

Amherst Island Wind Energy Project – Clarification on estimated tax payments to Loyalist Township

Original estimated annual property tax payment to Township – estimated between \$300,000 to \$400,000 (as of December 2011)

Revised estimated annual property tax payment to Township – estimated between \$100,000 to \$150,000

- Revision is based on new information regarding the exemption of equipment within the following potential project components: substation, transformer, and Operation and Maintenance building. The new information was provided by the Municipal Property Assessment Corporation.
- To calculate both the original and revised estimated annual property tax payment 2011 Loyalist Township property tax rates were used.
 - Property class: New Construction
 - Industrial Rate Code: JT
 - Total Tax Rate (combined municipal, county and education tax rate): \$0.03791775). Please note that tax rates are subject to annual changes.

Revised Estimated Assessed Value – Individual Calculations:

- Nameplate capacity for Project is 75 MW. Estimated assessed valued based on following calculation: \$40,000 per MW based on the Ontario Regulation 282/98 (Assessment Act) for a total estimate of \$3,000,000
- 60 acres is the rough estimate of the amount of permanent acreage that the following project components could occupy: substation, turbine and transformer pads (if required), and the Operation and Maintenance building. Estimated assessed valued based on the following calculation: \$3,470 (Estimated industrial per acre rate based on Wolfe Island Wind Project assessment from MPAC) X 60 acres = \$208,200
- Operation and Maintenance Building (equipment is exempt): \$200,000 - \$300,000 (this is a rough estimate based on a previous wind project that the company has developed))
- **Please Note: an assessed value for the Control Room (in the substation) and other structures surrounding substation and transformer (equipment is exempt) is not know at this time and not included in the estimation. Additional information will be provided as soon as possible.**

Revised Estimated Assessed Value Subtotal:

- Based on the individual calculations above, the total estimated assessed value of the project is \$3,408,200 - \$3,508,200 (**excludes assessed value of the Control Room – see comment above**).
- Multiplied by \$.03791775 (tax rate from Loyalist Township 2011 Property Taxes), and the estimated annual property taxes payment to the Township is **\$129,231- \$133,023 (excludes assessed value of the Control Room – see comment above)**
- Breakdown of this annual payment by municipal, county and education tax is: Municipality - estimated at \$45,611 - \$46,949, County - estimated at \$38,291 - \$39,414, Education – estimated at \$45,329 - \$46,659