HEADS OF TERMS

FOR A WIND FARM AGREEMENT

AT BANGO WIND FARM

1	**LANDOWNERS:**	Richard William Hedges Jane Wallace Hedges (**Landowners**)
2	**DEVELOPER:**	Bango Wind Farm Pty Ltd ACN 143 401 067 (**Developer**)
3	**INTRODUCTION**	Wind Prospect CWP Pty Ltd has expertise in the field of wind farm planning and design, project management, environmental impact assessment, and other activities related to the development, financing, construction and operation management of wind farm projects. The Developer is a related body corporate of Wind Prospect CWP Pty Ltd. The Landowners own land that is located close to land on which the Developer proposes to develop, construct and operate a wind farm.
4	**LAND:**	The whole of the land comprised in Certificate of Title Folio Identifiers: Lot 235 of DP 754109 Lot 237 of DP 754109 Lot 238 of DP 754109 Lot 239 of DP 754109 Lot 1 of DP 519712 Lot 2 of DP 519712
5	**NEIGHBOUR AGREEMENT:**	The Landowners and Developer will enter into a Neighbour and Option Agreement under which the Landowners: • acknowledge and agree that the Developer proposes to construct one or more wind turbine generators within a 2km radius of the Landowners' residence (**the Zone**); and • consent to the potential consequences of the turbines installation and operation, including visual impact and noise, provided these are within the *Draft NSW Planning Guidelines – Wind Farms* dated December 2011 where applicable; and • have an option to sell the Land to the Developer for the Sale Price during the period commencing on the Construction Notification Date and ending two years after the Practical Operation Date (**the Sale Option**). The Landowners and Developer agree that the terms of the Agreement will be in accordance with these Heads of Terms and otherwise as agreed between the parties acting reasonably and in good faith. **Neighbour Agreement Term** Commences on the date the Agreement is signed by both parties, and expires: • 5 years after signing, unless acceptable Development Consent is granted; • 5 years after the date the Developer notifies the Landowner that acceptable Development Consent has been granted, unless the Construction Notification Date has occurred; • On the date that ownership of the Land is transferred to the Developer;

		or
		• After the occurrence of the Practical Operation Date, the last of the Wind Turbine Generators located in the Zone being removed.
		The Developer has the right to terminate the Agreement at any time, other than during the Sale Option Period, by giving the Landowners 30 days' notice.
		The **Construction Notification Date** is the date on which the Developer gives notice that it intends to commence construction of one or more wind turbine generators within the Zone.
6	FEES	**Fees Payable to Landowners** **Signing Fee** **$10,000** plus GST within 30 days of the execution of the Agreement in full by all parties. **Planning Fee** **$25,000** plus GST within 30 days of the submission of the Planning Application by the Developer. **Development Period Fee** The Development Period Fee will be paid within 30 days of the notification of acceptable Development Consent and per annum thereafter until the Construction Notification Date within 30 days of each anniversary of the commencement of the Agreement and calculated using the formula below: $P = \$50,000 \times (AT/8)$ Where **AT** is the number of turbines approved in the Development Consent to be located within the Zone. **Neighbour Agreement Fee** From the Construction Notification Date, the Neighbour Agreement Fee will be paid within 30 days of each anniversary of the commencement of the Agreement and calculated using the formula below: $P = \$1,250.00 \times WTG \times MW$ where: **P** is the amount of be paid to the Landowner; **WTG** is the number of Wind Turbine Generators which are constructed and which have a centre-point which is located in the Zone; and **MW** is the name plate mega watt capacity the type of Wind Turbine Generator constructed in the Zone.
7	SALE OPTION:	The Developer grants the Landowners an option to sell the Land to the Developer for the Sale Price. **Sale Option Term** The option is only valid from the Construction Notification Date until 2 years after the Practical Operation Date.
8	LEGAL COSTS:	The Developer will contribute a maximum of **$3,000.00** towards the Landowners' legal costs in respect of the negotiation of the Agreement payable to the Landowners' legal advisors following execution of the Agreement.

9	LAND SALE :	Under the Sale Option, the Landowners will sell the Land to the Developer following exercise of the Sale Option by the Landowners and the Landowners would have no further involvement with the project.
		Sale Price
		The Sale Price for the Land will be determined by the following formula:
		Purchase Price = *$930,000 − (X + Y)*
		Where: *X* is the total amount of Development Period Fees (excl GST) which have been paid to the Landowners at the date of transfer of the Land to the Developer; and *Y* is the total amount of Neighbour Agreement Fees (excl GST) which have been paid to the Landowners at the date of transfer of the Land to the Developer.
		All stamp duty on this sale shall also be borne by the Developer.
10	EXCLUSIVITY:	From the date of these Heads of Terms the Landowners agree to not enter into any arrangement to lease or sell the Land to a third party, including without limitation, other wind farm developers, without the approval of the Developer.
11	CONFIDENTIALITY :	The parties must keep these Heads of Terms confidential.
12	PROCESS:	The parties acknowledge that it is both of their best interests for the negotiation of the documentation to be undertaken efficiently and where practical, within three months of the date of execution of these Heads of Terms.

These Heads of Terms are intended to be legally binding

SIGNED AND SEALED by **[LANDOWNER 1]**

_____

in the presence of:

_____   _____

 Witness   Name of Witness (print)

SIGNED AND SEALED by **[LANDOWNER 2]**

_____

in the presence of:

_____   _____

EXECUTED by
Bango Wind Farm Pty Ltd
ACN 143 401 067
in accordance with Section 127 of the   _____   _____

legal/40769973_1

Corporations Act 2001:

_____   _____
*Director/*Company Secretary   Director

_____   _____
Name of *Director/*Company Secretary   Name of Director
(BLOCK LETTERS)   (BLOCK LETTERS)
*please delete as appropriate
 Witness   Name of Witness (print)