Estimator Judgment

Salvage Value	· · · · · · · · · · · · · · · · · · ·
Turbine Component Salvage Value (134 Turbines x \$180,785)	\$24,225,217
Decommissioning Costs	
Turbine Removal (134 x \$129,000)	\$17,286,000
Turbine Foundation Removal	\$2,144,000
Access Roadway Removal	\$1,148,551
Crane Pad Removal	\$126,853
Cable Removal	\$0
Earthwork and Topsoil	\$1,370,154
Subtotal	\$22,075,559
Salvage Less Decommissioning	\$2,149,658
Net Salvage Value per Turbine (134 Total)	\$16,042

The estimated total decommissioning costs of the Project can be completely recovered by the salvage and resale value of the turbine components. These values are based on estimated 2011 costs and do not assume any inflation costs or market fluctuations.

FINANCIAL ASSURANCE

To ensure accuracy in the material quantities outline above, HDR recommends that this report and the final engineering drawings be reviewed by our office prior to operation of the Project to verify final material quantities.

For Champaign County, financial assurances shall be 210% of an independent professional engineer's cost estimate to complete the decommissioning, or less, if specifically authorized by the County Board. The form of financial assurance will be a letter of credit. California Ridge Wind Energy LLC shall gradually pay down the value of the irrevocable letter of credit by placing cash deposits in an escrow account over the first 13 years of the Project operation as described by Champaign County Ordinance No. 848, Section 6.1.4.P. During the lifespan of the wind farm the amount of the irrevocable letter of credit shall be increased as necessary to reflect actual rates of inflation. The financial assurance will further provide that the terms of the Decommissioning Plan be binding upon California Ridge Wind Energy LLC and any successors, assigns, or heirs; and that the County will have access to the site, pursuant to reasonable notice, to effect or complete the decommissioning, if required. In order to provide funding for decommissioning at the time of decommissioning, California Ridge Wind Energy LLC may exchange a

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California Ridge Wind Energy Project

new irrevocable letter of credit in an amount equal to the amount in the escrow account in exchange for the Governing Body agreeing to a release of the full amount of the escrow account. California Ridge Wind Energy LLC shall comply with Champaign County Zoning Ordinance No. 848, 6.1.4 P Standard Condition for Decommissioning Plan and Site Reclamation Agreement

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California Ridge Wind Energy Project

CONCLUSION

I certify that this report is an accurate representation of the anticipated decommissioning costs (or salvage value) at this preliminary stage of development and was prepared in accordance with industry standards of care for engineering evaluations of this type and contains no intentional false statements or misrepresentations. I hereby certify that this plan, specification or

Signed: Math	Professional Engineer under the laws of the State of <u>F(line)</u> . <u>Matthen</u> <u>Redincton</u>
Matt Redington, PE, Project Manager	Date 6/27/11 Reg. No. 062. 062441
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Signed: Kunescust Deely	I PROFESSIONAL CO
James W. Booty, PE, Senior Project Engineer	
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