



SETTLEMENT NEGOTIATIONS - PRIVILEGED AND CONFIDENTIAL

October 31, 2007

John Privitera, Esq.
McNamee, Lochner, Titus &
Williams, P.C.
677 Broadway, 5th Floor
Albany, New York 12207-2503

Re: Enforcement File 2007-041 (Lewis Family Farms, Inc.)

Dear John:

Receipt of your client's Response is acknowledged. We remain open to settlement discussions. As previously conveyed, we are willing to enter into a settlement that would:

- Authorize the single family dwellings;
- Require a professional engineer's evaluation of the septic system serving the single family dwellings for compliance with NYSDOH and APA standards;
- Require implementation of a landscaping plan to break up views of the dwellings from all sides; and
- Require payment of a civil penalty.

We had suggested, for settlement discussion purposes, an environmental benefit project consisting of a donation by your client in support of organic farming in the Adirondack Park. Our proposal was to combine the donation with a substantially reduced civil penalty, in an effort to find common ground around a cause that your client seeks to promote through its own farming business. The amounts of the payable civil penalty and any donation remain subject to negotiation.

Please let me know if your client is will to discuss settlement of this matter.

Sincerely,

Paul Van Cott
Associate Attorney