
MEMORANDUM

TO: ONEIDA BUSINESS COMMITTEE
FROM: SOVEREIGN FINANCE
SUBJECT: ONEIDA ENERGY FINANCING SUMMARY
DATE: 1/17/2012
CC:

The purpose of this memorandum is to provide the Business Committee of the Oneida Tribe of Wisconsin with a summary overview of the financial implications of the capital structure proposed by Sentry Financial in their Term Sheet dated January 2, 2012. Bear in mind that these are financial projections and rely upon the assumptions provided by management and Alliance Construction, therefore actual results could vary materially from what has been presented here. In general, it is the opinion of Sovereign Finance that the terms presented by Sentry Financial represent a fair and balanced business agreement between the parties and adequately protect the financial interests of OSGC. Sentry Financial is agreeing to provide \$26.8 million of "at-risk" capital to develop this (somewhat) untested technology and therefore the expectation of return is higher than for developments with a lower risk profile.

The table on the following page shows anticipated financial returns to OSGC and Sentry based on the capital structure outlined in the Sentry Term Sheet.

Financial Returns Table

Cash Returns to Owner's/Investors	Fiscal Year											
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	
Lender Returns												
Interest Income		1487,143	1202,907	1,169,070	1,112,680	1,063,567	1,106,738	1,042,781	977,636	977,636	977,636	
Principal Payments		-	569,229	607,352	648,027	691,427	750,230	808,472	871,236	871,236	938,873	
Tax Equity Investor Returns												
Return on Tax Equity Investment		250,000	83,556	-	-	-	-	-	-	-	-	
Return of Capital		1664,442	835,558	-	-	-	-	-	-	-	-	
Cash Dividends/Tax Liability		-	1,590,219	412,765	348,807	359,993	148,219	174,114	203,873	203,873	190,454	
Sentry Loan and Equity Administration Fee												
Total Investor Cashflow		1914,442	2,509,333	2,105,523	2,033,979	2,073,768	2,482,011	304,017	306,072	306,072	306,995	
		(2,500,000)										
		56.1%										
OSGC Return												
Management Fee		1605,467	861,279	867,228	987,557	993,790	1,006,703	1,013,392	1,020,240	1,023,316	1,023,316	
Dividend Income/Tax Liability		-	83,696	1238,294	1,046,422	1,079,978	444,656	522,343	611,619	611,619	571,361	
Total OSGC Fee (Net of Taxes)		1605,467	944,975	2,105,523	2,033,979	2,073,768	1,451,359	1,535,734	1,631,859	1,631,859	1,594,676	
OSGC Return on Equity		78%										
		(2,000,000)	944,975	2,105,523	2,033,979	2,073,768	1,451,359	1,535,734	1,631,859	1,631,859	1,594,676	

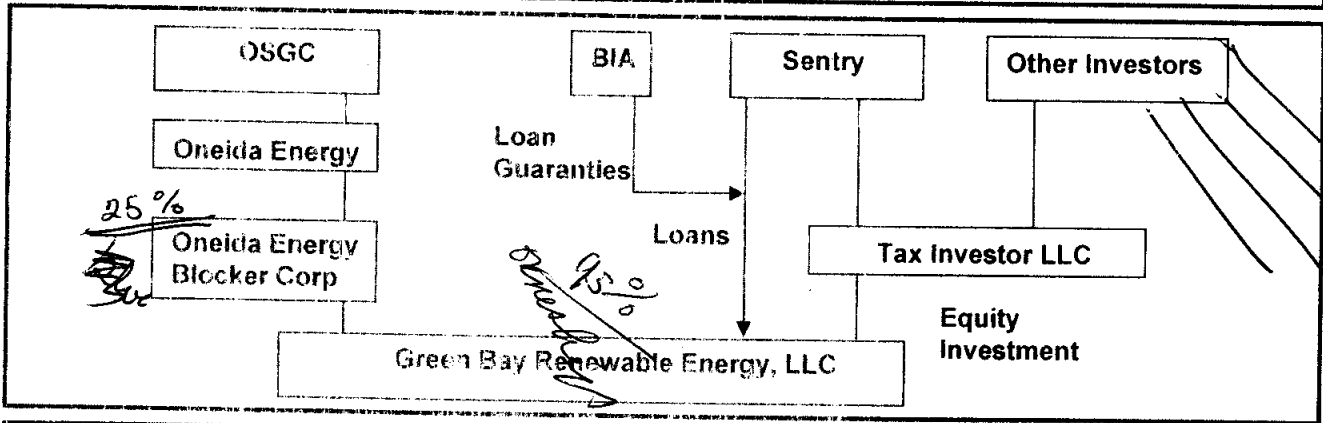
Assumptions:

- 5 MW electricity production
- 170 tons per day MSW at \$28 per ton tipping fee
- 40 tons per day plastic waste at \$16 per ton tipping fee
- 8,000 gallons per day crude production with a sale price of \$1.35 for three years, then \$1.75 for the balance of the model
- 1% annual growth rate in revenues associated with recyclables, REC's and metal ash

Organization Steps

1. Oneida Energy forms subsidiary (Oneida Energy Blocker Corp.) and makes Section 168(h)(6)(f) election
2. Blocker Corp forms Green Bay Renewable Energy LLC as owner and operator of facility (Green Bay)
3. Wisconsin funds \$2m loan to Green Bay
4. Sentry issues commitment for \$24m construction loan to Green Bay
5. Sentry and other investors form holding entity (Tax Investor LLC)
6. Tax Investor LLC commits to purchase \$2.5m of equity in Green Bay
7. BIA Issues guaranty for Sentry Loan
8. Sentry (with/without participants) funds Construction Loan
9. Construction is completed and 1603 grant application is submitted
10. 1603 Grant is received by Green Bay in the approximate amount of \$5.3m
11. Grant Proceeds are applied as principal payment for Construction Loan
12. Tax Investor LLC purchases interest in Green Bay for \$2.5m
13. Green Bay uses cash from Tax Investor LLC purchase to pay principal on Construction Loan
14. BIA Guaranty is moved to Permanent Loan
15. Permanent Loan (with BIA guaranty) replaces Construction Loan in the amount of \$18.2m
16. Commencement of Operations

Note: Steps 9 through 16 may occur in a different order, but all will take place between the time of completion of construction and Permanent Loan conversion.



Ownership

Period	Blocker Corp		Tax Equity LLC	
	% Profits/Loss/Credits	% of Cash	% Profits/Loss/Credits	% of Cash
Years 1-4 (Approx)	5%	5% (1)	95%	95% (1)
Post Flip Year 4 and Beyond	75%	75%	25%	25%

(1) Cash Distributions will be agreed upon by the board of managers of Green Bay. Any Distributions of cash to Blocker Corp. before the flip event will delay the flip event.

Cash Waterfall (Years 1-4 (Approx))

1. Operating expenses of the Project
2. Working capital requirements of the Project
3. Interest payments to Sentry for term loan
4. Scheduled principal payments for term loan
5. Distribution of remaining cash to Tax Equity LLC up to targeted ROI and return of capital

Cash Waterfall after Tax Equity LLC has received return of capital (Post Flip)

1. Operating expenses of the Project
2. Working capital requirements of the Project
3. Interest payments to Sentry for term loan
4. Scheduled principal payments for term loan
5. Distribution of 75% of remaining cash to Blocker Corp
6. Distribution of 25% of remaining cash to Tax Equity LLC

Handwritten signatures and initials are present throughout the bottom section of the document, including 'Fisher' and 'Sentry'.