

Host Community Agreement

Between the

Town of Richfield

and

Monticello Hills Wind LLC

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List of Exhibits

- Exhibit “A” Town Board Approving HCA Resolution
- Exhibit “B” Planning Board Resolution Issuing Special Permit
- Exhibit “C” Scope of Services for Environmental Monitor
- Exhibit “D” Agreement for Implementation of Cultural Resource Mitigation Plan
- Exhibit “E” Bat Memo and Plan
- Exhibit “F” Decommissioning Plan
- Exhibit “G” Complaint Resolution Process

HOST COMMUNITY AGREEMENT

This **HOST COMMUNITY AGREEMENT**, is made as of the ____th day of December, 2011 (this “**Agreement**”) by and between Monticello Hills Wind LLC, a limited liability company duly organized and existing under the laws of the State of Delaware, and having its offices at 1300 N. Northlake Way, Seattle, WA 98130 (the “**Company**”), and the Town of Richfield, a municipal corporation duly organized and existing under the laws of the State of New York and having its offices at Town of Richfield Town Hall, 18 East James Street, Richfield Springs, New York 13439 (the “**Town**”). The Company and the Town may sometimes be referred to herein, individually, as a “party” and, collectively, as the “parties”.

RECITALS

The Company submitted a Special Permit application to the Town Planning Board to construct a wind-powered electric generating facility of 18.45 megawatts (“**MW**”) located in the Town of Richfield, Otsego County, New York (the “**Project**”), with up to six (6) wind turbine generators (each a “**Turbine**”), each Turbine having a nameplate rated generating capacity of up to 3.075 MW, one or more electrical interconnection switchyard and substations (“**Interconnection Facilities**”), and other Project improvements including without limitation land and easement rights, access roads, power collection lines, transmission lines, and meteorological and communication towers and devices (“**Ancillary Facilities**”).

The Town Planning Board is authorized by its Land Use and Building Management Ordinance to regulate the proposed Project by the approval, approval with conditions, or denial of the Project. The Planning Board has reviewed the Application pursuant to SEQRA and issued a SEQRA negative declaration. It has also issued a Special Permit for the Project.

In order to secure the benefits of the Project for the Town and its residents and memorialize the Company’s commitments to avoid certain potential impacts from the Project, the parties believe that their mutual best interests will be served by the execution of this Agreement which specifies their respective rights, interests, obligations regarding operation, and decommissioning of the Project, subject to any conditions and approvals that may be issued by the Town.

In consideration of the mutual promises hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

The terms of this Agreement shall have the meanings ascribed to them, for all purposes of this Agreement, unless the context clearly indicates some other meaning. Words in singular shall include the plural and words in the plural shall include the singular where the context so requires.

“**Agreement**” means this Host Community Agreement and any and all amendments, exhibits, or schedules attached hereto.

“**Ancillary Facilities**” shall have the meaning set forth in the recitals.

“**Commercial Operation Date**” shall have the meaning set forth in Section 4.1.

“**Company**” shall mean Monticello Hills Wind LLC, a limited liability company duly organized and existing under the laws of the State of Delaware.

“**Decommissioning**” shall have the meaning set forth in Section 10.1.

“**Effective Date**” shall have the meaning set forth in Section 3.1.

“**Expiration Date**” shall have the meaning set forth in Section 3.2.

“**Extended Cure Period**” shall have the meaning set forth in Section 15.6.

“**Fees**” shall have the meaning set forth in Section 17.1.

“**Fee Escrow Account**” shall have the meaning set forth in Section 17.2.

“**Financing Parties**” shall have the meaning set forth in Section 19.10.

“**GDPIPD**” means Gross Domestic Product Implicit Price Deflator Index for all Goods and Services and shall have the meaning set forth in Section 4.1.

“**Host Fee**” shall have the meaning set forth in Section 4.1.

“**Interconnection Facilities**” shall have the meaning set forth in the recitals.

“**Local Law**” means the Town of Richfield Land Use and Building Management Ordinance adopted September 10, 1992 and as amended by Local Law #1 of 2004 , and as amended by Ordinance #2 of 2005 and as amended by Ordinance #3 of 2005.

“**Losses**” shall have the meaning set forth in Section 12.2.

“**MW**” shall have the meaning set forth in the recitals.

“**Mortgage**” shall have the meaning set forth in Section 15.6.

“**Mortgagee**” shall have the meaning set forth in Section 15.6.

“**Negative Declaration**” shall mean the Town Planning Board’s State Environmental Quality Review Act determination issued on November 22, 2011.

“**Notice of Breach**” shall have the meaning set forth in Section 15.1.

“**On-Site Monitor**” shall have the meaning set forth in Section 9.1.

“**Project**” shall have the meaning set forth in the recitals.

“**SEQRA**” means the New York State Environmental Quality Review Act and its implementing regulations.

“**Special District Taxes**” shall have the meaning set forth in Section 4.5.

“**Special Permit**” shall have the meaning set forth in the Local Law.

“**State**” means the State of New York.

“**Successor**” shall have the meaning set forth in Section 19.11.

“**Town**” shall mean the Town of Richfield, New York.

“**Town Board**” means the Town Board of the Town.

“**Town Treasurer**” means the public officer charged with certain duties in relation to the fiscal affairs of the Town of Richfield.

“**Town Engineer**” means a civil engineer licensed in the State of New York and retained or employed on a full or part-time basis by the Town.

“**Town Planning Board**” means the Town Planning Board of the Town.

“**Town Permit**” means any permit, approval or legislative action issued by the Town Board or the Town Planning Board to the Company which is necessary to construct and operate the Project, including the Special Permit, but not including Building Permits for the Project.

“**Town Supervisor**” means the Chief Executive Officer of the Town of Richfield.

“**Turbine**” shall have the meaning set forth in the recitals.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

SECTION 2.1 TOWN REPRESENTATIONS AND WARRANTIES.

The Town represents, warrants, and agrees as follows:

a. Existence and Good Standing. The Town is a validly existing political subdivision of the State of New York.

b. Approval and Authorization. The Town has full power and authority to enter into this Agreement and to fully perform all of its duties and obligations hereunder. The Town Board has duly authorized the execution and delivery of this Agreement and the Town’s performance of all of its duties and obligations contained herein, and this Agreement constitutes a valid and legally binding obligation of the Town, enforceable in accordance with its terms. A copy of the

Town Board's resolution approving this Agreement and authorizing its execution by the Town Supervisor is attached hereto as Exhibit "A".

c. Signatory. The Town represents and warrants that the Town Supervisor has executed this Agreement pursuant to a resolution adopted by the Town Board at a meeting and that the Town Supervisor, whose signature appears below, is authorized to execute and enter into this Agreement on behalf of the Town.

d. All Statements True. No statement, information, representation or warranty of the Town contained in this Agreement or furnished by or on behalf of the Town in connection with the transactions contemplated contains any untrue statements of a material fact or omits to state a material fact necessary in order to make a statement contained herein not misleading.

SECTION 2.2 COMPANY REPRESENTATIONS AND WARRANTIES.

The Company represents, warrants, and agrees as follows:

a. Existence and Good Standing. The Company is, and will continue to be throughout the term, validly existing as a limited liability company duly organized and existing under the laws of the State of Delaware and authorized to do business in the State of New York.

b. Approval, Authorization and Enforcement. The Company has full power and authority to enter into this Agreement and to fully perform all of its duties and obligations hereunder. The Company is duly authorized to execute and deliver this Agreement and perform all of its duties and obligations contained herein. Neither the Company nor any successor, transferee, or other party acting through rights acquired through or from the Company will bring a claim challenging, nor raise as a defense in litigation, the legal validity or enforceability of this Agreement.

c. Signatory. The Company represents and warrants that its signatory, whose signature appears hereafter, is authorized to execute and enter into this Agreement on behalf of the Company.

d. All Statements True. No statement, information, representation or warranty of the Company contained in this Agreement or furnished by or on behalf of the Company in connection with the transactions contemplated contains any untrue statements of a material fact or omits to state a material fact necessary in order to make a statement contained herein not misleading.

ARTICLE III

TERM

SECTION 3.1 EFFECTIVE DATE. This Agreement will become effective (the "Effective Date") upon (a) its execution by the Company and the Town, (b) the approval by the Town Planning Board of all Town Permits necessary to construct and operate the Project as set forth in the applications submitted to the Town Planning Board and (c) the execution of an Agreement for the use of Town and County roads for Project construction and operation.

SECTION 3.2 TERM. The term of this Agreement shall commence with the Effective Date and expire upon the date of Decommissioning all Turbines (the “**Expiration Date**”). Notwithstanding the foregoing, the parties’ obligations to defend and indemnify each other as set forth above and to maintain liability insurance pursuant to Article XII hereof will continue in full force and effect through the Expiration Date and the parties obligation to defend and indemnify the other shall also survive the Expiration Date of this Agreement or any extension thereof for a period of two (2) years.

ARTICLE IV

HOST COMMUNITY PAYMENTS

SECTION 4.1 ANNUAL HOST FEE. Host Fee. Beginning on the Commercial Operation Date and on every anniversary of the Commercial Operation Date, the Company shall pay the Town a host community fee (the “**Host Fee**”) in the amount of Fifty Thousand (\$50,000.00), based on the installed nameplate rated capacity of the Project (18.45MW), for every year in which the Project Turbines have valid Town Permits. “**Commercial Operation Date**” occurs when electricity generated from Project Turbines is first delivered for sale to a utility customer or power purchaser (excluding electricity generated during testing). If a reduction of installed nameplate rated capacity occurs during the Term as a result of Decommissioning (including partial Decommissioning) or repowering, the Host Fee amounts shall be reduced by the percentage reduction in the actual installed nameplate rated capacity of the Project (pro-rated for any partial year, with a credit if necessary against future Host Fees). If an increase in the MW of the Project occurs during the Term, the Host Fee amounts shall be increased by the percentage increase in the actual installed nameplate rated capacity of the Project (pro-rated for any partial year). Starting with the fifth payment of the Host Fee under this Agreement, the Host Fee shall be adjusted for inflation in accordance with the GDPIPD. The base for computing the increase or decrease in the GDPIPD for purposes of this paragraph shall be the GDPIPD published in the Survey of Current Business by the United States Department of Commerce, Bureau of Economic Analysis (the “Index”) for January in the year following the year in which the Commercial Operation Date occurs (the “Beginning Index”). Each adjustment shall be effective on the Commercial Operation Date anniversary date; and shall be determined by multiplying the annual payment amount by a fraction, the numerator of which is the Index published for the month of January of each year starting on the fifth anniversary of the Commercial Operation Date and the denominator of which is the Beginning Index. If the Index is discontinued or revised, such other government index or computation by which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the Index had not been discontinued or revised. . For the avoidance of doubt, the first four payments will be Fifty Thousand Dollars (\$50,000.00), and adjustment for inflation will begin with the fifth payment.

SECTION 4.2 TERMINATION OF HOST FEE FOR DECOMMISSIONED TURBINES. The Host Fee set forth in Section 4.1 shall be terminated for any Turbine or Turbines that are Decommissioned. However, for the year in which any such Turbine is Decommissioned, the Host Fee payment shall be pro-rated on a per diem basis (for just the involved Turbines) to pay the Town for each day prior to the issuance of a Decommissioning Order, or notice from the Company to the Town that it is decommissioning a

turbine. Because payment of the Host Fee is in advance, pro-rata reductions in the Host Fee shall be applied as a credit against the next Host Fee payment (if not all Turbines are Decommissioned). If all Turbines are Decommissioned, the Town will refund the pro rata portion of the Host Fee attributable to the portion of the year (covered by the most recent Host Fee payment) that follows Decommissioning. The Town shall have one year from the Expiration Date to make such refund. If all Turbines are Decommissioned, no further Host Fee shall be owed by the Company.

SECTION 4.3. LATE PAYMENT. Any Host Fee not paid as of the date due shall be deemed late and a breach of this Agreement without any requirement of notice from the Town. Late fees shall be assessed at a rate of one percent (1%) for the first month or a portion of a month due, and one half of one percent (0.5%) for each subsequent month or a portion of a month on the original amount outstanding, until the Host Fee is paid. Late fees shall be due within ten (10) days of receipt of written notice from the Town. Late payment of Late fees shall be subject to the same charges as late payment of Host Fees.

SECTION 4.4 CREDIT FOR TOWN TAXES FOLLOWING EXPIRATION OF PILOT AGREEMENT. Following expiration of the term of the PILOT Agreement, or any extended term thereof, the Company shall have the right to claim a credit against the next following Host Fee owed by the Company in an amount equal to the amount by which the general fund and highway fund *ad valorem* taxes levied on the Project by the Town in such year exceed the Town's portion of the final PILOT Payment under the PILOT Agreement

SECTION 4.5 SPECIAL DISTRICT TAX. In the event special *ad valorem taxes* are charged to the Project ("Special District Taxes") the Host Fee for such calendar year shall be reduced by an amount equal to the amount of the Special District Taxes paid by the Company.

ARTICLE V

ROAD USE, REINFORCEMENT AND REPAIR

The Company has agreed to enter into a road use, reinforcement and repair or other similar agreement with the Town Highway Superintendent and the County Highway Superintendent. Among other things this Agreement will memorialize the Company's commitment to restore damaged roads to pre-construction conditions following the completion and/or termination of construction activities. The essential terms of this proposed Agreement are described in the Special Permit and Article VI(14) hereof. However, the Town recognizes that the final terms of the Agreement, as executed by the Town Highway Superintendent and the County Highway Superintendent will control the Company's obligations regarding road maintenance/repair and traffic control.

ARTICLE VI

COMPANY'S COMMITMENTS AND OBLIGATIONS UNDER THE SPECIAL PERMIT

SECTION 6.1 Pursuant to the Town's Special Permit, issued November 22, 2011 (see Exhibit B), the Company has made certain commitments and has agreed to terms and conditions relating to the construction and operation of the Project. The terms and conditions of the Special Permit, as set forth more fully below, are incorporated into this Agreement and all procedures provided for under the Special Permit shall be applicable to this Agreement. If the Company is in violation of the Special Permit, it shall be considered a breach of this Agreement. The terms and conditions of the Special Permit include the list below:

- 1) No construction or site preparation shall commence until all of the Company's commitments set forth herein are completed, or upon further action of the Town Board, except for those items which are described herein to be accomplished after the completion of the project.
- 2) The Company shall submit a final Stormwater Pollution Prevention Plan (SWPPP) to the Town of Richfield. State Pollution Discharge Elimination System (SPDES) General Permit for Construction Activities requires a SWPPP. A SWPPP is prepared based upon final engineering plans. All soil and sedimentation control will be applied pursuant to *The New York Standard and Specifications for Erosion and Sediment Control* dated August 2005 and in accordance with the Preliminary SWPPP included in Attachment A of the EAF. The contractor must apply the erosion and sediment control measures. The Environmental Monitor will oversee compliance.
- 3) The Company shall enter into this Agreement with the Town which incorporates the terms and conditions consistent with the representations heretofore made by the Company as set forth herein.
- 4) The Town will, through its Board, and with the aid of the consulting engineering firm which has advised the Planning Board on this application, select and employ a qualified environmental monitor (see Exhibit C) to be paid with funds provided by the Applicant or any owner or developer operating under this permit to assure compliance with all permit requirements and environmental protection commitments made during Project construction, including all soil and water protection measures described herein and in Sections 1 and 2 of Part 3 of the EAF, including, but not limited to avoidance of impacts to wetlands and streams.
- 5) As described in Section 2 of Part 3 of the EAF, Spills will be managed by the contractor in accordance with the spills management plan/spill prevention control and countermeasure plan. Reportable spills will follow NYSDEC requirements. The contractor is required to monitor, control, and report spills. The Environmental Monitor will oversee compliance. Additionally, the contractor will be required to have materials on site in accordance with

the measures to contain bentonite clay spillage during HDD as defined in the EAF. The Environmental Monitor will oversee compliance.

- 6) As described in Section 3 of Part 3 of the EAF, the contractor is required to control dust on the site during construction. The Environmental Monitor will oversee compliance.
- 7) As described in Section 4 of Part 3 of the EAF, invasive species control measures will be implemented during Project construction on site and along designated haul routes. The contractor is required to apply invasive species control measures during construction. The Environmental Monitor assures the measures are implemented.
- 8) The Company shall adhere to the mitigation and monitoring measures in compliance with the New York State Department of Agriculture and Markets *Guidelines for Agriculture Mitigation for Wind Power Projects*, a set forth in the EAF, Section 5 of Part 3.
- 9) At the conclusion of construction, all man-made and natural debris not specifically approved to remain on the Project site will be removed and properly disposed of. The Environmental Monitor will oversee compliance.
- 10) Environmental protection measures as described in the EAF and herein will also be applied during project operation. These will include stream and wetland crossing avoidance/protection measures, sediment and erosion control measures, specifications for site restoration, dust control measures, and spill prevention measures.
- 11) As described in Attachment D of the EAF, post-construction monitoring will be conducted to gather mortality information regarding bats and birds as a result of Project operation. Post-construction surveys will be conducted for one-year with methodologies generally in accordance with the NYSDEC's *Guidelines for Conducting Bird and Bat Studies at Commercial Wind Energy Projects*. These methods will include weekly ground searches under turbines, coupled with analysis of carcass removal rates (scavenging) and searcher efficiency rates. After review of Year 1 results the Company will consult with the Town of Richfield and the NYSDEC regarding possible additional information gathering efforts. As described in the EAF and amended by memorandum dated November 22, 2011 (attached hereto as Exhibit E), in the unlikely event that the one-year post-construction studies indicate that total bat fatalities at the Project are above the average total fatalities of the six operational sites referenced in the EAF, the Applicant would agree to apply operational mitigation strategies. In addition to post-construction monitoring, the Company will implement a wildlife reporting and monitoring system for the Project that will be conducted for the life of its operation to monitor potential trends in fatalities. The results of all studies will be provided to the Town.
- 12) The Town and the Company will adhere to the Decommissioning Plan included in the EAF and as revised by the Planning Board approval and attached hereto as Exhibit F. The Company will follow the agreed-upon decommissioning process to ensure that if the Project goes out of service and is not re-powered or redeveloped, that all visible above-ground components will be removed at the expense of the Applicant with no costs borne by

the Town of Richfield. In accordance with the process set forth in Section 16 of Part 3 and Attachment F of the EAF and Exhibit F of this Agreement, a bonding to assure funding for such costs shall be included consistent with this commitment, prior to construction.

- 13) As described in Section 7 of Part 3 of the EAF, the Company will provide funding to the Town in accordance with the *Agreement for Implementation of Cultural Resource Mitigation Plan*. This Agreement is attached as Exhibit D.
- 14) As described in Section 10 of Part 3 of the EAF, a Road Use Agreement will be entered into to address the restoration of Town and County roadways used in connection with this project both during construction and/or for any other required maintenance during the life of the project. The Company will coordinate such road use and enter into an agreement with the Town Highway Superintendent and County Highway Superintendent which will address all highway use, repair and reconstruction in identifying possible alternative routes. To avoid significant impacts to traffic flows, predetermined detour routes will be implemented upon identification of construction-related traffic congestion. Proposed traffic safety measures include placement of construction signage and adherence to all requirements of the Special Hauling/Superload Permits, such as use of vehicle escorts, police escorts, speed limit restrictions, and hours of operation restrictions. Representatives of the Highway Department(s) for the Towns (for Town Roads) and the County (for County Roads) will have oversight authority regarding these activities. Evaluation of existing roadway conditions indicated that roadway surfaces, widths, weight restrictions, and vertical curvature appear suitable to accommodate construction and component delivery traffic. Vehicles carrying heavy loads could result in damages to roadway surfaces; however, the Company commits to restore damaged roads to pre-construction conditions following the completion and/or termination of construction activities at no expense to the Town of Richfield or Otsego County. The Company will adhere to restrictions and various safety measures intended to avoid the potential impact of increased risk of accidents. Appropriate safety measures (as described above) will be implemented to assure that increased risk of accidents can be avoided.
- 15) The Town and the Company will adhere to the Complaint Resolution Plan included as Attachment P in the EAF and as revised by the Planning Board approval and attached hereto as Exhibit G. The complaint resolution process included in the EAF document 1) defines an operations point of contact, 2) sets an initial response timeframe, 3) requires appropriate documentation of the nature of the complaint, and 4) provides a pathway for reconciliation of complaints. As described in Exhibit G of this Agreement, the Company will execute a Complaint Monitoring Agreement which includes a commitment to establish a bond to cover any necessary studies, including sound studies, necessitated by credible complaints as set forth in EAF Attachment P and Exhibit G of this Agreement.
- 16) The Company will reduce the risk of construction related injury by employing qualified contractors, and providing regular safety training and use of appropriate safety equipment on site.

- 17) The Company will protect public health and safety as described in Section 13 of Part 3 of the EAF. The Company will submit an application to the FAA for each turbine for a hazard determination prior to construction. Consistent with the Company's commitments in that section, in order to avoid the potential for stray voltage, the Project's power collection system must be properly grounded, and not be connected to the local electrical distribution lines that provide electrical service to on-site structures or off-site buildings and homes. It must be physically and electrically isolated from all of the buildings in and adjacent to the Project area. Additionally, the Project's buried electrical collection lines must be located a minimum of three feet below ground (four feet in crop/hay fields), and must use shielded cables with multiple ground points.
- 18) The Company will implement proper safety protocol/requirements for Project personnel which must be incorporated into the Project's operating and maintenance policies and procedures.
- 19) The turbines and turbine sites must be maintained to ensure they are clean, attractive, and operating efficiently.
- 20) The Company must enter into a payment in lieu of taxes (PILOT) agreement with the Otsego County Industrial Development Authority (IDA).
- 21) If future complaints relative to degraded television reception or other telecommunications problems due to the constructed Project area arise, the Company must address any such problem in accordance with its commitments as set forth in the Complaint Resolution Process in Attachment P of the EAF and Exhibit G of this Agreement. Appropriate actions will include adjusting existing receiving antennae's, providing cable satellite reception, or other measures to the affected households. Company shall implement the complaint resolution process to address unanticipated concerns regarding the project consistent with its commitment as described in Part 3 of the EAF and provided as Attachment P of the EAF and Exhibit G of this Agreement.
- 22) The Company shall, prior to erecting turbines, provide proof that it has executed an Interconnection Agreement with the New York State Independent System Operators (NYISO) and New York State Electric and Gas (NYSEG).
- 23) Appropriate safety warning signs shall be posted at the base of all turbines and contain emergency contact information.

ARTICLE VII

COMPLIANCE WITH LAW

SECTION 7.1 COMPLIANCE WITH LAWS. The Company agrees that the Project shall be constructed and operated in compliance with all applicable State and federal laws, rules, and regulations, and in compliance with all permits and other authorizations issued

by the Town, the Town Planning Board, State agencies, or Federal agencies with respect to the site and the documents identified in the Town Permits, including the commitments and mitigation measures included in the Special Permit (the “**Special Permit**”) and contained in the Project’s NY State Environmental Quality Review Act (SEQRA) Environmental Assessment Form (EAF) Parts 1, 2 and 3 and Attachments A through P.

ARTICLE VIII

COMPLAINT RESOLUTION PROCESS

SECTION 8.1 COMPLAINT RESOLUTION PROCESS. The Company shall implement the Complaint Resolution Process outlined by the Company in the EAF and attached hereto as Exhibit “G”.

ARTICLE IX

MONITORING AND REPORTING REQUIREMENTS

SECTION 9.1 ON-SITE MONITOR. The Town shall engage a qualified independent engineering firm with wind project experience to monitor compliance with the measures and obligations agreed to be conducted by the Company and listed in the Special Permit application for the Project or the Town Permits (the “**On-Site Monitor**”).

SECTION 9.2 TOWN ENGAGEMENT OF ON-SITE CONSTRUCTION MONITOR. The Town has the right to engage a qualified independent engineering firm with wind project experience to serve as the On-Site Monitor for the Project. In the event the Town decides to retain or replace the On-Site Monitor during construction and post-construction remediation, the Town shall provide advance written notice to the Company of such decision and the Town’s selected candidate. Such selected candidate must be a qualified independent engineering firm with wind project experience. The Company shall have five (5) days after its receipt of the Town’s notice to advise the Town in writing of any objection to the engagement of such selected candidate. If the Company raises an objection, the Town and the Company agree to meet within three (3) days of the Town’s receipt of the Company’s notice to discuss the Company’s concerns with the selected candidate and potential substitutes. The Town shall not select the On-Site Monitor without the Company’s, consent, which shall not be unreasonably delayed or withheld.

SECTION 9.3 RESPONSIBILITIES OF ON-SITE CONSTRUCTION MONITOR. The On-Site Monitor shall be responsible for monitoring the Company’s compliance with any necessary obligation, condition or requirement set forth in the Company’s Special Permit Application or the Town Permit. The On-Site Monitor shall also serve as a liaison between the Project and the Town in relation to any issues that arise. The On-Site Monitor may issue a “Notice of Potential Violation” to the Company in the event he/she identifies potential non-compliance with the Terms of this Agreement. Such notice shall identify the circumstances of the potential non-compliance and recommended remedial measures, if applicable. The Company shall provide written responses to any “Notice of Potential Violation”

within in ten (10) business days of its receipt of such notice. Any written notice given to the On-Site Monitor shall be deemed duly received by the Town for the purposes of this Agreement.

SECTION 9.4 COSTS OF ON-SITE CONSTRUCTION MONITOR. The Company shall reimburse the Town for the costs associated with employing or engaging the On-Site Monitor in accordance with Article XVII hereof.

SECTION 9.5 REPORTS. The On-Site Monitor shall provide copies of his or her reports to the Company at the same time such reports are provided to the Town Supervisor, Town Board, or other Town body or representative.

SECTION 9.7 EMERGENCY NOTIFICATIONS. In the event of an emergency which requires the Company to notify the New York State Department of Environmental Conservation, the New York State Department of Health, the Otsego County Department of Health or any federal, state, county or local emergency service or agency, the Company will immediately thereafter notify the On-Site Monitor of the circumstances and events requiring the initial reporting to the previously-referenced entities. All written reports and documents regarding such notifications will be made available to the On-Site Monitor, along with any responses or further written directions received from the entities to which the Company initially reported.

ARTICLE X

DECOMMISSIONING PLAN

SECTION 10.1 DECOMMISSIONING. The parties acknowledge that Turbines may, from time to time, be decommissioned and removed from the Project (“Decommissioning”). The Company shall implement the Decommissioning Plan outlined by the Company in the EAF and attached hereto as Exhibit “F”.

SECTION 10.2 FAILURE TO PERFORM DECOMMISSIONING. In the event the Company fails to perform necessary Decommissioning activities within a reasonable time, and the Town has to carry out such Decommissioning activities in accordance with the terms herewith, the Company hereby acknowledges and agrees that it will use its commercially reasonable efforts to ensure the Town has the necessary access rights to carry out such Decommissioning, including granting the Town the right to use Company easements and access rights to carry out any Decommissioning the Town has a right to conduct. To the extent that lease terms allow, the Company, within six months of the date of this Agreement, will assign access rights to the Town for the purpose of undertaking Decommissioning in the event of the Company’s failure to do so. However, to the extent that the Town’s rights shall be concurrent with, and derived from Company rights set forth in various agreements, such rights shall be subject to the terms of such agreements granting the Company such easement or access rights. The Company will not allow its access rights or easements to any particular facility to expire until such facility has been decommissioned.

ARTICLE XI

FIRE PROTECTION CONTROL AND SAFETY

SECTION 11.1 ANNUAL MEETINGS WITH FIRE CHIEF. The Company will meet, on at least an annual basis, with the fire chief of the fire district where Turbines are located, to review current access, training needs, and other emergency coordination related issues. The initial meeting with the fire districts will take place within seventy-five (75) days of the Effective Date.

SECTION 11.2 EMERGENCY PLAN. Within thirty (30) days after the initial meeting with the fire chief, the Company will submit to the fire chief and to the Town an Emergency Plan which identifies and addresses any emergency coordination concerns raised by the fire chief. If necessary, such plan shall be updated within thirty (30) days after each subsequent meeting.

ARTICLE XII

LIABILITY COVERAGE AND INDEMNIFICATION

SECTION 12.1 INSURANCE. The Company will maintain insurance for claims arising out of injury to persons or property, relative to either sudden and accidental occurrences or non-sudden and accidental occurrences, resulting from operation of the Project. The Company shall maintain or cause to be maintained insurance against such risks and for such amounts as are customarily insured against by businesses of like size and type. The Company will provide proof of such insurance in the form of a certificate of insurance, or proof of self-insurance annually to the Town.

SECTION 12.2 INDEMNIFICATION OF TOWN.

a. Indemnification. Except to the extent caused by the negligence, illegal or willful misconducts of the Town or its officers, agents, employees or subcontractors, and except with respect to special or consequential damages, the Company agrees that it will indemnify and hold harmless the Town and its officers and employees from and against any and all liability, actions, damages, claims, demands, judgments, losses, cost, expenses and fees, including reasonable attorneys' fees (collectively, "**Losses**"), including losses for injury or death to persons or for loss or damage to property, and will defend the Town and its officers and employees in any court action, administrative proceeding or appeal in connection with such Losses, whether or not finally adjudicated and including any settlement thereof, provided such losses result from or arise out of any act, omission, negligence or other fault of the Company or its officers, agents or employees; and further provided such losses arise out of or occur in connection with the construction and operation of the Project. In the event a claim, action, demand, suit or proceeding is instituted against the Town by any third party for a money judgment only, pursuant to which the Town is entitled to be indemnified hereunder, the Town shall immediately notify the Company in writing and contemporaneously provide the Company with a copy of the written documents presented by such third party. To the extent that the Town fails to provide timely

notice and such failure impairs the Company's duty to defend said claim, such failure by the Town shall be considered in the Town's comparative fault.

b. Hold Harmless and Defense Against Actions Concerning the Project or Town Permits. Without limiting the foregoing, in the event a claim, action, demand, suit or proceeding is instituted against the Town by any third party challenging the exercise of the Town's municipal powers or obligations in connection with the Project or the Town's issuance of Town Permits, pursuant to which the Town is entitled to be indemnified hereunder, the Town shall immediately notify the Company in writing and contemporaneously provide the Company with a copy of such written documents presented by such third party.

c. Right to Control Defense. The Company will have the right to control the defense of any such actions or claims and will have the right to settle such actions or claims on such terms as it may deem reasonable so long as such defense and/or settlement are approved by the Town and releases or indemnifies the Town. The Town shall be entitled to its own counsel in defense of such action.

SECTION 12.3 INDEMNIFICATION OF THE COMPANY. The Town shall indemnify, hold harmless and defend the Company and its owners, affiliates, officers, employees, subcontractors and agents from and against any and all damages, penalties, costs, claims, demands, suits, judgments and expenses, including, without limitation, reasonable attorneys' fees, caused by, arising out of or incurred as a result of: (a) the acts or omissions or willful misconduct of the Town, (b) breach of any obligation, covenant or undertaking of the Town contained herein, or (c) any misrepresentation or breach of warranty on the part of the Town pursuant to this Agreement.

SECTION 12.4 COOPERATION IN DEFENSE AGAINST LITIGATION. Should any third party bring a federal or state suit or proceeding, including a proceeding pursuant to Article 78 of the New York Civil Practice Law and Rules regarding the Project or the Town Permits, the Company and the Town shall cooperate in the defense of said action. The Town shall have the right to select its counsel but the Company shall have the right to control the defense against such action pursuant to Section 13.2(c) hereof. The Company agrees to fund reasonable attorneys' and experts' fees and costs incurred by the Town in defense of any such action unless the action is brought by the Company.

ARTICLE XIII

DISPUTE RESOLUTION

SECTION 13.1 DISPUTE RESOLUTION. In the event of a dispute concerning compliance with this Agreement, the Company and the Town agree that they will engage in alternative dispute resolution in the form of non-binding mediation with a mutually agreed mediator. The parties recognize that certain disputes are not amenable to mediation. In the event that either party determines to proceed with resolution of the dispute through judicial litigation, this Agreement to submit disputes to mediation will not be used against any party in the judicial forum. The parties agree to waive any right to trial by jury and agree a bench trial by Judge should be the arbiter of such dispute.

ARTICLE XIV

TERMINATION

SECTION 14.1 TERMINATION. In the event that the Town modifies the terms and conditions of any Town Permit or modifies its regulations governing operation of the Project in a manner which materially interferes with the operation of the Project, or which requires the Company to change its operations to the detriment of it or the Project, in addition to any other remedies that may be available under this Agreement, the Company may opt, in its sole discretion, to suspend Agreement payments and/or terminate the Agreement. The Company reserves its rights to bring a judicial challenge to the Town Permit or regulations in question, without waiving its right to terminate the Agreement. In the event that the Company opts to terminate this Agreement, and either the Town or the Company seeks a judgment in a court of competent jurisdiction to declare the rights of the parties under this Agreement, any Host Fee otherwise due under this Agreement as of the date of Termination, the payment of which is at dispute in the litigation, shall be deposited with the court or an escrow agent mutually agreeable to both parties, pending the outcome of the litigation. Nothing herein shall be construed as constituting the Company's consent or waiver with respect to the Town modification of any Town Permit or Town regulation or otherwise limit the Company's rights and potential remedies in response to such modifications.

ARTICLE XV

BREACH AND REMEDIES

SECTION 15.1 NOTICE OF BREACH. In any case where either party breaches this Agreement, the non-breaching party shall provide written notice to the breaching party within ten (10) days of such breach ("Notice of Breach").

SECTION 15.2 RIGHT TO CURE. The Company shall have the right to cure any breach and must cure such breach within ninety (90) days of its receipt of a Notice of Breach. If the Company is unable to cure a breach within ninety (90) days, the Company may request an extension of the ninety (90) day period which the Town request the Town shall grant provided the Company has commenced a cure and proceeded diligently to effect such cure. In the event the breach continues to remain uncured, the time may be enlarged to a time period established by the Town Board, at the discretion of the Board

SECTION 15.3 REMEDIES. The parties acknowledge that neither party has an adequate remedy by way of damages in the event that the other party materially breaches or threatens to materially breach the obligations and restrictions contained within this Agreement, and therefore each party agrees that, in the event of a breach of this Agreement, the aggrieved party may apply to a court of competent jurisdiction for equitable relief directing the other party to comply with this Agreement and/or enjoining or restraining the other party from any material breach hereof.

SECTION 15.4 REMEDIES CUMULATIVE. No remedy herein conferred upon or reserved to the Town is intended to be exclusive of any other available remedy, but each

and every such remedy shall be cumulative and in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any breach shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

SECTION 15.5 LIMITED RECOURSE. Notwithstanding any other provision in this Agreement, the Company's obligations under this Agreement to make payments are limited to its interest in the Project and the Town shall be entitled to look solely to the Company's interest in the Project for satisfaction of such obligations. Such obligations shall constitute limited obligations of the Company, payable solely from the revenues of the Company derived and to be derived from the operation, lease, sale, or other disposition of the Project.

SECTION 15.6 TOWN BREACH AND RIGHT TO CURE. The Town shall cure all breaches within ninety (90) days of its receipt of the notice unless such breach is not capable of cure within ninety (90) days, in which event the Company shall give the Town an additional ninety (90) days to cure provided the Town has commenced a cure and proceeded diligently to effect such cure. If the Town fails to cure such breach within the time allowed, the Company's payment obligations under Sections 4.1 and 4.2 hereof shall be suspended until such breach is cured.

SECTION 15.7 MORTGAGEE RIGHT TO CURE. Notwithstanding any other provision herein, whenever any breach hereof shall have occurred and be continuing with respect to this Agreement, the remedies of the Town shall be limited to the rights hereunder, subject to the rights of Mortgagees (as defined below) to cure any such breach as set forth below.

a. Mortgagee. For the purposes of this Agreement, the terms "Mortgage" or "Mortgages" shall include any mortgage, leasehold mortgage, purchase money mortgage or other security instrument or instruments secured by the Project and used in the jurisdiction in which the Project is located, such as, without limitation, mortgages, deeds of trust, financing statements, assignments of leases, rents and/or profits, security agreements and other documentation which a lender may require, and the term "Mortgagee" shall mean the secured party under any of the foregoing instruments whose involvement is communicated in writing to the Town. With respect to any such Mortgage, so long as such Mortgage shall remain unsatisfied of record or until written notice of satisfaction is given by the Mortgagee to the Town, the following provisions shall apply.

b. Service of Notices on Mortgagee. The Town shall simultaneously serve a copy of any Notice of Breach upon the Mortgagee if the Mortgagee has provided its contact information to the Town, and no such notice or other communication to the Company shall be deemed received unless a copy is so served upon the Mortgagee in the manner provided in this Agreement for the giving of notice. The time periods provided for in this Section shall be calculated from the Mortgagee's receipt of a Notice of Breach.

c. In the event of any breach by the Company and/or its successors under this Agreement, the Mortgagee shall have one hundred eighty (180) days, after Notice of Breach is received by the Mortgagee, to cure or to cause to be cured the breach complained of and the

Town shall accept such performance by or at the instigation of such Mortgagee as if same had been done by the Company. The Mortgagee may request an extension of the ninety (90) day period provided to the Company in Section 15.2 and the Town may grant the extension. If the Breach is monetary in nature, each Notice of Breach given by the Town will state the amounts of any payments herein provided that are then claimed to be in default.

d. If, before the expiration of Mortgagee's cure period as provided above, Mortgagee shall have notified the Town in writing of its agreement to pay or cause to be paid to the Town, within thirty (30) days after the expiration of Mortgagee's cure period ("**Extended Cure Period**"), all payments in this Agreement provided for and then in default then the Town shall not exercise any of its rights and remedies under this Agreement until expiration of the Extended Cure Period.

e. The Company (and not the Town) shall give the Mortgagee notice of any arbitration or other proceeding or dispute by or between the parties hereto, and the Mortgagee shall have the right to intervene therein and be made a party to any such arbitration or other proceeding.

f. The Mortgagee shall have the absolute right to substitute itself for the Company and perform the duties of the Company for purpose of curing defaults. The Town expressly consents to this substitution, agrees to accept such performance, and authorizes the Mortgagee (or its employees, agents, representatives or contractors) to complete such performance with all the rights, privileges and obligations of the Company. In no event, shall the Town issue a Notice of Breach of this Agreement or the Town Permits before expiration of the cure periods available to a Mortgagee as set forth above.

ARTICLE XVI

SEVERABILITY

SECTION 16.1 SEVERABILITY. If any clause, provision, section or article of this Agreement, or a portion thereof, is held invalid, inoperative or unenforceable by any court or regulatory authority of competent jurisdiction, the remainder of this Agreement shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

SECTION 16.2 REFORMATION. Notwithstanding the foregoing, if any clause, provision, section or article of this Agreement, or a portion thereof, is held invalid, inoperative or unenforceable by any court or regulatory authority of competent jurisdiction, the parties shall:

a. Promptly meet and negotiate a substitute for such clause, provision, section or article, which will to the greatest extent legally permissible, effect the original intent of the parties therein.

b. Negotiate such changes in, substitutions for, or additions to the remaining provisions of this Agreement as may be necessary in addition to and in conjunction with Section 16.1(a) hereof to effect the original intent of the parties in the clause, provision, section or article declared invalid.

ARTICLE XVII

REIMBURSEMENT OF TOWN EXPENSES

SECTION 17.1 REIMBURSEMENT OF TOWN EXPENSES. The Company shall reimburse the Town for all reasonable costs, fees and expenses paid to its special legal counsel and the On-Site Monitor (the “**Fees**”) incurred in connection with the Town’s oversight of the post-Town Planning Board approval phases of the Project, including road construction and restoration, occurring prior to the Commercial Operation Date.

SECTION 17.2 FEE ESCROW ACCOUNT.

a. Initial Funding of Fee Escrow Account. Within Five days of the execution of this Agreement, the Company shall deposit the sum of THIRTY THOUSAND DOLLARS (\$30,000.00) in an interest-bearing escrow account to be established by the Town at a local banking institution (the “**Fee Escrow Account**”), with any interest accruing to the Company’s benefit.

b. Replenishment of Fee Escrow Account. Whenever the balance of the Fee Escrow Account falls below FIFTEEN THOUSAND DOLLARS (\$15,000.00), the Company shall be notified, through notice to the Company and its attorney, as set forth in Section 18.1 hereof, of the amount remaining in the Fee Escrow Account and, within fifteen (15) business days of such notification, the Company shall deposit an additional FIVE THOUSAND DOLLARS (\$5,000.00), or such other amount as the Town and the Company shall mutually agree, into the Fee Escrow Account. In the event the Company fails to replenish the Fee Escrow Account within fifteen (15) business days of the Company and Company’s attorneys being notified, the Town Board may direct the engineers and attorneys to cease all work on the Project until such payment is received from the Company.

c. Invoices and Withdrawals. The Invoices for engineering and legal services will be submitted to the Town Treasurer, who will review the invoices. Upon approval by the Town Treasurer, the Town Supervisor will thereafter be directed to disburse funds from the Fee Escrow Account to pay the invoices. Copies of all invoices shall be provided prior to approval by the Town Board to the Company except for any privileged portions of legal billings.

d. Return of Fee Escrow Account Balance. Upon completion of all of the Town’s responsibilities with respect to the Project, but in no event later than one (1) year following the Commercial Operation Date, any monies remaining in the Fee Escrow Account, after paying all outstanding costs, fees and expenses, shall be returned to the Company. In the event that, subsequent to close out of the escrow account, further activities or events involving the Project require additional Town oversight, the parties agree to reestablish the escrow account and the Company agrees to re-fund the escrow account as appropriate to the circumstances.

e. Quarterly Statements. The Town shall provide quarterly Fee Escrow Account statements to the Company, together with an itemized accounting of monies disbursed from the Fee Escrow Account, if applicable.

f. Disputes. In the event the Company disputes or objects to any item set forth in the bi-annual accounting, the Company shall identify the disputed item and the basis for the dispute, in writing, within thirty (30) days of the receipt of such accounting. The Company and the Town agree to communicate expeditiously and in good faith with each other to resolve any such billing dispute as promptly as possible. In the event the parties are unable to resolve their dispute, the parties shall first proceed with mediation in accordance with Section 14.1 hereof.

SECTION 17.3 NO FIDUCIARY RELATIONSHIP. The engineers and attorneys retained by the Town are retained pursuant to separate agreement with the Town and do not have any obligation to or fiduciary relationship with the Company.

SECTION 17.4 REASONABLE SERVICES AND RATES. The services provided by the Town's engineers and attorneys are subject to reimbursement and shall be limited to those services reasonably necessary to assist the Town in connection with the Project in accordance with applicable law and the completion of any agreements with the Town. The rates charged by the Town's engineers and attorneys shall not exceed those rates customary within the community for similar services.

ARTICLE XVIII

NOTICES

SECTION 18.1 NOTICES. Notices hereunder will be given in writing and delivered to the parties by first class mail, postage prepaid, at the addresses set forth hereafter:

a. Notices to the Town:

Town of Richfield
Attn: Town Supervisor
Town Hall
18 East James Street
Richfield Springs, New York 13439

With a copy to:

David Merzig, Esq.
8-12 Dietz Street
Suite 202
Oneonta, NY 13820

b. Notices to the Company:

Monticello Hills Wind LLC
1300 N. Northlake Way
Seattle, WA 98103

With copies to:

Douglas Ward, Esq.
Young Sommer
5 Palisades Dr # 300
Albany, NY 12205-6416

Any party may change its notice address by notifying the other party in accordance with this Section. Notices sent in accordance with this Section shall be deemed received three (3) days after mailing.

ARTICLE XIX

MISCELLANEOUS

SECTION 19.1 NO WAIVER. The failure of any party to insist on the strict performance of any term or provision hereof will not be deemed a waiver of the right to insist on strict performance of any other term or provision, nor will it be deemed a waiver of any subsequent breach. Unless specifically stated, the selection of any specific remedy hereunder or under the Wind Energy Regulations by either party shall not be deemed an election of remedies limiting either party's right to seek any other remedy otherwise allowed by this Agreement, or under the Wind Energy regulations or under Law or Equity or under Local, State or Federal Law.

SECTION 19.2 APPLICABLE LAW AND VENUE. This Agreement will be governed by the laws of the State of New York. Venue for any dispute arising under this Agreement and not settled by mediation shall be solely in the New York State Supreme Court for Otsego County.

SECTION 19.3 FEES ASSOCIATED WITH ENFORCEMENT. In the event either party commences any action to collect any payment or monetary amount due under this Agreement, or to enforce any provision of this Agreement, or to engage in Dispute Resolution pursuant to Article XIII hereof, such party shall have the right to recover all expenses and fees, including reasonable attorneys fees, incurred in bringing the action, if such party prevails in such action. However, in no event shall the Town be required to pay more than ten thousand dollars (\$10,000.00) on any separate claim. Nothing in this Agreement shall limit the right of the Town to enforce the Wind Energy Regulations through all civil or criminal proceedings available under the law.

SECTION 19.4 NO RECOURSE. All obligations of the parties contained in this Agreement shall be deemed to be the corporate obligations of the respective parties and

not obligations of any member, officer, official, agent, servant, employee, or affiliate of the parties. No recourse upon any obligation contained in this Agreement, or otherwise based on or in respect of this Agreement, shall be had against any past, present, or future member, officer, official, agent, servant, employee, or affiliate of the parties.

SECTION 19.5 QUIET ENJOYMENT. Provided that the Company is in compliance with the terms of the Permits issued by the Planning Board on November 22, 2011 and this Agreement and the Road Use Agreement referenced in Article V hereof, the Town agrees that it will take no action which would curtail, modify or otherwise interfere with the construction or operation of the Project.

SECTION 19.6 ENTIRE AGREEMENT. Unless supplemented or otherwise amended in writing by the Town and the Company in accordance with the laws of the State, this Agreement constitutes the parties' entire agreement with respect to the subject set forth herein, and no other agreements, written or unwritten, implied or express, will be deemed effective.

SECTION 19.7 AMENDMENT. No amendment, modification or alteration of the terms or provisions of this Agreement shall be binding unless the same shall be in a writing that specifically references this Agreement and that is duly executed by the parties.

SECTION 19.8 BINDING EFFECT. This Agreement shall inure to the benefit of and shall be binding upon each of the parties and, as permitted by this Agreement, by their respective successors and permitted assigns.

SECTION 19.9 HEADINGS. The headings of sections and paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute a part of this Agreement or to affect the construction hereof.

SECTION 19.10 ASSIGNMENT BY TOWN. Except in the context of financing or securitizing revenues from the Project under this Agreement, the Town may not transfer or assign any of its rights or obligations under this Agreement without the prior written consent of the Company and any such transfer or assignment shall be null and void and of no force and effect. The Company shall cooperate with the Town from time to time, including, without limitation, by entering into a consent and assignment or other agreements with the Town and the financing parties involved with any such financing or securitization in connection with any collateral assignment on such terms as may be customary under the circumstances and shall reasonably be required by the involved financing parties.

SECTION 19.11 ASSIGNMENT BY COMPANY. The Company may, without the consent of the Town, (a) assign this Agreement to any (I) purchaser of the Project, (II) affiliate (as such term is defined in Rule 12b-2 of the General Rules and Regulations under the Securities Exchange Act of 1934) of the Company that is controlled by, controlling or under common control with the Company or (III) persons or entities, including a collateral agent acting on behalf of lenders providing financing for the Project (collectively, the "**Financing Parties**") (such purchaser, affiliate and Financing Parties are collectively defined as a "**Successor**"), provided such Successor assumes and agrees to be bound by this Agreement by executing and

submitting to the Town a notice of assignment and assumption of this Agreement, and (b) pledge, mortgage, grant a security interest in and collaterally assign this Agreement to any Financing Parties. The Town shall cooperate with the Company, its affiliates, any Successor, and any Financing Parties from time to time, including, without limitation, by entering into a consent and assignment or other agreements with such Financing Parties and the Company in connection with any collateral assignment on such terms as may be customary under the circumstances and shall reasonably be required by such Financing Parties, including execution of a consent to the assignment of this Agreement in the form approved by the Company and the Financing Parties, as applicable. In the event this Agreement is assigned to a Successor, the Company shall have no further obligations hereunder. Nothing herein shall limit in any way the right of the owners of the Company to sell or otherwise transfer (including by merger or consolidation with any other entity) all or a portion of their ownership interests in the Company.

SECTION 19.12 COUNTERPARTS. This Agreement may be executed in any number of counterparts each of which shall be deemed an original and all of which taken together shall constitute one and the same instrument.

SECTION 19.13 FILING WITH TOWN CLERK. The Town shall file and maintain a copy of this Agreement in the office of the Town Clerk.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year above written.

THE COMPANY:

MONTICELLO HILLS Wind LLC, a New York limited liability company

By: _____

Name: _____

Title: _____

TOWN:

TOWN OF RICHFIELD, a New York municipal corporation

By: _____

Name: _____

Title: _____

STATE OF _____) ss:

COUNTY OF _____)

On the ____ day of [____], in the year [____], before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individuals whose names are subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

STATE OF _____) ss:

COUNTY OF _____)

On the ____ day of [____], in the year [____], before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individuals whose names are subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

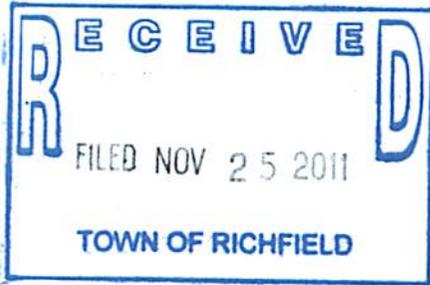
List of Exhibits

List of Exhibits

- Exhibit "A" Town Board Approving HCA Resolution
- Exhibit "B" Planning Board Resolution Issuing Special Permit
- Exhibit "C" Scope of Services for Environmental Monitor
- Exhibit "D" Agreement for Implementation of Cultural Resource Mitigation Plan
- Exhibit "E" Bat Memo and Plan
- Exhibit "F" Decommissioning Plan
- Exhibit "G" Complaint Resolution Process

Exhibit "A" Town Board HCA Approving Resolution

Exhibit "B" Planning Board Resolution Issuing Special Permit



TOWN OF RICHFIELD PLANNING BOARD

DATE: NOVEMBER 22, 2011

**RESOLUTION
GRANTING A SPECIAL PERMIT**

WHEREAS, the Town of Richfield Planning Board (hereinafter the "Board"), received an application from the Applicant/Owner/Developer, Monticello Hills Wind, LLC ('the Applicant') to build and operate a wind turbine farm in the Town of Richfield as a public utility/Industry within the R-40 District as authorized by Section 4.1(b) of the Land Use and Building Management Ordinance, subject to a Special Permit (hereinafter the "project"); and

WHEREAS, the Board considered the application submitted and determined that said application was complete; and

WHEREAS, the Board thereafter determined that a public hearing was necessary for said project and after due notice, that hearing was held on September 12, 2011; the Board has also accepted written comments on the project both prior and subsequent to the public hearing throughout the review process; and

WHEREAS, in response to a recent building construction proposal, planned to be located on parcel of land adjacent to the project site, the Applicant has made non-substantive modifications to the proposed placement of Turbines 2 and 4, to increase separation distances from the proposed building site.

WHEREAS, the Board was named "Lead Agency" for the purposes of the State Environmental Quality Review Act, review of the project, and by Resolution dated November 22, 2011 determined that the Project will not have significant adverse environmental impacts; and

WHEREAS, the Board has considered and addressed each of the matters referred to in Section 7.3 (e) of the Land Use and Building Management Ordinance related to Special Permits, in the SEQR review in the document entitled "Rationale Supporting the SEQRA Determination of Significance for a Negative Declaration" and reference is made thereto and included herein; and

WHEREAS, the Board has complied with the provisions of General Municipal Law §239-m, by referral of this proposed project to the Otsego County Planning Department and receiving a favorable recommendation from the Department;

WHEREAS, the Board believes that a Special Permit should be granted to the Applicant for this project, but that the right to commence work on the project under that Permit should become



effective only upon the satisfaction of commitments heretofore made by the Applicant and referenced herein.

NOW, THEREFORE, BE IT RESOLVED, that in a regular session duly convened, the Board does hereby grant to the Applicant a Special Permit to construct and operate the wind turbine farm as presented to the Board in its application as modified, but that such permit is issued contingent on the following:

- 1) No construction or site preparation shall commence until all of the Applicant's commitments set forth herein are completed, or upon further action of the Board, except for those items which are described herein to be accomplished after the completion of the project. The Board shall retain the right to revoke this Special Permit for failure to comply with any of the commitments set forth herein.
- 2) The Applicant shall submit a final Stormwater Pollution Prevention Plan (SWPPP) to the Town of Richfield.
- 3) The Applicant shall enter into a Host Community Agreement with the Town of Richfield (hereinafter the "Town") which will incorporate terms and conditions consistent with the representations heretofore made by the Applicant and as set forth herein.
- 4) The Town will, through its Board of Trustees, and with the aid of the consulting engineering firm which has advised the Planning Board on this application, select and employ a qualified environmental monitor to be paid with funds provided by the Applicant or any owner developer operating under this permit to assure compliance with all permit requirements and environmental protection commitments made during Project construction, including all soil and water protection measures described herein and in Sections 1 and 2 of Part 3 of the EAF, including, but not limited to avoidance of impacts to wetlands and streams.
- 5) The Applicant shall adhere to the mitigation and monitoring measures in compliance with the New York State Department of Agriculture and Markets *Guidelines for Agriculture Mitigation for Wind Power Projects*, as set forth in the EAF, Section 5 of Part 3.
- 6) As described in Attachment D of the EAF, post-construction monitoring will be conducted to gather mortality information regarding bats and birds as a result of Project operation. Post-construction surveys will be conducted for one-year with methodologies generally in accordance with the NYSDEC's *Guidelines for Conducting Bird and Bat Studies at Commercial Wind Energy Projects*. These methods will include weekly ground searches under turbines, coupled with analysis of carcass removal rates (scavenging) and searcher efficiency rates. After review of Year 1 results the Applicant will consult with the Town of Richfield and the NYSDEC regarding possible additional information gathering efforts. In addition to post-construction monitoring, the Applicant will implement a wildlife reporting and monitoring system for the Project that will be conducted for the life of its operation to monitor potential trends in fatalities. The results of all studies will be provided to the Town.

7) The Applicant will follow an agreed-upon decommissioning process as set forth in the EAF (Attachment F) to ensure that if the Project goes out of service and is not re-powered or redeveloped, that all visible above-ground components will be removed at the expense of the Applicant. The Town shall be authorized to retain an independent engineer to determine the cost of such decommissioning at the expense of the applicant, and in accordance with the process set forth in Attachment F, a bonding to assure funding for such costs shall be included consistent with that commitment.

8) As described in Section 7 of Part 3 of the EAF, the Applicant will provide funding to the Town in accordance with the *Agreement for Implementation of Cultural Resource Mitigation Plan*.

9) As described in Section 10 of Part 3 of the EAF, a Road Use Agreement will be entered into to address the restoration of Town and County roadways used in connection with this project either during construction or for any other required maintenance during the life of the project. The Applicant will coordinate such road use and enter into an agreement with the Town Highway Superintendent and County Highway Superintendent which will address all highway use, repair and reconstruction in identifying possible alternative routes. To avoid significant impacts to traffic flows, predetermined detour routes will be implemented upon identification of construction-related traffic congestion. Proposed traffic safety measures include placement of construction signage and adherence to all requirements of the Special Hauling/Superload Permits, such as use of vehicle escorts, police escorts, speed limit restrictions, and hours of operation restrictions. Representatives of the Highway Department(s) for the Towns (for Town Roads) and the County (for County Roads) will have oversight authority regarding these activities. Evaluation of existing roadway conditions indicated that roadway surfaces, widths, weight restrictions, and vertical curvature appear suitable to accommodate construction and component delivery traffic. Vehicles carrying heavy loads could result in damages to roadway surfaces; however, the Applicant commits to restore damaged roads to pre-construction conditions following the completion and/or termination of construction activities at no expense to the Town of Richfield or Otsego County. The Applicant will adhere to restrictions and various safety measures intended to avoid the potential impact of increased risk of accidents. Appropriate safety measures (as described above) will be implemented to assure that increased risk of accidents can be avoided.

10) As described in the EAF (Attachment P), and in accordance with its commitments in this regard, the Applicant will execute a Complaint Monitoring Agreement which includes a commitment to establish a bond to cover any necessary studies, including sound studies, necessitated by credible complaints as set forth in EAF Attachment P.

11) The applicant will reduce the risk of construction related injury by employing qualified contractors, and providing regular safety training and use of appropriate safety equipment on site.

12) The Applicant will protect public health and safety as described in Section 13 of Part 3 of the EAF. The Applicant will submit an application to the FAA for each turbine for a hazard determination prior to construction. Consistent with the Applicant's commitments in that section,

in order to avoid the potential for stray voltage, the Project's power collection system must be properly grounded, and not be connected to the local electrical distribution lines that provide electrical service to on-site structures or off-site buildings and homes. It must be physically and electrically isolated from all of the buildings in and adjacent to the Project area. Additionally, the Project's buried electrical collection lines must be located a minimum of three feet below ground (four feet in crop/hay fields), and must use shielded cables with multiple ground points.

13) The Applicant will implement proper safety protocol/requirements for Project personnel which must be incorporated into the Project's operating and maintenance policies and procedures.

14) The turbines and turbine sites must be maintained to ensure they are clean, attractive, and operating efficiently throughout the life of the project.

15) The Applicant must enter into a payment in lieu of taxes (PILOT) agreement with the Otsego County Industrial Development Authority (IDA).

16) If future complaints relative to degraded television reception or other telecommunications problems due to the constructed Project area arise, the Applicant must address any such problem in accordance with its commitments as set forth the Complaint Resolution Process in Attachment P of the EAF. Appropriate actions will include adjusting existing receiving antennae's, providing cable satellite reception, or other measures to the affected households.

17) Applicant shall implement the complaint resolution process to address unanticipated concerns regarding the project consistent with its commitment as described in Part 3 of the EAF and provided as Attachment P.

This resolution shall take effect immediately.

WHEREUPON, this Resolution was declared adopted by the Planning Board of the Town of Richfield:

The motion was moved by Woodrow.

The motion was seconded by Andela.

Motion approved: 3-2

Date of Adoption: November 22, 2011

Town of Richfield, Town Hall, Richfield Springs, NY

Exhibit “C” Scope of Services for Environmental Monitor

The services provided by the Environmental Monitor (“Monitor”) that are subject to reimbursement by Monticello Hills Wind, LLC shall be limited to those services reasonably necessary to assure the Town that the Applicant is in compliance with all the permit requirements and environmental commitments made including all soils and water protection measures described in Sections 1 and 2, of Part 3 of the EAF , and the commitments enumerated in the November 22, 2011 resolution granting a Special Permit for the Project and specifically identified as follows in this Exhibit.

1. The Monitor will review the State Environmental Quality Review (SEQRA) record for the project including the Long Form Environmental Assessment Form (EAF) and all issued permits. The Monitor will prepare and circulate to all contractors and subcontractors an Environmental Compliance Manual that will distill and clearly present all environmental protection and mitigation requirements for construction and restoration resulting from issued Project permits and approvals.
2. The Monitor will have a pre-construction meeting with the representatives from Monticello Wind and their contractors and subcontractors. The Monitor will ensure that all of the Monitor’s representatives have gone through appropriate training for SPDES/SWPPP monitoring and compliance and will attest that all its representatives have received such training.
3. The Monitor will hold an environmental training session that will be mandatory for all contractors and subcontractors. The purpose of the training sessions will be to explain the environmental compliance program in detail, prior to the start of site mobilization and construction.
4. Prior to construction, the contractors, sub contractors and the Monitor will conduct a walkover of areas to be affected by construction activities. This walkover will identify landowner concerns, sensitive resources, limits of clearing, proposed stream or wetland crossings, and placement of sediment and erosion control features. The limits of work areas, especially in sensitive resource areas such as in proximity to wetlands, will be defined by flagging, staking or fencing prior to construction, as needed.
5. The Monitor will attend weekly Project progress meetings as needed or requested.
6. The Monitor will conduct periodic inspection of the project site during project construction operation and site restoration. The monitor will be present during construction at environmentally sensitive locations and will issue periodic/regular reporting and compliance audits at intervals to be determined through consultation between the Town and the Applicant/owner/developer. Observation of site construction work will be conducted for conformance to all town permits, and the SWPPP as well as the SEQRA Negative Declaration, Special Use Permit, this Agreement and other agreements to which the Town and Monticello Hills Wind, LLC have executed for the Project.

7. During construction, the Monitor will work with the contractors and subcontractors to create a punch list of areas for restoration in accordance with issued permits. Following construction, the Environmental Monitor will inspect restored agricultural areas for conformance and/or compliance with New York State Department of Agriculture and Markets (NYSDA&M) guidelines.
8. The Environmental Monitor will attend meetings with Town officials as necessary to review and discuss the Project's status and construction conformance issues.
9. The Monitor will promptly notify the Applicant/owner/developer of any concerns or non-compliance and provide the Applicant/owner/developer the opportunity to remedy the situation prior to filing a report. The Monitor will prepare any required reports and review the reports first with Monticello Hills Wind and then submit the reports as required to the relevant local agency summarizing the project's status with regard to issued environmental permits. The Environmental Monitor agrees to provide Applicant/owner/developer a copy of any reports sent to any local, state or federal agency with jurisdiction if requested by Monticello Hills Wind, LLC.
10. The Monitor will undertake other Project-related tasks as specified by the Town, Town Planning Board or requested by Monticello Hills Wind, LLC.

The following conditions are understood to govern the Monitor's involvement in the construction and restoration phases of the Project:

1. Neither the Monitor nor its representatives will be responsible for construction means, methods or techniques.
2. Neither the Monitor nor its representatives will be responsible for construction site safety.
3. The Monitor and its representatives shall have no approval or comment authority regarding the work unless such authority pertains to SEQRA or permit compliance issues.
4. The Monitor agrees to work within Project scheduling parameters established by Monticello Hills Wind, LLC to the maximum extent possible, provided that reasonable advance schedule notification is received.
5. The Monitor will not be responsible for enforcing agreed upon use of town or county roads covered in Road Use Agreement(s) entered into by Applicant.

Exhibit “D”

**AGREEMENT FOR IMPLEMENTATION
OF CULTURAL RESOURCE MITIGATION PLAN**

This Agreement is made as of ____, 20__ by and between MONTICELLO HILLS WIND LLC a Delaware limited liability company (“MHW”) and the TOWN OF RICHFIELD, a municipal corporation organized under the laws of New York State, located in Otsego County, New York (“Town”).

WITNESSETH:

WHEREAS, MHW proposes to construct and operate a wind energy project in the Town which will consist of wind turbines, access roads, electrical interconnection lines, and a switchyard and substation adjacent to the existing New York State Electricity and Gas (“NYSEG”) 46 kilovolt (“kV”) sub-transmission line (the “Project”). The Project will be have a nameplate capacity of approximately 18.45 megawatts (“MWs”); and

WHEREAS, MHW has conducted studies and analyses, including a Phase 1a Cultural Resources Survey and a Visual Impact Assessment, assessing the potential impact of the Project on the cultural, historical and archeological resources within a study area as specified by New York State Department of Environmental Conservation and State Historic Preservation Office guidance; and

WHEREAS, as a result of the studies and analyses conducted by MHW, MHW has minimized undue adverse impacts to the maximum extent practicable based on the design of the Project and with the implementation of mitigation measures identified in the Environmental Assessment Form; and

WHEREAS, to address any community concerns regarding visibility of the Project within the visual setting associated with any historic structures or sites within the study area, MHW initiated discussions with the Town for the purposes of identifying worthwhile cultural resource mitigation projects. Based on these meetings and discussions, the Town identified several potential projects that could be funded by MHW for the purpose of mitigation (“Mitigation Projects”); and

WHEREAS, the Mitigation Projects are described in the attached Exhibit A and are incorporated herein; and

WHEREAS, pursuant to this agreement, MHW has agreed to fund Mitigation Projects described in Exhibit A up to a total of \$2000/MW to address community concerns related to the visibility of the Project on cultural resources.

NOW THEREFORE, the parties enter into this Agreement with the understanding that the Town shall use the funds provided by this Agreement to implement Mitigation Projects in accordance with this Agreement; and

IT IS FURTHER AGREED, within 60 days after the commencement of construction of the Project, MHW shall provide the mitigation funds to the Town to be deposited in an account designated as the Cultural Resource Mitigation Fund escrow.

IT IS FURTHER AGREED, within 120 days of deposit of the funds, the Town shall develop a plan and schedule to implement Mitigation Projects identified in Exhibit A.

IN WITNESS THEREOF, the parties have executed this Agreement as of the date first written above.

MONTICELLO HILLS WIND, LLC

BY: _____

DATE: _____

TOWN OF RICHFIELD

BY: _____

DATE: _____

Exhibit A

The Applicant will provide funding at an appropriate level to support a Mitigation Project or Mitigation Projects (to be determined by the town board) which may include the following:

- Support maintenance and/or appropriate storage for local historical materials at the Richfield Springs Library
- Restoration of roadside historic markers within the Town of Richfield
- Refurbishment of the Foundation of the A.J. Bloomfield Memorial Fountain

Exhibit "E"

Bat Memo and Plan



memorandum

To: Town of Richfield Planning Board **edr Project No:** 10098
From: Patrick J. Heaton
Date: November 22, 2011
Reference: Monticello Hills Wind, LLC
 Potential Impacts on Bats

On behalf of Monticello Hills Wind, LLC (the Applicant), **edr Companies (edr)** prepared this memorandum to provide clarification and/or additional information regarding the potential effect of the Monticello Hills Wind Project on bats.

As specifically described in Section 4.C of the EAF, based upon the site characteristics and on-site surveys conducted, significant impacts to bats are not anticipated. The overall bat activity at the Project site was consistent with those observed at other sites in the northeastern US. Sites with the lowest bat activity had relatively low bat mortality while those with the highest activity levels exhibited much higher rates of mortality.

If this level of activity is an indicator of potential collision mortality, as the information from other studies suggests it could be, per megawatt (MW) bat mortality at the Project will likely be comparable to that experienced at other operating wind projects in New York. To determine an estimate of fatality for the Project, the Applicant utilized estimates of fatalities from previously approved projects and studies, as described in the EAF. An analysis of bat fatalities at wind energy facilities across the U.S. resulted in an estimate of 0 to 39 annual bat fatalities per MW (NWCC, 2010). As described in Table 3 and Section 4.C of the EAF (and summarized below), in New York State, bat fatality rates have ranged from 0.46 per MW/year at the operating Munnsville Wind Farm in 2008 to 16.02 per MW/year at the operating Cohocton/Dutch Hill Wind Farm in 2009 (Jain *et al.*, 2009; Stantec, 2010). These per megawatt impacts translate to the following absolute numbers.

Project Name	Project Size (megawatts)	Bat Fatalities per MW/Year				Annual Fatalities/MW	Total Annual Fatalities
		2006	2007	2008	2009		
Cohocton/Dutch Hill, NY	125				16.02	16.0	2,003
Maple Ridge, NY	321.75	15	9.42	5.4		9.9	3,198
Noble Bliss, NY	125			14.66	5.5	10.1	1,260
Noble Clinton, NY	120			3.63	6.48	5.1	607
Noble Ellenburg, NY	100			5.45	5.34	5.4	540
Munnsville, NY	34			0.46		0.5	16

Total Annual Bat Fatalities (all projects): 7,622
 Average Annual Bat Fatalities (per project): 1,270

Potential bat mortality at the Monticello Hills project is based upon post-construction mortality studies for wind projects that have been previously approved under SEQRA and constructed in New York. As such, consistent with these studies, the project should not have adverse impacts on bat populations. Projected bat fatalities for the Monticello Hills project range from 9 to 295 bats per turbine, annually. This estimated mortality level for the Project is based upon the ranges of wind power projects in New York State, previously reviewed pursuant to SEQRA, approved, and constructed, and based upon their post construction survey results.

Higher bat activity and fatalities have been attributed to periods of low wind speed and certain weather patterns (Arnett et al. 2008). Data previously collected at operating wind energy facilities indicate that a substantial portion of the bat fatalities occurs during relatively low-wind conditions over a relatively short period of time during the summer-fall bat migration period (Arnett et al. 2008). Kerns and Kerlinger (2004) provided similar evidence that bat fatalities are concentrated during the late summer and fall migration period. During their seven-month study (April 4 to November 11), 92.5% of all bat fatalities occurred between August 18 and September 30. It is reasonable to expect that most bat mortality at the Project would occur in the same time frame.

As stated in the EAF, post-construction monitoring will be conducted to gather mortality information regarding bats as a result of Project operation. This effort is consistent with an initiative by the NYSDEC to compile information regarding wind project impacts on bat populations across the State. Accordingly, post-construction surveys will be conducted for one-year with methodologies generally in accordance with the NYSDEC's *Guidelines for Conducting Bird and Bat Studies at Commercial Wind Energy Projects*.

Studies conducted by the Bats and Wind Energy Cooperative in Pennsylvania have demonstrated a reduction in bat fatalities through the implementation of an alteration of cut-in speeds during low wind conditions (Arnett et al., 2010). While total bat mortality at the Project is expected to be toward the bottom of the range of bat fatalities at each operational wind project in New York where post-construction studies have been conducted, in the unlikely event that the one-year post-construction studies indicate that total bat fatalities at the Project are above the average total fatalities of the six operational sites referenced, the Applicant would agree to apply operational mitigation strategies. The mitigation strategy would involve implementation of a one-year program at the Project which would involve increasing the cut-in speed of one turbine in the southern half of the Project and one turbine in the northern section to 4 m/s for the first three hours after dusk and for the three hours preceding dawn from August 18 to September 30 inclusive (i.e. a total of six hours per day for 44 days). During the August 18 to September 30 interval, the Applicant will monitor and record the bat fatalities, applying the post construction survey protocols from the one-year monitoring protocol to determine the effectiveness of the increase in cut-in speeds. If increasing cut-in speeds for this period results in a statistical reduction in bat mortality at the two turbines with 4m/s cut-in, the Applicant will implement this cut-in speed increase at all turbines for the period August 18 to September 30 for the life of the Project.

If increasing the cut-in speed to 4m/s at the two turbines does not result in a statistically significant reduction in bat fatalities, the Applicant will increase the cut-in to 4.5m/s for the August 18 to September 30 period for the same two

machines for the same three hours before dawn and three hours after dusk. If this effort is successful it will be implemented across the project for the life of the project. If the effort fails to bring the Project annual bat fatality below the average annual bat fatalities at the six referenced New York wind projects where post construction studies have been done, the Applicant would work with the Town to identify other mitigation options, including an option of donating \$25,000 to the Bat and Wind Energy Collaborative or similar organization to conduct expanded research into bat deterrent devices, to identify if bats can be conditioned to avoid wind turbines.

Citations:

Arnett, E. B., K. Brown, W. P. Erickson, J. Fiedler, T. H. Henry, G. D. Johnson, J. Kerns, R. R. Kolford, C. P. Nicholson, T. O'Connell, M. Piorkowski, and R. Tankersley, Jr. 2008. Patterns of fatality of bats at wind energy facilities in North America. *Journal of Wildlife Management* 72: 61–78.

Arnett, E. B., M. M. P. Huso, J. P. Hayes, and M. Schirmacher. 2010. Effectiveness of changing wind turbine cut-in speed to reduce bat fatalities at wind facilities. A final report submitted to the Bats and Wind Energy Cooperative. Bat Conservation International. Austin, Texas, USA.

Jain, A., P. Kerlinger, R. Curry, L. Slobodnik, and M. Lehman. 2009a. *Annual Report for the Maple Ridge Wind Power Project Post Construction Bird and Bat Fatality Study – 2008*. Prepared by Curry and Kerlinger, LLC for Iberdrola Renewables, Inc., Horizon Energy, and the Technical Advisory Committee for the Maple Ridge Project Study. April 30, 2009.

Kerns, J., and P. Kerlinger. 2004. A study of bird and bat collision fatalities at the Mountaineer Wind Energy Center, Tucker County, West Virginia. Annual Report for 2003. Curry and Kerlinger, L. L. C., McLean, Virginia, USA.

National Wind Coordinating Committee (NWCC). 2010. *Wind Turbine Interactions with Birds, Bats, and their Habitats: A Summary of Research Results and Priority Questions*. Spring 2010. Available at: www.nationalwind.org (Accessed January 2011).

Stantec Consulting Ltd. 2010. Cohochton and Dutch Hill Wind Farms Year 1 Post-Construction Monitoring Report, 2009. Prepared for Canadaigua Power Partners, LLC and Canadaigua Power Partners II, LLC, Portland, Maine.

Copies To: W. Kalina, Clough Harbor Associates, Inc.
O. Grant, Monticello Hills Wind
P. Doyle, Monticello Hills Wind

EXHIBIT “F”

Decommissioning Plan

MONTICELLO HILLS WIND

Introduction

Megawatt-scale wind turbine generators available on the market today have a life expectancy of more than 20 years.. The tubular steel towers supporting the generators are of simple design and, with basic routine maintenance, will serve many years beyond the life expectancy of the generators. As the turbine generators to be installed for the Project approach the end of their expected life, technological advances may make available more efficient and cost-effective generators that will economically drive the replacement of the existing generators and gearboxes, and thus prolong the economic life of the Project. When decommissioning is eventually determined to be necessary, such decommissioning will be accomplished in accordance with the following procedures, including an estimate of costs associated with that work.

Decommissioning Process Description

All decommissioning and restoration activities will adhere to the requirements of appropriate governing authorities, and will be in accordance with all applicable federal, state, and local permits. The decommissioning and restoration process comprises (1) removal of above-ground structures; (2) removal of below-ground structures to a depth of 36 inches in non-agricultural areas and to a depth of 48 inches in agricultural areas (in accordance with the State of New York Department of Agriculture and Markets’ *Guidelines for Agricultural Mitigation for Wind Power Projects*); (3) restoration of topsoil, re-vegetation and seeding; (4) de-compaction; and (5) a two-year monitoring and remediation period. Above-ground structures to be removed include the turbines, Project-owned portions of the substation, permanent met tower, and access gates. Below-ground structures include the turbine, main transformer and breaker foundations. The process of removing structures involves evaluating and categorizing all components and materials into categories of recondition and reuse, salvage, recycling, or disposal. In the interest of increased efficiency and minimal transportation impacts, components and material may be stored on-site in a pre-approved location until the bulk of similar components or materials are

ready for transport. The components and material will be transported to the appropriate facilities for reconditioning, salvage, recycling, or disposal.

WTG Removal

Access roads to turbines may be widened temporarily to sufficient width to accommodate movement of appropriately sized cranes or other machinery required for the disassembly and removal of the turbines. Any necessary widening of access roads will not exceed the 50-foot-wide disturbance corridor that was evaluated during the environmental permitting process for the Project. High value components will be removed and salvaged. The remaining material will be reduced to shippable dimension and transported off-site for proper disposal. Control cabinets, electronic components, and internal cables will be removed. The blades, hub, and nacelle will be lowered to grade for disassembly. The tower sections will be lowered to the ground where they will be further disassembled into transportable sections. The blades, hub, nacelle, and tower sections will either be transported whole for reconditioning and reuse or disassembled into salvageable, recyclable, or disposable components. The area will be thoroughly cleaned and all debris removed.

WTG Foundation Removal

Topsoil will be removed from an area surrounding the foundation and stored for later replacement. Turbine foundations will be excavated to a depth sufficient to remove all anchor bolts, rebar, conduits, cable, and concrete to a depth of 36 inches below grade in non-agricultural areas and to a depth of 48 inches in agricultural areas. After removal of all noted foundation materials, the hole will be filled with clean sub-grade material of quality comparable to the immediate surrounding area. The sub-grade material will be compacted to a density similar to surrounding sub-grade material. All unexcavated areas compacted by equipment used in decommissioning shall be de-compacted in a manner to adequately restore the topsoil and sub-grade material to the proper density consistent and compatible with the surrounding area. The area will be thoroughly cleaned and all debris removed.

Underground Electrical Collection System

The cables and conduits contain no materials known to be harmful to the environment. All cable and conduit buried greater than 36 inches will be left in place except in agricultural lands where cables and conduits will be removed up to a depth of 48 inches.

Substation Removal:

Disassembly of the collection substation will include only the areas owned by the Applicant. The point of interconnection switchyard and any system upgrades and attachment facilities installed by or on behalf of the Applicant and conveyed to the Transmission Owner, including or any improvements made to the NYSEG local distribution system, will remain in place and under the control of the Transmission Owner. Steel, conductors, switches, transformers, etc., will be reconditioned and reused, sold as scrap, recycled, or disposed of appropriately depending upon market value. Foundations and underground components will be removed to a depth of 36 inches and the excavation filled, contoured, and re-vegetated. All unexcavated areas compacted by equipment used in decommissioning shall be de-compacted in a manner to adequately restore the topsoil and sub-grade material to the proper density consistent and compatible with the surrounding area. The area will be thoroughly cleaned and all debris removed.

Ensuring Decommissioning and Site Restoration Funds

Before the beginning of Project Construction, the Applicant shall post a surety bond or equivalent financial security instrument payable to the towns in an amount sufficient to cover the net costs for the removal of non-functioning WTGs and appurtenant facilities, in a form reasonably acceptable to the Town for the life of the Project. Such guaranty shall be from an entity having (i) at the time of delivery of such guaranty, a senior unsecured long term debt rating (“Credit Rating”) of BBB- or better from Standard and Poor’s and Baa3 or better from Moody’s or (ii) audited financial statements, prepared by a nationally-recognized firm of independent auditors and indicating a financial net worth of at least \$100 million. The independent engineer hired by the town will determine the net cost of decommissioning (decommissioning cost minus salvage value) and the security amount shall be 125% of this amount. The Town of Richfield shall be authorized under such security instrument to make one or more sight drawings thereon upon certification to the issuer of Applicant’s failure to perform its decommissioning obligations when due. Significant Project Construction shall mean

installation of roads, transmission lines or WTGs, but shall not include preliminary construction work such as geotechnical sampling, installation or removal of meteorological towers, or other work not requiring large construction equipment and earth excavation or leveling.

Independent Engineer to Estimate Decommissioning Cost

Before construction, an independent licensed engineer retained by the Applicant and approved by the Town will determine the appropriate amount for the security and shall submit such amount to the Town Board along with evidence of Applicant's provision for such security in the amount provided by the independent engineer. Every three years, the appropriate value of the security will be similarly reevaluated for changes in costs of decommissioning and restoration, salvage value and adjustments for inflation, and an engineering study substantiating such calculations will be submitted to the Town. The Applicant shall submit to the Town Board evidence that the adjustment in the security was made to reflect any changes suggested by the independent engineer within 60 days of submission of the engineer's report to the Town Board. If the Applicant is unable to provide evidence of the adjustment in the security amount, the Applicant shall submit to the Town Board an explanation why such adjustment is unable to be made and, if appropriate, a proposed date for compliance. If the Applicant fails to provide such evidence of an adjustment in the security amount within 60 days of the engineer's report or the proposed date for compliance, whichever is later, the permits to operate the wind farm shall be suspended pending submission of either evidence of the adjustment of the security amount or a reasonable explanation for the continued inability to provide such adjustment to the security. If the Town Board agrees with the Applicant's reason for the inability to provide the adjustment, the suspension period shall end and shall be revisited in 30 days or until such adjustment is made by the Applicant. In any case, the suspension period shall immediately end upon submission of evidence by the Applicant of an adjustment in the security amount. However, if the suspension period extends for longer than 180 days, the Applicant shall file a new engineer's report reevaluating the changes in the cost of decommissioning.

Example of Estimating Costs of Decommissioning

A preliminary example, for illustrative purposes only, of how the independent engineer might calculate the net-decommissioning costs is as follows. The net decommissioning cost is equal to

the removal cost minus the salvage value. An example of a calculation for determining the decommissioning costs for one turbine is provided in Table 1. In the example provided in Table 1, the estimated cost of decommissioning a turbine would be the removal cost (\$76,870) minus the salvage value (\$73,500) for a net-decommissioning cost per turbine of \$3,370. To calculate the decommissioning amount for the project, an estimate for the removal of the collection substation (owned by the Applicant) net of any salvage value would be added to the total turbine decommissioning cost. For example, if the cost of substation removal minus its salvage value was \$20,000, then the value of the decommissioning security required would be: 6 Turbines x \$3,370 (net decommissioning per turbine) + \$20,000 (net decommissioning cost for collection substation) = \$20,220 + \$20,000 = \$40,220.

Table 1. Estimated Costs of Decommissioning a Turbine in 2011 Dollars (For Illustrative Purposes Only)

	Time	Rateⁱ	Total
Removal of Tower	270 man-hours	\$65/hour	\$17,550
	2 cranes for 5 days	\$6,000/day	\$30,000
Removal of Concrete Foundation (to 36 inches)	125 man-hours	\$65/hour	\$8,125
	3-equipment days	\$2,500/day	\$7,500
Removal of Collection System (average 3200 feet/ turbine)	100 man-hours	\$65/hour	\$6,500
	2-equipment days	\$3500/day	\$7,000
Seeding and Re-vegetation (~2.5 acres/turbine, including collection system)	3 man-hours	\$65/hour	\$195
Total Removal Costs			\$76,870
Salvage Value Per Unit	Weight	Rate	Total
	210 tons	\$350/ton ⁱⁱ	\$73,500
Estimated Removal Cost Minus Salvage Value			\$3,370

ⁱLabor Rates supplied and estimates reviewed by The Delaney Group, Inc.

ⁱⁱAmerican Metal Market, Scrap, Ferrous No 1 Industry heavy melt-Consumers Chicago gross ton \$452.00 8/24/11

Exhibit “G”

Complaint Resolution Plan

MONTICELLO HILLS WIND

Complaint Resolution Process

Although no undue adverse impacts associated with the Project are anticipated, the Applicant has defined this complaint resolution process to resolve any unanticipated complaints resulting from construction or operation of the Project. Prior to construction, the Applicant will communicate to neighboring residents, the Towns and permitting agencies the contact name and address of the Construction Manager (and, prior to the end of construction, an Operations Manager). The Applicant will also publish a 1-800 number to the community that will be accessed within 24 hours by constructions or operations personnel. Prior to commencement of construction, the Company will provide all the aforementioned contact information, including the 1-800 number, to the Town Board and will post this information on the Project Website.

Complaints by community residents or others may be made through the following channels:

1. By calling the local or 800 number and speaking directly with construction and operations personnel in the field; or
2. By writing to the Applicant at its local address or its principal place of business.

In the event that the Town receives complaints directly about unanticipated effects of operations of the wind facility the Town shall notify the Applicant within five (5) days in writing of the details of such complaint.

A log will be kept locally of the name and contact details of the complainant and the actions taken to resolve the complaint. This log will be available to the Town Board for inspection upon request. In the event of a major complaint, the Applicant will inform the Town Clerk and Town Supervisor within 48 hours of the nature of the complaint and planned actions to resolve the complaint.

In the event that the Applicant receives complaints either from neighboring residents, landowners or local businesses operations, the Applicant will promptly work directly with the complainant, in the manner outlined below, to investigate and resolve the issue to the satisfaction of both parties. In the event that the complaint is not resolved to the satisfaction of the complainant, or that an agreed-upon solution is not under development within 30 days of receipt of the complaint, the complainant may refer the matter to a mutually acceptable mediator or arbitrator. The Applicant will make every reasonable effort to resolve all complaints.

The Applicant has conducted noise analysis and studies on potential shadow flicker during development, and will site proposed wind turbine locations to mitigate potential problems. The Applicant has conducted preliminary studies of off-air TV reception, radio stations and microwave paths, and will propose the most appropriate and cost effective solution in the event that neighboring residents experience deterioration in their reception of off-air TV or other signals.

1. Shadow Flicker: In the event of a complaint about turbine shadow flicker, the Applicant shall conduct site-specific studies at such locations. If the studies show that shadow flicker exceeds the standards, identified in this EAF the Applicant shall determine which flicker source is problematic and develop protocols for correcting the problem.

2. Electromagnetic Interference: In the event of a complaint about turbine interference with microwave, radio or television reception at affected locations (e.g., residences, businesses or public agencies), the Applicant shall conduct site-specific and spectrum specific studies at such locations. If there appears to be interference attributable to wind farm operations, the Applicant shall investigate potential sources, and develop protocols for correcting the problem.

3. Sound: In the event of a credible complaint about sound that cannot be resolved between the Applicant and the complainant within 30 days, the Applicant shall conduct a site-specific sound measurement survey at or near the residence of the complainant to determine the sound level due exclusively to the project (to the exclusion of background noise unrelated to the project). If the study results show that the mean or average project sound level measured continuously over a period of at least several days exceeds 45 dBA, the Applicant shall determine which turbine or turbines are responsible for the overage and develop protocols for correcting the problem. The Applicant further agrees to establish a “noise complaint escrow” to allow for an independent sound test by an independent, third-party acoustical measurement consultant qualified and experienced

in the measurement of wind turbine sound emissions selected by the Town in the event that the Applicant's investigation and remedial efforts were not deemed satisfactory to the Town. The Applicant reserves the right to witness any field tests or otherwise review the technical quality of the work performed by this third-party engineer.

If the Town Noise Consultant determines that the mean project sound level (exclusive of background noise) measured over a period of at least several days exceeds 45 dBA at the complainant's residence, the Town shall issue to Company a written notice to cure any deficiency. The Company will have ninety (90) days after receiving such written notice to cure any deficiency. The Company may request further testing, at its sole cost and expense, and, if it becomes necessary Company, may also request from the Town Planning Board an extension of ninety (90) days if additional time is needed due to such things as wind and weather conditions, logistics, scheduling constraints, etc. The Company will cure any defect within ninety (90) days, or one hundred eighty (180) days if an extension has been granted, or cease operating the turbine(s) in question until it is demonstrated by independent noise testing, at Company's sole cost and expense, to be in compliance with the noise standard.

The Applicant/owner/developer acknowledges that complaints, if they arise, may be related to other daytime or nighttime sound levels and conditions being experienced at a receptor. Due to variables that may be involved (such as, but not limited to, weather conditions, distance from turbines, topography, time of day/season, turbine operation and maintenance), methods to determine if project-related sound is the source of the complaint may require site specific sound level data collection and analysis determined in consultation with the Town's independent

acoustics expert. This consultation will include identification of appropriate strategies necessary to resolve the complaint.

Upon the Town's request for the Applicant/owner/developer to investigate a credible complaint that appears to be mechanical, the Applicant/owner/developer will first seek to satisfactorily rectify the issue with operations and maintenance. Should the Town and the Town's consultant further desire that the Applicant/owner/developer provide evidence of the structural integrity of the facility, the Applicant/owner/developer will submit an engineering report on the structural and operational integrity of the facility. The report shall be prepared by a Professional Engineer licensed by the State of New York containing the inspection results and recommendations on maintenance, repairs or modifications that are required.

Within one-hundred eighty (180) days of the commencement of operations, the Company will deposit NINE THOUSAND DOLLARS (\$9,000.00) in an interest-bearing escrow account to be established by the Town at a local banking institution (the noise complaint escrow), with interest accruing to Company's benefit. The Company shall ensure that the \$9,000 balance is maintained for the life of the Project. At any time during the life of the Project the Town may withdraw funds from the noise complaint escrow to reimburse all reasonable expenses and labor charges incurred by the Town Noise Consultant.