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The provisions of the construction loans are included in the "Common Terms Agreement", the "Master Security and Account Agreement", the "Equity Contribution and Share Retention Agreement", the "Intercreditor Agreement", the "Security Trust Agreement", and the three "Loan Agreements". The loan documents establish affirmative, negative and certain financial covenants for the Company.

The loans for the financing of construction are secured by the Project and all its assets, with Banco BCT, S.A. acting as security trustee and onshore Account Bank. Loans for the purchase of land are secured by a mortgage on said land. These liens were specifically permitted by the grantor of the BOT (ICE), who retains residual interest through its ability to step into the loans or pay them off to maintain control of the Project in the event that the Company defaults on such obligations.

On September 2, 2014 the Company entered into an unsecured subordinated loan agreement with a related party, Administración de Energías Renovables, S.A. Debt payments, including principal and interest, will be made in April and October of each year, from 2015 up to April 2033.

As of March 31, 2015 accrued interest on notes and loans payable amounts to US\$1,680,651 (December 31, 2014: US\$693,229).

**10. Income tax and deferred income tax**

The Company calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the interim condensed statement of comprehensive income are:

	For the three months ended	
	March 31, 2015	March 31, 2014
Current income tax expense	\$ —	\$ —
Deferred income tax expense relating to origination and reversal of temporary differences	(1,525,750)	(68,292)
Income tax expense recognized in statement of comprehensive income	<u>\$ (1,525,750)</u>	<u>\$ (68,292)</u>

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