

Hello Patrick,

I am presenting you with my findings from speaking individually with Board members regarding not only your letter dated April 18, 2016, but also the original host agreement from late 2011 corresponding to the first permit that was nullified by the courts.

I need to stress that the information herein is based solely on my opinions, interpretations, and observations. It is being provided to you as guidance in your decision making process. The information herein is not the result of any vote or written correspondence. It should not be considered in any way as final, all-inclusive, or legally binding of the Town or its Board members in any way.

Board Comments on the April 18th letter

Assumption that HCA was acceptable to all parties:

There was no real basis we can see for that belief, as most of the current board members were not involved in the original HCA negotiations. In fact, the makeup of the board has changed each year since the original HCA was proposed back in 2011. To proceed with that assumption was the choice of the Company, never encouraged or validated by the Town Board in any way. The current board members are not obligated to take the previous vote into consideration, as it does not apply to the current permit, nor are members required to use the result of any prior vote of a prior board to influence a current vote.

In determining the terms of an acceptable HCA, the Town Board has the right and duty to assess the dollar value of any potentially negative impacts the project may have, how it may affect its residents and infrastructure, the Town's strengths and weaknesses in any resulting litigation, and how it affects the long term health of the Town in general.

As a condition of the special use permit, a ratified HCA must exist (along with a pile of other things) for a building permit to be issued . We are not aware of any limitations on what may or may not exist in a HCA. It is certainly a possibility that the parties will not be able to reach an agreement that is mutually acceptable, as neither side is required to yield to the other just so an agreement can exist.

County Recommended Property Value Protection for residents

It seems plausible to believe that any property subjected to the conditions outlined in the Company's own "neighbor agreement" documents could see some type of negative impact in property value. Any impacts of this nature would surely reduce the number of potential buyers for an affected property. The law of supply and demand says that a reduced number of potential buyers will adversely affect sale price, especially in a rural area like Richfield, where the pool of potential buyers for a given property is already small. Such guarantees/protections do exist in Municipal Wind Laws in other areas of the State, so the mention that they may be illegal to request is questionable. If there is truly no evidence that property values would be adversely affected, we see no reason why this provision would be objected to by the company. Although certain studies have shown property value degradation inconclusive, certain other studies show that property values even a mile or more from the turbines may experience some property value devaluation. Even the company's EAF presented to the TPB states that the

turbines would be audible up to 1.5 miles away. Turbine noise would likely not be seen as a positive attribute to any parcel.

PILOT Agreement:

The board seems to unanimously carry the opinion that this project **clearly** does not meet one of most important considerations for a PILOT agreement -- long term job creation, and would likely therefore not be inclined to agree to one, regardless of who proposes it. Nor would we be in favor of a Real Property Tax Exemption (we would “opt out”, as have the both the Richfield and Mount Markham school districts). The board feels this project should be taxed exactly the same way our residents are, based on the value of one’s property and its improvements.

Neighbor Agreements

If this project were to move forward, the Board realizes the potential losers in the process are the residents in close proximity to the project if the nuisances mentioned in the neighbor agreements come to fruition.. The Town Board is of the opinion that as a provision of the HCA, that the company provides copies of signed agreements with **all** adjacent parcel holders. It is our understanding that only some adjacent parcel holders have agreed to be impacted, while others have not. Any such agreements, both with adjacent parcel holders and leaseholders, should also indemnify the Town, not just the Company. It is not the desire of the Board to put the Town and its individual Board members at risk of perpetual lawsuits.

Considering the long list of impacts mentioned in the Company’s “neighbor agreements”, it would seem irresponsible for the Board to enter into an agreement that did not require that adjacent parcel holders are in agreement with the potential detrimental effects in writing, indemnifying not only the company from litigation but also the Town. The Company certainly has within it right to purchase adjacent properties or enter into financial arrangements in return for a signed agreement.

Comments on proposed HCA changes

Increase in Turbine Rating:

The Town Board wishes to retain the 3.075 MW maximum nameplate rating (or less), along with the height and rotor diameter maximums(or less) as were specified during the permitting process. Facility total nameplate rating to remain at 18.45MW(or less).

Annual Host Fee:

The majority opinion of the board is that a \$50,000 host fee falls far short of compensating for the potentially negative impacts and large number of unknowns and unforeseen problems the project could bring, especially in 2016 or 2017 dollars. An appreciable increase in host fee would be expected in any proposal.

Adjustment Host fee shall be adjusted annually; increased by the larger of 2% or CPI. This increase will begin with payment #2.

In regards to host fee payments, a decommissioned turbine means the turbine has been fully removed and land returned to its prior state. Turbines in any other state are to be considered commissioned for host fee payment purposes.

No credit will be given against host fee for pilot payments or property taxes and vice-versa.

PILOT Agreement:

The Town Board is not inclined to offer a PILOT agreement or a property tax exemption. Instead, the agreement should include the company's recommended assessment value for the next 20 years, for board review and approval .

Company Interface:

The Town Board feels this would be a new salaried position within the town government and we would expect the company to pay fees to reimburse the salary in full for the life of the project.

4.2 Termination of Host Fee:

Host fee for a particular turbine would be terminated only once the turbine is fully removed and the land returned to its original state.

4.3 Late Fee:

First month 5%, subsequent months 1%. We do not wish to encourage late payments in any way.

Complaint resolution

All complaints to the Company will be considered credible, unless a particular complaint is specifically waived by the Town Board.

Assessment Recommendation:

Company will include in the HCA its recommended full assessed value for years 1 – 20.

Bankruptcy provisions:

HCA should have what happens in case of Company bankruptcy clearly defined as a section in the document.

Road Issues:

Town regulations will be followed in addition to County, State, Federal.

Road Bond Amount??

9.1 On Site Monitor: This will be an additional expense to the Town for which the company is expected to offset in full.

Article 6.1 #20:

The company must enter into a PILOT agreement with Otsego County IDA if a PILOT agreement is in fact deemed acceptable by the taxing entities. Otherwise, the Company accepts that the project will be subject to property tax by any taxing entity that wishes to opt out of the property tax exemption for energy facilities.

Article 6.1 #22

Add El Paso Natural Gas and NY Power Authority for concurrence of construction near their infrastructure, and the FAA for their approval . Detailed written documentation of the approvals must be provided prior to issuance of a building permit.

Section 14.1:

Requiring operation to be within the limits expressed in documentation provided during the permitting process will not be considered interference or detriment to the project, even if it reduces the financial viability or profitability.

Section 15.5:

Not acceptable. As the Town's only real benefit is financial, there can be no conditions whatsoever placed on the payments agreed to. Under this agreement, obligation to make payments must be without limit. Any non-payment of host fees, property taxes, or resolution of complaints in a timely manner, for any reason, will be considered a default by the Company, and shall trigger the Town's right to engage the decommissioning plan.

Section 17.1:

Add reimbursement of cost of company interface.

Complaint Resolution:

Toll free complaint hot line number shall be maintained throughout the life of the project.

Company will provide a copy of the complaint log on a monthly basis to the Town Supervisor , including results of investigative activities and the ultimate resolution of the complaint.

Company will provide the onsite monitor a copy of the complaint log and its response within 2 days of the complaint.

The company will provide to the complainant a copy of the complaint log relating to their complaint.

Shadow Flicker Complaints:

Mitigation shall not include modifications to the complainants' property or residence.

Sound:

If a complaint investigation shows that the sound level measured from the project exceeds 40 DBA **at any time, for any period of time** during a continuously monitored 30 day period(minimum monitoring time window), corrective action will be taken.

Section 18.2 Fee Escrow Account:

\$45,000.00

OTHER

Tower Warning Lights: project to have motion sensitive on-demand lighting.

Project Noise Compliance Assurance

Within the first 3 months of operation, the Company will provide the Town no less than 30 days of continuous sound level data showing that each turbine is operating within the noise level limits presented to the TPB during the permitting process. Deficiencies will be corrected within 2 months. Testing will be re-done every 24 months, and deficiencies corrected within 2 months.

Decommissioning:

No building permits will be issued prior to the Town Board's acceptance of Agreements showing land owners will allow the Town and or its agents to enter their property for removal of turbines in a decommissioning process.

HCA Enforcement Escrow:

The Town of Richfield does not have the financial means necessary to enforce any provision of the HCA with litigation should there be a violation by the Company. The cost of any litigation would be prohibitive. An HCA should include an escrow account paid by the company to fund any instances where the Town would be required to bring suit. Any litigation could easily run \$50,000 to \$100,000 -- a sum we could not possibly afford. It would be unwise for the Town to enter an agreement it had no ability to enforce.

Resident Water Test Escrow

Company shall provide an escrow account for the Town to reimburse residents within 1 mile of the project up to \$250 for testing and documentation of their water quality prior to construction. Estimated funds required (\$10,000).