

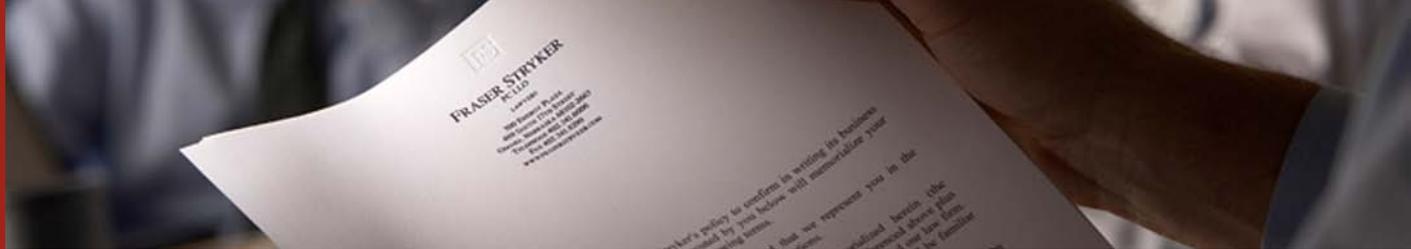


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Due Diligence in Wind Project Finance

Nebraska Wind Power 2010 Conference

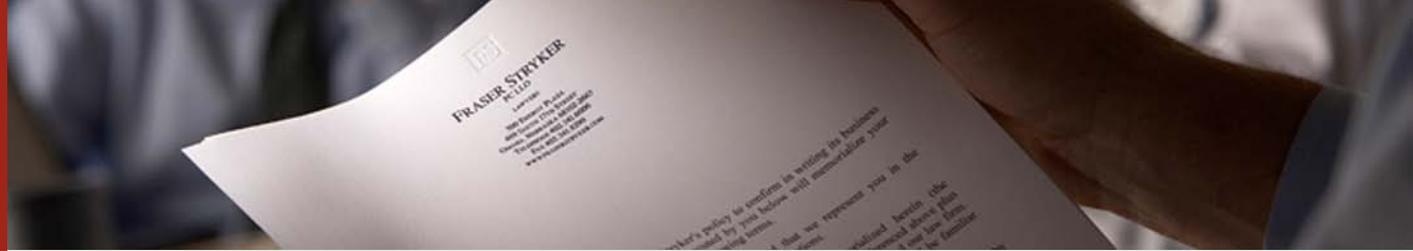
November 9-10, 2010

Younes Conference Centre, Kearney, Nebraska

P. Brian Bartels, Esq.

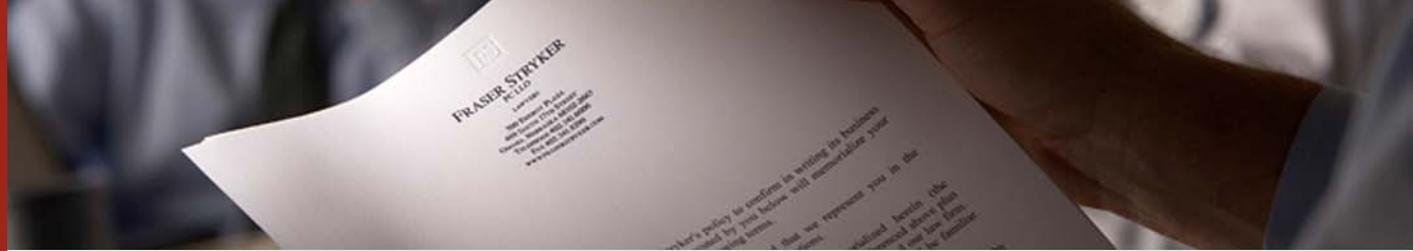
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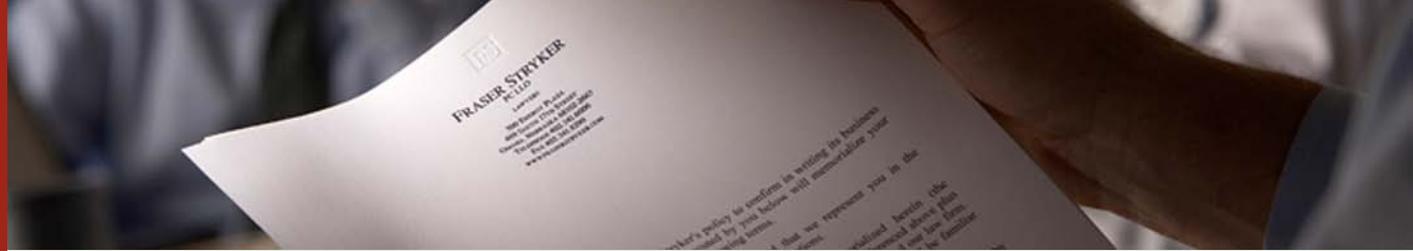
Overview

- What is due diligence?
- Who requests it and why?
- Common due diligence steps
- What is reviewed?
- What happens after due diligence is completed?



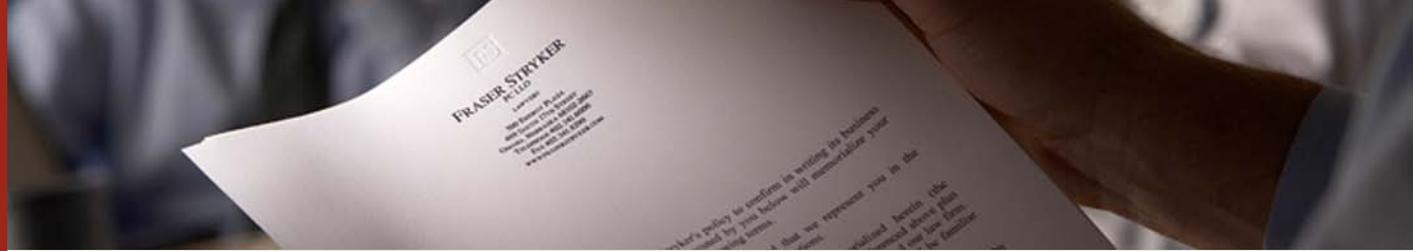
What is due diligence and why is it performed?

- Investigation
- Review
- Verification
- Determine risk
- Limit risk
- Valuation purposes



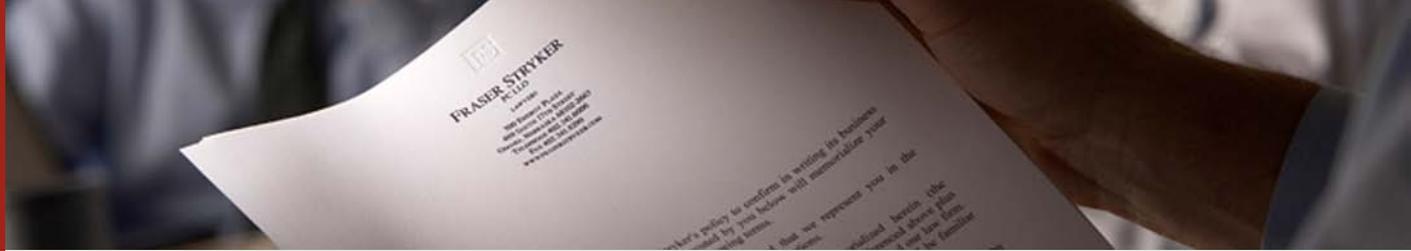
Who May Request Due Diligence?

- Lenders
 - Is project a “good” risk?
 - Can and will project be completed and brought online?
- Investors
- Regulatory bodies/agencies
- Power purchasers



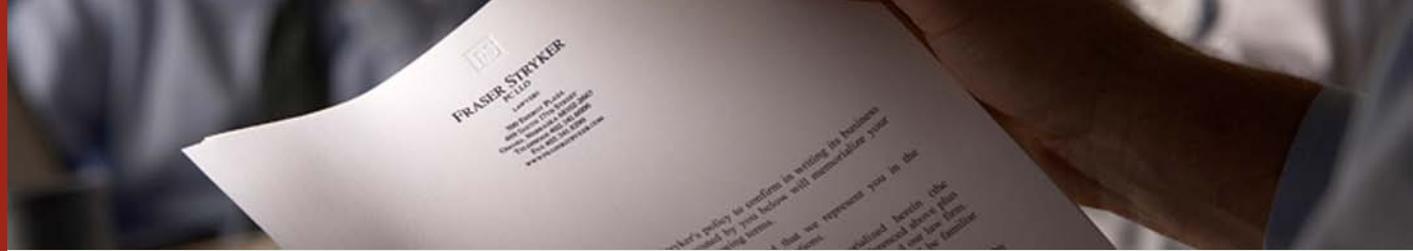
Common Steps in Due Diligence

- What needs to be reviewed?
- Identify material and relevant documents/records
- Locate documents/records
- Categorize and catalogue
- Review
- Report



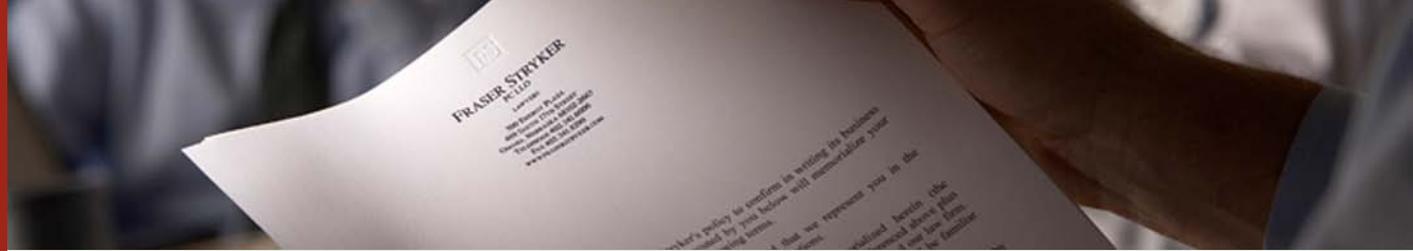
Common Areas of Review

- Real estate
- Environmental
- Aeronautics
- Communications
- C-BED qualification
- Power purchase agreement (PPA)



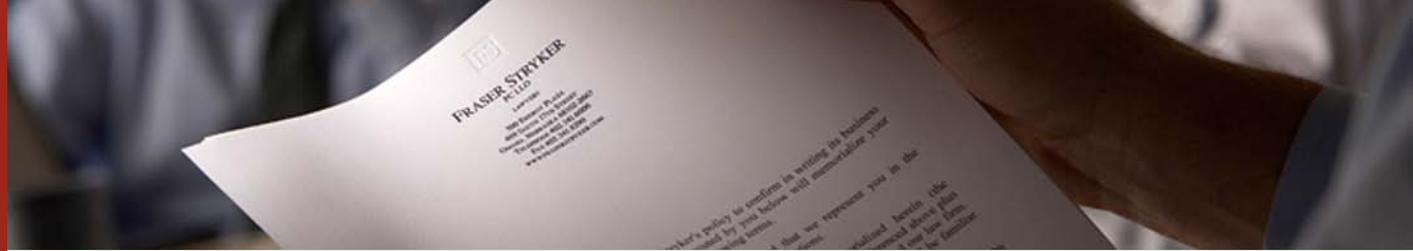
Categories of Common Documents Reviewed

- Business entity documents
- Leases
- Environmental permits
 - U.S. Fish & Wildlife
 - U.S. Army Corps of Engineers
 - Nebraska Game & Parks Commission
- Communications Permits
 - Federal Communications Commission
- Zoning & Building Permits
 - Nebraska State Historical Society
 - Nebraska Department of Roads
 - Local Zoning Permits
 - Local Building Permits
- Aviation Permits
 - Federal Aviation Administration
 - Nebraska Department of Aeronautics
- Federal Energy Regulatory Commission



Post-Review Steps

- Create due diligence report
- Identify missing material
- Identify problems and issues
- Request, locate, and review missing material
- Resolve outstanding issues
- Issue final due diligence report
- Provide legal opinion



Important Disclosures

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