



November 11, 2020

CONDEMNATION Q&A

How did you determine the purchase price?

It wasn't a purchase price, it was a settlement price, and it was the negotiated price we could pay to proceed as we weighed the cost to get control of the dam properties and be free of Boyce Hydro in time for winter and spring weather. We weighed this against what the bank and others were willing to settle for, given that this would have taken months to get through for all parties.

Why would we pay any money to Boyce if the dams are worth nothing, as you have said?

This is not about the value of the property, or fairness, but finding a way for the community to extract itself from the grips of Boyce Hydro so we can move forward.

What are the next steps?

FLTF had access the week of October 12 for inspections and the start of repairs for the winter and spring, those are underway. Once the bankruptcy stay is lifted, the condemnation will occur. There is a hearing Nov. 30 before the bankruptcy judge, where we are optimistic of getting a favorable ruling.

When will Four Lakes take over dam operations?

FLTF is determined to take control of the properties in December. Four Lakes has an operations team in place, that has been working for several weeks to plan the transition.

Will Boyce be involved in any way still?

No; Boyce must have all its personal property removed by the end of the year.

Will this accelerate any of the timing for the SAD or financing?

This is all within the timeline of our plans released in September.

Who will own the property after the condemnation goes through?

The purchase is on behalf of Midland and Gladwin Counties and the properties will be deeded to them. FLTF is the agent on their behalf.

What actual property does this agreement cover?

The agreement includes spillways, bottomlands, levies and all real property including additional Boyce properties.

Is this agreement part of the Condemnation action?

Yes, in the settlement Boyce agreed to accept the offer in the condemnation, so this is a consent agreement that will be filed with the condemnation lawsuit in Midland and Gladwin. On November 30th, there will be a final hearing to lift the stay on the condemnation for Boyce Hydro. With a positive order from the judge, this will go to the condemnation court as a consent agreement.

Will Boyce still retain ownership of Smallwood and Secord, or is there another purchase being negotiated for those properties?

No. However, Boyce will still own property in the counties that are not required for dam and lake operations.



Will you publish the Purchase Agreement?

The purchase agreement has been filed with the court and we would like to get through the final hearing on November 30, out of courtesy to the court, before we publish it.

Will this now give FLTF the power to work with EGLE with actual decision-making authority and responsibility for the results of those decisions going forward?

Yes, we already have access agreements with Boyce, and orders from the bankruptcy court in place now to do repairs on the dam, and are in regular communication with EGLE and FERC. We currently have projects underway on Edenville, Secord and Smallwood dams.