

## DECOMMISSIONING AGREEMENT

**THIS DECOMMISSIONING AGREEMENT** (the “**Agreement**”), made this June 11 \_\_, 2019, by and between MidAmerican Energy Company, an Iowa corporation (“**MEC**”) and Ida County, Iowa (“**County**”). MEC and the County are, individually, a “**Party**” to this Agreement, and collectively, “the Parties” to this Agreement.

### RECITALS

**WHEREAS**, MEC is the owner of the Ida Grove II Wind Energy Project (the “**Project**”) located in Ida County, Iowa; and

**WHEREAS**, Amended Section 31.10 of the Ida County Wind Energy Regulations requires that each commercial wind energy device shall have a decommissioning plan outlining the anticipated means and proposed financing methods adequate to remove such structure(s) upon becoming a discontinued use.

**NOW, THEREFORE**, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. As further set forth in paragraph 5 hereof, MEC shall complete restoration as required in Amended Section 31.10 of the Ida County Wind Energy Regulations upon the discontinuance or abandonment of the Project or a portion of the Project.
2. As part of the restoration process, MEC hereby agrees to completely remove all wind energy devices, facilities, and other improvements added to or installed upon real estate in Ida County, including (but not limited to) all rotors, nacelles and towers; all collection step-up transformers; all overhead transmission and collection structures; and access roads (unless the relevant landowner requests that such access road remain). MEC shall also completely remove all wind energy device foundations, pads, underground electrical wires and any and all other underground wind energy structures and improvements to a minimum depth of approximately four (4) feet below the surface of the ground. After such removal activities are complete, any affected areas will be regraded and topsoil will be restored and seeded with vegetative cover as applicable.
3. The failure to comply with any of the conditions or restrictions imposed by the Conditional Use Permit issued for the Project, or by a building permit, shall be deemed a violation by MEC of the Ida County Wind Energy Regulations.
4. This Agreement shall inure to the benefit of and shall be binding upon the Parties hereto, their respective successors, assignees and legal representatives.
  - (i) Assignment Requiring Consent. Except as expressly permitted in this Section 4, this Agreement may not be assigned without the

written consent of the other Party and such consent shall not be unreasonably withheld or delayed.

- (ii) **Permitted Assignment.** Notwithstanding subparagraph (i) above, Developer shall be entitled to assign this Agreement, in whole or in part, without the prior written consent of Ida County to (A) any affiliate of Developer or (B) any person or entity providing financing to Developer or any such affiliate or any collateral agent or security trustee acting on behalf of any such person or (C) to MidAmerican Energy Company (each a “**Permitted Assignment**”). Any such assignment that is a collateral assignment for financing purposes will not relieve Developer of its obligations under this Agreement. In the event of a Permitted Assignment, Developer shall, prior to such assignment, provide written notice to Ida County of the name, address, entity type and state of incorporation of the assignee, as well as the name and address of the assignee’s registered agent in the State of Iowa.
5. As set forth in Amended Section 31.10 of the Ida County Wind Energy Regulations, if the Project or any portion of the Project ceases to operate for twelve (12) consecutive months, then the Project or that portion of the Project shall be considered “**Abandoned**”.
6. In the case of default by MEC under this Agreement or if the Project or portion of the Project has been Abandoned, Ida County and its agents shall have access to the Project, pursuant to reasonable prior written notice to MEC, to affect or complete the removal and restoration process for the Project or that portion of the Project that has been Abandoned. Nothing in this Agreement shall be construed to impose upon Ida County the duty to affect or complete the removal and restoration process contemplated by this Agreement on behalf of any landowner, person or entity.
7. Attached hereto as **Exhibit “A”** is the Ida Grove II Wind Energy Project Decommissioning Plan for the Project, prepared by Stantec in August, 2018, which includes a summary of the estimated cost of the restoration of the Project site (“**Decommissioning Plan**”). The Decommissioning Plan shall be updated every three (3) years from the date the first turbine begins generating electricity onto the transmission grid until the fifteenth (15<sup>th</sup>) anniversary of the date the first turbine began generating electricity onto the transmission grid. The Decommissioning Plan shall be updated annually after the fifteenth (15<sup>th</sup>) anniversary of the date the first turbine began generating electricity onto the transmission grid.
8. MEC hereby makes the following financial assurances to Ida County:
  - a. MEC shall provide Financial Assurance to Ida County in the amount of twenty-five thousand dollars (\$25,000) per each turbine included in the Project as of the date that is seven (7) years from the date the first turbine begins generating electricity. If the Decommissioning Plan provided indicates a decommissioning

cost greater than twenty-five thousand dollars (\$25,000) per each turbine, then the Financial Assurance shall be increased to the amount indicated in said Decommissioning Plan. Financial Assurance may be in the form of a performance bond, surety bond, letter of credit, corporate guarantee, or escrow account as long as the form of Financial Assurance is mutually agreeable between Ida County and MEC and security is equal to or greater than a surety bond as determined by the Ida County State's Attorney. Ida County agrees to waive the requirement for a Decommissioning Plan and a Financial Assurance if and so long as the Developer provides reasonable evidence to Ida County that (1) Developer maintains not less than an investment grade credit rating; (2) Developer is a public utility regulated by the Iowa Utilities Board; or (3) if Developer does not have a credit rating, maintains a certain minimum financial net worth as reasonably determined by Ida County.

- b. Such Financial Assurance shall be adjusted corresponding to the Decommissioning Plan updates as referenced in Section 7 of this Agreement.
  - c. At the beginning of the twenty-fourth (24<sup>th</sup>) year from the date the first turbine begins generating electricity, such Financial Assurance shall be adjusted according to the updated Decommissioning Plan but to a minimum of thirty-five thousand dollars (\$35,000) per each turbine.
  - d. If the cost of the restoration of the Project exceeds salvage value and financial assurance amounts, MEC shall be responsible for any difference.
  - e. If any Financial Assurance required hereunder either lapses or MEC otherwise fails to post the same, MEC shall be obligated to do so within twenty (20) days of written notice from Ida County to do the same or otherwise shall be considered in default hereunder.
  - f. Such Financial Assurance shall be released after the Project has been decommissioned or removed.
9. This Agreement shall be governed by and be construed in accordance with the laws of the State of Iowa. Nothing in this Agreement shall, in any way, limit the legal remedies that Ida County may pursue against MEC or its successors or assignees in the event of a breach of this Agreement, a violation of the Ida County Wind Energy Regulations, or a failure to fully reimburse and compensate Ida County for any costs it incurs to restore any real estate affected by the Project.
10. This Agreement may be executed in one or more counterparts each of which shall be deemed an original but all of which shall constitute one agreement.

[Signature page attached.]

IN WITNESS WHEREOF, this Decommissioning Agreement is executed effective as of the day and year first above written.

**IDA GROVE II WIND ENERGY LLC**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**IDA COUNTY, IOWA**

By: Anton Schmit

Name: Cresdon Sehubert

Title: Board chair