

ORDER FOR PAYMENT

Wind Energy Lease

Lessee shall, subject to its approval of title, make payment as indicated herein by check within 30 days of Lessee's receipt of this Order for Payment and executed Wind Energy Lease associated herewith. No default shall be declared for failure to make payment until 10 days after written notice from payee of intention to declare such default. The right to receive this payment shall not be assigned, whether as collateral or otherwise.

If the Wind Energy Lease referenced herein covers less than the entire undivided interest in the rights in such land, than the dollar amount listed herein shall be paid to the payee only in the proportion which the interest in said land covered by the Agreement bears the entire undivided interest therein. Further, should Lessor own more or less than the net interest defined herein, Lessee shall increase or reduce the dollar amount payable hereunder proportionately.

For collection, the original copy herein must be submitted along with the original executed Wind Energy Lease. A copy is to be retained by payee.

PAYEE

Address: _____

Day Phone: _____

Evening Phone: _____

The Amount of: _____

Agreement Type: Wind Energy Lease

Dated: _____

PROSPECT:

Estimated
Gross Acres

Estimated
Net Acres

See EXHIBIT "AA" For Legal Description

Completed by: _____

Acknowledged and accepted by: _____

Tom Cooper,
Agent, Heritage Sustainable Energy LLC

SS#Tax ID# _____

SS#Tax ID# _____

Confidentiality: The information provided herein shall remain the property of Heritage Sustainable Energy, LLC and shall not be released or disclosed other than required by Law without the expressed permission of the Grantors.

Lessee/Grantee: Heritage Sustainable Energy, LLC 121 East Front Street, Suite 200, Traverse City, MI 49684. This Order for Payment expires six months from the date of issuance, unless paid, sooner terminated or replaced by Lessee/Grantee.

FOR OFFICE USE ONLY

Date Received:

Date Due:

Account# _____

Project: _____ AFE#: _____

Approved by: _____ Date: _____

Date Paid: _____ Check#: _____

WIND ENERGY LEASE

THIS AGREEMENT IS MADE AS OF THE _____ OF _____, _____, by and between

of _____ hereinafter called Lessor (whether one or more) and **Heritage Sustainable Energy, L.L.C.**, of 121 E. Front Street, Suite 200, Traverse City, MI 49684, hereinafter called Lessee.

1. Lessor, for and in consideration of **\$20.00** per net surface acre, the receipt and sufficiency of which is hereby acknowledge, and the covenants and agreements of the Lessee hereinafter contained, does hereby grant, lease and let unto the land described below, including all interests therein Lessor may acquire by operation of law, reversion or otherwise, (herein called "said land"), exclusively, for the purposes of measuring the feasibility of wind energy production of electricity with test meters and towers; and construction and operation of towers and wind turbines for production and sale of electricity; and all rights, privileges and easements and easements reasonably necessary in connection with the foregoing including but not limited to: rights to build and utilize roads for ingress and egress; construction, utilization, and maintenance of underground transmission, collection, gathering and sales lines and ancillary structures associated therewith; facilities for metering; and structures incidental and/or reasonably necessary to implement, repair, replace and maintain all of the above.

Lessee shall have the exclusive right to measure, evaluate and convert to useable energy all of the wind resources of said land. Lessor shall not interfere with, nor allow any other party to interfere with the free, unobstructed and natural wind flow, wind speed and wind direction as currently exist on said land. Lessor shall not grant any easement, licenses lease or other right for access or use of any portion of said land to any third party in the business or development or operation of wind powered electrical generation, specifically including, without limitation, any other parties' use of said land for setback requirements.

Said land is in the State of Michigan and is described as follows:
See attachment A

Containing _____ acres, more or less, and all lands and interests therein contiguous or appurtenant to the land specifically described above that are owned or claimed by Lessor, or to which Lessor has a preference right of acquisition, including but not limited to all lands underlying all alleys, streets, roads or highways and all riparian or submerged lands along and/or underlying any rivers, lakes or other bodies of water.

2. It is agreed that this lease shall remain in force for a primary term of 5 years from the date of this lease, and as long thereafter as operations are conducted upon said land or on lands pooled or unitized therewith with no cessation for more than (90) consecutive days. If operations commenced during the primary term are discontinued less than ninety (90) days before the end of the term, this lease shall not terminate at the end of the primary term if operations are again conducted within ninety (90) days after the discontinuance. Whenever used in this lease the word "operations" shall refer to any of the following and any activities related thereto: testing wind speeds with metering devices, preparing land for construction of towers, construction of towers and wind turbines, repair, replacement and/or operation of towers and turbines and actual production of wind generated electricity. At any time after any wind turbine of rated capacity of 500 KW or greater is placed on these lands or lands pooled therewith, operations will be conducted for purposes of this paragraph even if said wind turbine is not producing electricity for a period of up to two (2) years so long as Lessee is making reasonable efforts to commence or restore production of electricity from said turbines.
3. Lessee covenants and agrees to pay the following: (a) A one time fee of \$10,000 to the owner of the lands where each wind energy tower and turbine unit is actually constructed, if at all, payable at such time as construction of said tower commences, If said tower is on lands owned by more than one owner, the \$10,000 will be paid pro rata to said owners. For purposes of this payment the

lands referred to shall be deemed to be a circle of 204 feet radius centered at the same point as the towers itself being an area of \approx 3 acres. Notwithstanding anything herein to the contrary, said \$10,000 shall be paid pro rata only to the owners of the 3 acres described above and not distributed pursuant to a wind energy unit as set forth in clause number 7 or 8 below; (b) For the first 5 years of commercial production of electricity, royalties of 4% of the proceeds from sale of electricity actually generated and sold, calculated at the tower site; (c) After the first 5 years of commercial production of electricity royalties of 4.5% of the proceeds from sale of electricity actually generated and sold, calculated at the tower site. Lessee shall be entitled to deduct fees and expenses to transport the electricity to the actual sales point if not at the tower site and a proportionate share of all applicable taxes and fees of governmental bodies assessed against generated electricity. Lessee shall not be obligated to pay royalty on electricity generated and utilized for Lessee's operations hereunder nor for any electricity generated but lost due to gathering, transformer, or transmission losses. Lessee as owner of its facilities shall retain 100% of the economic benefit of any state or federal tax credits, subsidies or reimbursements. In the event Lessee sells electricity to a related entity, Lessee shall pay Lessor royalty based on the average prevailing industrial rate of electricity delivered by the three largest utilities in the State of Michigan.

4. If this lease covers less than the entire undivided interest in said land (whether Lessor's interest is herein specified or not), then the royalties and any extension payment pursuant to Paragraph numbered 16 below shall be paid to Lessor only in the proportion which the interest in surface acres actually owned and covered by this lease bears to the entire undivided interest therein.
5. No tower shall be placed nearer than 1,000 feet from an occupied residence now on said land without written consent of Lessor. Lessee shall pay for damages caused by Lessee's operations to growing crops on said land. Lessee shall have the right at any time to remove, improve and repair all machinery and fixtures placed on said land. Lessee shall be responsible for any real or personal property taxes levied specifically on property or activities of Lessee pursuant to this lease.
6. Lessee is hereby granted the rights to pool or unitize said land, or any part of said land, with other lands, to establish wind energy units containing not more than approximately 160 acres. Lessee may enlarge the unit to the maximum area permitted herein and may reform said unit to include after-acquired leases within the unit area. Lessee may create, enlarge, reduce or reform the unit or units as above provided at any time, and from time to time during the continuance of this lease, either before or after production of electricity is obtained. A unit established hereunder shall be effective for all purposes of this lease upon approval and written mutual consent of lessor and lessee whether or not all interests in the lands in the unit are effectively pooled or unitized. Lessee may, but shall not be required to, erect more than one wind energy tower in each unit. Lessee may create, enlarge, reform, reduce, or terminate each unit by recording a written declaration to that effect in the office of the Register of Deeds in the county or counties in which each unit is located. Any operations conducted on any part of the lands pooled or unitized shall be deemed to be on the lands leased herein within the meaning of all provisions of this lease. Production of electricity from the unit shall be allocated to the lands described herein which are included in the unit in the same proportion as the number of surface acres in the lands described herein which are included in the unit bears to the total number of surface acres in the unit. Lands pooled by virtue of this lease shall entitle Lessee to utilize unit boundaries rather than property lines for purposes of determining set back distances as required by applicable federal, state or local regulations. Easements and ancillary rights granted to Lessee in clause number 1 shall apply to all lands pooled and unitized pursuant to this clause as if all such lands were subject to one lease.
7. For purposes of encouraging prudent spacing and operations, Lessee is given the right to pool or unitize said land or any portion of said land in the Glencoe Project to establish a wind farm unit or units for the placing and, producing of electricity, from multiple wind turbines. The exercise of this right shall only be effective if Lessee has installed a wind turbine or turbines with an aggregate rated capacity of 6,000 KW per 640 acres included in the wind farm unit within 3 years after recording of the written declaration of the unit. Lessee may utilize any number or size of turbines at sites selected by Lessee within the unit to reach the aggregate average installed capacity of 6,000 KW per 640 acres as set forth above. The provisions of paragraph number 6, regarding: 1) Lessee's identification and manner of creating and amending a wind energy unit; 2) the effect of operations and electricity production thereon; 3) the allocation of royalties; 4) the grant to and use of easements and ancillary rights by Lessee and; 5) the method of determining set back distances, shall apply in the same manner to a wind farm unit created pursuant to this paragraph if Lessee elects to create a wind farm unit pursuant to this paragraph.
8. This lease is subject to laws and to rules, regulations and orders of any governmental agency having jurisdiction, from time to time in effect. At no out-of-pocket cost to Lessor, Lessor shall reasonable assist and cooperate with Lessee (including, where necessary or required, signing applications and related documentation for governmental approvals) in applying for, complying with or obtaining any governmental permits and approvals, building permits, environmental reviews or any other approvals required for the financing, construction, installation, replacement, relocation, maintenance, operation or removal of wind generation equipment. Lessor shall not oppose or object to, whether in the permitting or approval process or otherwise, Lessee exercise of any of its rights described herein.

9. If Lessee is prevented from or delayed in commencing, continuing, or resuming operations, or complying with its express or implied obligations hereunder by circumstances not reasonably within Lessee's control, this lease shall not terminate and Lessee shall not be liable in damages so long as said circumstances continue (the "Period of Suspension"). These circumstances include, but are not limited to the following: adverse weather conditions and weather related damage; conflict in federal, state or local laws, rules or regulations and executive orders, acts of God; strikes; lockouts; riots; wars; improper refusal or undue delay by any governmental agency in issuing a necessary approval, license or permit applied for by Lessee; equipment failures; inability to obtain materials in the open market or to transport said materials; and inability to sell electricity due to problems with the interconnect or transmission lines. If the period of suspension commences more than 90 days prior to the end of the primary term of this lease, then that period of suspension shall be added to the primary term. If the period of suspension commences less than 90 days prior to the end of the primary term or at any time after the primary term, then this lease shall not terminate if Lessee shall commence or resume operations within 90 days after the end of the period of suspension.
10. Nothing expressly or impliedly contained in this lease or represented to Lessor shall be construed as requiring Lessee to undertake construction, installation or operation of any wind generated electricity turbines or facilities on said property or elsewhere; or continue operation of any wind turbines or facilities from time to time located on said property or elsewhere, or generate or sell any minimum or maximized amount of electrical energy from the said lands. The decision if, when and to what extent to construct, install or operate wind turbines and facilities to generate and sell electricity, shall be solely in Lessee's discretion. Further, Lessee shall have a non-excursive easement over and across said property for audio, visual, view, light, noise, vibration, air turbulence, wake, electromagnetic, electrical, and radio frequency interference, and any other effects attributable to Lessee's operation and Lessor waives any claim with regard to any such interference or effects. However, Lessee shall be responsible for any adjustment and repair needed for RTK auto steer system.
11. If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants and provisions of this lease shall extend to such party's heirs devisees, legal representatives, successors or assigns. Notwithstanding any other actual or constructive knowledge of Lessee, no change in ownership of land or assignment of royalties or other monies, or any part thereof, shall be binding on Lessee until 45 days after Lessee has received by certified mail written notice of such change and the originals or certified copies of those instruments that have been properly filed for record and that shall be necessary in the opinion of Lessee to establish validity of such change of ownership or division of interest. No change or division in the ownership of said land, royalties or other monies, or any part thereof, however accomplished, shall increase the obligations or diminish the rights of Lessee. Upon assignment by Lessee, its successors or assigns, the assignor shall be released from, and the assignee shall assume, the responsibility to fulfill the conditions and to perform the covenants of this lease, express or implied, with regard to the interest assigned. Breach of any covenant or failure to fulfill any condition by any owner of any part of the leasehold interest created by this lease shall not defeat or affect the rights of the owner(s) of any other part.
12. Lessor hereby warrants and agrees to defend the title to said land and agrees that Lessee may, if in default, pay all or part of any land contract, mortgage, taxes, or other liens or charges with respect to said land, either before or after the maturity and be subrogated to the rights of the holder thereof, and that Lessee shall be entitled to reimbursement out of any royalty or other monies payable to Lessor hereunder. This Lease shall be binding upon each party who executes it without regard to whether it is executed by all those named herein as Lessor.
13. Lessee may at any time surrender this lease as to all of said land by delivering or mailing a release to Lessor if the Lease is not recorded, or by placing a release of record in the proper county if the lease is recorded.
14. All written notices permitted or required by this lease to be given to Lessor and Lessee herein shall be at their respective addresses listed hereinabove; shall be certified United States mail; and shall identify this lease by date, parties, description and recording data; provided that either party may change such notice address by giving written notice to the other party specifying the new address.
15. This lease may, at Lessee's option, be extended on the fifth anniversary of the original lease if construction has not all started, as to all lands covered hereby for an additional primary term of 5 years commencing on. Lessee may exercise its option by paying or tendering to Lessor, at Lessor's above written address by currency, draft or check, at the option of Lessee, and depositing such payment in any post office or courier delivery service with sufficient postage prepaid, an extension payment of 20.00 per net surface acre for the land the covered by the extended lease. If Lessee exercises this option, the primary term of this lease and continuing from that date to the end of extended primary term. Lessee's option shall expire on the first to occur of the following: (a) the termination or expiration of this lease or (b) the second anniversary of expiration of the primary term stated in Paragraph numbered 2 above.
16. Lessee, in the exercise of the rights granted to it by this lease, agrees to indemnify and hold Lessor harmless from against all damages, claims or demands arising out of or resulting from operations conducted by Lessee, or its agents, upon Lessor's lands. Lessee agrees to carry a minimum of \$1,000,000.00 of liability insurance to cover such damages upon Lessor's lands.

17. Lessee agrees to restore said lands disturbed by its operations by grading the tower site and access to blend in with surrounding contours, as reasonably as practical, and seeding such areas with a mixture of suitable grasses. Within 18 months after termination of surrender of this lease, Lessee's activities and all below-ground foundations to a depth of 4 feet below grade with the surface to be re-seeded and contoured as set forth in the preceding sentence.
18. This Lease and the attached Addendums (if any) constitute the entire agreement between Lessor and Lessee respecting its subject matter, and replace and supersede any prior agreement, either oral or written. This Lease shall not be modified or amended except in a writing signed by both parties or their lawful successors of interest.
19. Should any provision of this Lease be held, in final and unappealable decision by a court of competent jurisdiction, to be invalid or unenforceable, the remaining provision hereof shall remain in full force and effect.
20. Nothing contained in this Lease shall be deemed or construed by the parties or by any third person to create the relationship of principal and agent, partnership, joint venture or any other association between Lessor and Lessee, other than the relationship of Lessor and Lessee set forth herein.
21. The parties agree that the physical location(s) for all Wind Turbines(s), Anemometer Tower(s), Electrical power lines, Electrical Transmission Tower(s) and/or Transmission lines, roads, right-of-ways and other physical appurtenances necessary for the production of electricity shall be sited or located only after written mutual consent between Lessor and Lessee and such consent shall not be unreasonably withheld.
22. It is understood and agreed between Lessor and Lessee that Lessee may pledge or mortgage this lease and Lessee's Wind Turbine(s) and facilities for purposes of obtaining funding. Lessor consents to and agrees to cooperate and execute further documents as are normally accepted in the industry and reasonably required by lenders to perfect lenders security interest.
23. This Lease shall be construed and enforced in accordance with the laws of the State of Michigan.
24. The parties shall execute such other documents and shall take such acts as are reasonable necessary or required to effectuate the purposes of this Lease.

Executed as of the day and year first above written.

LESSOR

STATE OF MICHIGAN }
 COUNTY OF _____ } ss (Individual Acknowledgment)

The foregoing instrument was acknowledged before me this _____ day of _____, 20____
 by, _____

My Commission Expires: _____

Notary In _____ County, _____ Notary Public

Acting In _____ County, _____

STATE OF MICHIGAN }
 COUNTY OF _____ } ss (Corporate Acknowledgment)

The foregoing instrument was acknowledged before me this _____ day of _____, 20____
 by, _____

the _____ of _____

a _____ corporation, on behalf of the corporation.

My Commission Expires: _____

Notary In _____ County, _____ Notary Public

Acting In _____ County, _____

Exhibit A

This Exhibit A is attached to and made part of that certain Wind Energy Lease dated _____, between _____, as Lessor, and Heritage Sustainable Energy, LLC, as Lessee:

Notwithstanding anything to the contrary in the body of the Wind Energy Lease, the following shall prevail:

1. In reference to the following clause in Paragraph 3 of the Wind Energy Lease:

Lessee shall be entitled to deduct fees and expenses to transport the electricity to the actual sales point if not at the tower site . . .

The deduction "of fees and expenses to transport the electricity to the actual sales point if not at the tower sit . . ." as state in Paragraph 3 herein shall be defined as the Lessor's pro-rata share of such fees and expenses that may be paid, if any, to unrelated third parties as required for the transmission of electricity from wind generator's point of interconnection to the actual point of sale.

Lessee shall, at Lessee's expense, prior to start of construction, reroute sub surface drainage system around tower sites, access road sites, underground line sites and any other areas that will sustain damage from Lessee's construction operations. Lessee shall at Lessee's expense, repair any other unforeseen damage to subsurface drainage systems, resulting from Lessee's operations.