

April 29, 2021

Ms. Mary Solada, Partner
Dentons Bingham Greenebaum LLP
2700 Market Tower
10 West Market Street
Indianapolis, IN 46204

Baker Tilly Municipal Advisors, LLC
8365 Keystone Crossing, Ste 300
Indianapolis, IN 46240
United States of America

T: +1 (317) 465 1500
F: +1 (317) 465 1550
bakertilly.com

Re: Proposed Gibson County Solar LLC Solar Farm Project –
Assumes a Five-Year 100% Property Tax Abatement

Dear Ms. Solada:

Per your request, we have prepared this preliminary property tax abatement analysis to assist you in the discussion and consideration of proposed property tax abatements for the proposed Gibson County Solar LLC Solar Farm Project. The attached schedules (listed below) present unaudited and limited information. The use of these schedules should be restricted to this purpose, for internal use only, as the information is subject to future revision and final report.

<u>Page(s)</u>	
2 - 3	Estimated Assessed Value from the Proposed Investment
4	Summary of Estimated Property Tax Rates
5	Summary of Estimated Property Tax Rates – Includes Impact of Patoka/Union Township Allocation Area Expiration
6	Estimated Taxpayer Impact from the Proposed Development After the Abatement
7	Summary of Estimated Cumulative Fund Revenues
8	Summary of Estimated Property Taxes from the Proposed Investment
9	Summary of Estimated Property Tax Allocation to Overlapping Taxing Units

In the preparation of these schedules, assumptions were made regarding certain future events. As is the case with such assumptions regarding future events and transactions, some or all may not occur as expected and the resulting differences could be material. We have not examined the underlying assumptions nor have we audited or reviewed the historical data. Consequently, we express no opinion or provide any other form of assurance thereon, nor do we have a responsibility to prepare subsequent reports.

We would appreciate your questions or comments on this information and would provide additional information upon request.

Very truly yours,

BAKER TILLY MUNICIPAL ADVISORS, LLC



Matthew R. Eckerle, Principal

GIBSON COUNTY, INDIANA

Proposed Gibson County Solar LLC Solar Farm Project

ESTIMATED ASSESSED VALUE FROM THE PROPOSED INVESTMENT (1)

Taxes Payable Year	Assumes No Property Tax Abatements				Assumes Property Tax Abatements (2)			
	Utility Property (3)	Real Property		Total	Utility Property (3)	Real Property		Total
		Improvements (4)	Increase in Land (5)			Improvements (4)	Increase in Land (5)	
2026	\$65,360,000 (6)	\$5,375,000	\$8,584,352	\$79,319,352	\$0 (6)	\$0	\$8,584,352	\$8,584,352
2027	98,040,000	5,375,000	8,584,352	111,999,352	0	0	8,584,352	8,584,352
2028	61,275,000	5,375,000	8,584,352	75,234,352	0	0	8,584,352	8,584,352
2029	61,275,000	5,375,000	8,584,352	75,234,352	0	0	8,584,352	8,584,352
2030	61,275,000	5,375,000	8,584,352	75,234,352	0	0	8,584,352	8,584,352
2031 - 2060	61,275,000	5,375,000	8,584,352	75,234,352	61,275,000	5,375,000	8,584,352	75,234,352

- (1) Estimated total investment is \$215,000,000, per the Company. Assumes 95% of the investment is taxable utility distributable property.
- (2) Assumes a 5-year 100% property tax abatement for the proposed utility property investment and real property improvements.
- (3) Per the Company, taxable utility distributable property is depreciated using the MACRS 5-year double declining balance half-year convention depreciation table.
- (4) Assumes the real property improvements will be assessed at 50% of the estimated cost. The actual assessed value will be determined by the Gibson County Assessor upon completion, and the actual value may vary materially from the value assumed in this illustration.
- (5) Represents the estimated change in land assessed value over the pay 2022 base land rate of \$1,290 per acre, assuming all existing real property improvements are demolished. Assumes a 2,240 acre project site assessed at an average of \$5,122.30 per acre based on HEA 1348-2021.
- (6) Includes the State Credit for Gross Additions of 60%, applied in the first year to all utility distributable property.

Note: The Company is expected to annually file a U.D. Form 45 Annual Report with the State. This Form reports cost, depreciation, and allocation of assessed value of all utility property owned by the Company in the entire State of Indiana. Therefore, the actual assessed values may vary materially from the values assumed in this analysis, due to potential changes in the investment as it is implemented and the cost, investment timing, and depreciation status of all other utility property owned by the Company in the State. This analysis assumes the cost, investment timing and depreciation status of the utility property owned by the Company outside of Gibson County will not affect the depreciation and assessed value allocation of the utility property proposed to be installed within Gibson County. Any deviation from this assumption may materially change the estimated true tax value of the proposed investment and the resulting property tax rate and property tax abatement estimates.

(Subject to the attached letter dated April 29, 2021)
(Preliminary - Subject to Change)
(For Internal Use Only)

GIBSON COUNTY, INDIANA

Proposed Gibson County Solar LLC Solar Farm Project

ESTIMATED ASSESSED VALUE FROM THE PROPOSED INVESTMENT (CONT'D) (1)

Taxes Payable Year	Assumes No Property Tax Abatements			Assumes Property Tax Abatements (2)		
	Patoka Township	Union Township	Total	Patoka Township	Union Township	Total
	(3)	(4)	(5)	(3)	(4)	(5)
2026	\$55,523,546	\$23,795,806	\$79,319,352	\$6,009,046	\$2,575,306	\$8,584,352
2027	78,399,546	33,599,806	111,999,352	6,009,046	2,575,306	8,584,352
2028	52,664,046	22,570,306	75,234,352	6,009,046	2,575,306	8,584,352
2029	52,664,046	22,570,306	75,234,352	6,009,046	2,575,306	8,584,352
2030	52,664,046	22,570,306	75,234,352	6,009,046	2,575,306	8,584,352
2031 - 2060	52,664,046	22,570,306	75,234,352	52,664,046	22,570,306	75,234,352

- (1) Estimated total investment is \$215,000,000, per the Company. Assumes 95% of the investment is taxable utility distributable property.
- (2) Assumes a 5-year 100% property tax abatement for the proposed utility property investment and real property improvements.
- (3) Assumes an estimated 70% of the investment will be located in the Patoka Township taxing district, per the Company.
- (4) Assumes an estimated 30% of the investment will be located in the Union Township taxing district, per the Company.
- (5) See page 2.

Note: The Company is expected to annually file a U.D. Form 45 Annual Report with the State. This Form reports cost, depreciation, and allocation of assessed value of all utility property owned by the Company in the entire State of Indiana. Therefore, the actual assessed values may vary materially from the values assumed in this analysis, due to potential changes in the investment as it is implemented and the cost, investment timing, and depreciation status of all other utility property owned by the Company in the State. This analysis assumes the cost, investment timing and depreciation status of the utility property owned by the Company outside of Gibson County will not affect the depreciation and assessed value allocation of the utility property proposed to be installed within Gibson County. Any deviation from this assumption may materially change the estimated true tax value of the proposed investment and the resulting property tax rate and property tax abatement estimates.

(Subject to the attached letter dated April 29, 2021)
(Preliminary - Subject to Change)
(For Internal Use Only)

GIBSON COUNTY, INDIANA

Proposed Gibson County Solar LLC Solar Farm Project

SUMMARY OF ESTIMATED PROPERTY TAX RATES

Taxes Payable Year	Estimated Tax Rate (1)			
	Patoka Township (2)		Union Township (3)	
	Without Abatement	With Abatement (4)	Without Abatement	With Abatement (4)
2021	(5) \$2.5660	\$2.5660	\$1.7358	\$1.7358
2026	(6) 2.4276	2.5502	1.6763	1.7291
2027	2.3751	2.5502	1.6533	1.7291
2028	2.4344	2.5502	1.6793	1.7291
2029	2.4344	2.5502	1.6793	1.7291
2030	2.4344	2.5502	1.6793	1.7291
2031 - 2060	2.4344	2.4344	1.6793	1.6793

- (1) Based on the pay 2021 Budget Order for Gibson County and the estimated investment of \$215,000,000, adjusted for the estimated assessed value impact of the proposed Gibson County Solar LLC Solar Farm Project.
- (2) Based on the estimated investment of \$150,500,000 and the estimated increase in land assessment in Patoka Township.
- (3) Based on the estimated investment of \$64,500,000 and the estimated increase in land assessment in Union Township.
- (4) Assumes a 5-year 100% property tax abatement for the proposed utility property investment and real property improvements.
- (5) Represents the certified pay 2021 tax rate for the respective taxing district.
- (6) The estimated tax rates on this schedule do not account for the estimated expiration of the Patoka/Union Township Tax Increment Allocation Area following 2025 and the release of all incremental assessed value for 2026 onward.

Note: The estimates included above assume no additional assessed value changes beyond the proposed solar farm investment, and there is no assumption for future changes in property tax levies for levy-controlled funds or property tax rates for rate-controlled funds.

(Subject to the attached letter dated April 29, 2021)
(Preliminary - Subject to Change)
(For Internal Use Only)

GIBSON COUNTY, INDIANA

Proposed Gibson County Solar LLC Solar Farm Project

ESTIMATED TAXPAYER IMPACT FROM THE PROPOSED DEVELOPMENT AFTER THE ABATEMENT

	Estimated Property Tax Rate	Estimated Property Tax Liability After the 5-Year Property Tax Abatement				
		\$75,000	\$116,100	\$150,000	1 Acre	\$100,000
		Home Value	Home Value	Home Value	Ag. Land	Business
	(1)	(1)(2)	(1)	(3)	(4)	
Patoka Township						
Current Tax Rate (5)	\$2.5660	\$423.39	\$1,108.90	\$1,500.00	\$25.80	\$2,566.00
Est. 2031 Tax Rate (6)	2.4344	401.68	1,052.03	1,500.00	25.80	2,434.40
Difference	<u>(\$0.1316)</u>	<u>(\$21.71)</u>	<u>(\$56.87)</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>(\$131.60)</u>
Union Township						
Current Tax Rate (5)	\$1.7358	\$286.41	\$750.13	\$1,132.61	\$22.39	\$1,735.80
Est. 2031 Tax Rate (6)	1.6793	277.08	725.71	1,095.74	21.66	1,679.30
Difference	<u>(\$0.0565)</u>	<u>(\$9.32)</u>	<u>(\$24.42)</u>	<u>(\$36.87)</u>	<u>(\$0.73)</u>	<u>(\$56.50)</u>

- (1) Includes standard deduction at the lesser of \$45,000 or 60% of home value, the 35% supplemental homestead deduction and the \$3,000 mortgage deduction. Assumes the Circuit Breaker Tax Credit, which limits property tax liability to 1% of gross assessed value for a residential parcel, is applied.
- (2) Represents the Median Home Value for Gibson County, per the 2015-2019 American Community Survey 5-year estimates of the U.S. Census Bureau.
- (3) Assumes the 2021 pay 2022 assessment for one acre of agricultural land of \$1,290 and no deductions or exemptions. Assumes the Circuit Breaker Tax Credit, which limits property tax liability to 2% of gross assessed value for an agricultural parcel, is applied.
- (4) Assumes no deductions or exemptions. Assumes the Circuit Breaker Tax Credit, which limits property tax liability to 3% of gross assessed value for a commercial parcel, is applied.
- (5) Per the 2021 Budget Order for Gibson County.
- (6) See page 4. Represents the first year after the expiration of the 5-year property tax abatement.

Note: The estimates included above assume no additional assessed value changes beyond the proposed solar farm investment and there is no assumption of future changes in property tax levies for levy-controlled funds or property tax rates for rate-controlled funds.

(Subject to the attached letter dated April 29, 2021)
(Preliminary - Subject to Change)
(For Internal Use Only)

GIBSON COUNTY, INDIANA

Proposed Gibson County Solar LLC Solar Farm Project

SUMMARY OF ESTIMATED CUMULATIVE FUND REVENUES

Taxes Payable Year	Estimated Princeton Fire Territory Equipment Replacement Fund (1)	Estimated Union Township Cumulative Fire Fund (1)			
Current	\$223,459	\$69,894			
2026	225,202	70,751			
2027	225,202	70,751			
2028	225,202	70,751			
2029	225,202	70,751			
2030	225,202	70,751			
2031 - 2060	238,732	77,410			
<table> <tr> <td style="width: 30%;">Est. Cum. Change In Annual Revs Current - 2060</td> <td style="width: 35%; text-align: right;">\$466,905</td> <td style="width: 35%; text-align: right;">\$229,765</td> </tr> </table>			Est. Cum. Change In Annual Revs Current - 2060	\$466,905	\$229,765
Est. Cum. Change In Annual Revs Current - 2060	\$466,905	\$229,765			
<table> <tr> <td style="width: 30%;">Est. Net Change In Annual Revs Beginning - 2031</td> <td style="width: 35%; text-align: right;">\$15,273</td> <td style="width: 35%; text-align: right;">\$7,516</td> </tr> </table>			Est. Net Change In Annual Revs Beginning - 2031	\$15,273	\$7,516
Est. Net Change In Annual Revs Beginning - 2031	\$15,273	\$7,516			

(1) Based on the pay 2021 Budget Order for Gibson County and adjusted for the estimated assessed value impact of the proposed Gibson County Solar LLC Solar Farm Project.

Note: The estimates included above assume no additional assessed value changes beyond the proposed solar farm investment, and there is no assumption of future changes in property tax rates for the cumulative funds.

(Subject to the attached letter dated April 29, 2021)
(Preliminary - Subject to Change)
(For Internal Use Only)

GIBSON COUNTY, INDIANA

Proposed Gibson County Solar LLC Solar Farm Project

**SUMMARY OF ESTIMATED PROPERTY TAX RATES -
INCLUDES IMPACT OF PATOKA/UNION TOWNSHIP ALLOCATION AREA EXPIRATION**

Taxes Payable Year	Estimated Tax Rate (1)				
	Patoka Township (2)		Union Township (3)		
	Without Abatement	With Abatement (4)	Without Abatement	With Abatement (4)	
2021	(5)	\$2.5660	\$2.5660	\$1.7358	\$1.7358
2026		1.6890	1.7442	1.5484	1.5934
2027		1.6647	1.7442	1.5287	1.5934
2028		1.6920	1.7442	1.5508	1.5934
2029		1.6920	1.7442	1.5508	1.5934
2030		1.6920	1.7442	1.5508	1.5934
2031 - 2060		1.6920	1.6920	1.5508	1.5508

- (1) Based on the pay 2021 Budget Order for Gibson County and the estimated investment of \$215,000,000, adjusted for the estimated assessed value impact of the proposed Gibson County Solar LLC Solar Farm project. Additionally, based on the Baker Tilly Municipal Advisors analysis dated April 13, 2021 for the Gibson County Redevelopment Commission, it assumes the expiration of the Patoka/Union Township Allocation Area following 2025 will result in a release of \$500,900,651 in additional incremental assessed value compared to 2021 for years 2026 onward.
- (2) Based on the estimated investment of \$150,500,000 and the estimated increase in land assessment in Patoka Township.
- (3) Based on the estimated investment of \$64,500,000 and the estimated increase in land assessment in Union Township.
- (4) Assumes a 5-year 100% property tax abatement for the proposed utility property investment and real property improvements.
- (5) Represents the certified pay 2021 tax rate for the respective taxing district.

(Subject to the attached letter dated April 29, 2021)
(Preliminary - Subject to Change)
(For Internal Use Only)

GIBSON COUNTY, INDIANA

Proposed Gibson County Solar LLC Solar Farm Project

SUMMARY OF ESTIMATED PROPERTY TAXES FROM THE PROPOSED INVESTMENT

Taxes Payable Year	Estimated Net Property Taxes (1)						Estimated Abatement Savings
	Patoka Township		Union Township		Total		
	Without Proposed Abatement	With Proposed Abatement (2)	Without Proposed Abatement	With Proposed Abatement (2)	Without Proposed Abatement	With Proposed Abatement (2)	
2026	\$937,790	\$104,810	\$368,450	\$41,030	\$1,306,240	\$145,840	\$1,160,400
2027	1,305,120	104,810	513,640	41,030	1,818,760	145,840	1,672,920
2028	891,080	104,810	350,020	41,030	1,241,100	145,840	1,095,260
2029	891,080	104,810	350,020	41,030	1,241,100	145,840	1,095,260
2030	891,080	104,810	350,020	41,030	1,241,100	145,840	1,095,260
2031 - 2060	891,080	891,080	350,020	350,020	1,241,100	1,241,100	0
Totals through 2060	<u>\$31,648,550</u>	<u>\$27,256,450</u>	<u>\$12,432,750</u>	<u>\$10,705,750</u>	<u>\$44,081,300</u>	<u>\$37,962,200</u>	<u>\$6,119,100</u>

(1) Based upon the net assessed values shown on pages 2 and 3, and the tax rate information on page 7. The estimates included above are based upon tax rates that assume no additional assessed value changes beyond the proposed solar farm investment and the estimated release of \$749,855,283 starting in taxes payable 2026 of Toyota Motor Manufacturing Indiana Tax Increment, and there is no assumption of future changes in property tax rates for the cumulative funds. Estimated total investment is \$215,000,000, per the Company. Assumes 95% of the investment is taxable utility distributable property, per the Company, and includes the estimated assessed value for the real property improvements and the increase for project site land acreage. Assumes the Circuit Breaker Tax Credit, which limits property tax liability to 3% of gross assessed value for utility property, is applied.

(2) Assumes a 5-year 100% property tax abatement for the proposed utility property investment and real property improvements.

Note: The Company is expected to annually file a U.D. Form 45 Annual Report with the State. This Form reports cost, depreciation, and allocation of assessed value of all utility property owned by the Company in the entire State of Indiana. Therefore, the actual assessed values may vary materially from the values assumed in this analysis, due to potential changes in the investment as it is implemented and the cost, investment timing, and depreciation status of all other utility property owned by the Company in the State. This analysis assumes the cost, investment timing and depreciation status of the utility property owned by the Company outside of Gibson County will not affect the depreciation and assessed value allocation of the utility property proposed to be installed within Gibson County. Any deviation from this assumption may materially change the estimated true tax value of the proposed investment and the resulting property tax rate and property tax abatement estimates.

(Subject to the attached letter dated April 29, 2021)

(Preliminary - Subject to Change)

(For Internal Use Only)

GIBSON COUNTY, INDIANA

Proposed Gibson County Solar LLC Solar Farm Project

SUMMARY OF ESTIMATED PROPERTY TAX ALLOCATION TO OVERLAPPING TAXING UNITS

Overlapping Taxing Unit	Estimated Taxes Payable 2031 Tax Rate (1)	Estimated Net Property Tax (2)(3)	Percentage Of Total Property Tax
Gibson County	\$0.5104	\$384,000	30.94%
Patoka Township	0.0112	5,900	0.48%
Union Township	0.1272	28,710	2.31%
Princeton Special Fire Territory	0.2209	116,330	9.37%
North Gibson School Corporation	0.8207	432,210	34.83%
South Gibson School Corporation	0.7673	173,180	13.95%
Princeton-Patoka Township Public Library	0.0727	38,290	3.09%
Fort Branch-Johnson Township Library	0.0898	20,270	1.63%
Gibson County Solid Waste Management	0.0561	42,210	3.40%
Total		\$1,241,100	100.00%

(1) Represents the estimated tax rate following the expiration of a 5-year property tax abatement for the proposed investment

(2) Assumes the Circuit Breaker Tax Credit, which limits property tax liability to 3% of gross assessed value for utility property, is applied.

(3) This analysis does not assume any changes to the maximum levy limitations of the overlapping taxing units.

Estimated taxes paid by the company do not necessarily represent additional property tax revenues for funds subject to the maximum levy limitations.

Note: The estimates included above assume no additional assessed value growth beyond the proposed solar farm investment and the estimated impact of the expiration of the Patoka/Union Township Allocation Area as outlined in the Baker Tilly Municipal Advisors analysis dated April 13, 2021 for the Gibson County Redevelopment Commission.

(Subject to the attached letter dated April 29, 2021)
(Preliminary - Subject to Change)
(For Internal Use Only)