

## Canastota Wind Power LLC Property Value Assurance Plan

This letter agreement is intended to provide certain landowners in the immediate proximity of our wind energy farm in Fenner a "property value assurance" plan.

To reiterate, this agreement is being voluntarily offered by Canastota Wind Power LLC ("CWP") to protect the immediate neighbors of the windfarm from the remote possibility that the value of their owner-occupied property will be diminished due to the presence of CWP's wind turbine generators on adjacent parcels.

Importantly, please bear in mind that CWP is under no legal or other obligation to make this property assurance available, and further that CWP will retain the full power to decide which neighboring landowners will receive this protection, which will be limited to owner-occupied homes.

The purpose of this agreement is to:

- a) establish market values for the properties in question in accordance with generally accepted market-based valuation methods;
- b) establish a time limitation upon which the property may be offered for sale to receive the benefit of this assurance plan; and
- c) establish a method of compensating the property owner for the loss, if any, in market value.

The plan consists of these elements:

1. Establishing the Current Value of your Home:
  - Two neutral real estate agents will be selected from a list of agents licensed in the State of New York and conducting business in the general project area (one of whom shall be selected by the property owner, and one by CWP).
  - Each agent shall perform a Comparative Market Analysis ("CMA") of the property—in its current state—which will compare the property size and improvements to not less than three similar properties in the Madison County area sold within the previous six months, and three similar properties that are listed for sale, using generally accepted CMA methods.
  - The property valuation determined from each CMA will then be averaged to determine the "baseline" property value for Assurance Plan purposes only. Both CMAs will be performed at CWP's expense. The property owner hereby agrees to permit access to the property as required to perform the CMA inspection. Furthermore, the property owner hereby agrees to provide full disclosure of known defects of the property as may be required under New York State Law.
  - The agents preparing the CMAs will provide a written copy of their report to both the property owner and CWP. CWP reserves the right to reject CMA results only in the instance of a clear mistake by the agent.
  - The property owner will have the opportunity to reject the CMA results, but in so doing will forfeit the opportunity to take advantage of this plan.
2. Establishing the Future Value of your Home If Listed for Sale
  - If at any time during the three year period after June 1, 2001, the property owner lists the property for sale with a qualified realtor from the Board of Realtors of Madison County (but not the same firm or realtor that supplied either initial CMA), then an "updated" Comparative Market Analysis will be prepared, again at CWP's expense, using the same procedure outline above. The *updated* CMA will explicitly take into account any changes in local market conditions for comparable properties unaffected by the wind project, as well as any improvements to your home or lot.

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- In the event that the property has been listed for at least 18 months and sells for less than the market value determined by the *updated* CMA average, CWP will pay the difference in value within 30 days after closing of the sale of the property. The 18-month listing requirement may be waived by CWP if requested by the property owner at CWP's sole discretion.

*Example:*

If the property has an *updated* CMA average market value of \$100,000, and the property has been offered for sale for at least 18 months with the best price accepted as \$80,000, then the property owner will be eligible to receive \$20,000 from CWP.

3. Other stipulations:
  - The property owner hereby grants CWP the right to purchase the property at the greater amount of the *updated* CMA average market value or the highest bona fide offer.
  - In the event the property was offered for sale and did not sell or generate any acceptable bona fide offers within 18 months, CWP will pay the difference in value between the *updated* CMA averaged market value and the highest bona fide offer, but only upon reasonable certification by the property owner's selling agent that the lack of an acceptable offer or sale was attributable solely to the close proximity of this property to the wind farm, and not due to any other reason whatsoever including but not limited to market conditions or specific deficiencies related to the property that was otherwise assumed to be satisfactory.
  - If the property does not sell during the 18-month period, CWP will have the option, in its sole discretion, to purchase the property at the *updated* CMA average market value.
4. Subject to CWP's right to waive any or all of these exclusions, the plan outlined herein does not cover a sale or transfer of the property under any of the following conditions:
  - a) If the property owner does not have clear and marketable title; or there is evidence of unforeseen structural deficiencies, radon problems, pest infestations or hazardous waste.
  - b) If the property has not been listed for sale for at least 18 months as a continuous period.
  - c) If the property is gifted or assigned to another person.
  - d) If the property is sold pursuant to a foreclosure, bankruptcy or condemnation.
  - e) If the property is not listed for sale in accordance with b) above at some point during the time period of June 1, 2001 through May 31, 2004.
  - f) If the property is destroyed or significantly damaged by fire or other casualty.
  - g) If the property is not reasonably maintained in its current condition, reasonable wear and tear excepted.
  - h) If the property has been modified with outbuildings, trailers or signs that tend to degrade the property.
5. A property owner can participate voluntarily in this plan, under the terms and conditions established herein, but the benefit is not assignable to new or subsequent property owners.
6. CWP may assign, transfer, pledge, or otherwise dispose of its rights and interests under this agreement with only prior written notice to property owner. At the request of CWP, property owner shall cooperate with respect to execution of reasonable and customary documents pertaining to such assignment.

Agreed and accepted by: \_\_\_\_\_ Date: \_\_\_\_\_