



ITC MIDWEST DAMAGE CLAIMS POLICY

During the construction and operation of an electric line, damage is sometimes caused to a landowner's and/or tenant's property. If ITC Midwest LLC ("ITC Midwest") causes physical damage to property by means of its construction, reconstruction, enlargement, repair, and/or other maintenance activities (collectively the "Construction Activities"), the landowner and/or tenant, as their respective interests appear, ("Landowner/Tenant") will be compensated by ITC Midwest pursuant to Iowa Code § 478.17. This document expresses ITC Midwest's intent to implement the requirements of § 478.17 and how it anticipates fully compensating a Landowner/Tenant for any damages caused to property by ITC Midwest during Construction Activities and shall not in any way modify, alter or amend the easement(s) or other governing documents relating to the property.

The rights of a landowner or tenant to claim damages are established by Iowa Code Chapter 478, including but not limited to Section § 478.17. The Damage Statement does not set any limit on the amount of proven damages that may be claimed pursuant to statute and paid if proven.

I. CROP LOSS DUE TO ELECTRIC LINE CONSTRUCTION ACTIVITIES

A. Conventional

- i. If a crop has been planted prior to ITC Midwest's Construction Activities or if a crop normally would have been planted before the finish of the Construction Activities, ITC Midwest will pay the percentages below on the crops damaged by construction. The schedule of crop loss percentages does not limit the ability of a landowner or tenant to submit a claim for damages in excess of the total of the percentages in the schedule. The percentages below will be paid in one lump sum following construction.

First Year:	100% of crop loss	Third Year:	30% of crop loss
Second Year:	50% of crop loss	Fourth Year:	20% of crop loss

- ii. If no crop was planted or in cultivation prior to completion of ITC Midwest's Construction Activities for an area normally cultivated, then ITC Midwest will pay the percentages below on the actual crop ground lost to production: The schedule of actual crop ground loss percentages does not limit the ability of a landowner or tenant to submit a claim for damages in excess of the total of the percentages in the schedule. The percentages below will be paid in one lump sum following construction.

First Year:	66% of crop loss	Third Year:	30% of crop loss
Second Year:	50% of crop loss	Fourth Year:	20% of crop loss

- iii. The computation of conventional crop loss will be based on three factors:

- (1) the land area impacted (acreage),
 - (2) the crop yield (based on the County average yield for the crop), and
 - (3) the crop market value (the market value on the day the Damage Payment Acknowledgment form is executed).
- (Acreage x crop yield x crop market value)*

B. Organic Crop Damages

- i. To the extent not compensated in full pursuant to Section I (A) above, if the Property is certified organic through the USDA National Organic Program ("Certification") and loses its Certification, as a direct result of the Work, for any part of the Property where crops are organically grown, then ITC Midwest will pay the following percentage for organic crops within the area impacted by the lost Certification, for four (4) years: *(continued on back page)*



FOR THE GREATER GRID

ITC MIDWEST 123 Fifth Street SE, Cedar Rapids, IA 52401
 Operating Locations: Albert Lea, Dubuque, Iowa City, Lakefield, Perry
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ii. 100% of the difference between the market value of conventional crops and the market value of organic crops lost.

a. The computation of the market value of organic crops lost will be based on three factors:

- (1) the land area impacted by decertification (acreage of decertified area),
- (2) the crop yield (based on the County average yield for the organic crop or if there is no County average yield for the organic crop, then the County average yield for the same crop on a conventional basis), and
- (3) the crop market value (the market value on the day the Damage Payment Acknowledgment form is executed). The “market value” shall be determined by either (i) the existing organic crop contract of the landowner for the particular crop damage, if any such contract is then in existence, or (ii) if no such contract is in existence, then the average market price for the particular crop at issue, based upon the average market price of the as reported by the Agricultural Marketing Service – United States Department of Agriculture (“AMS - USDA”) for that year.

(Acreage x crop yield x crop market value)

b. At the request of ITC Midwest, the Landowner/Tenant shall provide verification of its loss of organic Certification through the accredited certifying agent prior to any compensation for organic crop loss being paid.

II. DAMAGES DUE TO COMPACTION, RUTS, EROSION AND/OR WASHING

- A.** ITC Midwest will repair damage incurred due to compaction, ruts, erosion, and/or washing of soil caused by its Construction Activities. If by mutual agreement, the Landowner/Tenant repairs the damages, ITC Midwest will reimburse the Landowner/Tenant for the reasonable cost of labor and the use of equipment to repair damage incurred due to compaction, ruts, erosion, and/or washing of soil caused by its Construction Activities. Payment will be made by ITC Midwest within a reasonable period of time upon presentation of a statement.
- B.** ITC Midwest will pay for the reasonable cost of repairs to the Landowner’s/Tenant’s equipment where in repairing compaction, ruts, erosion, and/or washing of soil, damage to equipment is caused by materials or debris left on the right of way.

III. OTHER DAMAGES

ITC Midwest will pay for all damages to pastures, timber, fences, improvements, livestock, terraces, field tiles, and equipment caused by ITC Midwest’s entry, use or occupation of lands, both on and off an easement area, during its Construction Activities. If by mutual agreement, the Landowner/Tenant repairs the damages, ITC Midwest will pay the actual costs of repairs. Payment for assets replaced, as a direct result of Construction Activities, by the Landowner/Tenant will be computed based upon the replacement cost of the assets replaced.

IV. MANNER OF DAMAGE PAYMENTS

Payment of damages to the Landowner/Tenant will be made by ITC Midwest within a reasonable period of time following completion of its Construction Activities. For purposes of new electric line construction, payment will be made within a reasonable period of time following completion of the entire construction project.

Landowner reserves the right to submit additional claims for damage that were not apparent at the time of the work and which were not otherwise compensated in accordance with the foregoing statements.

V. DISPUTE RESOLUTION PROCEDURE

If, after good faith negotiation, the Landowner/Tenant and ITC Midwest cannot agree on the amount of compensation for damages incurred, Landowner/Tenant may elect to resolve the dispute through mediation. ITC Midwest agrees to pay the costs for mediation, including the costs of the mediator, to be jointly selected by Landowner/Tenant and ITC Midwest.