

September 13, 2004

Mr. Larry Clark
U.S. Department of Energy
Oak Ridge Operations
P.O. Box 2001
Oak Ridge, Tennessee 37831-2001

Subject: A Proposed Agreement between The Advocates for the Oak Ridge Reservation and the Horizon Center, LLC regarding transfer of Parcels in and around Horizon Center Business Park

Mr. Clark:

As you are aware the U. S. Department of Energy (DOE) has recently transferred the ownership of ~ 491 acres of land, commonly referred to as Economic Development Area 1 (ED-1) to the Horizon Center, LLC. In order to effectuate this transfer, DOE and Horizon Center, LLC entered into a lease for an adjoining ~466 acres of property generally referred to as the "natural area." Contained within the ~491 acres is a parcel (Lot 1-17BA) of 41.42 acres (37.27 acres proper plus 4.15 acres of access/utility routes) located at the Northwest corner of the Horizon Center Business Park that Horizon Center, LLC intends on more fully developing, at some future date, by extending utility infrastructure and constructing an access road. Horizon Center LLC's interest in doing so is to make the parcel marketable to potential industrial clients. The Advocates for the Oak Ridge Reservation (AFORR), among others, have expressed interest in retaining this same parcel in a more natural state in order to preserve the adjacent and surrounding area as a conservation district.

What appears to be a conflict of intent amongst these entities has lead to productive discussions to fashion a compromise situation in which all parties might benefit.

This letter is designed to provide to the Department the various actions that will be necessary to effectuate that compromise.

Toward that end, it is proposed that:

1. The owner of Lot 1-17BA (Horizon Center, LLC) will forgo immediate development plans for the parcel and will transfer title to the Parcel to the Department of Energy so as to incorporate the parcel into an adjacent ~3000 acre conservation easement under an agreement currently being developed between the State of Tennessee and DOE.
2. Horizon Center, LLC will, with the approval of DOE, terminate/modify its lease of the ~466 acre "Natural Area" so as to potentially allow DOE to incorporate said "Natural Area" or some portion thereof, into the conservation easement now being developed with the State of Tennessee. The "Natural Area" encompasses certain ecological resources including potentially endangered species, a portion of the East Fork Poplar Creek and its Floodway, as well as a "Greenway" currently managed by the COR. As a result of this transfer, Horizon Center's responsibility to DOE for monitoring of the "Natural Area," or portions thereof that are removed from the Horizon Center lease, will be eliminated.

Agreement between AFORR and Horizon Center, LLC
September 13, 2004

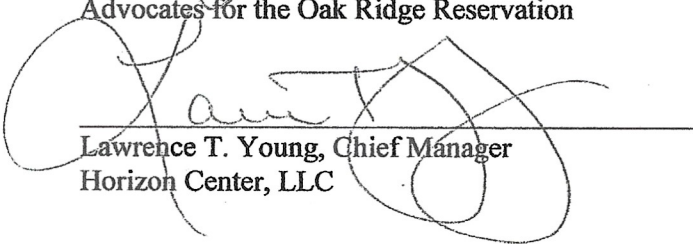
3. In consideration of these actions by Horizon Center, LLC, AFORR will actively support the transfer from DOE to Horizon Center, LLC of a ~50 acre parcel of property located on the Oak Ridge Turnpike just west of its intersection with the State Route (SR) 58/95 interchange. (Please see attached map). Horizon Center, LLC intends on developing this parcel as a business/industrial park of the same quality and character as that of Horizon Center. In addition, AFORR will actively support the elimination of Horizon Center's responsibility for monitoring of the "Natural Area," or portions thereof, under the assumption that DOE will assume the responsibility for said monitoring.

We trust that the proposed agreement will meet with the Department's approval and that your offices can undertake those actions necessary on the part of the Department to effectuate these land transfers and lease terminations. Upon receipt of your positive response to this agreement, Horizon Center, LLC will submit a "770 proposal" and any other requests, letters or documents needed to initiate formal action. Thank you, in advance, for your positive consideration regarding this matter of utmost importance.

Sincerely,



Dev Joslin
Advocates for the Oak Ridge Reservation



Lawrence T. Young, Chief Manager
Horizon Center, LLC