

Section 3.0 Evidence of Capability to Complete the Project

3.1 Evidence of Capability to Finance the Project

EverPower Wind Holdings Inc. (EverPower), is the parent company of Sunrise Wind Holdings LLC. Sunrise Wind Holdings LLC has acquired 100% interest in Pryor Cave Wind Project LLC, (Mud Springs Phase 1, 80 MW), Mud Springs Wind Project LLC (Mud Springs Phase II, 80 MW), Horse Thief Win Project LLC (Mud Springs Phase III, 80 MW), and Bowler Flat Energy Hub LLC (Mud Springs Phase IV, Substation and Transmission Line). EverPower is headquartered in Pittsburgh, Pennsylvania with offices in New York City and Bellefontaine, Ohio. EverPower is a developer, owner and operator of utility grade wind projects. Since its founding in 2002, EverPower has partnered with landowners and communities to establish itself as a premier developer, owner, and operator of wind projects in the United States. To date, EverPower through its operating subsidiaries currently has seven operational wind facilities with a nameplate capacity of approximately 750 MW which represent over \$1,000,000,000 in capital investments.

EverPower has a sophisticated finance team with a proven track record in ensuring the availability of internal and external capital to support its projects and therefore is confident of the same in the construction and completion of the Project on time. EverPower's percent of projects self-financed versus obtained from third parties is 46%. EverPower has not secured a project specific commitment from a financial institution for the Project. Upon completion of permitting, EverPower will complete project financing using a combination of private equity financing and institutional finance. EverPower uses private equity support from its strategic financing partners at Terra Firma and from an expanding group of new investors to provide us with access to competitive and innovative financing alternatives. Terra Firma is one of the world's major private equity investment companies. Since 1994, Terra Firma has invested over €16 billion in 33 businesses with an aggregate enterprise value of over €45 billion (\$58.5 billion US).

EverPower has three essential financial resources to secure project financing: (1) an experienced financial team; (2) a supportive group of banks; and (3) access to the private placement market. In tandem, these resources will result in a project finance package that is tailored to each development project and the associated power sales agreement. EverPower will execute a project specific financing strategy for the Mud Springs Wind Ranch based on the final permit conditions and the power sales agreement with Rocky Mountain Power. EverPower expects to execute a combination of approximately 46% private equity and 54% bank financing for the project based on our past experience with large utility-scale projects, the quality of our projects and the relationships in the banking and broader finance community. This will include using the strength of our balance sheet at the inception of the project and putting long-term financing in place for approximately the term of the power sales agreement with Rocky Mountain Power.

EverPower has a proven track record of securing capital through a variety of methods, including using our own balance sheet to finance the development of our project pipeline and the construction of smaller projects and obtaining project finance at competitive market rates for the majority of our wind energy projects. For projects with contracted revenues from long-term power sales agreements, similar to the Mud Spring Wind Ranch, EverPower has been able to arrange project financing that closely matches the entire term of the power sales agreement.

EverPower has built a solid reputation in the marketplace with:

- Agility: able to get financially-attractive deals done quickly,

- Relevant and current experience: active in the bank and private placement markets and are up-to-date on current financing alternatives.
- Strong relationships: expanded its relationships with banks such as the Royal Bank of Scotland and Union Bank as well as note holders in both the rated and unrated private placement markets.

Below are descriptions of how EverPower secures its capital.

Terra Firma Capital Partners (Terra Firma)

Terra Firma acquired EverPower in 2009. Terra Firma is a leading private equity firm specializing in buy-outs of businesses in essential industries. It has invested nearly \$18.06 billion of equity and completed transactions with an aggregate enterprise value of \$56.7 billion since 1994. Terra Firma invests across a wide range of industries, with current investments in the energy, infrastructure, aircraft leasing, housing, and leisure sectors. At Terra Firma, two-thirds of the investors in EverPower's private equity are Americans. Terra Firma began investing in renewable energy generation businesses in 2003 with a strategic focus on commercially-proven technologies that are deployable on an industrial scale and are located in markets with robust regulatory regimes. The current asset portfolio is comprised of onshore wind, landfill gas, solar PV, and hydropower across three portfolio companies of which EverPower is one. In aggregate, Terra Firma's portfolio companies manage over 1,100 MW of operating generation capacity worldwide with approximately 3 GW of projects in the development pipeline. Terra Firma's strong investment in EverPower gives the company access to internal and external capital to develop projects at competitive rates.

Commercial Banks

EverPower has very solid relationships with a number of commercial banks, including KeyBank National Association, which was an early partner and was instrumental in bringing EverPower's first project through to commercial operations during the turbulent debt markets in 2008-2009. KeyBank continues to play a very active role in our financing transactions along with other large financial institutions such as Royal Bank of Scotland, Union Bank, Credit Agricole, Rabobank, Santander, and Banco Espirito Santo that have provided both credit as well as debt advisory services. These services include the marketing of EverPower projects as well as assisting us in getting an investment grade rating for project finance deals, where applicable.

Note Holders

EverPower has financed two projects (a total of 213 MWs) with long-tenured, fixed-rate, private placement notes. The most recent – Mustang Hills – received an investment-grade rating and one of the lowest interest rates ever for a stand-alone wind project. Given the long-term nature of the wind farm investment period and contracted revenues through a long term power sales agreement, this type of financing can be very attractive from a cost of financing and cash flow management perspective. The market is essentially accessible at all times. Investors, many of which are insurance companies, understand the industry and contract structure and have an appetite for long-dated, fixed-rate obligations.

The following are descriptions of the completed and operating wind farms development by Everpower in the last four years.

The Highland Wind Farm is located in Cambria County, Pennsylvania, primarily on reclaimed strip mine and adjacent to a rural farming area. Development of the Highland Wind Farm began in 2005 and the Project commenced operation on August 12, 2009. The Project utilizes 25 Nordex N-90 wind turbine generators, each with a nameplate rating of 2.5 megawatts. In total, the Highland Wind Farm has the capacity to generate 62.5 megawatts of electric power – producing enough electricity to power 20,000 homes each year. The electricity from Highland is connected to the Penelec Grid and sold to First Energy Services under a long-term power purchase agreement

The Highland North Wind Farm is located in the townships of Adams and Summerhill, Cambria County, Pennsylvania. The project is an expansion of the Highlands Wind Farm and is situated on mixed use land owned by both public and private landowners including timber, agricultural and mining lands. Construction began in spring of 2011 and project became operational in early 2012. The project utilizes 32 Nordex N100 turbine generators, each with a nameplate rating of 2.5 megawatts. The Highland North Wind Farm has the capacity to generate 75 megawatts of electric power – producing enough electricity to power about 20,000 households each year. The combined Highlands projects represent a capital investment of over \$240,000,000.

The Howard Wind Project is located in Steuben County, New York, primarily on farmland. Development of the project began in 2004 and operation commenced in 2011. It utilizes 27 REpower USA MM 92 turbines manufactured in Jonesboro, Arkansas. Each turbine has a nameplate rating of 2.05 megawatts. In total, the Howard Wind Project generates 55.35 megawatts of electricity at full load – enough to power the equivalent of 35,000 households. The project represents a capital investment of over \$96,300,000.

Mustang Hills Wind Farm is located near Tehachapi, California and is part of the Alta Wind Energy Center (AWEC). The project utilizes 50 V90-3.0 MW Vestas -American turbines. Mustang Hills has the capacity to generate 150 megawatts of electric power – producing enough electricity to power approximately 45,000 homes each year. The electricity produced is sold to Southern California Edison (SCE) and interconnects to SCE's Tehachapi Renewable Transmission Project. The project represents a capital investment of over \$225,000,000.

The Patton Wind Farm is located in Cambria County, Pennsylvania, on active farm land. The project was constructed in 2012 and became fully operational in December, 2012. The project utilizes 15 Gamesa G-97 turbine generators, each with a nameplate rating of 2.0 megawatts with an installed capacity of 30 MW - producing enough electricity to power approximately 9,000 homes. The project represents a capital investment of over \$45,000,000.

Twin Ridges Wind Farm is located in southwestern Pennsylvania in Somerset County on Big and Little Savage Mountain and is the second largest wind farm in Pennsylvania with a nameplate capacity of 139.4 MW. The project consists of 68 - 2.05 megawatt REpower wind turbines. Twin Ridges Wind Farm's construction was completed at the end of 2012 after 6 years of development. It is now operational, producing enough clean renewable electricity to power over 45,000 homes. Twin Ridges Wind Farm was built on 290 acres of private farm and forest property and has a 10 mile 138 kV generator lead line that carries all of the projects electricity to its interconnection point in the City of Frostburg. The generator lead line travels the last 1.7 miles underground, buried under the streets of the City of Frostburg. The power feeds into the First Energy Potomac Edison substation which feeds power to western Maryland, south western PA, Maryland and the entire PJM system. The project represents a capital investment of over \$240,000,000.

Big Sky Wind Farm is located in Lee County, Illinois and is approximately 95 miles west of Chicago. The 240 MW project consist of 114 – 2.1 megawatt Suzlon wind turbines. The project is spread out over 13,000 acres of farmland and includes an 18 mile 138 kV transmission line. Power is sold into the PJM transmission grid. The wind farm was constructed in 2011 and acquired by EverPower in April 2014.

3.2 Ability to Post Performance Bonds or Other Financial Assurances

EverPower has a proven record of its ability to post performance bonds and to provide other financial assurances such as letters of credit. EverPower uses International Fidelity Insurance Company for surety for bonds at projects. EverPower currently has bonds with the following cities and counties where it has developed and operates projects:

- Town of Howard, New York
- Steuben County, New York
- Allegany County, New York
- City of Frostburg, Maryland
- Somerset County, Pennsylvania
- Pennsylvania Department of Transportation

3.3 Liability Insurance Coverage

Everpower enjoys a master property insurance program which covers all projects and related facilities including, where required, transmission lines and substations, in which Everpower and its' subsidiaries have an insurable interest. The program covers both projects under construction as well as operational projects on a replacement cost basis. Project coverage is on an All Risk of Loss including the perils of machinery breakdown, flood, wind and earthquake. The policy also provides Delay in Startup and Business Interruption. Everpower also has a master casualty program providing General Liability (including Excess Umbrella Liability) , Pollution Liability, Automobile Liability and Workers Compensation, including Employers Liability. These coverage's are fully compliant with the insurance requirements contained in Everpower's various lending agreements, land owner agreements and easements. Individual policies are tailored to the requirements of each project and associated contracts. Appropriate policies for improvement of and use of County Roads will be prepared in association with Carbon County road permits which show Carbon County as an additional issued.