



July 21, 2010

[REDACTED]
[REDACTED]
CENTRAL CITY, NE [REDACTED]

Re: ML-NE-MR-00035.000

Dear Owner:

You by now are aware that TransCanada Keystone Pipeline L.P. ("Keystone") is constructing and will operate a 1,833 mile crude oil pipeline, which will begin in Canada and will cross through approximately 1,073 miles of property in the United States, including Nebraska. As you know, the path of the pipeline will cross a portion of your property.

In order to construct the pipeline, Keystone must acquire a permanent and temporary easement over your property. It is Keystone's strong preference to negotiate a voluntary transfer with each property owner. However, in the event we cannot come to an agreement, Keystone will use eminent domain to acquire the easement, which is authorized pursuant to Nebraska Revised Statute § 57-1101 et. seq.

The description of the proposed permanent and temporary easements is described in the enclosed form of easement and its attachments.

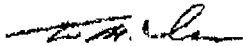
As consideration for granting Keystone these easements, TransCanada is offering you the total sum of [REDACTED]. This sum includes \$ [REDACTED] for the permanent easement, which represents 100% of the total fee value for the permanent easement, despite the fact the permanent easement encompasses significantly less property rights than the total fee. Additionally, the amount includes [REDACTED] for the temporary easement which is based upon a rental value of 50% of the fee value per year. Finally, Keystone will provide compensation for any damages that occur during the course of the construction including crop loss and any damages to fences, trees or other improvements.

This letter is Keystone's final offer, and it will remain open for one month after the date of this letter or until you reject it. We believe the amount of the offer is a premium price for your property. Keystone's offer is high because the company prefers to acquire this property through negotiation and to avoid litigation and its associated delays and risks. In order to accept this offer, please have the authorized person(s) execute two original Easement and Right of Way forms before a notary public and return them to me in the enclosed postage pre-paid envelope before the expiration of the one month period. Also enclosed is a W-9 tax form that needs to be completely filled out, signed and returned along with the other forms. We will deliver the agreed upon amount of compensation to you immediately upon our receipt of the signed and notarized documents.

While we hope to acquire this property through negotiation, if we are unable to do so, we will be forced to invoke the power of eminent domain and will initiate condemnation proceedings against this property promptly after the expiration of this one month period. In the event that we are forced to invoke the power of eminent domain, this letter and its contents are subject to Nebraska Revised Statute § 27-108 and are not admissible to prove the existence or amount of liability.

Please contact me in the event you have any questions or concerns at (832) 320-5294.

Sincerely,



Tim M. Irons
Senior Land Coordinator
TransCanada Keystone Pipeline, L.P.
717 Texas Street
Suite 24215
Houston, TX 7702-2761

Encl.