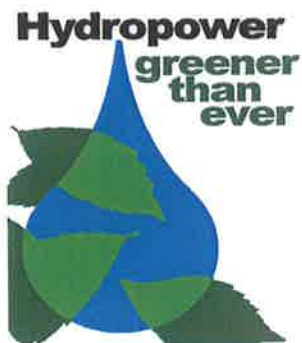


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**GENERAL
 LAND USE POLICY
 FOR
 BROOKFIELD POWER
 NEW YORK
 HYDROELECTRIC LANDS**

Erie Boulevard Hydropower, L.P

Another **Benefit of
Hydro Power**



Brookfield

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SECTION I

INTRODUCTION

At Brookfield Power we strive to be a valued member of the communities we serve. We are committed to providing a safe workplace and protecting the environment while providing competitive energy and related services

Brookfield Power (Brookfield) has more than 70 hydroelectric generating facilities throughout New York State. Most of these facilities are owned and operated under the name Erie Boulevard Hydropower, L.P. (EBH), which is part of the Brookfield Power group of companies. In most cases EBH is the owner of the lands under and adjacent to its reservoirs which store water used in the generation of electricity, the primary purpose of Brookfield land holdings. Other benefits to EBH's hydro reservoirs and operations include low flow augmentation in river reaches downstream of its projects, aesthetics, maintenance and enhancement of fisheries, whitewater releases, municipal water supplies and general recreational activities.

Brookfield is aware that the approximately 20,000 acres of land that it owns and manages as part of its 70 plus hydro facilities is an important asset to the adjacent land owners and surrounding communities. As such, Brookfield has applied its Corporate Environmental Policy guidelines to address environmental and public safety issues associated with these holdings. Brookfield has strived to not only meet regulatory requirements, but to consider the socio-economic and environmental expectations of stakeholders, and engage in open and transparent dialog to achieve greater understanding of expectations and constraints and promote a partnership approach to responsible and realistic solutions.

Brookfield also recognizes there are ever increasing demands for development on its lands adjacent to its reservoirs. In its desire to accommodate and promote recreational access and use of its facilities in light of this demand, Brookfield has developed the subject Land Use Policy using the aforementioned principles and is communicating it to its constituents. This policy is needed for the benefit of everyone to ensure that public safety and environmental considerations are applied consistently and effectively. Clearly, misuse of our lands by a few only degrades the quality of the experience for others. We believe our Land Use Policy can accomplish these worthy goals for the benefit of everyone.

Section II of this policy goes into greater detail on the many factors Brookfield considered when developing this land use policy. Section III provides the specific policies and procedures governing the different uses on EBH lands.

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Due to the uniqueness in physical characteristics and needs of stakeholders, diversity of applicable regulations and large geographical area encompassed by our reservoirs, one policy could not begin to address all the land related issues associated with individual reservoirs or land holdings. Therefore, this policy is subject to any additions, deletions and/or exceptions contained in supplemental land use policies and licensing procedures that may be issued for individual reservoirs.

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SECTION II

SHORELINE MANAGEMENT GUIDELINES

INTRODUCTION: In recent years development of project reservoir shoreline for purposes other than hydroelectric power production or other project needs has dramatically increased. The increase in development pressure on project shorelines for non-project uses and occupancies is due largely to the increasing demand for water-oriented recreation and waterfront property. Much of this development takes advantage of access to, or view of, project waters. Private recreational facilities include private residences, resorts, campgrounds, marinas, docks, golf courses, boat sales and services, etc. Public recreational facilities include local parks, state parks, campgrounds, hiking trails, hunting access, fishing access, picnic areas, boat launches and wildlife preserves.

Many public and private stakeholders have an interest in the development or preservation of Brookfield's project shorelines including federal, state and local agencies, homeowner associations, environmental groups, hunting and fishing clubs, water-based recreation groups, real estate interests and the general public. Local government often supports development along project shorelines because these activities can increase tax base, provide jobs, and boost local economy. The real estate and construction industries often support shoreline development as well. Other groups are concerned with the effect shoreline development will have on natural resources. These groups include federal, state and local governmental resource agencies, environmental groups and a variety of recreation and sporting interests. Some other groups are concerned about public safety, watercraft traffic and even navigation.

RESPONSIBILITIES: EBH, as the owner of all or a majority of the property adjacent to our rivers/reservoirs and as required by the Federal Energy Regulatory Commission (FERC) operating licenses, is responsible for managing the use and development of our shorelines. Many factors had to be considered when developing a strategy to manage EBH lands surrounding our reservoirs. Some of these considerations are as follows:

- Managing hydroelectric operations
- Compliance with FERC License requirements, Operating Agreements, and applicable laws and regulations
- Risk management/liability
- Flood control and passage of high flows
- Low flow augmentation

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- Security
- Public Safety
- Scenic and aesthetic value
- Water quality
- Recreation
- Fish and wildlife habitat
- Cultural resources
- Economic/commercial development
- Public access
- Natural resources
- Erosion control
- Property rights
- Emergency management

FERC project lands are open to the public for certain activities. EBH has the authority, under its FERC license, to grant permission to applicants for specific non-project use of its land through a licensing program which is described in more detail in Section III. EBH as a project owner licensed with the FERC can charge a fee to recover costs incurred in the administration of a licensing program.

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SECTION III

GENERAL LAND USE POLICIES

A. PUBLIC ACCESS

Brookfield allows the general public access to its hydro lands for certain activities, except where restricted for public safety, security or other reasons related to the operation of the facility for hydroelectric generation. This public access includes hydro lands under license with the FERC. Brookfield's position regarding public access is "Leave it as you found it".

Further, access is only permitted by foot from designated public access areas or from the water. Brookfield does not condone access to the reservoir by trespassing on private land or the use of the reservoir and adjacent EBH land to trespass on private property.

Brookfield also reminds all users of its lands that they are accessing the area at their own risk and should be vigilant for any physical and natural hazards. All users are also cautioned to stay away from any areas that have been marked for exclusion due to public safety or security reasons. These restricted areas are identified with fencing, signage, or both. Restricted areas have been developed for your safety, facility security and the delineation of the restricted areas may change at any time due to changing conditions. We want all users of our lands to leave having had a pleasurable experience, so please respect all restricted area fencing and signage.

Allowable Activities

The use of hydro lands by the general public (inclusive of Brookfield employees and adjacent landowners) is considered temporary in nature, non-exclusive. The general public can cross non-restricted EBH lands to access the reservoir for activities including, but not limited to:

- Fishing
- Hiking
- Hunting
- Cross country skiing
- Snowshoeing
- Canoeing

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Fires in designated fire rings at designated campsites only
Swimming at campground locations as permitted by NYS DOH

Restricted Activities

Access and use of EBH lands by the general public does **not** include activities such as the following:

- the clearing of vegetation to enhance a view, or otherwise
- shoreline modifications
- boat mooring (in lieu of docking)
- dock construction
- affixing of any temporary or permanent structures to the land
- access by a motor vehicle of any kind with the exception of designated public access areas (boat launches, day use areas, trailheads, etc.)
- use of the bed of reservoirs in low water conditions for access to campsites, camps or dwellings by a motorized vehicle
- building or maintaining campfires outside of designated fire rings in non-designated areas
- swimming in non-designated areas
- any activity in restricted areas.

Un-permitted structures and/or improvements found within EBH property boundaries will be identified with a non-compliant use Warning Sticker (red). The sticker includes contact information and requires that the recipient contact Brookfield Power immediately for potential remediation to this situation. Failure to contact Brookfield to resolve the un-permitted use within 14 days will result in Brookfield Power providing legal notice to the occupant and potentially initiating legal action.

B. RECREATIONAL & NON-PROJECT USE LICENSES

With over 70 hydroelectric generating facilities throughout New York State, it is a formidable task to develop a mechanism that would take into account the considerations mentioned above in Section II and still be effective in managing and enforcing a shoreline program. Brookfield has obligations with local, state, federal resource and regulatory agencies and non-governmental organization's (NGO's) to manage EBH shorelines. Brookfield also appreciates the needs of its other stakeholders. Therefore, Brookfield has chosen to implement a licensing program to manage the use of its shoreline and adjacent lands. The licensing program is structured to minimize liability risk to the company and other users

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- and still be flexible enough to allow a variety of uses by the public and adjacent landowners while meeting Brookfield's shoreline management objectives.

Recently, Brookfield's predecessors began to enhance and formalize prior land use licensing efforts that were informally used by earlier owners to help manage the use of the shorelines and land adjacent to its reservoirs. One of the objectives of Brookfield's licensing program is to set forth the land use policies and licensing procedures that outline the use and development of the shorelines of our reservoirs in a manner that is harmonious with our commitments to local, state, federal resource and regulatory agencies, numerous NGO's and other stakeholders. Through the administration of the licensing program, Brookfield will be able to improve and maintain the aesthetic quality of our reservoirs by discouraging or preventing any unauthorized activities and haphazard construction along shorelines and adjacent lands.

EBH has the authority to and may grant permission to applicants for specific non-project use of its land. Examples of facilities for which land use licenses can be issued are listed below. Certain uses will require annual license renewal.

- Individual docks and piers (private and commercial)
- Common (or group) docks and piers
- Excavation and dredging
- Erosion control
- Rip-rap placement
- Water withdrawals
- Retaining walls
- Bulkheads
- Fences
- Walkways
- Landscape plantings
- Hunting blinds
- Motorized vehicle access

EBH as a project owner licensed with the FERC can charge a fee to recover costs incurred in the administration of a licensing program. Only individuals or groups that own land adjacent to EBH lands may apply for a land use license. Licenses issued by EBH will be subject to operational conditions including, but not limited to, flow and flood rights, FERC requirements and operational needs – without compensation.

The following outlines the procedure for obtaining a land use license:

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1. To apply for a license, please submit a written request to Brookfield Renewable Power, Attn: Land Use Specialist at the specific address outlined herein. All requests should include:
 - the name, address, phone number and e-mail address of the applicant;
 - the nature of facility/activity proposed on Brookfield lands (sketches and construction drawings if available);
 - a location map (i.e., tax map, survey map, quad map, etc.) indicating the location of the proposed facility/activity requested.

2. Upon receipt of a request, Brookfield will review the information to determine if the proposed facility/activity is allowed on the subject reservoir. If the facility/activity appears to be compatible with the Brookfield Land Use Policy and any applicable site specific policies or considerations, an application will be forwarded to the requestor or the request will be denied.

3. The applicant must submit the completed application, and any additional information along with a nonrefundable application fee.

4. Brookfield will review the completed application to ensure that it contains the correct information, that all appropriate governmental permits and authorizations have been applied for or obtained, and that the applicable fees have been received.

5. Brookfield will contact the applicant to:
 - Arrange an on-site inspection and review of the proposed work;
 - Or inform the applicant that the application is denied or requires modification.

6. The applicant notifies Brookfield when construction of the facility or activity is completed so that compliance may be verified by site inspection.

7. Once the application is approved by Brookfield:

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- An executed copy of the license will be returned to the applicant;
- A Recreational License Sticker will be provided each year the license is in effect. The sticker is to be displayed on the improvement or at the licensed area.

Land use licenses requiring annual fees will only be considered renewed upon submittal of the fee and proof of insurance. Brookfield will bill licensees on April 1 of each year payable by May 1 of that same year.

Should a land use license lapse, depending on the circumstances and/or duration, Brookfield may at its option require the former licensee desirous of reinstating the license to apply as a new applicant.

Unauthorized uses, unauthorized construction activities or non-compliance with Brookfield's policies and procedures on EBH lands will result in the removal of any improvements and restoration of any damage to EBH property by the responsible party at their own expense. When in doubt about whether or not a license should be obtained, please contact our Land Use Specialists at:

Mailing address:

Raquette River, Salmon River (Franklin County), Saranac River, West Branch St. Regis River.

Land Use Specialist
Brookfield Renewable Power, US Operations

184 Elm Street
Potsdam, New York 13676
(315) 265-6670

Oswegatchie River, Black River, Oswego River, Seneca River, Beaver River, Oak Orchard Creek

Land Use Specialist
Brookfield Renewable Power, US Operations

NY West Operations
800 Starbuck Avenue – Suite 802
Watertown, NY 13601
(315) 779-2412

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Salmon River (Oswego County) , West Canada Creek, East Canada Creek, Caroga Creek, Hudson River, Sacandaga, Fish Creek, Hoosic River, Mohawk River

Land Use Specialist
Brookfield Renewable Power, US Operations

NY East Regional Operating Center
399 Big Bay Road
Queensbury, NY 12804
(518) 743-2007

Email: landcoordinator@Brookfieldpower.com

C. LAND SALES

It is Brookfield’s policy **not** to sell any of its land within the FERC boundary which is necessary for the maintenance and operation of its hydro projects. In rare instances, lands owned outside of the FERC boundaries that are not essential to Brookfield’s business may be considered for possible sale at the request of an interested party. Brookfield may consent to a sale with the interested party, if a sale price can be agreed upon and it makes good business sense to divest of the property. It is Brookfield’s policy to receive fair market value based on an appraisal prepared by a professional appraiser.

Should Brookfield decide to divest of any EBH lands, the buyer will be responsible for all costs related to the sale including, but not limited to, surveys, appraisals, title reports, filing fees, environmental assessments, Brookfield administrative costs and attorney fees. Brookfield will not convey any lands by warranty title.

D. FORESTRY PRACTICES

As a general rule, EBH promotes maintenance of a vegetation buffer zone along its shorelines. EBH does manage select lands away from shorelines for timber production. These forests will be managed on a sustained yield basis with a multiple-use concept that takes into account safety, security and all other uses of the land including wildlife, fisheries, recreation, water quality, and aesthetics.

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E. RIGHTS-OF-WAY / EASEMENTS

Brookfield does not generally grant to third parties a temporary or permanent right-of-way or easement for ingress and egress, construction of lines, pipes, buildings and/or other improvements over, through or upon EBH lands unless it is shown to be for public or municipal purposes. Should Brookfield decide to grant a right-of-way or easement over EBH lands the beneficiary will be responsible for all costs related to the granting of said right-of-way or easement including, but not limited to, surveys, appraisals, title reports, filing fees, environmental assessments, Brookfield administrative costs (deposit required) and attorney fees. Any rights of this nature granted by Brookfield to another party will always be subservient to Brookfield's use of the subject property for business operations.

F. CAMPING OR SWIMMING

Brookfield does not allow camping or swimming on EBH lands with the exception of a few designated campsites and swimming areas. For information on Brookfield campsite locations contact the appropriate Land Use Specialist.

G. SPECIAL USES

Brookfield does allow for temporary special use permits to organized groups such as boy scouts, girl scouts, rod and gun clubs and church groups for activities on EBH lands adjacent to our reservoirs. Special uses include, but are not limited to, snowmobile/ATV trails, horse trails, educational tours, stocking programs, etc. To be considered for a special use permit contact Brookfield's Land Use Specialist (See Section III-B above.) There is no special access or permissions granted to anyone within restricted areas

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This document is a dynamic living document that requires periodic and situational updates and is intended for all New York lands and approved as presented.



Thomas Uncher
General Manager, NYE Operations

12/10/10

Date



Jon Elmer
General Manager, NYW Operations

12/16/10

Date