

FLAT ROCK

WIND POWER LLC

7612 State Street, Suite #7
Lowville, New York 13367
315-377.3002

e-facsimile 202.478.0450
www.atlantic-renewable.com
www.zilkha.com

October 1, 2003

Dear Richard,

As you may know, our company has been developing a wind energy project on farmland on the Tug Hill in the towns of Martinsburg, Lowville and Harrisburg. This pollution-free 300 MW electric project, comprising approximately 180 wind turbine generators, will generate enough clean power to supply the equivalent of all the North Country's yearly electricity requirements.

Our project has been welcomed by local residents and town officials, as it will also add substantially to the local tax base; employ 200-300 workers during construction, and 15-20 full-time operating personnel; and will make substantial rental payments to local landowners.

Based in part on our experience developing wind projects elsewhere in New York State, we anticipate that our local special use permits will be granted by this fall. Construction of the initial phase of the project—access roads, foundations and underground power lines—is scheduled to commence early next spring.

In developing and designing the Flat Rock Wind Power Project we are always conscious of the fact that our “project area” is, simply put, your neighborhood. Because of this, we are taking the following actions to minimize any effect this project will have on residential property owners, and to share some of the Project's economic benefits with “non-participating” neighbors:

1. **Distances to homes** In designing the wind farm we have used 1,250 ft. as our *minimum* setback distance to the nearest neighboring homes. Our *average* setback distance from “non-participating” neighbors will be much longer. In so doing this will reduce visual impacts on our neighbors, and will also insure that the average sound pressure levels experienced by neighbors will be considerably lower than 50 dBA—a range of sounds typically characterized as quiet. For comparison purposes the noise of a car driving slowly by your house would be about 70dBA, and a normal conversation in your kitchen can be over 60dBA.
2. **Benefit sharing** In addition, we plan to make annual cash payments to certain of the closest project neighbors in order to share some of the economic benefits of the project. We hope that these payments will help offset some of the changes people will experience with this development.

Our colleague Dan Murdie will follow up this letter with a phone call. We invite you to schedule a meeting with Dan, at your convenience, either in our office or at your residence, to discuss our Project and our proposal. In the meantime, if you have any questions we can be reached here in Lowville at 377.3002, or by email at Bill.Moore@Atlantic-Renewable.com or pdoyle@zilkha.com.

Yours Sincerely,

William M. Moore
Manager

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www.flatrockwind.com

October 1, 2003

Richard Leverker
Rt 2 Box 101
Lowville, NY 13367

Re: Neighbor Agreement

Dear Richard,

As you may already know, we have been contacting each of our wind farm neighbors to discuss our plans for building and operating the Flat Rock Wind Project. (I have enclosed a copy of this letter for your review.)

Since we had already initiated discussions with your family, though, we didn't want to send you a form letter, but instead would like to arrange a personal meeting to review our plans and to discuss the economic arrangements we have already mentioned in general terms.

Please let me know when it would be convenient for you to visit our office here in Lowville. Alternatively we can visit your home if that's easier.

Best regards,



William M. Moore
Manager

Called - 11/11/03
Meeting 12:30 w/ Tom

DEVELOPMENT AGREEMENT

_____, whose address is RD __, Box __, Lowville, NY 13367 (“Owner”) and Flat Rock Wind Power LLC, a Delaware limited liability company (the “Company”) whose address is 7612 State St. Office #7, Lowville, NY 13367, hereby agree to take certain actions, all as more particularly described hereinafter affecting the Owner’s property designated on Town of Lowville Tax Map no.176 as parcel no. 1__-1-__ (“Property”).

BACKGROUND

The Company contemplates building a commercial wind power project (the “Wind Project”) on leased land in the Towns of Martinsburg, Lowville and Harrisburg New York. Some of the wind turbine generators comprising this wind power project will be installed on land adjacent or in close proximity to the Property. Company and Owner have determined that it is in their mutual best interest to enter into this forbearance and non-disturbance agreement (the “Agreement”). The Company is desirous of providing Owner with certain economic benefits to accrue from operation of the Wind Project, and in consideration for Owner’s agreements set forth herein, the Company shall make payments to Owner as contemplated in Section 2 hereof. While Company is taking commercially reasonable measures to minimize the side-effects of the operation of the Wind Project’s wind turbine generators on all the neighboring landowners, including Owner, and Company does not expect these side effects to exceed any industry standards regarding noise, shadow flicker, or television interference, Owner understands and accepts that operation of wind turbine generators may have some impacts on the Wind Project’s neighbors, including the Owner’s Property.

GRANT OF EASEMENTS

1. **Impact Easement and Other Agreements.** Owners irrevocably grant to the Company, its successors and assigns, the right and privilege to operate the Wind Project, which activity may result in visual, television, noise and other impacts and disturbances at the Property. Owners agree, among other things, that during operation of the Wind Project the Company may occasionally generate and maintain audible noise levels in excess of fifty (50) db (A) on and above the Property at certain times of the day or night. Owners also agree to not engage in any activity on the Property that might cause interference with the operation of the Wind Project. (All the foregoing agreements by the Owners being collectively known as the "Easements"). Owner agrees that if he/she is experiencing noise levels in excess of what he/she believes is acceptable in light of the easements granted hereunder, or if Owner has experienced a material degradation in TV reception beyond what Owner had previously experienced, Owner shall promptly notify the Company of such fact, and allow the Company ninety (90) days to rectify such noise or TV issue to Owner's reasonable satisfaction taking into consideration commercial realities at that time. Any notice contemplated under this Agreement shall be directed to the Company at 1001 McKinney, Suite 1740, Houston, Texas 77002, Attention Chief Operating Officer.
2. **Consideration.** The consideration paid by the Company to Owners for the Easements and other agreements set forth shall be the amount shown and paid in accordance with Schedule 1 attached hereto (the "Easement Payment"). The Owners acknowledge responsibility for all income tax assessments resulting or that may result from any and all amounts paid or to be paid to Owner by Company.

3. Mortgages and Assignments. The Company may, but without need to obtain Owners' consent or approval: (i) mortgage, collaterally assign, or otherwise encumber and grant security interests in all or any part of its interest in this Agreement; and (ii) assign or otherwise convey all or part of its interest in this Agreement. Owners may sell, mortgage, assign or convey the Property without consent of Company, but any conveyance shall be subject to the terms of this Agreement.

4. Termination. Owners understand and agree that the Easements and agreements granted herein shall run with the Property, and that any assignee or future buyer of the Property will take the Property subject to the obligations herein. The terms of the Easements and forbearance agreements granted hereunder ("Term") shall commence upon the execution of this Agreement (the "Effective Date"), and shall terminate forty years after the Effective Date. The parties agree that a Memorandum of this Development Easement and agreement may be placed of record subject to the confidentiality agreement of the terms as hereinafter more fully set forth. Owners agree to execute all documents reasonably requested and required.

5. Confidentiality. Owners agree to keep this Agreement confidential and shall not disclose to any third party any of the terms of this Agreement unless requested as part of the recording information as hereinabove more fully set forth.

Signed this _____ day of _____ 2003.

Owner(s)

Flat Rock Wind Power LLC

SCHEDULE 1

Easement Payments:

The Company shall pay Owner an Easement Payment as follows:

- (i) An operations easement payment in the amount of \$__ per year, to be paid on December 31 of each year following the beginning of commercial operations of the Wind Project. This payment shall be reduced by one-half if the wind project operates for less than six months in the first year of commercial operations, and will continue only for as long as the wind farm is in commercial operation.

No Easement Payments will be made in the event the Wind Project is not constructed.

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November 18, 2003

Patad

Dear ~~R~~Richard Leviker,

Flat Rock Wind Power would like to inform you of a public hearing that will be held December 3rd at the Lewis County Court House. The New York Public Service Commission will be holding this hearing to discuss the details of the 230kv Transmission line project that Flat Rock proposes to build to serve the wind project.. There will be two hearings, one at 4pm, and another at 7pm. If you have any questions or concerns relating to this project please join us at either of these times.

Regards,

Bill Moore

William Moore
Manager

Flat Rock

Wind Power LLC

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M E M O R A N D U M

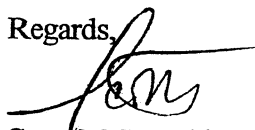
DATE: December 18, 2003
TO: Pat Leviker
RE: Flat Rock Wind Power Shadow Flicker Report
FROM: Scott McDonald

Dear Pat:

It was a pleasure having the opportunity to talk to you at the Flat Rock Wind Power open house on December 6th. As promised, though a little behind schedule, I have enclosed the shadow flicker report prepared by our consultant and an attachment that pertains to your residence. I'd also like to call your attention to our web site, www.flatrockwindpower.com, which has a copy of the Draft EIS for download or on-line review.

Please contact me with any questions you might have concerning the report or any aspect of the project.

Regards,



Scott McDonald
Flat Rock Wind Power

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M E M O R A N D U M

DATE: March 19, 2004
TO: our Rector Road neighbors
RE: wind farm neighbor impacts (cont.)
FROM: Bill Moore

Dear Pat, Leanne, Tom and Richard:

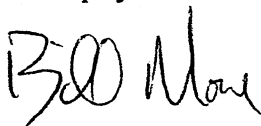
I just wanted to give you an update on the aspects of our project planning that may affect your homes on Rector Road.

Currently we expect to be able to build the first phase of our project—approx. 100 towers, mostly in Martinsburg—in 2004. The final turbine locations are unchanged since you last reviewed our project map.

1. *Construction "lay-down" area* As we agreed during your last visit to our office, we will not be installing a construction staging area on the section of Rector road near your homes.
2. *Limited use of Rector-Swernicki roads* We will be using local roads only to deliver turbine components and building materials to those towers located off of Rector or Swernicki roads. All the heaviest components will be shipped to the towers located on Flat Rock road (and to the other locations to the south) over a new project-only access road connecting Rector to Flat Rock. This will allow us to keep the heaviest loads being "through-shipped" to the Centreville- Graves-Keener Hill area off of Rector Rd.
3. *Re-location of the transmission line* As we have discussed, the first section of the new overhead 230 kV transmission line will be located north of the gulf (i.e., that is north of your properties)—this a big improvement against the earlier route that crossed over the gulf into the fields behind your house where the one turbine is located.
4. *One-time payment for transmission-line neighbors* We have committed to other land owners adjacent to the transmission line that we will make a one-time \$1,500 payment as a partial offset to some of the visual impacts of that facility. I may have neglected to mention that to you before.
5. *Substation lighting and screening* As we discussed before, we will commit to minimizing the night-time lighting of this facility, and also install some fast-growing shrubs to screen the view from the south.

Of course our proposal to make annual benefit-sharing "neighbor payments" to each of your families will remain active until such time as you have made a decision about your participation in this program.

Please let me know if you have any other questions or comments about these items, or other aspects of the wind project.



Beauty of Tug replaced by winds of change

Dear editor,

Our incumbent legislator from the town of Martinsburg made some interesting remarks in the Sunday edition (09/11/05) of the Post Standard, regarding the wind farm project. I have included my comments to each.

"...Most people wanted the windmills on their property...Most of the land is marginal and very few people live up there because of the hard winters..."

Excuse me, this is the year 2005. I take offense to this quote as I am one of those "few people." To enlighten you, people live up here mainly for the peace and quiet and the view, not the so-called "hard winters." We do have telephones, electricity, running water, cellular phone service, Internet capabilities and other real modern conveniences. Also, the road is plowed more than once a month in the "hard winters." There are real people that have to go to work every day that live up here.

Skepticism on windmills... "Hey, they're not the eyesore we thought they'd be. I mean, when you look at them, you kind of go, 'Wow!'"

How can you honestly say that? I have to look at these monstrosities surrounding my home every day and it is not a pretty sight. I feel as though my privacy has been invaded.

Concerns about the landscape... "It's the kind of thing some people are just going to have to get used to. It's no different than your power poles or transmission lines that run through Lewis County."

I beg to differ. The power poles look like toothpicks compared to the size of the wind towers. Have you actually looked at and compared the difference in size?

Community's view on the project... "They are excited about the money these windmills are generating, not only for the landowners but for taxes."

Oh, yes, it's always about the money. Greed and greed usually go together. A majority of the landowners do not live up there and if asked, they would answer no, because they would not like the looks of them or...maybe the winters are "too hard." Taxes...well, we'll see. Everything comes with a price tag.

Bird issues... "Chances of killing a bird have got to be pretty slim..."

Environmental Impact Statements have been made on this issue but I honestly believe the strobe light effect, shadows and noise will make birds and humans very uncomfortable.

As you can see, I am not an advocate of this project. When approached by the developers I was asked my thoughts on green energy and where my view was. I showed them my beautiful view of the valley and mountains; and my thoughts on green energy...a good idea if we could benefit from it. The size of this project is horrendous, it has destroyed the landscape of Tug Hill, but that doesn't matter... "very few people live up there." To the "few" of us that do live up here it has been a very stressful and traumatic transition. The next time you watch the sunset on Tug Hill, think of this: The peace, solitude and beauty of Tug Hill are gone forever, replaced by the "winds" of progress. It makes me and my family very sad.

Patricia Leviker

Windmill project destroying Tug Hill's beauty

On a recent visit to my parents' home on Tug Hill, I was shocked, saddened and disgusted with the windmill project.

The roads are gouged and rutted from tons of heavy equipment and machinery. Small automobiles beware. You could easily wipe out the bottom of your vehicle. Perhaps the residents can charge a toll to all of the curious weekend tourists who venture into this hazardous zone, so the roads may be repaired.

Trees with their lush foliage have been slashed down, chipped, burned and pillaged, only to be replaced by massive clusters of unattractive fiberglass. These structures look like giant preying mantises or something out of an H.G. Wells science fiction novel.

These trees were at least 60 years old. My 8-year-old niece commented that these windmills look scary. It's scary to think how many of the inhabitants (both wildlife and local residents) have been impacted by this invasion.

I remember picking apples and

berries in these woods. I remember skiing and snowmobiling across these crusty fields of snow. Now, outdoor enthusiasts will have to navigate through a barren, dangerous and ugly obstacle course of windmills that reach up and pierce the sky. But, only if they dare.

This will undoubtedly impact Lewis County's precious economy as local and future generations move away to escape this disgraceful sight. I'm sure property values have already started to plummet because of these monstrosities that obstruct the breathtaking views of the fields, valleys and distant Adirondacks.

I feel sorry for the retired residents and local natives who watch each day, as yet another piece of the old homestead and history are destroyed before the sun sets.

I was livid to find out that the energy produced on Tug Hill will benefit other areas of the state, but not the north country. Also, when the winds are too strong, the windmills shut down. The irony of this is ridiculous and unacceptable. How could Lewis County allow this to happen?

Tug Hill is forever scarred, memories slashed up, and nature's peaceful tongue has been torn out by greed. I will remember how tranquil and beautiful Tug Hill was before this invasion. I hope the proud and loyal residents will find some solace in these memories, too.

Cindy Leviker McEachern
Watertown

* Cindy Leviker McEachern, an English teacher, is Pat Leviker's daughter