



**APPLICATION TO
HERKIMER COUNTY INDUSTRIAL DEVELOPMENT AGENCY
FOR FINANCIAL ASSISTANCE**

I. APPLICANT INFORMATION:

Company Name: Atlantic Wind LLC.
Address: 1125 NW Couch Street, Suite 700, Portland, OR 97209
Product/Services: Electrical Generation
Phone No.: 609 933 4293 **Fax No.:** 609 466 5488
Email Address: neil.habig@iberdrolausa.com
Fed ID No.: 760801145
Contact Person/Title: Neil Habig

Principal Owners/Officers/Directors:
 (list owners with 15% or more in equity holdings with percentage ownership)

Atlantic Wind LLC. is a wholly owned Subsidiary of Iberdrola Renewable Inc.

Corporate Structure (attach schematic if Applicant is a subsidiary or otherwise affiliated with another entity)

See Attachment 1

Form of Entity:

- Corporation
- Partnership (General _____ or Limited _____; number of general partners _____ and, if applicable, number of limited partners).
- Civic Facility (not-for-profit corporation organized and existing under the laws of New York State or authorized to conduct activities in New York State).
- Limited Liability Company/Partnership (number of members _____).
- Sole Proprietorship

If a corporation, partnership, limited liability company/partnership:

Date of establishment August 12, 2005.
Place of organization Oregon.

If a foreign organization, is the Applicant authorized to do business in the State of New York? Yes, authorized to do business in NY on November 17, 2005.

APPLICANTS' COUNSEL

Name: Mark Epstein
 Address: 201 King of Prussia Road, Ste 500
Radnor, PA 19087
 Phone No.: 484-654-1885
 Telefax No.: 484-654-1069

II. PROJECT INFORMATION

A) Describe the proposed acquisition, construction or reconstruction in as much detail as possible.

Project is a 74 MW wind energy conversion facility (wind farm) located in the towns of Fairfield, Norway and Little Falls in Herkimer County NY. Project consists of 37-2 MW wind turbines, 14 miles of gravel access roads, 20 miles of buried electrical collection lines, substation and operations and maintenance facility.

B) Project Description (check all applicable)

- Manufacturing
- Warehousing/Distribution
- Habilitation Center
- Hospice
- Dormitories for Educational Institutions
- Facilities as defined in article twenty-eight of the Public Health Law
- Housing facilities primarily designed to be occupied by individuals sixty years of age or older
- Tourism Destination Facility
- Retail

C) Name of all sub-lessees or other occupants of the facility:

Not Applicable

D) Principals of any sub-lessee or occupant.

Not Applicable

III. COST BENEFIT ANALYSIS:

A) Project Cost (Estimates) (where applicable)

Land	<u>\$1,500,000</u>
Building	<u>\$500,000</u>
Equipment	<u>\$155,000,000</u>
Soft Costs	<u>NA</u>
Other	<u>\$43,000,000</u>

Total Estimated Project Amount \$200,000,000

B) Financial Assistance Requested (Proposed Benefit Estimates) (where applicable)

Estimated Sales Tax Exemption \$870,000
 (8.25% of any normally taxable item proposed)
NOTE – County has requested indemnification of its portion of sales tax, limiting this benefit to 4%.

Estimated Mortgage Recording Tax Exemption \$ Not Applicable
 (1% of total proposed mortgage amount)

Estimated Real Property Tax Abatement \$2,430,000*
**this estimate is based on the portion of project property that would qualify as real property and the cumulative abatement over the incremental term of the IDA PILOT (20 year term) over the Section 487 PILOT (15 year term) available to wind projects in NY State – a 5 year differential. The actual amount of property tax due without a PILOT could be dependant on Judicial treatment and might in fact be higher than assumed for this abatement estimate.*

∴
 (the Agency will assist with this estimation at your request)

Estimated Interest Savings on Industrial Revenue Bond Issue \$ Not Applicable

Total Estimated Financial Assistance \$3,301,770

C) Employment Information

Jobs retained F/T: none P/T: none
 (Please attach a list of current employees)

Jobs created F/T 6 P/T 0
 (Upon completion of project)

Please note the expected average wages and proposed fringe benefits for jobs to be created by job title: 1 Manager - \$123,000/yr salary and benefits, 1 Administrator - \$63,000/yr salary and benefits, 4 Technicians - \$94,000/yr (each) salary and benefits.

Jobs created (Additional jobs to be created, if any, within next 3 years as a result of project) F/T 10 - turbine vendor technicians on site for 3 or more yrs after start of operations P/T none

D) Estimate how many construction jobs will be created as a result of this Project: 150 peak, average of 100 over 8 month construction period.

IV. FINANCING (Source of funds where applicable)

Bank	<u>\$0</u>
Private Funds invested	<u>\$200,000,000</u>
Industrial Revenue Bond	<u>\$0</u>
Other	<u>\$0</u>
Total (should equal III. A.)	<u>\$200,000,000</u>

V. PROJECT LOCATION/UTILITIES/IMPACT/JOB CREATION

A) Project Address: Various properties in the towns of Fairfield, Norway and Little Falls - See attached project map.

B) Are Utilities on Site

Water	<u>No</u>	Electric	<u>Yes</u>
Gas	<u>No</u>	Sanitary/Storm Sewer	<u>No</u>

C) Present legal owner of the site: See Attached Property List.

D) Zoning of Project Site: Current: Fairfield: mixed zoning with wind energy facilities allowed in all zones with special use permit , Norway – Wind overlay district, Little Falls – no zoning Proposed: No changes.

E) Are any variances needed: No.

F) Principal use of Project upon completion: Electrical Generation.

G) Will the Project result in the removal of a plant or facility of the Applicant from one area of the State of New York to another? No.

H) Will the Project result in the removal of a plant or facility of another proposed occupant of the Project from one area of the State of New York to another area of the State of New

York? No.

- I) Will the Project result in the abandonment of one or more plants or facilities located in the State of New York? No.
If you answered yes to G-H or I please indicate whether the project is reasonably necessary for the company to maintain its competitive position in the industry. Please explain in detail. Attach supporting documentation. Not applicable.

VI. **REPRESENTATIONS BY THE APPLICANT**

The Applicant understands and agrees with the Agency as follows:

- A) **Job Listings.** In accordance with Section 858-b(2) of the New York General Municipal Law, the Applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the Project will be listed with the New York State Department of Labor Community Services Division (the "DOL") and with the administrative entity (collectively with the DOL, the "JTPA Entities") of the service delivery area created by the federal job training partnership act (Public Law 97-300) ("JTPA") in which the Project is located.
- B) **First Consideration for Employment.** In accordance with Section 858-b(2) of the New York General Municipal Law, the applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, where practicable, the Applicant will first consider persons eligible to participate in JTPA programs who shall be referred by the JTPA Entities for new employment opportunities created as a result of the Project.
- C) **Annual Sales Tax Filings.** In accordance with Section 974(8) of the New York General Municipal Law, the Applicant understands and agrees that, if the Project receives any sales tax exemptions as part of the Financial Assistance from the Agency. In accordance with Section 874(8) of the General Municipal Law, the Applicant agrees to file, or cause to be filed, with the New York State Department of Taxation and Finance, the annual form prescribed by the Department of Taxation and Finance, describing the value of all sales tax exemptions claimed by the Applicant and all consultants or subcontractors retained by the Applicant. A copy of such form should be provided to the Agency annually upon submission to the State.
- D) **Recapture of Benefits.** The Applicant understands and agrees that the benefits received from tax abatements/exemptions shall be subject to recapture in accordance with the Agency's tax exemption policy.
- E) **Annual Employment Reports.** The Applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, the Applicant agrees to file, or cause to be filed, with the Agency, on an annual basis, reports regarding the number of people employed at the project site in addition to additional project information as required.
- F) **Absence of Conflicts of Interest.** The Applicant has received from the Agency a list (see page 8) of the members, officers and employees of the Agency. No member, officers or employee of the Agency has an interest, whether direct or indirect, in any transaction contemplated by this Application, except as hereinafter described: No exceptions by

Applicant

VII. FINANCIAL INFORMATION (attach the following):


1. Financial Statements for the last three fiscal years.
2. Proforma balance sheet as at start of operations at project site.
3. Projected profit and loss statements for first two years of operation at project site.
4. Projected "cash flow" statement, by quarters, for first year of operation at project site.


NOTE: this information is not available at the time of this application submission. It will be submitted in due course.

The Applicant and the individual executing this Application on behalf of the applicant acknowledge that the Agency will rely on the representations made herein when acting on this application and hereby represent that the statements made herein do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements contained herein not misleading.

Applicant: Atlantic Wind LLC.

Date: November 24, 2009

By 
 Name _____
 Title _____

By: 
 Name: Rany Reviv
 Title: VP- Business Development

This Application should be submitted with a \$250.00 Application Fee to Herkimer County Industrial Development Agency, PO Box 390, 320 N. Prospect Street, Herkimer, New York 13350, to the attention of Mark D. Feane, Executive Director. The Agency will collect ½ (one-half) of its Project Fee at the time of the signing of an inducement agreement. * The final half of the Agency fee will be payable at which time the HCIDA takes title to the Facility, or upon issuance of bonds. The applicant will also be responsible for all HCIDA legal fees related to this project. Should your company for any reason decide to withdraw this application for financial assistance after submission but prior to completion, you will be responsible for any legal fees involved to that point. In addition the Agency will assess a fee for services rendered and costs incurred.

***Note: the timing of fee payment is under discussion and subject to deviate from the provision above with consent of the applicant and the IDA.**

Agency fees are determined as follows:

For Corporations, Partnerships, Limited Liability Companies or Sole Proprietorships: the Agency fee will be assessed at up to 1% of the total project cost. **


****Note: the amount of fee is under discussion and subject to determination by mutual agreement between the applicant and the IDA noting the partial utilization of the financial benefits available under the IDA PILOT.**


The Agency will assess your company an annual administration fee in the form of rent under the Lease Agreement in the amount of \$500.00.

"This institution is an equal opportunity provider, and employer. To file a complaint of discrimination, write: USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD)."

HOLD HARMLESS AGREEMENT

Applicant hereby releases the Herkimer County Industrial Development Agency and the members, officers, servants, agents and employees thereof (the "Agency") from, agrees that the Agency shall not be liable for and agrees to indemnify, defend and hold the Agency harmless from and against any and all liability arising from expense incurred by (A) the Agency's examination and processing of, and action pursuant to or upon, the attached Application, regardless of whether or not the Application or the Project described therein or the tax exemptions and other Assistance requested therein are favorably acted upon by the Agency, (B) the Agency's acquisition, construction and/or installation of the Project described therein and (C) any further action taken by the Agency with respect to the Project; including without limiting the generality of the foregoing, all causes of action and attorneys' fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing.

By 
Name Scott Jacobson
Title Authorized Representative

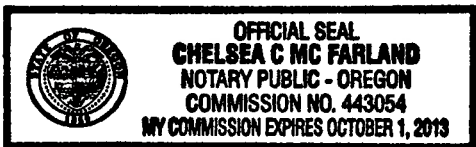
Atlantic Wind LLC
(Applicant)
November 24, 2009
(Date) 
(By) Rany Raviv
(Name) VP- Business Development
(Title) Authorized Representative

Oregon
STATE OF ~~NEW YORK~~)
)ss.:
COUNTY OF Multnomah)

On the 24th day of November, in the year 2009, before me, the undersigned a Notary Public in and for said State, personally appeared ^{Randy Priddy} Scott Jacobson, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individuals, or the person or behalf of which the individuals acted, executed this instrument.



Notary Public



2009 BOARD MEMBERS
HERKIMER COUNTY INDUSTRIAL DEVELOPMENT AGENCY
P.O. BOX 390
320 North Prospect Street
HERKIMER, NY 13350

Telephone (315) 867-1373 Fax (315)-867-1515

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Board Meetings will be the 4th Thursday of every month at 9:30am.

Revised November 19, 2009