

Skyway 8 Wind Farm Project Construction Update

The Skyway 8 Wind Farm Project received approval from the Ontario Ministry of the Environment (MOE) in April, 2010. Since that time, the Project has changed hands, and is now owned by Sky Generation Inc., a subsidiary of Capstone Infrastructure Corporation ("Capstone"). Capstone is ready to start construction on the Project, and this newsletter has been prepared to provide details on construction activities that will occur over the next few months. A second newsletter will be prepared in the spring of 2014, closer to turbine delivery and installation.

The Project consists of five wind turbines and ancillary works located in Southgate, west of Riverview (as identified on the map on reverse side of newsletter), including a 6 km underground interconnection line to be installed along Sideroad 260 in Melancthon. Overhead electrical lines on Sideroad 260 were originally proposed for the Project, but Capstone has decided to install all electrical cables underground, with installation activities starting on Monday, November 18, 2013 with an estimated completion date of the end of December 2013.

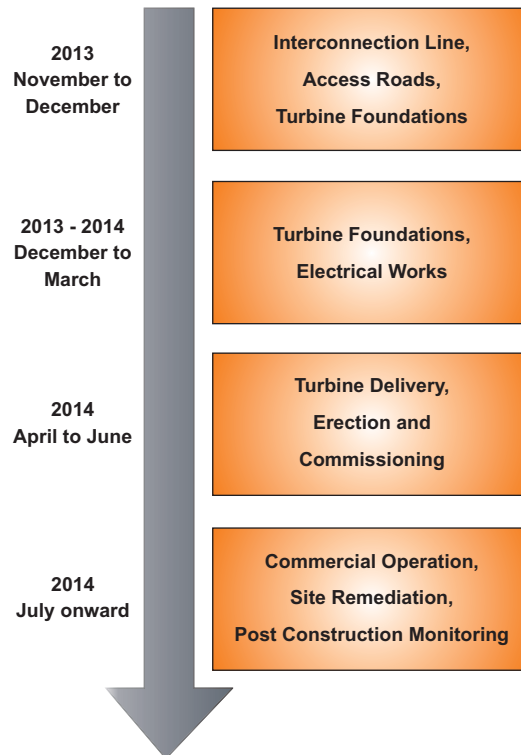


The cables will be installed by two methods: ploughing and horizontal directional drilling (HDD). HDD will be used to cross under existing roadways, the hamlet of Riverview, and watercourses to eliminate any disruption to residences and mitigate environmental impacts, particularly at watercourses. The underground utility contractor, Avertex Utility Solutions Inc., will be completing the cable installation. There will be no open trenches; however there will be entrance and exit pits on either side of the HDD portion of the cable installation. The pits will be backfilled and returned to previous conditions. Preliminary restoration (backfilling, compacting and rough-graded levelling) of cable installation areas will begin this fall, with final restoration (site specific clean up, final grading and re-seeding) to be completed in spring/summer 2014.

All cable will be installed within the municipal road allowance. The cable will be installed on the west side of Southgate-Melancthon Townline, from the substation location to Sideroad 260. At Sideroad 260, the cable will be installed, along the north side of Sideroad 260 from Southgate-Melancthon Townline east to approximately 2nd Line SouthWest where it will connect with the existing Hydro One Network Inc.'s distribution system. Cable will be located approximately 1.5-2.5 m from private fence lines (property boundaries), and not on private property. In areas where there is an existing hydro pole, the cable will still be installed in the municipal road allowance, but offset 1-2 m of the existing poles. There will be some removal of vegetation from ditches, but no trees will be removed for construction.

Civil works will commence on site this month as well, including the construction of entrances to the project sites, access roads, crane pads and turbine foundations. Carlsun Energy Solutions Inc. (Carlsun) has been hired to act as the Project's Construction Manager and will be responsible for overseeing activity and contractors on site.

Construction Schedule



If you have any questions, please do not hesitate to contact Andrea Kausel at Capstone (contact information below). We would also like to invite you to a neighbour's meeting for residents along Sideroad 260 and around the project site, to be held on **Thursday, December 5, 2013, from 6-8 pm at the Frank Macintyre Building, 250 Owen Sound Street, in Dundalk**. This drop-in meeting will allow you to view Project mapping, ask Project team members about the construction process and activities, and to review the detailed Project schedule.

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For more updates and further information regarding the Project please visit: <http://www.capstoneinfrastructure.com>

