A copy of this preliminary prospectus has been filed with the securities regulatory authorities in each of the provinces and territories of Canada but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the prospectus is obtained from the securities regulatory authorities.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.

*The securities offered hereby have not been, and will not be, registered under the United States Securities Act of 1933, as amended ("**U.S. Securities Act**"), or the securities laws of any state or other U.S. jurisdiction, and except pursuant to an exemption from registration under the U.S. Securities Act and the applicable securities law of any state or other U.S. jurisdiction, may not be offered or sold in the United States or to, or for the account or benefit, of a U.S. person (as defined in Regulation S under the U.S. Securities Act ("**Regulation S**")). This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities within the United States. See "Plan of Distribution".*

PRELIMINARY PROSPECTUS

Initial Public Offering July 4, 2013

THRESHOLD POWER TRUST

C$ ●

● Units

This prospectus qualifies the distribution of ● trust units ("**Units**") of Threshold Power Trust (the "**Trust**"), an unincorporated open-ended limited purpose trust established under the laws of the Province of Ontario, to be issued at a price of C$10.00 per Unit (the "**Offering**").

Units are being offered by CIBC World Markets Inc., Scotia Capital Inc. and National Bank Financial Inc. (together, the "**Lead Underwriters**") on their behalf and on behalf of Stifel Nicolaus Canada Inc., Canaccord Genuity Corp., Desjardins Securities Inc., GMP Securities L.P. and Raymond James Ltd. (collectively, with the Lead Underwriters, the "**Underwriters**") pursuant to an agreement dated ● , 2013 among the Trust, Threshold Power Administrator Inc. (the "**Administrator**"), Threshold Power Commercial Trust (the "**Commercial Trust**"), Threshold Power Holdings Inc. ("**Can Holdco**"), Threshold Power Corporation ("**Threshold Power**"), Threshold Wind I, LLC ("**Wind I**") and the Underwriters (the "**Underwriting Agreement**").

The Trust is an unincorporated open-ended limited purpose trust established under the laws of the Province of Ontario on June 11, 2013 pursuant to a trust indenture dated June 11, 2013 (the "**Trust Indenture**"). The Trust was established to seek stable and consistent returns for holders of Units ("**Unitholders**") through investments by Threshold Power, which will become an indirect wholly-owned subsidiary of the Trust immediately following the closing of the Offering (the "**Closing**"), in operating renewable energy projects in the United States ("**U.S.**"). The Trust will use the net proceeds of the Offering to fund the aggregate purchase price of approximately U.S.$120.0 million to acquire indirect interests in eight limited liability companies (the "**Project LLCs**") which own nine electricity-generating wind power projects (the "**Projects**") in the U.S. (collectively, the "**Acquisitions**") pursuant to certain agreements between Threshold Power and each of JPM Capital Corporation ("**JPM**"), an affiliate of J.P. Morgan & Co., KEF Equity Investment Corp. and EDP Renewables North America LLC (collectively, the "**Vendors**"). As of March 31, 2013, the Projects have gross installed power generating capacity of 804.7 megawatts and have been operating for an average of approximately 7.7 years. The Project LLCs have entered into certain power purchase agreements for the off-take of exportable energy from the Projects, which have a capacity weighted average remaining life of approximately 11.1 years as of March 31, 2013.

Price: C$10.00 per Unit

	Price to Public[1]	Underwriters' Fee[2]	Net Proceeds to the Trust[3]
Per Unit	C$10.00	C$●	C$●
Total Offering[4]	C$●	C$●	C$●

Notes:

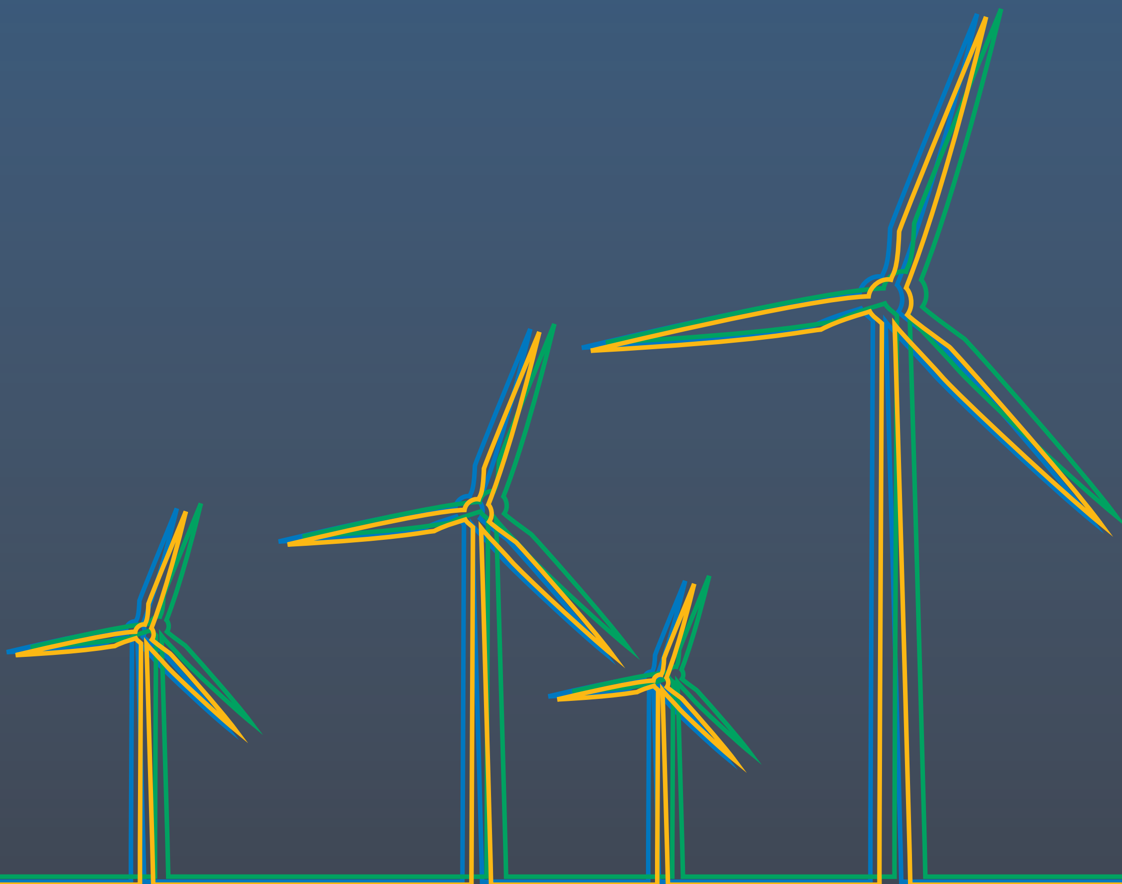
(1) The offering price of the Units to be issued pursuant to the Offering has been determined by negotiation between the Administrator (on behalf of the Trust) and the Underwriters. No third-party valuation of the Units was obtained in determining the offering price.

(2) The Trust has agreed to pay a fee to the Underwriters in the amount of C$0.60 per Unit issued pursuant to the Offering (the "**Underwriters' Fee**").

(continued on next page)

A RENEWABLE ENERGY TRUST

Acquiring Preferred Returns in Proven U.S. Wind Power Projects



Institutional investors have contributed more than US$23 billion of tax-incentivized capital to the growth of U.S. renewable energy assets. Threshold Power is at the forefront of the opportunity to acquire the cash flow interests in proven U.S. wind assets for their preferred returns.

Structural change in the ownership of U.S. wind assets unlocks preferred return opportunities for yield investors

Interests in High Quality Initial Portfolio

805 MW
Installed Capacity

625
Wind Turbines

9
Projects

7
U.S. States

Stable Cash Generation

7.7 years
Average Operating History

93%
Capacity Under Long-Term PPAs

Zero
Development Risk

Sustainable Distributions & Attractive Returns to Unitholders

C$16.2M
Cash Available for Distribution

75%
Payout Ratio Target

Significant Growth Opportunities

24-Month
ROFO with JP Morgan, an Investor in 10,000 MW of Wind Power

100%
ROFOs on Remaining Tax Equity Interests in Initial Portfolio

60 GW
Installed Wind Power Capacity in the Fragmented U.S. Market

US$23B+
Invested Capital in U.S. Renewable Energy Projects by Tax Equity Investors

Diversified Portfolio

BEAR CREEK
Luzerne, PA
24 MW

BLUE CANYON
Comanche, OK
74.3 MW

CAPROCK
Quay Co., NM
80 MW

CEDAR CREEK
Weld Co., CO
300.5 MW

CRESCENT RIDGE
Bureau Co., IL
54.5 MW

JERSEY-ATLANTIC
Atlantic City, NJ
7.5 MW

SWEETWATER 1
Nolan Co., TX
37.5 MW

SWEETWATER 2
Nolan Co., TX
91.5 MW

SWEETWATER 3
Nolan Co., TX
135 MW

(continued from cover)

(3) After deducting the Underwriters' Fee but before deducting expenses of the Offering, estimated at approximately C$7.3 million (excluding fees incurred in connection with establishing the Credit Facilities, which will not be paid from the proceeds of the Offering), which together with the Underwriters' Fee, will be paid by the Trust from the proceeds of the Offering.

(4) The Underwriters have been granted an over-allotment option (the "**Over-Allotment Option**") by the Trust, exercisable in whole or in part, from time to time, for a period of 30 days from Closing to purchase up to ● additional Units on the same terms as the Units sold under the Offering, to cover over-allotments, if any, and for market stabilization purposes. If the Over-Allotment Option is exercised in full, the total price to public, Underwriters' Fee and net proceeds to the Trust in respect of the Offering will be C$ ● , C$ ● and C$ ● , respectively. This prospectus qualifies the grant of the Over-Allotment Option and the distribution of the additional Units issuable upon the exercise of the Over-Allotment Option. A purchaser who acquires Units forming part of the Underwriters' over-allocation position acquires such Units under this prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. See "Plan of Distribution". The net proceeds to be received by the Trust pursuant to the exercise of the Over-Allotment Option are expected to be provided to Threshold Power in substantially the same manner as the net proceeds of the Offering, and used by Threshold Power to pursue and fund future acquisitions and for general corporate purposes. See "Use of Proceeds".

Upon the closing of the Acquisitions, Wind I, a wholly-owned subsidiary of Threshold Power, will be entitled to indirectly receive certain cash distributions and Tax Attributes (as defined herein) from the Project LLCs through its interests in Threshold Holdings I Limited Liability Partnership ("**THLLP1**"), Threshold Holdings II Limited Liability Partnership ("**THLLP2**") and Threshold Holdings III, LLC ("**TH3**", and collectively, the "**Portfolio Entities**"). Pursuant to the Acquisitions, the Portfolio Entities' investments will principally be in tax equity interests ("**Tax Equity Interests**") of the Project LLCs, which entitle their holders ("**Tax Equity Investors**") to a Preferred Return (as defined herein) generated primarily by an entitlement to 100% of the cash distributions from the Project LLCs following a contractually agreed upon date until certain targeted after-tax returns of the Tax Equity Investors are achieved. Management (as defined herein) believes that each of the Project LLCs will be providing all of its cash distributions to Tax Equity Investors during the third quarter of 2013. Based upon Management's assumptions regarding future cash distributions, as of March 31, 2013, the period during which Tax Equity Investors will receive 100% of the cash distributions from each Project LLC has a cash distribution weighted average remaining period of approximately 8.9 years. Following such period, Tax Equity Investors in the Project LLCs will be entitled to receive between 5% and 21.8% of the cash distributions from each Project LLC. The closing of the Acquisitions is conditional on the Closing and is expected to occur immediately after the Closing. See "The Acquisitions", "The Projects", "Notice to Investors — About this Prospectus" and "Use of Proceeds".

Simultaneously with the closing of the Acquisitions, Threshold Power will enter into a right of first offer agreement with JPM (the "**JPM ROFO Agreement**") pursuant to which Threshold Power will have a right of first offer on any proposed sales of JPM's Tax Equity Interests in 76 wind projects in the U.S. for a period of 24-months following the date of the final prospectus. Management believes that the opportunities to acquire assets pursuant to the JPM ROFO Agreement and certain other agreements that the Trust will, directly or indirectly, be a party to, upon closing of the Acquisitions, will provide the Trust with a stream of actionable growth opportunities. See "Our Business — Investment Highlights", "Our Business — Growth Opportunities", "The Acquisitions" and "Risk Factors".

The Trust intends to make quarterly distributions of a portion of its available cash to Unitholders. The Trust expects that the initial quarterly cash distribution rate will be C$ ● per Unit. The initial cash distribution, which will be for the period from and including the date of Closing ("**Closing Date**") to September 30, 2013, is expected to be paid on October 31, 2013 to Unitholders of record on September 30, 2013, and is estimated to be C$ ● per Unit (assuming the Closing occurs on ● , 2013). See "Distribution Policy", "Description of the Trust — Distributions" and "Risk Factors".

The Trust intends to qualify as a "mutual fund trust" under the *Income Tax Act* (Canada) (the "**Tax Act**"). The Trust will not be a "SIFT trust" (as defined in the Tax Act), provided that the Trust complies at all times with its investment restrictions, which preclude the Trust from holding any "non-portfolio property" (as defined in the Tax Act).

There is currently no market through which the Units may be sold. This may affect the pricing of the Units in the secondary market, the transparency and availability of trading prices, the liquidity of the Units and the extent of issuer regulation. A purchaser may not be able to resell securities purchased under this prospectus. An investment in the Units is speculative and is subject to a number of risks that should be considered by a prospective investor. See "Risk Factors".

In connection with the Offering, the Underwriters may over-allocate or effect transactions that stabilize the market price of the Units at levels other than those which otherwise might prevail on the open market. The Underwriters may offer the Units at a price lower than that stated above. Any such reduction in price will not affect the proceeds received by the Trust. See "Plan of Distribution".

(continued from cover)

The following table sets out the number of Units that may be issuable under the Offering pursuant to the Over-Allotment Option.

Underwriters' Position	Maximum Number of Units Available	Exercise Period	Exercise Price
Over-Allotment Option	Option to acquire up to ● additional Units	Within 30 days following the Closing	C$10.00 per Unit

The Underwriters, as principals, conditionally offer the Units qualified under this prospectus, subject to prior sale, if, as and when issued, sold and delivered by the Trust to, and accepted by, the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under "Plan of Distribution" and subject to the approval of certain legal matters on behalf of the Trust by Bennett Jones LLP and Baker & McKenzie LLP and on behalf of the Underwriters by Borden Ladner Gervais LLP and Kaye Scholer LLP.

Subscriptions for Units comprising the Offering will be received subject to rejection or allotment, in whole or in part, and the Trust reserves the right to close the subscription books at any time without notice. A book-entry only certificate representing the Units will be issued in registered form to CDS Clearing and Depository Services Inc. or its nominee ("**CDS**"), and will be deposited with CDS on the Closing Date. The Closing is expected to occur on or about ●, 2013 or such other date as the parties to the Underwriting Agreement may agree, but in any event not later than ●, 2013. A purchaser of Units comprising the Offering will receive only a customer confirmation from the registered dealer which is a CDS participant and from or through which the Units are purchased. The Units comprising the Offering are to be taken up by the Underwriters, if at all, on or before a date not later than 42 days after the date of the final receipt for the prospectus.

A return on an investment in the Units is not comparable to the return on an investment in a fixed-income security. The recovery by Unitholders of their initial investment is at risk, and the anticipated return on that investment is based on many performance assumptions. Although the Trust intends to make quarterly distributions to Unitholders of a portion of its available cash, the Trust is not obligated to make any cash distributions to Unitholders and the intended cash distributions may be reduced or suspended. The actual amount of cash distributed to Unitholders will depend on numerous factors including: (i) the cash distributions received by Wind I from the Portfolio Entities; (ii) the cash distributions received by the Portfolio Entities from the Project LLCs; (iii) the operational and financial performance of the Project LLCs and the Projects (including fluctuations in electricity production, costs of production and the price received for electricity produced); (iv) fluctuations in the costs to administer and manage the Trust; (v) the amount of cash required or retained for debt service of Threshold Power, Wind I and the Project LLCs; (vi) the amount of cash required or retained to fund capital expenditures and working capital requirements of Threshold Power, Wind I and the Project LLCs; (vii) taxes paid by Threshold Power and Wind I; (viii) foreign currency exchange rates; and (ix) interest rates. In addition, the market value of the Units may decline if the Trust is unable to meet its cash distribution targets in the future, which decline may be significant. See "Risk Factors".

It is important for purchasers of Units to consider the particular risk factors that may affect the industry in which they are investing, and therefore the stability of the distributions that Unitholders receive. See, for example, "Risk Factors — Risks Relating to the Business and Operations of the Trust, the Project LLCs and the Projects". This section also describes the Trust's assessment of those risk factors, as well as the potential consequences to a Unitholder should such an event occur.

The return from an investment in Units may consist of both distributions of income (including taxable dividends) and a return of capital. The composition may change over time, thus affecting the after-tax return to Unitholders. Distributions of income are generally taxed as ordinary income (subject to the taxation regime governing distributions designated as taxable dividends) in the hands of a Unitholder who is resident in Canada for purposes of the Tax Act. Returns of capital are generally tax-deferred for a Unitholder who is resident in Canada for the purposes of the Tax Act, and reduce the Unitholder's adjusted cost base in the Unit for purposes of the Tax Act. The Canadian income tax considerations discussed in this prospectus only apply to Unitholders who are resident in Canada for tax purposes. See "Principal Canadian Federal Income Tax Considerations".

Each of Threshold Power and Wind I is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction and resides outside of Canada. Although each of Threshold Power and Wind I has appointed Bennett Jones LLP, 3400 One First Canadian Place, Toronto, Ontario, M5X 1A4, as its agent for service of process in Ontario, it may not be possible for investors to enforce judgements obtained in Canada against Threshold Power or Wind I.

No Vendor or any of such Vendor's affiliates is an issuer in this Offering. No representation or warranty, express or implied, is made by any Vendor or any of its affiliates as to the accuracy or completeness of the information set forth in this prospectus, and nothing contained in this prospectus is, or shall be relied upon as, a promise or representation by any Vendor or any of its affiliates, whether as to the past or future. No Vendor or any of its affiliates assumes any responsibility for the accuracy or completeness of the information set forth in this prospectus.

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NOTICE TO INVESTORS

About this Prospectus

Certain capitalized terms and abbreviations used in this prospectus are defined in the "Glossary".

In this prospectus, unless the context otherwise indicates or requires, the terms the "Trust", "we", "us" and "our" refer to the Trust, the Commercial Trust, Can Holdco, Threshold Power and Wind I. References to "Management" in this prospectus mean the executive officers of the Administrator, Can Holdco, Threshold Power and Wind I, as applicable. Any statements in this prospectus made by or on behalf of Management are made in such persons' capacities as officers of the Administrator, Can Holdco, Threshold Power or Wind I, as applicable, and not in their personal capacities.

Prospective investors should rely only on the information contained in this prospectus and should not rely on some parts of the prospectus to the exclusion of others. We have not, and the Underwriters have not, authorized any other person to provide prospective investors with additional or different information. If anyone provides prospective investors with additional, different or inconsistent information, including information or statements in media articles about us, prospective investors should not rely on it. We are not, and the Underwriters are not, making an offer to sell or seeking offers to buy Units in any jurisdiction where an offer or sale is not permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or any sale of the Units. The Trust's business, financial condition, results of operations and prospects may have changed since the date of this prospectus.

For investors outside of Canada, neither the Trust nor any of the Underwriters have done anything that would permit the Offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in Canada. Investors are required to inform themselves about, and to observe any restrictions relating to, the Offering and the distribution of this prospectus. Specifically, at no time: (i) during any period in respect of which the trustee of the Trust, based on the advice of counsel, determines that the Trust may not satisfy the terms of paragraph 132(7)(a) of the Tax Act, may investors who are not residents of Canada be the beneficial holders of more than 49% of the outstanding Units on either: (A) a non-diluted basis or a fully diluted basis; or (B) on a fair market value ("**FMV**") basis; or (ii) following the Offering may investors who are U.S. residents directly or indirectly own of record more than 50% of the outstanding voting securities of the Trust unless such securities have been registered under applicable U.S. securities laws. The Administrator is able to monitor compliance with respect to these residency restrictions by: (i) requesting declarations from Unitholders as to whether such Units are held by or for the benefit of non-residents and/or U.S. residents; (ii) performing residency searches of Unitholders; and (iii) placing limits on the ownership of Units by non-residents and/or U.S. residents as the Administrator deems necessary.

Unless otherwise indicated, the disclosure contained in this prospectus assumes that: (i) the steps described under "Transactions in Connection with the Offering" have been completed and that, as a result, the Trust, indirectly, through Wind I, holds certain interests in the Portfolio Entities (the "**Wind Farm Interests**"); and (ii) the Over-Allotment Option has not been exercised.

Other than with respect to the *pro forma* financial statements of the Trust, the financial statements of the Commercial Trust and the Project LLCs included herein and the management's discussion and analysis ("**MD&A**") related thereto, or as otherwise indicated, all dollar amounts are expressed in Canadian dollars. References to "C$" are to the lawful currency of Canada and references to "U.S.$" or "U.S. dollars" are to the lawful currency of the U.S.

The unaudited *pro forma* consolidated financial statements of the Trust included in the prospectus are based on Management's assumptions and adjustments which are inherently subjective. The unaudited *pro forma* consolidated financial statements are not a forecast or projection of future results. The actual financial position and results of operations of the Trust for any period following the closing of the transactions contemplated by this prospectus will likely vary from the amounts set forth in the unaudited *pro forma* consolidated financial statements and such variation may be material. Unless otherwise indicated in this prospectus, all information and calculations provided on a *pro forma* basis assume that the Closing and the steps described under "Transactions in Connection with the Offering" occurred prior to January 1, 2012. See "Selected *Pro Forma* Financial Information of the Trust" and "Risk Factors".

Unless otherwise indicated in this prospectus, all information and calculations provided on an "Adjusted LTM Q1 2013" basis assume that the Closing, the closing of the Acquisitions, the steps described under "Transactions in Connection with the Offering", the CCWE Holdings LLC ("**Cedar Creek LLC**") Cash Flip Point (as defined herein) and the expiration of the power purchase agreement ("**PPA**") regarding the sale of power generated by the Crescent Ridge Project each occurred prior to January 1, 2012. See "The Projects — Crescent Ridge Project", "The Projects — Cedar Creek Project" and "Risk Factors".

References to "Preferred Return" in this prospectus are to the return on capital invested in the Project LLCs to be received by Tax Equity Investors from the Project LLCs. Although the holders ("**Project Principals**") of project principal interests (the "**Project Principal Interests**") in the Project LLCs are entitled to receive cash distributions equal to all or a portion of their initial investment in the Project LLCs, the returns received by Tax Equity Investors are "preferred" since the Project Principals are not entitled to receive any return on capital invested in the Project LLCs until the Tax Equity Investors have achieved certain targeted after-tax IRRs which are based on the investments made by the initial Tax Equity Investors in each of the Project LLCs. Following the Cash Flip Point (as defined herein), the Tax Equity Investors in each Project LLC are entitled to receive 100% of the cash distributions and Tax Attributes until the Tax Equity Investors achieve their after-tax IRR target which is established pursuant to the limited liability company agreements governing the Project LLCs (the "**Project LLC Agreements**"). See "Industry Overview — Tax Equity Finance Structures" and "The Projects — Governance Arrangements under the Project LLC Agreements".

Calculations provided in this prospectus on the basis of a "cash distribution weighted average" are determined by dividing (i) the total amount of Stage 2 cash distributions from the Project LLCs, by (ii) Management's estimate of the aggregate Stage 2 period for all of the Project LLCs. Management determined the amount used in (i) by multiplying Management's estimates of annual cash distributions from each Project LLC to Wind I during the expected remaining life of Stage 2 for the applicable Project LLC. Management's estimates are based on the following assumptions: (i) future production of a Project will be reflective of the Project's historical production and long-term expected production; and (ii) the future price at which the Project LLCs will sell the energy generated by the Projects (following the expiration of the applicable PPAs entered into by each of the Project LLCs) will be consistent with industry reports relied upon by Management. Management's estimates of future cash distributions are based on the foregoing assumptions which may prove to be inaccurate. A calculation provided using the cash distribution weighted average is not equal to or reflective of a non-weighted or "simple" average.

Calculations provided in this prospectus regarding the remaining life of the Project LLCs' PPAs on the basis of a "capacity weighted average" are determined by (i) multiplying the capacity of each Project (in megawatts ("**MW**")) as at March 31, 2013 by the remaining life of the PPA entered into with respect to off-take of energy from the applicable Project as at March 31, 2013, and (ii) dividing the total amount for all of the Projects arrived at in (i) by the aggregate capacity of all of the Projects as at March 31, 2013. A calculation provided using capacity weighted average is not equal to or reflective of a non-weighted or "simple" average.

Eligibility for Investment

In the opinion of Bennett Jones LLP, counsel to the Trust, and Borden Ladner Gervais LLP, counsel to the Underwriters, based on the current provisions of the Tax Act and the regulations thereunder, provided that the Trust qualifies at all times as a "mutual fund trust" (as defined in the Tax Act) or the Units are then listed on a designated stock exchange (which currently includes the Toronto Stock Exchange ("**TSX**")), the Units will be a qualified investment under the Tax Act for trusts governed by a registered retirement savings plan ("**RRSP**"), registered retirement income fund ("**RRIF**"), registered education savings plan, deferred profit sharing plan, registered disability savings plan or tax-free savings account ("**TFSA**", and collectively, "**Registered Plans**"), all as defined in the Tax Act.

Notwithstanding that the Units may be qualified investments for a trust governed by a RRSP, RRIF or TFSA, the annuitant under a RRSP or RRIF or holder of a TFSA, as the case may be, that holds Units will be subject to a penalty tax if the Units are a "prohibited investment" (as defined in the Tax Act) for the trust. The Units will not be "prohibited investments" for a trust governed by a RRSP, RRIF or TFSA provided the annuitant of the RRSP or RRIF or holder of the TFSA, as the case may be, (i) deals at arm's length with the

Trust for purposes of the Tax Act, (ii) does not have a "significant interest" (within the meaning of the Tax Act) in the Trust, and (iii) does not have a "significant interest" (within the meaning of the Tax Act) in any corporation, partnership or trust with which the Trust does not deal at arm's length for purposes of the Tax Act. Proposed amendments to the Tax Act released on December 21, 2012 (the "**December 2012 Proposals**") propose to delete the condition in (iii) above. In addition, pursuant to the December 2012 Proposals, the Units will generally not be a prohibited investment if they are "excluded property" (as defined in the December 2012 Proposals) for the RRSP, RRIF or TFSA. Annuitants under a RRSP or RRIF and holders of a TFSA should consult their own tax advisors as to whether the Units will be a "prohibited investment" in their particular circumstances.

Forward-Looking Information

This prospectus contains certain statements which contain "forward-looking information" within the meaning of Canadian securities legislation (each a "**forward-looking statement**"). Forward-looking statements relate to future events or our future performance, including Management's expectation of future growth, results of operations and our performance and business and the performance and business of the Project LLCs and the Projects. All statements other than statements of historical fact are forward-looking statements. The use of any of the words "anticipate", "plan", "contemplate", "continue", "estimate", "expect", "intend", "propose", "might", "may", "will", "shall", "project", "should", "could", "would", "believe", "predict", "forecast", "pursue", "potential" and "capable" and similar expressions are intended to identify forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. No assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this prospectus should not be unduly relied upon. The forward-looking statements within this document are based on information currently available and what Management believes are reasonable assumptions, including material assumptions regarding the expected performance of each of the Projects and the Project LLCs, Management's perception of historical trends, the reliability of the Projects, and the equipment and provisions of major contracts impacting each Project and each Project LLC's revenue, expenses and distributions. Forward-looking statements speak only as of the date of this prospectus. In addition, this prospectus may contain forward-looking statements attributed to third party industry sources, the accuracy of which has not been verified by us. Except as may be required by applicable securities laws, the Trust does not undertake any obligation to publicly update or revise any forward-looking statement to reflect events or circumstances after the date of this prospectus or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results, or otherwise.

Forward-looking statements include, among others, statements pertaining to:

- wind generation and production;
- market and contracted prices for electrical energy;
- operations and maintenance costs;
- demand for and growth in renewable energy in the U.S.;
- expectations regarding the ability to raise capital and to make future acquisitions;
- plans for and results of the management and performance of the Projects and the Project LLCs;
- growth strategy and opportunities for future acquisitions, including motivations of potential sellers of interests in renewable energy projects;
- treatment under governmental regulations and tax laws;
- the continuation of government incentive programs for renewable energy projects;
- the timing and magnitude of cash generated from the operations of the Projects and the Project LLCs and received by the Portfolio Entities, including periods of contractual cash flows, Preferred Returns and Flips (as defined herein);

- cash distribution weighted averages and capacity weighted averages;
- the estimated useful life of the Projects' assets;
- the taxability of the Trust;
- payment and stability of cash distributions by the Trust, including timing of payment of the initial cash distribution;
- the taxability of cash distributions received by Canadian resident Unitholders;
- access to loans on terms and conditions and rates outlined herein;
- access to capital markets and availability of funding of future growth and acquisition opportunities;
- the Credit Facilities, including timing of availability and provisions of the Credit Agreement and the Working Capital Agreement; and
- the Acquisitions, including timing of Closing, sources of funding, purchase price adjustments and satisfaction of conditions to closing the Acquisitions.

With respect to forward-looking statements and forward-looking information contained in this prospectus, assumptions have been made regarding, among other things:

- future wholesale power market and renewable energy credit ("**REC**") prices;
- future currency exchange rates;
- inflation rates;
- the ability of the Administrator and the Trust Subsidiaries (as defined herein) to obtain qualified staff;
- the U.S. regulatory framework governing taxes, regulation of wholesale power markets and transmission, and environmental matters;
- the ability of the Projects to continue to generate and deliver power and of the Project LLCs to successfully market and sell power and RECs;
- the price paid by utilities or third parties ("**off-takers**") for future sales of power and RECs by the Portfolio Entities, including the price to be paid by off-takers following the expiry of the PPAs entered into by the Project LLCs;
- the future production level of the Projects;
- revenue generated by and cash distributions of the Project LLCs;
- assessments of wind availability at each of the Projects;
- estimates of operation and maintenance costs, including capital expenditures and regulatory compliance costs of the Projects;
- that existing operations and maintenance agreements entered into by the Project LLCs will be extended pursuant to their terms or otherwise renegotiated on the same terms and conditions as the existing agreements;
- the intentions of the directors of the Administrator (the "**Administrator Directors**") with respect to the executive compensation plans and the corporate governance programs described herein;
- the impact of competition on the Trust;
- the timing of the Cash Flip Points (as defined herein) and the IRR Flip Points (as defined herein) of the Project LLCs;
- the Trust's and the Trust Subsidiaries' general and administrative costs;
- the credit worthiness of the counterparties to the PPAs entered into by the Project LLCs;

- continued role of off-takers of energy from the Projects after the expiration of the applicable PPAs, and the ability of the Projects LLCs to renew or obtain new PPAs;
- the taxation of the Trust, the Trust Subsidiaries, the Portfolio Entities and the Project LLCs;
- the deductibility of the interest on the Threshold Power Note (as defined herein); and
- status of the Trust as a "mutual fund trust" and not as a "SIFT trust".

Although Management believes there is a reasonable basis for the information and assumptions in the forward-looking statements, actual results could differ materially from those expressed in any forward-looking statements made by or on behalf of the Trust as a result of the risk factors, which are described in detail under "Risk Factors", and other risks set out elsewhere in the prospectus being realized. Prospective investors should reference the factors discussed under the heading "Risk Factors" in this prospectus. The forward-looking statements included in this prospectus are expressly qualified by this cautionary statement and are made as at the date of this prospectus. We do not undertake any obligation to publicly update or revise any forward-looking statements except as required by applicable securities laws. New factors emerge from time to time, and it is not possible for Management to predict all of those factors or to assess in advance the impact of each such factor on the Trust's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement. The forward-looking statements contained in this prospectus are presented to assist potential purchasers in making a decision to invest in the Units and should not be relied upon for any other purpose.

The forward-looking statements contained in this prospectus are expressly qualified by the foregoing cautionary statements and are made as of the date of this prospectus. Neither the Trust nor the Underwriters undertake any obligation to publicly update or revise any forward-looking statements, except as required by applicable securities laws. Prospective investors should read this entire prospectus and consult their own professional advisors to ascertain and assess the income tax and legal risks and other aspects of their investment in the Units.

Market and Industry Data

Certain market and industry data contained in this prospectus is based upon information from government or other independent publicly available industry publications and reports or based on estimates derived from such publications and reports, including, the U.S. Energy Information Administration ("**EIA**"), 2006-2008: Form EIA-826, "Monthly Electric Sales and Revenue Report with State Distributions Report;" 1992-2005: Form EIA-861, "Annual Electric Power Industry Report"; U.S. Energy Information Administration: Short-Term Energy Outlook January 2013; U.S. Energy Information Administration: Use of Electricity — Energy Explained, Your Guide To Understanding Energy; U.S. Energy Information Administration, Annual Energy Outlook 2012; Report Number: DOE/EIA-0383 (2012); The Regulatory Assistance Project (RAP): Electricity Regulation in the U.S.: A Guide; U.S. Energy Information Administration: Annual Energy Outlook 2013 Early Release Summary; and U.S. Energy Information Administration, Annual Energy Outlook 2013, Appendix A — Table A16, "Renewable Energy Generating Capacity and Generation" and Table D3, "Electricity generation and generating capacity in extended policy cases"; The U.S. Energy Information Administration, International Energy Outlook 2011; Bloomberg New Energy Finance U.S. Clean Energy White Paper "The Return — and Returns — of Tax Equity for U.S. Renewables Projects" (November 21, 2011); Bloomberg New Energy Finance "H2 2012 Tax Equity Market Update — Revive and Prosper" (July 18, 2012); the American Wind Energy Association ("**AWEA**") U.S. Wind Industry Annual Market Report, Year Ending 2012; and the U.S. Department of Energy: Database of State Incentives for Renewables and Efficiency, March 2013, www.dsireusa.org. Generally, government and industry publications and reports indicate that they have obtained their information from sources believed to be reliable, but do not guarantee the accuracy or completeness of their information. While Management believes this data to be reliable, market and industry data is subject to variations and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey. Accordingly, the accuracy, currency and completeness of this information cannot be guaranteed. We have not, and the Underwriters have not, independently verified any of the data from third party sources referred to in this prospectus or ascertained the underlying assumptions relied upon by such sources. This prospectus also contains

registered trademarks of companies other than the Trust. These trademarks are the property of their respective owners and the Trust has not sought or obtained permission to include them in this prospectus.

Presentation of Financial Statements

The Canadian Accounting Standards Board requires that, subject to certain exceptions, all Canadian publicly accountable enterprises transition from Canadian generally accepted accounting principles in effect prior to January 1, 2011 to Canadian generally accepted accounting principles for publicly accountable enterprises (being International Financial Reporting Standards ("**IFRS**") as adopted by the Canadian Accounting Standards Board) for interim and annual reporting periods for fiscal years beginning on or after January 1, 2011. The Trust's audited statement of financial position dated June 11, 2013 and its *pro forma* financial statements for the year ended December 31, 2012 and quarter ended March 31, 2013, and the Commercial Trust's audited consolidated financial statements for the period from February 24, 2012 until December 31, 2012 and for the unaudited quarters ended March 31, 2013 and March 31, 2012 have each been prepared in accordance with IFRS. In addition, the audited financial statements of each Project LLC for the years ended December 31, 2010, December 31, 2011 and December 31, 2012, and unaudited quarters ended March 31, 2012 and March 31, 2013 included in the prospectus have been prepared in accordance with IFRS.

As discussed under the heading "Description of the Commercial Trust" and "Transactions in Connection with the Offering", immediately following the Offering, the Trust will acquire all of the issued and outstanding units of the Commercial Trust ("**CT Units**") in exchange for cash and Units of the Trust. As a result, the Commercial Trust is considered to be a predecessor entity of the Trust and certain financial statements and MD&A of the Commercial Trust have been included in this prospectus. Prior to the establishment of the Trust and its acquisition of the outstanding CT Units immediately following the Closing, the Commercial Trust's only activity, through its interest in Threshold Power is to pursue the Acquisitions.

Prospective investors are reminded that the Trust is not acquiring 100% of the outstanding securities of any of the Project LLCs and that the Trust is only acquiring the Wind Farm Interests described herein. As a result, the financial or other business results of the Project LLCs or the Projects described herein are not equivalent to or necessarily indicative of the expected financial results of the Trust.

Non-IFRS Financial Measures

EBITDA (as defined below), Adjusted EBITDA (as defined below) and "cash available for distribution" are non-IFRS financial measures commonly used by financial analysts in evaluating financial performance of companies, including companies in the renewable energy industry. Accordingly, we believe that EBITDA, Adjusted EBITDA and "cash available for distribution" may be useful metrics for evaluating our financial performance and the financial performance of the Project LLCs as they are measures that we use internally to asses performance, in addition to IFRS measures. "**EBITDA**" means earnings before interest, income taxes, depreciation, amortization and accretion expenses. The Trust uses EBITDA to evaluate the ability of the Project LLCs to generate income from operations and pay distributions to Tax Equity Investors and Project Principals. "**Adjusted EBITDA**" is used by the Trust and is reconciled to EBITDA by removing equity accounted income, foreign exchange gains and losses and adding in dividends or distributions from equity accounted investments. The Trust will receive cash distributions and will record equity accounted income from the Portfolio Entities in its statement of comprehensive income. As the Trust does not have significant interest, taxes, depreciation or amortization charges, it uses Adjusted EBITDA to evaluate the success of the Trust's investments and the Trust's ability to pay distributions to Unitholders. As there is no standardized method of calculating EBITDA, Adjusted EBITDA and "cash available for distribution", these terms as used herein are not necessarily comparable to similarly titled measures of other companies. The items excluded from EBITDA and Adjusted EBITDA are significant in assessing the results described in this prospectus. EBITDA, Adjusted EBITDA and "cash available for distribution" have limitations as analytical tools and should not be considered in isolation from, or as an alternative to, net income or other data prepared in accordance with IFRS. For a reconciliation of EBITDA of the Project LLCs to net income of the Project LLCs, as calculated under IFRS and presented in the financial statements herein, see "Management's Discussion and Analysis for the Project LLCs for the years ended December 31, 2010, 2011 and 2012" and "Management's Discussion and Analysis for the Project LLCs for the three months ended March 31, 2012 and 2013". For a reconciliation of the Trust's net

income (as determined pursuant to the *pro forma* financial statements provided herein) to Adjusted EBITDA, see “Selected *Pro Forma* Financial Information of the Trust”.

Prospective investors are reminded that distributions do not represent a “yield” in the traditional sense, and are not comparable to bonds or other fixed income securities where investors are entitled to a full return of the principal amount of debt on maturity in addition to a return on investment through interest payments at a predetermined level. Distributions can represent a blend of return on investment of Unitholders’ initial investment and a return of capital of Unitholders’ initial investment. See “Risk Factors — Risks Relating to the Trust’s Structure and Ownership of Units”.

References to “IRR” are to the annual effective discount rate (calculated and compounded on a daily basis) on a Projects’ effective date (as defined in the relevant Project LLC Agreement) which results in the sum of the present values of the expected cash flows of the applicable Project Principal Interests which are equal to zero. See “Industry Overview — U.S. Renewable Tax Equity Overview”.

Exchange Rate Data

The following table sets forth, for the periods indicated, the high, low, average and period-end noon spot rates of exchange for one U.S. dollar, expressed in Canadian dollars, as published on the Bank of Canada’s website.

	Year Ended December 31		Three Months Ended March 31	
	2012	2011	2013	2012
	(C$)	(C$)	(C$)	(C$)
Highest rate during the period	1.0418	1.0604	1.0314	1.0272
Lowest rate during the period	0.9710	0.9449	0.9839	0.9849
Average noon spot rate for the period(1)	0.9996	0.9891	1.0083	1.0011
Rate at the end of the period(2)	0.9949	1.0170	1.0156	0.9991

Notes:

(1) Determined by averaging the noon rate for each day of the respective period.

(2) Represents the noon rate on the last trading day of the respective period.

On July 3, 2013, the noon rate of exchange posted by the Bank of Canada for conversion of U.S. dollars into Canadian dollars was U.S.$1.00 equals C$1.0523.

Trademarks

The Administrator has applied on behalf of the Commercial Trust for trademark registrations for the word mark “Threshold Power” and the graphic logo depicting the first two letters of the Trust (the “**TP Design Mark**”) in the U.S. and Canada. Management believes the failure to obtain trademark registrations for those marks should not prevent them from being used by the Trust, the Administrator, or the Trust Subsidiaries. A finding that our trademarks or name infringe on the rights of third parties could require us to stop using or to change our trademarks or company name, and could result in the loss of any goodwill we have developed therein. See “Risk Factors”.

PROSPECTUS SUMMARY

The following is a summary of the principal features of the Trust and the Offering and should be read together with the more detailed information and financial data and statements appearing elsewhere in this prospectus. Reference is made to the "Glossary", "Notice to Investors — About this Prospectus", "Notice to Investors — Presentation of Financial Statements" and "Notice to Investors — Non-IFRS Financial Measures" for the meaning of certain defined terms used in this prospectus.

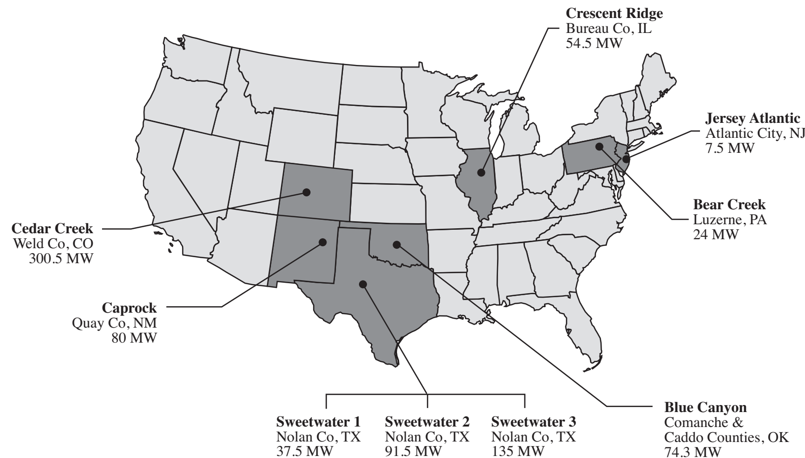
OUR BUSINESS

Business Overview

The Trust is an unincorporated open-ended limited purpose trust established under the laws of the Province of Ontario on June 11, 2013 to become a leading investor in operating renewable power projects in the U.S. The Trust's initial investment will consist of indirect interests in certain Tax Equity Interests and Project Principal Interests in eight Project LLCs that own nine operating wind Projects in the U.S. with a gross installed power generating capacity of 804.7 MW.

The map below illustrates the location and gross installed generating capacity of each of the Projects.

Location and Installed Capacity (MW) of the Projects



Each Project LLC uses the all equity partnership flip structure (the "**Flip Structure**"), which provides Tax Equity Investors with a Preferred Return. Management expects that each of the Project LLCs will be in Stage 2 (the period of time during which Tax Equity Investors are entitled to receive 100% of the cash distributions) during the third quarter of 2013 (seven of eight Project LLCs are already in Stage 2) and that, as of March 31, 2013, the period during which Tax Equity Investors will receive 100% of the cash distributions from each Project LLC has a cash distribution weighted average remaining period of approximately 8.9 years. Following Stage 2, Tax Equity Investors in the Project LLCs will be entitled to receive between 5% and 21.8% of the cash distributions from each Project LLC. See "Industry Overview — Tax Equity Finance Structures", "The Projects", "Notice to Investors — About this Prospectus" and "Risk Factors".

Investment Rationale

Management believes the market for Tax Equity Interests and Project Principal Interests in operating wind projects in the U.S. is entering a phase of structural change. Management estimates that most of the U.S. renewable energy projects constructed before the end of 2008 using the Flip Structure are approaching or have entered Stage 2, where the return to Tax Equity Investors will begin to shift from primarily Tax Attributes to cash distributions. As such, Management believes that Tax Equity Investors invested in such projects are motivated to sell their interests to, among other reasons, invest in new projects with additional Tax Attributes.

Furthermore, Management believes that many Project Principals are also seeking liquidity for a variety of business development, strategic or other reasons. Management has experience and a network within the U.S. renewable energy industry, with relationships with both Tax Equity Investors and Project Principals, which it intends to leverage to capitalize on these acquisition opportunities.

The Acquisitions will provide the Trust with cash flow from its indirect investments in the Project LLCs, which the Trust intends to use to fund quarterly distributions to Unitholders and future acquisition opportunities. Management has a conservative long-term payout ratio target of 75%, which Management believes will provide the Trust with part of the cash resources necessary to pursue and fund future acquisitions.

The Trust has designed its business model with an emphasis on creating a lean and scalable platform. The Trust has been able to create this platform by primarily focusing on indirect investments in the Project LLCs, which provide cash distributions generated from the operations of the Projects.

Strategies of the Trust

- **Focus on Renewable Power Projects in the U.S.:** The Trust will focus on acquiring interests in renewable energy projects located in the U.S. Management believes that its expertise and relationships in the U.S. renewable energy industry will allow the Trust to capitalize on a growing opportunity to consolidate Tax Equity Interests and acquire Project Principal Interests.
- **Invest in Projects with Proven Track Records and Existing PPAs:** The Trust will pursue investments in projects with a proven operating history and similar characteristics to the Projects. Management does not expect to pursue investments in projects still being developed or under construction with no proven track record of performance and cash flow. The Trust will primarily pursue interests in projects with PPAs that provide for pre-defined pricing for electrical output to support the stability of its cash flows.
- **Acquire Additional Tax Equity and Project Principal Interests:** Following the closing of the Acquisitions, the Trust plans to pursue acquisitions of additional Tax Equity Interests and Project Principal Interests in the Project LLCs and in additional projects. Management believes there is a growing opportunity to consolidate these interests and that the Trust is well-positioned to capitalize on this opportunity. Obtaining both Tax Equity Interests and Project Principal Interests supports the Trust's future cash generation requirements as Tax Equity Interests typically provide greater cash flow early in a project's life while Project Principal Interests provide greater cash flow later in a project's life and greater influence on the project's operations.
- **Utilize Prudent Risk Management Strategies:** The Trust intends to implement prudent risk management strategies to manage foreign currency and interest rate exposure to support the sustainability of its operations. The Trust's business generates cash in U.S. dollars and the Trust distributes cash to Unitholders in Canadian dollars. The Trust's foreign exchange hedging strategy will predominantly consist of forward and derivative contracts and other derivative products, hedging at least 12-months of anticipated cash distributions by the Trust on a rolling basis. With respect to the Credit Agreement (as defined herein), the Trust intends to fix its interest rate by entering into interest rate swap agreements to match the term and profile of the Credit Facility (as defined herein). The Trust will have no material leverage upon the Closing of the Acquisitions.

Investment Highlights

Diversified portfolio of operating wind power projects

- The operations of the Projects are diversified by geography, power markets, PPAs, off-takers and original equipment manufacturers ("**OEMs**"). The Projects generate power for nine off-takers across four wholesale power markets: Southwest Power Pool Electric Energy Network ("**SPP**"), PJM Interconnection, L.L.C. ("**PJM**"), Western Electricity Coordinating Council ("**WECC**") and Electric Reliability Council of Texas ("**ERCOT**"). The Projects are located across seven U.S. states and operate using wind turbines from four OEMs.

Stable cash flow generation enhanced through Preferred Returns

- The Project LLCs have entered into PPAs with off-takers to sell the energy generated by the Projects. As of March 31, 2013, the PPAs have a capacity weighted remaining average life of approximately 11.1 years. As of the Closing Date, approximately 92.7% of the aggregate capacity of the Projects will be contracted for under PPAs.
- The Projects have a proven history of reliable production. Aggregate production from the Projects in each of 2010, 2011 and 2012 has varied by less than 3.0% from the average annual aggregate production from the Projects from 2010 through 2012, which Management believes can be attributed to the diversification characteristics described above, the use of proven wind turbine technologies from well-established OEMs and operating practices used by Project Administrators (as defined herein). As of March 31, 2013, the Projects had an average operating history of approximately 7.7 years.
- The Trust will indirectly benefit from the Preferred Return received by the Portfolio Entities as a result of their ownership of Tax Equity Interests in the Project LLCs, which will partially protect the Trust from variations in the cash distributions from the Project LLCs. Tax Equity Investors are entitled to receive 100% of the cash distributions from a Project LLC for a period of time until a contractually agreed-upon after-tax IRR target is achieved. As of March 31, 2013, the period during which Tax Equity Investors in the Project LLCs will receive 100% of the cash distributions from each Project LLC has a cash distribution weighted average remaining period of approximately 8.9 years. Following Stage 2, Tax Equity Investors in the Project LLCs will be entitled to receive between 5% and 21.8% of the cash distributions from each Project LLC. See "Industry Overview — Tax Equity Finance Structures", "Notice to Investors — About this Prospectus", "The Projects" and "Risk Factors".

Significant growth opportunities

- Management believes that the interests in the Project LLCs being acquired by the Portfolio Entities pursuant to the Acquisitions are indicative of a significant and growing number of opportunities to acquire investments in U.S. renewable power projects that use the Flip Structure and have similar characteristics to the Projects.
- Upon completion of the Acquisitions, the Trust Subsidiaries or the Portfolio Entities will be parties to certain agreements that Management believes will provide the Trust with a stream of actionable growth opportunities.
  - The Portfolio Entities will be entitled to certain rights of first offer (the "**Imbedded ROFOs**") with respect to the sales of Tax Equity Interests or certain Project Principal Interests in the Project LLCs.
  - Threshold Power will be entitled to a right of first offer on any proposed sale by JPM (a leading Tax Equity Investor in U.S. renewable power projects) of Tax Equity Interests in the limited liability companies that have invested in over 90 U.S. wind projects with an aggregate capacity of over 10,000 MW during the 24-month period following the date of the final prospectus pursuant to the JPM ROFO Agreement.
  - JPM and the Trust have entered into a non-binding letter of intent (the "**JPM LOI**") which contemplates an indicative non-binding proposal whereby Threshold Power may within 180 days of the date of the final receipt issued for the prospectus, acquire JPM's Tax Equity Interests in three limited liability companies which own four U.S. wind projects with an aggregate capacity of approximately 276 MW.

See "The Projects — Imbedded ROFOs under the Project LLC Agreements", "The Acquisitions — JPM LOI" and "Risk Factors".

Attractive risk return profile

- Management believes that the Trust offers an attractive risk-adjusted return for prospective investors seeking to invest in the U.S. renewable energy industry through its indirect contractually agreed upon

entitlement to cash distributions which benefit from Preferred Returns. Furthermore, Management has a conservative long-term payout ratio target of 75%, which Management believes will provide the Trust with part of the cash resources necessary to pursue and fund future acquisitions.

- The Trust will not have any material leverage upon the Closing and the closing of the Acquisitions. The Trust will prudently employ debt for investments if opportunities arise to enhance the value for Unitholders through investments in projects with characteristics similar to those of the Projects. See "Risk Factors".

Experienced management with significant track record in renewable energy

- Susan Nickey, Chief Executive Officer of the Administrator and Threshold Power, has 25 years of experience in finance in the U.S. renewable energy industry, including as the Chief Financial Officer of Acciona Energy North America, a subsidiary of Acciona S.A. (a leading global renewable energy company) (IBEX:ANA). In this role, she was part of the executive team that built the North American organization which owns operating renewable projects with a capacity greater than 860 MW and raised over U.S.$1.0 billion of capital.
- Martin Crotty, Chief Operating Officer of the Administrator and Threshold Power, has 30 years of experience in power generation, including as the President of AES Wind Generation Inc., a wholly owned subsidiary of AES Corporation (NYSE:AES), a global diversified IPP with total assets of approximately U.S.$32 billion as of March 31, 2013. Mr. Crotty was responsible for managing the growth of AES' wind business from approximately 100 MW to approximately 1,500 MW through acquisitions and development.
- Peter Kampian, CPA, CA, Chief Financial Officer of the Administrator, has 30 years of experience in public accounting, finance, energy generation and infrastructure, of which the last 14 years have been spent in the renewable sector. From 1999 to 2007, Mr. Kampian served as the Chief Financial Officer of Algonquin Power Corporation and Algonquin Power Income Fund, which was the predecessor to Algonquin Power and Utilities Corp., a publicly traded corporation (TSX:AQN) where Mr. Kampian was involved in raising more than C$1.0 billion in equity and debt financing.

Opportunities for Growth

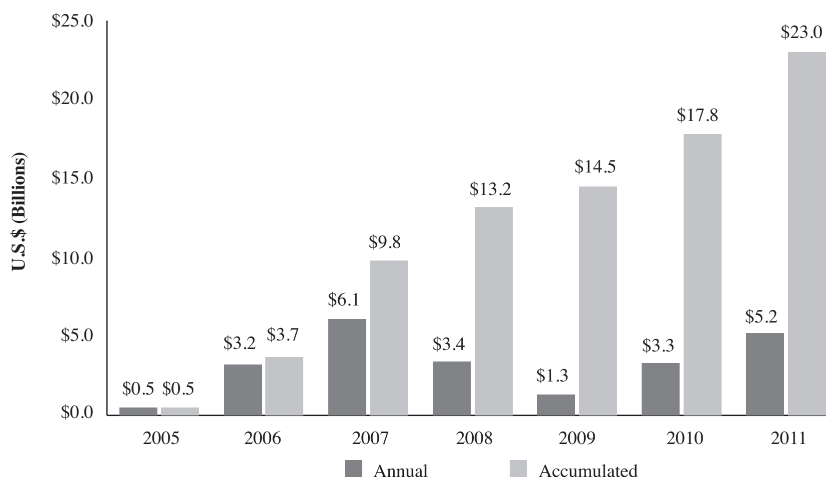
Consolidate Interests in the Project LLCs

- The Trust intends to pursue the acquisition of the Tax Equity Interests and Project Principal Interests in the Project LLCs not acquired by the Portfolio Entities pursuant to the Acquisitions. This growth strategy is supported by the Imbedded ROFOs to be held by the Portfolio Entities upon the closing of the Acquisitions, which provide the Portfolio Entities with a right of first offer with respect to any sale of Tax Equity Interests in the Project LLCs and Project Principal Interests in Blue Canyon LLC. See "The Projects — Imbedded ROFOs under the Project LLC Agreements" and "Risk Factors".

Acquire Tax Equity Interests in additional renewable projects

- By the end of 2008, approximately U.S.$13.2 billion of cumulative investments had been made in U.S. renewable energy projects by Tax Equity Investors. Management estimates that most of these projects are approaching or have entered Stage 2, where the return to Tax Equity Investors will begin to shift from primarily Tax Attributes to cash distributions. Management believes Tax Equity Investors in projects in Stage 2 are motivated to sell their interests to, among other reasons, invest in new projects with additional Tax Attributes. Applying the same rationale to later years, Management estimates that by 2017, Tax Equity Interests in U.S. renewable energy projects which originally represented investments of approximately U.S.$9.8 billion from January 1, 2009 to December 31, 2011, may provide viable acquisition opportunities as the projects invested in are approaching or will have entered Stage 2. The chart below provides an estimate of the amount of capital invested by Tax Equity Investors in renewable energy projects in the U.S. from January 1, 2005 to December 31, 2011.

Investment by Tax Equity Investors in U.S. Renewable Energy Projects



Sources: Bloomberg New Energy Finance U.S. Clean Energy White Paper "The return — and returns — of tax equity for U.S. renewables projects (November 21, 2011) and Bloomberg New Energy Finance H2 2012 Tax Equity Market Update — Revive and Prosper (July 18, 2012).

Management expects that its arrangements with JPM, such as the JPM LOI and JPM ROFO Agreement will provide the Trust with significant advantages for potential acquisitions of additional Tax Equity Interests. See "Our Business — Investment Highlights", "The Acquisitions — JPM ROFO Agreement" and "Risk Factors".

Acquire Project Principal Interests in additional renewable energy projects

Management believes that there will be an opportunity for the Trust to secure long-term cash flow streams and increased operational control over projects by acquiring Project Principal Interests from Project Principals seeking to obtain liquidity and realize returns more quickly than they would otherwise be able to. The Flip Structure provides for a repayment of capital to Project Principals following the start of commercial operations, but does not typically provide for any return on capital until after the Tax Equity Investors have achieved their Preferred Return. For certain Project Principals, the wait to receive their returns may prove challenging as cash might be required earlier to support their business. See "Industry Overview — Tax Equity Finance Structures".

Credit Facility Available for Future Acquisitions

On Closing, the Trust expects to enter into a credit agreement (the "**Credit Agreement**") with Union Bank N.A., as the lead arranger and lender and KeyBank National Association ("**KeyBank**"), as lender to establish a U.S.$100.0 million senior limited-recourse variable amortization term credit facility (the "**Credit Facility**"), which will enable the Trust to access up to U.S.$100.0 million for acquisitions with U.S.$45.1 million available for drawdown immediately following Closing. The access to funds available through the Credit Facility will assist the Trust in capitalizing on the various growth opportunities that it will be pursuing following the Acquisitions. The Credit Facility will only be drawn on for acquisitions if Management believes that the characteristics of the projects in which interests are being acquired are similar to those of the Projects. See "Our Business — Investment Highlights" and "Credit Facilities".

THE PROJECTS

Summary of the Projects

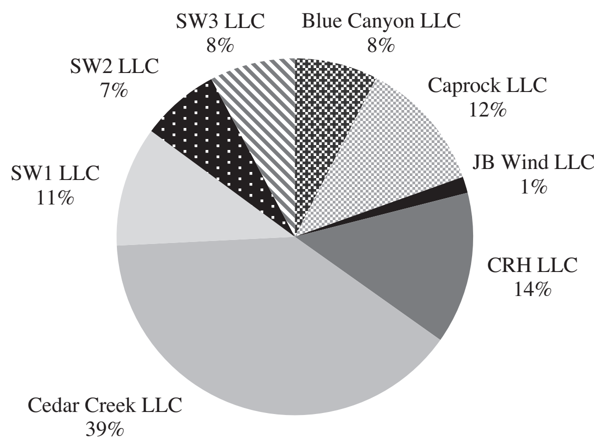
The Projects consist of nine operating wind power projects which are located across seven states and four power markets in the U.S. and have a gross installed generating capacity of 804.7 MW.

Project Diversification

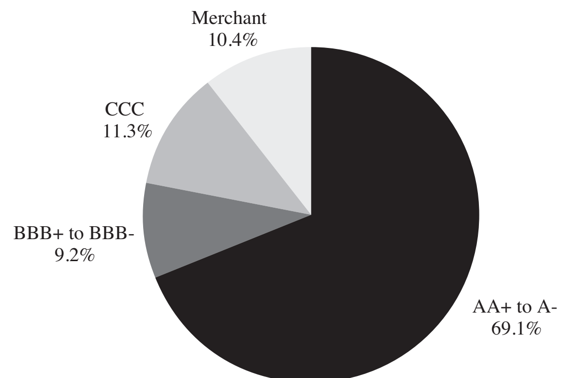
The Projects are diversified by geography, power markets, PPAs, off-takers and OEMs, thereby reducing the impact of any single factor on the performance of the Projects, such as credit risk of an off-taker, volatility in a power market, poor wind availability at a particular Project or technical or supply issues affecting turbines provided by a particular OEM. The Projects generate power sold to nine off-takers across four wholesale power markets: SPP, PJM, WECC and ERCOT. The Projects are also located in seven states and utilize wind turbines from four different OEMs.

The following charts set out on an Adjusted LTM Q1 2013 basis: (i) the percentage of cash distributions for the 12-months ended March 31, 2013 ("**LTM Q1 2013**") received by Wind I that can be attributed to cash distributions from each Project LLC; and (ii) the credit rating of the off-takers of the production of the Projects for the LTM Q1 2013 weighted by the cash distributions received by Wind I attributable to each Project LLC for such period.

Adjusted LTM Q1 2013 Cash Distributions
Total: U.S.$18.0 million



Off-taker Credit Rating Weighted by
Adjusted LTM Q1 2013 Cash Distributions[(1)]



Notes:

(1) For a complete breakdown of the credit rating of off-takers, see "The Projects — Generation and Revenue Stability from the Project LLCs".

Cash distributions to Wind I from the Project LLCs will be impacted by the Flips (as defined herein) and the eventual expiration of the PPAs entered into by each of the Project LLCs. The charts above make adjustments to reflect that on June 30, 2013, the PPA entered into by Crescent Ridge Holdings LLC ("**CRH LLC**") expired and the energy generated by the Crescent Ridge Project is expected to be sold in the PJM wholesale market. Management expects that the average price per MWh sold in the first year following the expiration of the CRH LLC PPA will be approximately 48% of the price per MWh received under the PPA. Management expects the decrease in cash distribution received by Wind I from the termination of CRH LLC's PPA will be offset by the impact of Cedar Creek LLC entering Stage 2, which Management believes will occur during the third quarter of 2013. See "The Projects — Region and Project Descriptions", "Notice to Investors", "Management's Discussion and Analysis for the Project LLCs for the years ended December 31, 2010, 2011 and

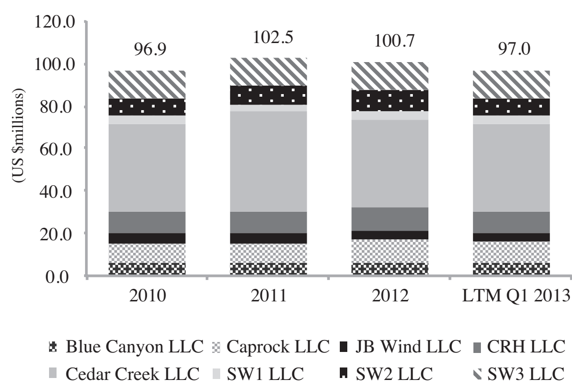
2012", "Management's Discussion and Analysis for the Project LLCs for the three months ended March 31, 2012 and 2013" and "Risk Factors".

Generation and Revenue Stability from the Project LLCs

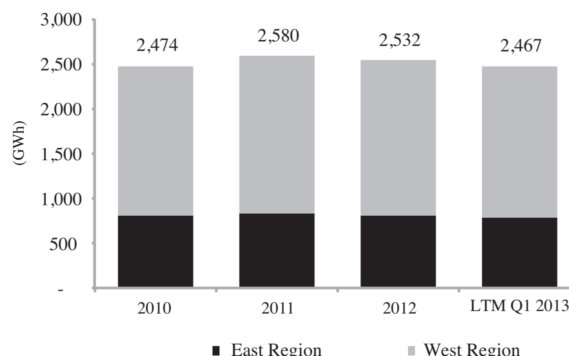
As of March 31, 2013, the average operating history of the Projects is approximately 7.7 years. From January 1, 2010 to March 31, 2013, the average availability of the Projects was approximately 92.7% and the aggregate production from the Projects in each of 2010, 2011 and 2012 has varied by less than 3.0% from the average annual aggregate production from the Projects from 2010 through 2012. Further, aggregate revenue from the Project LLCs in each of 2010, 2011 and 2012 has varied by less than 4.0% from the average annual revenue from the Project LLCs from 2010 through 2012. Management believes that the consistent results of the Projects and the Project LLCs, taken as a whole, can be attributed to the diversification characteristics of the Projects and the Project LLCs described in this prospectus. The stability of the Project LLCs' aggregate revenue can also be attributed to the fact that the Project LLCs generate substantial revenues from PPAs, which offer greater stability than wholesale market derived revenues. As of March 31, 2013, the PPAs entered into with off-takers of energy from the Projects have a capacity weighted average remaining life of approximately 11.1 years. As of the Closing Date, approximately 92.7% of the aggregate capacity of the Projects will be contracted for under PPAs.

The charts below set out: (i) the aggregate annual revenue of the Project LLCs for the 12-months ended December 31, 2010, December 31, 2011, December 31, 2012 and the LTM Q1 2013; and (ii) the aggregate regional annual production of the Project LLCs for the 12-months ended December 31, 2010, December 31, 2011, December 31, 2012 and LTM Q1 2013.

Combined Project LLC Revenue[(1)(2)]



Combined Project LLC Production



Notes:

(1) On June 30, 2013, the PPA entered into by CRH LLC expired and the energy generated by the Crescent Ridge Project is expected to be sold in the PJM wholesale market. Management expects that the average price per MWh sold in the first year following the expiration of the CRH LLC PPA will be approximately 48% of the price per MWh received under the PPA. Management expects the decrease in cash distributions received by Wind I from the termination of CRH LLC's PPA will be offset by the impact of Cedar Creek LLC entering Stage 2, which Management believes will occur during the third quarter of 2013. See "The Projects — Region and Project Descriptions", "Notice to Investors", "Management's Discussion and Analysis for the Project LLCs for the years ended December 31, 2010, 2011 and 2012", "Management's Discussion and Analysis for the Project LLCs for the three months ended March 31, 2012 and 2013" and "Risk Factors".

(2) Since the Trust is not acquiring 100% of the outstanding Tax Equity Interests and Project Principal Interests in the Project LLCs, the revenue or results of the Project LLCs is not equivalent to nor indicative of the revenue of the Portfolio Entities, Wind I or the Trust. See "Corporate Structure — Percentage of Cash Distributions and Tax Attributes from the Project LLCs", "Management's Discussion and Analysis for the Project LLCs for the years ended December 31, 2010, 2011 and 2012", "Management's Discussion and Analysis for the Project LLCs for the three months ended March 31, 2012 and 2013", "Notice to Investors — About this Prospectus" and "Risk Factors".

The following table lists certain information about each of the Projects as well as the Tax Equity Interests and Project Principal Interests in each Project LLC that will be acquired by the Portfolio Entities.

Project Name (LLC Name)	Location and (Power Market)	Gross Capacity (MW)	Portfolio Entities' Interests	Turbines	Commercial Operation Date	Electricity Off-Taker(s)	Off-Taker(s) Credit Ratings	PPA Expiry
East Region								
Bear Creek Project (JB Wind LLC)	Luzerne, Pennsylvania (PJM)	24.0	100% of Tax Equity Interests	(12) Gamesa G87 2.0 MW	2006	PPL Energy	S&P: BBB Moody's: Baa2 Fitch: BBB[(1)]	2026
Blue Canyon Project (Blue Canyon LLC)	Comanche and Caddo Counties, Oklahoma (SPP)	74.3	62% of Tax Equity Interests / 25% of Project Principal Interests	(45) NEG Micon[(2)] NM 72 1.65 MW	2003	Western Farmers	S&P: BBB+ Fitch: A−	2023
Caprock Project (Caprock LLC)	Quay County, New Mexico (SPP)	80.0	50% of Tax Equity Interests	(80) Mitsubishi MWT 1000A 1.0 MW	2004 / 2005	SPSC	S&P: A− Moody's: Baa2 Fitch: BBB	2024
Crescent Ridge Project (CRH LLC)	Bureau County, Illinois (PJM)	54.5	100% of Tax Equity Interests	(33) Vestas V82 1.65 MW	2005	Constellation	S&P: BBB Moody's: Baa2 Fitch: BBB+[(3)]	2013
Jersey-Atlantic Project (JB Wind LLC)	Atlantic City, New Jersey (PJM)	7.5	100% of Tax Equity Interests	(5) GE sle 1.5 MW	2006	ACUA Merchant[(4)]	Moody's: Ba1 Fitch: BBB−	2026[(5)]
West Region								
Cedar Creek Project (Cedar Creek LLC)	Weld County, Colorado (WECC)	300.5	28% of Tax Equity Interests	53 GE sle 1.5 MW; 221 Mitsubishi MWT-1000A 1 MW	2007	PSCo	S&P: A− Moody's: Baa1 Fitch: BBB+	2027
Sweetwater 1 Project (SW1 LLC)	Nolan County, Texas (ERCOT)	37.5	100% of Tax Equity Interests	(25) GE 1.5 MW	2003	Luminant	S&P: CCC Moody's: Ca Fitch: CC[(6)]	2028[(7)]
Sweetwater 2 Project (SW2 LLC)	Nolan County, Texas (ERCOT)	91.5	51% of Tax Equity Interests	(61) GE sle 1.5 MW	2005	Austin Energy	S&P: A+ Moody's: A1 Fitch: AA−	2017
Sweetwater 3 Project (SW3 LLC)	Nolan County, Texas (ERCOT)	135	23% of Tax Equity Interests	(90) GE sle 1.5 MW	2005	Austin Energy (25%)	S&P: A+ Moody's: A1 Fitch: AA−	2017
						CPS Energy (75%)	S&P: AA Moody's: Aa1 Fitch: AA+	2025

Notes:

(1) Credit ratings reflect those of PPL Energy Supply LLC, the guarantor of the off-taker PPL Energy-Plus LLC.

(2) Vestas acquired Neg Micon in February of 2004.

(3) Credit ratings reflect those of Exelon Corp., the parent of Constellation Energy Group Inc., the guarantor of the off-taker Constellation Energy Commodities Group Inc.

(4) 9,500 MWh is required to be purchased under the PPA; however, for the 12-month period ended March 31, 2013, the amount purchased by the Atlantic County Utility Authority ("**ACUA**") was equal to approximately 56% of total production.

(5) The Project LLC has an option to extend for 10 years to 2036.

(6) Credit ratings reflect those of Texas Competitive Electric Holdings Company LLC, the guarantor of the off-taker, Luminant Energy Company LLC.

(7) The Project LLC and the purchaser each have a five-year extension option.

FINANCING ARRANGEMENTS

Credit Facility

On Closing, Wind I, as borrower, expects to enter into the Credit Agreement with Union Bank N.A., as the lead arranger and lender, and KeyBank, as lender, to establish the Credit Facility. The Credit Facility will have a committed amount of up to U.S.$100.0 million with U.S.$45.1 million available for drawdown immediately following Closing. The Credit Facility will assist the Trust in pursuing and funding acquisitions. The Credit Agreement contains certain customary covenants, including restrictions on the annual distributions that Wind I can make. See “Credit Facilities”.

Working Capital Agreement

On Closing, Threshold Power, as borrower, expects to enter into a loan agreement with KeyBank, as lender, whereby KeyBank will provide a secured, U.S.$5.0 million working capital facility to Threshold Power (the “**WC Loan**”). The WC Loan is a revolving facility with a term of 364 days which will be used by Threshold Power to satisfy its working capital needs. See “Credit Facilities — Working Capital”.

ACQUISITIONS

Immediately following the Closing and the CT Unit Exchange (as defined herein), the net proceeds of the Offering will be used by Wind I, the Trust’s indirectly wholly-owned subsidiary, to acquire the Wind Farm Interests pursuant to certain agreements with JPM (the “**JPM Acquisition**”), KEF (the “**KEF Acquisition**”, EDP (the “**EDP Acquisition**”) and the Portfolio Entities for an aggregate purchase price of approximately U.S.$120.0 million. Following the closing of the Acquisitions, the Portfolio Entities will hold 100% of the Tax Equity Interests in each of CRH LLC, JB Wind LLC and SW1 LLC, 62% of the Tax Equity Interests in Blue Canyon LLC, 51% of the Tax Equity Interests in SW2 LLC, 50% of the Tax Equity Interests in Caprock LLC, 28% of the Tax Equity Interests in Cedar Creek LLC, 23% of the Tax Equity Interests in SW3 LLC and 25% of the Project Principal Interests in Blue Canyon LLC. JPM will be a partner in two of the three Portfolio Entities, namely THLLP1 and THLLP2. See “Corporate Structure — Percentage of Cash Distributions and Tax Attributes from the Project LLCs”, “The Acquisitions”, “Use of Proceeds”, “CT Unit Exchange” and “Risk Factors”.

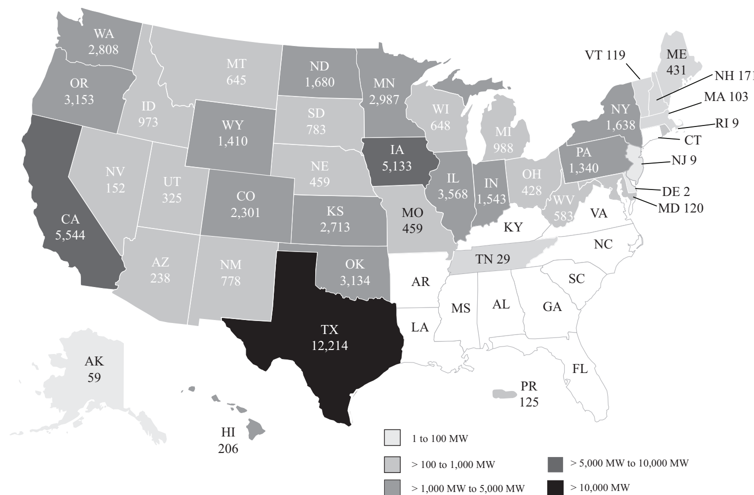
INDUSTRY OVERVIEW

Renewable energy is produced using naturally replenishable resources such as water, wind, sunlight, plant and wood waste and geothermal energy. According to the EIA, renewable energy generation in the U.S. is expected to account for approximately 32% of total electricity generation growth between 2011 and 2040 with renewable energy accounting for approximately 13% of U.S. electricity generation in 2011 (making it the fourth largest source of U.S. electricity generation after coal, natural gas and nuclear power). By 2040, the EIA estimates that renewable energy will account for approximately 16% of U.S. electricity generation.

According to the American Wind Energy Association, as of March 31, 2013, the U.S. represented over 21% of the world’s installed wind power generating capacity making it the second largest wind power industry in the world (based upon installed power generating capacity). As of December 31, 2012, 39 U.S. states and Puerto Rico have utility-scale wind projects, totaling 890 projects across the U.S.

The map below sets out the aggregate installed wind power capacity across the U.S. as of December 31, 2012.

U.S. Cumulative Wind Power Installations by State — December 31, 2012



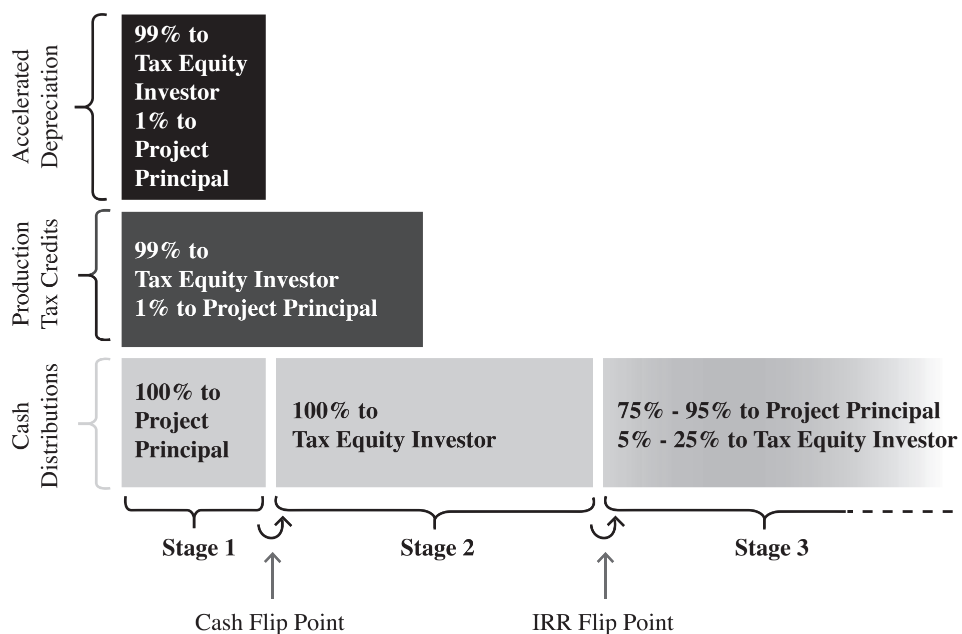
Federal and state governments have implemented various incentives to promote the use of wind and other renewable energy sources, including renewable portfolio standards, renewable energy credits and tax credits such as production tax credits ("**PTCs**"), investment tax credits ("**ITCs**") and a modified accelerated cost recovery system ("**MACRS**") (collectively, the "**Tax Attributes**"). Federal support through such Tax Attributes has played an instrumental role in the growth and structure of the wind power industry. As a result, Tax Equity Investors have also played a key role in financing the growth of the U.S. wind power industry. Tax Equity Investors typically generate significant amounts of taxable income and are attracted primarily to the Tax Attributes generated by renewable power projects. Historically, the large up-front capital investment required to construct power generation facilities often caused Project Principals to seek third party sources of capital (such as Tax Equity Investors) since they could not fully benefit from the PTC and other federal tax incentives due to lack of sufficient taxable income. Tax equity financing has enabled Project Principals to more efficiently monetize the federal tax incentives from their projects resulting in the use of tax equity financing over debt.

A variety of tax equity structures exist in the U.S. renewable energy industry to optimize the economic benefits of the projects to best accommodate the interests of Project Principals and Tax Equity Investors. The most common industry standard structure for wind projects is the Flip Structure.

Flip Structure

Under the Flip Structure, Project Principals and Tax Equity Investors typically establish a limited liability company to co-invest in a project. The allocation of the project's cash distributions and Tax Attributes between the Tax Equity Investors and Project Principals is negotiated and contractually set for the life of the project in compliance with Internal Revenue Service guidelines. Generally, the allocation of a project's cash distributions and Tax Attributes to the Project Principals and Tax Equity Investors changes at two points (these points are referred to as "**Flips**"). The chart below provides an illustrative summary of the Flips and the stages in a typical three-stage Flip Structure.

Illustrative Three-Stage Flip Structure



Stage 1: Occurs from the start of commercial operations for a project until a specific milestone is achieved (the "**Cash Flip Point**"). The Cash Flip Point occurs on the earlier of a contractual date or when the Project Principal has recovered its initial investment. During Stage 1, Project Principals receive 100% of the cash distributions from the project while Tax Equity Investors receive substantially all of the Tax Attributes from the project's owner (consisting primarily of PTCs and losses as a result of MACRS). The duration of Stage 1 may take more or less time than initially anticipated depending on the performance of the project; however, it typically cannot extend beyond the contractually agreed upon calendar date for the Cash Flip Point.

Stage 2: Follows immediately after the Cash Flip Point until the Tax Equity Investors have achieved their contractually agreed upon after-tax targeted IRR (the "**IRR Flip Point**"). During Stage 2, Tax Equity Investors receive substantially all of the cash distributions and Tax Attributes from the project during Stage 2 until their after-tax IRR target is achieved. The duration of Stage 2 may take more or less time than initially anticipated depending on the performance of the project; however, the duration will be automatically adjusted based on actual cash distributions and Tax Attributes received from the project. In this respect, Tax Equity Investors earn a Preferred Return as Project Principals do not typically receive a return on their invested capital until Tax Equity Investors have received a return equal to their targeted after-tax IRR.

Stage 3: Follows immediately after the IRR Flip Point until the end of the project's life whereby Project Principals typically receive between 75% and 95% of all of the cash distributions and Tax Attributes from a project and Tax Equity Investors receive an on-going but smaller allocation. Project Principals are often granted a purchase option to acquire the Tax Equity Interests in the project for FMV at various points during Stage 3.

SELECTED FINANCIAL AND OPERATING HIGHLIGHTS OF THE PROJECTS AND THE PROJECT LLCS

The following selected financial information should be read in conjunction with the audited and unaudited consolidated financial statements of the Project LLCs and the related notes thereto and the discussion under "Management's Discussion and Analysis for the Project LLCs for the years ended December 31, 2010, 2011 and 2012", "Management's Discussion and Analysis for the Project LLCs for the three months ended March 31, 2012 and 2013" included elsewhere in this prospectus as well as other information included in this prospectus, including "Notice to Investors — About this Prospectus", "Notice to Investors — Non-IFRS Financial

Measures" and "Summary of Cash Available for Distribution". The results of operations of the Projects and the Project LLCs for the periods reflected herein are not necessarily indicative of results that may be expected for future periods or the expected results of the Trust, due to various factors, including but not limited to those described under "Risk Factors" and those described elsewhere in this prospectus.

Financial and Operational Highlights of the Projects and the Project LLCs[(1)]

	Three Months Ended March 31, 2012	Three Months Ended March 31, 2013	12 Months Ended December 31, 2011	12 Months Ended December 31, 2012	12 Months Ended March 31, 2013
Production of the Projects (MWh)					
East Region	237,221	210,764	823,261	812,076	785,618
West Region	536,424	498,245	1,757,293	1,719,757	1,681,579
Total	**773,645**	**709,009**	**2,580,554**	**2,531,833**	**2,467,197**
Project LLC Power Sales Revenue (in U.S.$ thousands)					
East Region	$ 9,573	$ 8,189	$ 29,871	$ 29,639	$ 28,255
West Region	$21,014	$19,793	$ 68,682	$ 66,841	$ 65,620
Total	**$30,587**	**$27,982**	**$ 98,553**	**$ 96,480**	**$ 93,875**
Project LLC Power Sales Revenue per MWh (U.S.$/MWh)					
East Region	$ 40.35	$ 38.85	$ 36.28	$ 36.50	$ 35.97
West Region	$ 39.17	$ 39.73	$ 39.08	$ 38.87	$ 39.02
Project LLC EBITDA (in U.S.$ thousands)					
East Region	$ 5,500	$ 4,811	$ 16,626	$ 16,682	$ 15,993
West Region	$14,968	$13,637	$ 45,296	$ 39,550	$ 38,219
Total	**$20,468**	**$18,448**	**$ 61,922**	**$ 56,232**	**$ 54,212**
Project LLC Cash Distributions (in U.S.$ thousands)					
East Region	$ 7,890	$ 3,699	$ 15,888	$ 18,336	$ 14,145
West Region	$13,404	$11,950	$ 54,270	$ 39,247	$ 37,794
Total	**$21,294**	**$15,649**	**$ 70,158[(2)]**	**$ 57,583**	**$ 51,938**

(1) Information contained in the above table has been prepared by Management based on the audited and unaudited Project LLC Financial Statements and the other operating and financial records of the Project LLCs. See "Management's Discussion and Analysis for the Project LLCs for the years ended December 31, 2010, 2011 and 2012" and "Management's Discussion and Analysis for the three months ended March 31, 2012 and 2013" included elsewhere in this prospectus as well as other information included in this prospectus including "Notice to Investors — Non-IFRS Financial Measures".

(2) Cash distributions in 2011 included one-time payments totaling $7.5 million to Cedar Creek LLC. These included a $5.7 million payment for wake loss resulting from the construction of the Cedar Creek II project and the release of operating cash reserves of $1.8 million which were set aside for spare parts. See "Management's Discussion and Analysis for the Project LLCs for the years ended December 31, 2010, 2011 and 2012".

SELECTED *PRO FORMA* FINANCIAL INFORMATION OF THE TRUST

The following selected *pro forma* financial information contains forward-looking statements that involve risks and uncertainties. See "Forward-Looking Information" and "Risk Factors" for a discussion of the uncertainties, risks and assumptions associated with these statements. The information should be read in conjunction with the unaudited *pro forma* consolidated financial statements of the Trust and the audited and unaudited consolidated financial statements of the Project LLCs, the Commercial Trust and the Trust and the related notes thereto and the discussion under "Management's Discussion and Analysis for the Project LLCs for the years ended December 31, 2010, 2011 and 2012", "Management's Discussion and Analysis for the Project LLCs for the three months ended March 31, 2012 and 2013" and "Management's Discussion and Analysis for the Commercial Trust" included elsewhere in this prospectus as well as other information included in this prospectus, including "Notice to Investors — About this Prospectus", "Notice to Investors — Non-IFRS Financial Measures" and "Summary of Cash Available for Distribution". The results of operations for the periods reflected herein are not necessarily indicative of results that may be expected for future periods, and actual results may differ materially from those discussed in the forward-looking statements as a result of various factors, including but not limited to those listed under "Risk Factors" and included elsewhere in this prospectus.

The unaudited *pro forma* financial information does not reflect the impact of the expiry of the PPA entered into by CRH LLC or the impact of Cedar Creek LLC reaching the Cash Flip Point since these adjustments are not permitted in *pro forma* financial statements. These events had not occurred as at March 31, 2013, which is the date of the most recent period included in the *pro forma* consolidated financial statements of the Trust, and do not occur in connection with the Offering and the Acquisitions. Management does expect these events will impact the results of the Trust and this is discussed in the section "Summary of Cash Available for Distribution" included elsewhere in this prospectus. See "Threshold Power Trust Unaudited *Pro Forma* Consolidated Financial Statements of Financial Position as at March 31, 2013, and Consolidated Statement of Comprehensive Loss for the year ended December 31, 2012 and the three months ended March 31, 2013".

The following selected *pro forma* financial information has been derived from the unaudited *pro forma* consolidated financial statements of the Trust and the audited and unaudited consolidated financial statements of the Project LLCs and the Commercial Trust, including those included elsewhere in this prospectus. See "Selected *Pro Forma* Financial Information of the Trust". A number of assumptions and adjustments have been recorded in the *pro forma* statements of comprehensive income highlights and *pro forma* statement of financial position highlights to reflect the transactions that have occurred or will occur in connection with the Offering and the Acquisition as if the transactions had occurred on January 1, 2012 for the *pro forma* statements of comprehensive income highlights and March 31, 2013 for the *pro forma* statement of financial position highlights. These assumptions and adjustments are described in note two of the unaudited *pro forma* financial statements of the Trust for the year ending December 31, 2012 and the three months ending March 31, 2013 included elsewhere in this prospectus.

Pro Forma Statement of Comprehensive Income Highlights of the Trust

(in U.S.$ thousands)	Three Months Ended March 31, 2013	12 Months Ended December 31, 2012	12 Months Ended March 31, 2013
Revenue	$ 192	$ 1,009	$ 938
Expenses	$ (650)	$ (2,600)	$(2,600)
Foreign Exchange Gain/(Loss)	$ 33	$ 2	$ 35
Net Loss	**$ (425)**	**$ (1,589)**	**$(1,627)**
EBITDA[(1)]	**$ (425)**	**$ (1,589)**	**$(1,627)**
Adjusted EBITDA	**$3,016**	**$11,320**	**$ 9,875**

Notes:

(1) EBITDA and Adjusted EBITDA have limitations as analytical tools and should not be considered in isolation from, or as an alternative to, net income or other data prepared in accordance with IFRS. See "Notice to Investors — Non-IFRS Financial Measures". The Trust did not incur interest, taxes, depreciation or amortization charges therefore EBITDA is equal to Net Loss for the *pro forma* period.

The following table is a reconciliation of net income to EBITDA and Adjusted EBITDA for the periods indicated.

Reconciliation of Net Loss to EBITDA and Adjusted EBITDA of the Trust

(in U.S.$ thousands)	Three Months Ended March 31, 2013	12 Months Ended December 31, 2012	12 Months Ended March 31, 2013
Net Loss	**$ (425)**	**$ (1,589)**	**$ (1,627)**
EBITDA	**$ (425)**	**$ (1,589)**	**$ (1,627)**
Excluding the impact of:			
Foreign Exchange Gain/(Loss)	$ (33)	$ (2)	$ (35)
Equity Accounted (Income)/Loss	$ (192)	$ (1,009)	$ (938)
Distributions from Equity Accounted Investments	$3,666	$13,920	$12,475
Adjusted EBITDA	**$3,016**	**$11,320**	**$ 9,875**

***Pro Forma* Statement of Financial Position Highlights of the Trust**

(in U.S.$ thousands)	As at March 31, 2013
Current Assets	$ ●
Total Assets	$ ●
Current Liabilities	$ ●
Total Liabilities	$ ●
Unitholder Equity	$ ●

SUMMARY OF CASH AVAILABLE FOR DISTRIBUTION

The following summary has been prepared by Management on the basis of the audited and unaudited consolidated financial statements of the Project LLCs, the information contained in this prospectus and the unaudited *pro forma* financial data of the Trust for the 12-months ended March 31, 2013. See "Notice to Investors". The information should be read together with the *pro forma* consolidated financial statements of the Trust and the related notes thereto included in this prospectus, the Project LLCs' audited financial statements for the years ended December 31, 2010, 2011 and 2012 and the related notes thereto included in this prospectus, the Project LLCs' unaudited financial statements for the three months ended March 31, 2012 and 2013 and related notes thereto included in this prospectus, and the information included under the headings "Selected *Pro Forma* Financial Information of the Trust", "Management's Discussion and Analysis for the Project LLCs for the years ended December 31, 2010, 2011 and 2012", and "Management's Discussion and Analysis for the Project LLCs for the three months ended March 31, 2012 and 2013". **This analysis is not a forecast or a projection of future results. The actual results of operations for any period, whether before or after Closing and the closing of the Acquisitions, will likely vary from the amounts set forth in the following analysis, and such variation may be material.**

Prospective investors are directed to "Summary of Cash Available for Distribution" and "Notice to Investors — Non-IFRS Financial Measures" for a description of the Trust's use of non-IFRS measures. The results of the Project LLCs for the 12 Month period ended March 31, 2013 is derived from combining the results of the Project LLCs for the year ended December 31, 2012, subtracting the results for the three months ended March 31, 2012 and adding the results for the three months ended March 31, 2012.

Management's assumptions in preparing this summary are set out in the notes below. Management believes that the following represents a reasonable estimate of the cash available for distribution for the 12 month period ending March 31, 2013, assuming the Closing, the CT Unit Exchange and the Acquisitions had taken place prior to the beginning of the period. Management has a conservative long-term payout ratio target of 75%, which Management believes will provide the Trust with part of the cash resources necessary to pursue and fund future acquisitions.

Estimated Cash Available for Distribution

In U.S.$ thousands; Unless Otherwise Noted	12 Months Ended March 31, 2013
Combined Project LLC Net Income (Loss)[1]	$(7,022)
Combined Project LLC Depreciation, Amortization and Accretion Expenses[2]	61,234
Combined Project LLC EBITDA[3]	**54,212**
Less: Combined Changes in Working Capital, Spare Parts Inventory and Reserve Accounts[4]	(2,274)
Total Cash Distributions from the Project LLCs[3]	**51,938**
Adjusted for Wind I's Share of Cash Distributions from the Project LLCs[5]	15,072
Plus: Adjustment for Cedar Creek LLC Achieving its Cash Flip Point[6]	7,085
Less: Adjustment for Change in Power Pricing at CRH LLC Upon Expiry of PPA[7]	(4,176)
Total Cash Distributions to Wind I	**17,981**
Less: General and Administrative Expenses of the Trust and its Subsidiaries[8]	(2,600)
Cash Available for Distribution to Unitholders (U.S.$)	**15,381**
Cash Available for Distribution to Unitholders (C$)[9]	**16,185**
Distribution to Unitholders (C$)	11,776
Payout Ratio	72.8%

Notes:

(1) The Combined Project LLC Net income (Loss) represents the sum of the net income or net loss of all Project LLCs for the 12 months ended March 31, 2013. The information is derived from the audited financial statements for the year ended December 31, 2012, by subtracting the three months ended March 31, 2012, and adding the three months ended March 31, 2013.

(2) The Combined Project LLC Depreciation, Amortization and Accretion Expenses reflect the sum of depreciation, amortization and accretion expenses of all Project LLCs for the 12 months ended March 31, 2013. The information is derived from the audited financial statements for the year ended December 31, 2012, by subtracting the three months ended March 31, 2012, and adding the three months ended March 31, 2013.

(3) EBITDA and Cash Available for Distribution are not recognized as measures under IFRS and do not have a standardized meaning prescribed by IFRS. See "Notice to Investors — Non-IFRS Financial Measures" and definition of EBITDA in the "Notice to Investors — Non-IFRS Financial Measures".

(4) Reflects a U.S.$1.8 million increase in working capital and a U.S.$3.9 million investment in equipment (to be used for upcoming maintenance), partially offset by a U.S.$3.4 million release of cash and operating reserves. See "Management's Discussion and Analysis for the Project LLCs for the Years Ended December 31, 2010, 2011 and 2012" and "Management's Discussion and Analysis for the Project LLCs for the Three Months Ended March 31, 2012 and 2013".

(5) Represents cash distributions to Wind I assuming the Offering, the CT Unit Exchange and the Acquisitions were completed prior to April 1, 2012, and all Project LLCs with the exception of Cedar Creek had reached the Cash Flip Point prior to April 1, 2012. For the entitlements to cash distributions that Wind I will have upon Closing, see "Corporate Structure — Percentage of Cash Distributions and Tax Attributes from the Project LLCs".

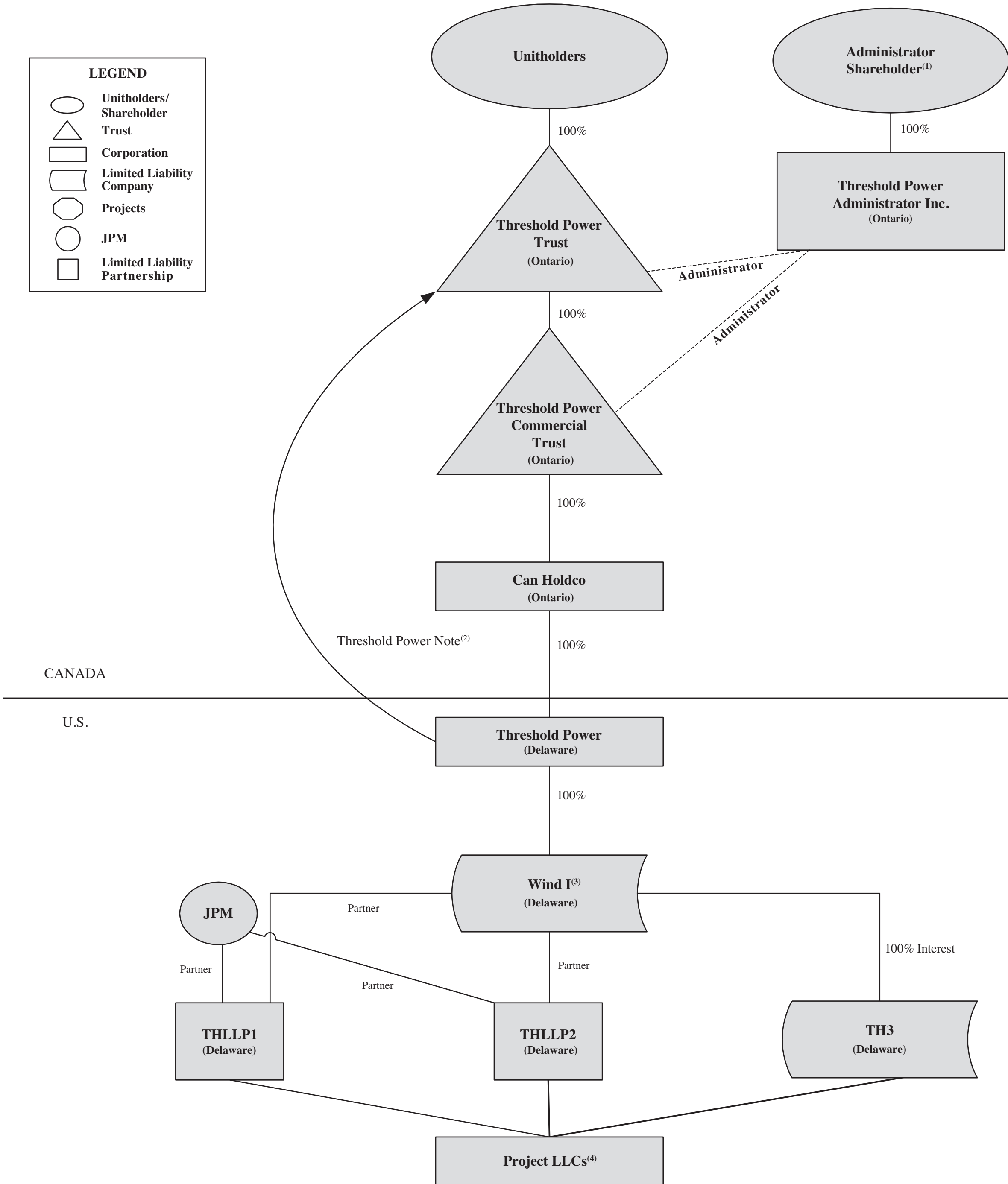
(6) Assumes the Offering, the CT Unit Exchange and the Acquisitions were completed prior to April 1, 2012 and that Cedar Creek LLC achieved its Cash Flip Point prior to April 1, 2012. See "The Projects — Cedar Creek Project" and "Risk Factors".

(7) Assumes that the Offering, the CT Unit Exchange and the Acquisitions were completed prior to April 1, 2012, and the PPA entered into by CRH LLC was terminated prior to April 1, 2012. The PPA at CRH LLC expired on June 30, 2013. See "Risk Factors", "Notice to Investors" and "The Projects — Crescent Ridge Project".

(8) Represents the estimated amounts for general and administrative costs for the Trust and the Trust Subsidiaries during the first year of operations. This assumes no bonuses are to be paid to the executive officers of the Administrator or Threshold Power as any bonus would be awarded if, among other things, acquisitions are completed, efficiencies or operating improvements are achieved and/or distributable cash targets are met. All bonuses are subject to the discretion of the Governance, Nomination & Compensation Committee, which is comprised entirely of independent directors.

(9) Management estimates based on a C$/U.S.$ exchange rate of C$1.0523, the noon rate of exchange posted by the Bank of Canada for conversion of U.S. dollars into Canadian dollars on July 3, 2013. See "Management's Discussion and Analysis for the Commercial Trust — Liquidity and Capital Resources".

STRUCTURE FOLLOWING CLOSING



(1) All of the shares of the Administrator are owned by Susan Nickey (the "**Administrator Shareholder**"), the Chief Executive Officer of the Administrator and Threshold Power and an Administrator Director. Under the voting agreement dated ●, 2013 among the Administrator Shareholder, Computershare Trust Company of Canada (the "**Trustee**") and the Administrator (the "**Voting Agreement**"), the Administrator Shareholder is required to vote the shares of the Administrator, including for the election of the Administrator Directors, as directed by the Trustee, as agent for the Unitholders, in accordance with an Ordinary Resolution of the Unitholders. See "Description of the Trust — Delegation to the Administrator" and "Voting Agreement".

(2) The Threshold Power Note will initially be issued to Can Holdco and will be assigned by Can Holdco to the Commercial Trust and by the Commercial Trust to the Trust immediately following Closing and the CT Unit Exchange. As a result, interest and principal will be paid by Threshold Power directly to the Trust instead of to Can Holdco.

(3) Pursuant to the applicable Portfolio Entity Agreements, Wind I is entitled to a percentage of the cash distributions and Tax Attributes received by each of THLLP1 and THLLP2 from the Project LLCs. Until the applicable Portfolio Adjustment Date (as defined herein), Wind I is entitled to receive 95% of the total cash distributions and 1% of total Tax Attributes received by THLLP1 and THLLP2 from the applicable Project LLCs. After the Portfolio Adjustment Date, Wind I will be entitled to receive 87.5% of cash distributions and Tax Attributes received by THLLP1 and 95% of cash distributions and Tax Attributes received by THLLP2. See "Corporate Structure" for a more detailed diagram of the structure following Closing.

(4) Pursuant to the Project LLC Agreements, the holders of Tax Equity Interests and the holders of Project Principal Interests in the Project LLCs are entitled to a percentage of cash distributions and Tax Attributes received by the applicable Project LLCs. For a complete illustration of the percentage of Tax Equity Interests and Project Principal Interests held by THLLP1, THLLP2 and TH3 in each of the Project LLCs, see "Corporate Structure".

The following table provides the percentage of cash distributions and Tax Attributes from the Project LLCs that (i) the Portfolio Entities will be entitled to receive immediately following Closing and the closing of the Acquisitions, and (ii) Wind I will be entitled to receive as a result of its interests in the Portfolio Entities. The cash distributions and Tax Attributes received by Wind I are not in addition to the cash distributions and Tax Attributes received by the Portfolio Entities. See "Corporate Structure".

Percentage of Cash Distributions and Tax Attributes from the Project LLCs

Project LLCs[1]	Portfolio Entities' Right to Cash Distributions from Project LLCs[2]	Portfolio Entities' Right to Tax Attributes from Project LLCs[2]	Wind I's Right to Cash Distributions from Project LLCs[2][3]	Wind I's Right to Tax Attributes from Project LLCs[2][3]
Blue Canyon LLC	61.7%	61.7%	58.6%	0.6%
Caprock LLC	50.0%	50.0%	47.5%	0.5%
Cedar Creek LLC	0.0%[4]	28.0%	0.0%[4]	0.3%
CRH LLC	100.0%	100.0%	95.0%	1.0%
SW1 LLC	100.0%	100.0%	95.0%	1.0%
SW2 LLC	50.6%	50.6%	48.1%	0.5%
SW3 LLC	22.8%	22.8%	21.7%	0.2%
JB Wind LLC	100.0%	100.0%	95.0%	1.0%

Notes:

(1) For a complete illustration of the percentage of Tax Equity Interests and Project Principal Interests held by THLLP1, THLLP2 and TH3 in each of the Project LLCs, see "Corporate Structure".

(2) The entitlement to cash distributions and Tax Attributes of the Portfolio Entities will change over time as each Project LLC reaches its Cash Flip Point (i.e. start of Stage 2) and its IRR Flip Point (i.e. start of Stage 3). Other than Cedar Creek LLC, all of the Project LLCs will be in Stage 2 at the time of Closing. See "The Acquisitions" for a further description of Wind I's entitlements as a holder of the Wind Farm Interests.

(3) Wind I's rights to cash distributions and Tax Attributes from the Projects LLCs are held indirectly through THLLP1, THLLP2 and TH3 (the Portfolio Entities) and will change over time as THLLP1 and THLLP2 each reach their Portfolio Adjustment Date. Immediately following the closing of the Acquisitions, Wind I will be entitled to 1% of the Tax Attributes and 95% of the cash distributions from THLLP1 and THLLP2 and 100% of the cash distributions and Tax Attributes from TH3. Following the Portfolio Adjustment Dates for THLLP1 and THLLP2, Wind I's entitlement to cash distributions and Tax Attributes from THLLP1 and THLLP2 will change. See "The Acquisitions".

(4) Management expects that the Cash Flip Point at Cedar Creek LLC will occur during the third quarter of 2013, but in any event no later than February 28, 2015 (as per the Cedar Creek Project LLC Agreement) based on a review of the historical performance of Cedar Creek LLC. See "Risk Factors". After the Cash Flip Point, the Portfolio Entities and Wind I will be entitled to 28.0% and 26.6% of the cash distributions from Cedar Creek LLC, respectively.

THE OFFERING

Offering:	● Units
Offering Price:	C$10.00 per Unit
Amount:	C$ ●
Units:	An unlimited number of Units may be issued by the Trust pursuant to the Trust Indenture. Each Unit represents an equal, undivided beneficial interest in the Trust and ranks equally with all of the other Units without discrimination, preference or priority. Each Unit entitles the Unitholder to one vote at all meetings of Unitholders, to participate equally with respect to any and all cash distributions by the Trust and, on liquidation or termination of the Trust, to participate equally with respect to the distribution of the remaining assets of the Trust after payment of the Trust's debt, liabilities and liquidation or termination expenses. Pursuant to the CT Unit Exchange, the Trust has agreed to issue an aggregate of 425,781 Units in exchange for all the issued and outstanding CT Units immediately following the Closing and up to a maximum of 1,240,000 additional Units to certain investors if contractually agreed upon future acquisitions should occur within four years following Closing. See "Prior Sales", "CT Unit Exchange" and "Contingent Unit Agreements".
Over-Allotment Option:	The Underwriters have been granted the Over-Allotment Option exercisable in whole or in part, from time to time, for a period of 30 days from the Closing to purchase up to ● additional Units on the same terms as the Units sold under the Offering, to cover over-allotments, if any, and for market stabilization purposes. See "Plan of Distribution".
Lock-Up Agreements:	The Underwriters will enter into lock-up agreements (the "**Lock-up Agreements**") with all existing holders of CT Units (the "**Locked-up Unitholders**") which, in the aggregate, will hold 425,781 Units, representing approximately ● % of the outstanding Units on a fully-diluted basis, immediately following the Closing and the CT Unit Exchange. Pursuant to the Lock-up Agreements, the Locked-up Unitholders have agreed not to offer or sell, contract or offer to sell, or enter into an arrangement to offer or sell any Units or other securities of the Trust, or securities convertible into, exchangeable for, or otherwise exercisable to acquire any securities of the Trust for certain periods of time following the Closing Date (the "**Lock-up Periods**") as follows without the prior written consent of the Lead Underwriters, which consent shall not be unreasonably withheld, conditioned or delayed: • 12,500 Units issued to Susan Nickey, 5,000 Units issued to Martin Crotty and all other Units issued to non-Management holders of CT Units pursuant to the CT Unit Exchange will be subject to a Lock-up Period ending on the later of (i) 180 days following the Closing, and (ii) the date of the Cash Flip Point for Cedar Creek LLC; • the remaining Units received by members of Management pursuant to the CT Unit Exchange will be subject to a Lock-up Period which shall expire in respect of one-third of the locked-up Units on each of the first three anniversary dates of the Closing; and

- 50,000 Units to be received by Susan Nickey and Martin Crotty in connection with the successful completion of the Offering will be subject to a Lock-up Period ending on the third anniversary of the Closing.

See “Existing Unitholder Arrangements”, “CT Unit Exchange” and “Plan of Distribution”.

Use of Proceeds:

The Trust will retain C$ ● of the net proceeds of the Offering to finance general and administrative expenses of the Administrator. Following the CT Unit Exchange, the Trust will use the balance of the net proceeds of the Offering to subscribe for additional CT Units. The Commercial Trust will use the net proceeds of the Offering received by it from the Trust to subscribe for additional Can Holdco Shares. Can Holdco will use C$78.0 million of the net proceeds received by it from the Commercial Trust to make a loan to Threshold Power in consideration for the Threshold Power Note, and the balance of the net proceeds to subscribe for additional shares of Threshold Power. The Threshold Power Note will be a C$ denominated note.

Threshold Power will convert the net proceeds received from Can Holdco into U.S. dollars using the exchange rate on the date of the final prospectus. Threshold Power will use U.S.$ ● of the funds received by it to repay indebtedness owing by Threshold Power to the Commercial Trust. The Commercial Trust will in turn use approximately U.S.$ ● of the funds received by it from Threshold Power to repay the Promissory Notes. See “Promissory Notes”. Following such repayment, Threshold Power will retain approximately U.S.$ ● of the net proceeds received by it to repay liabilities incurred by it in connection with the Offering and the Acquisitions and to finance general and administrative expenses. Threshold Power will contribute U.S.$ ● of the net proceeds to Wind I in consideration for an additional membership interests in Wind I. Wind I will use the net proceeds received by it from Threshold Power to fund the aggregate purchase price of approximately U.S.$120.0 million for the Wind Farm Interests. Any remaining proceeds held by Threshold Power will be used to pursue and fund future acquisitions and for general and administrative expenses. See “Transactions in Connection with the Offering”.

If the Over-Allotment Option is exercised or there is residual cash resulting from the closing of the Acquisitions, such proceeds will be provided to Threshold Power in substantially the same manner as the proceeds of the Offering and used by Threshold Power to pursue future acquisitions and for general and administrative expenses. See “Use of Proceeds”.

Distribution Policy of the Trust:

The Trust intends to make quarterly cash distributions to Unitholders of record as of the close of business on the last business day of each calendar quarter, which are expected to be paid to Unitholders on or about the last day of the month immediately following the end of each calendar quarter (or if not a business day, the next business day thereafter). The amount of cash distributions on a *pro rata* basis per calendar quarter per Unit will be determined in the discretion of the Administrator Directors, after consideration of the Trust’s cash receipts less estimated amounts required for the payment of expenses and other obligations of the Trust and the Trust Subsidiaries, cash redemptions of Units and the satisfaction of any tax liabilities. The Trust expects that the initial quarterly cash distribution rate will be C$ ● per Unit. The initial cash distribution, which will be for the period from and including the Closing Date to September 30, 2013, is

	expected to be paid on October 31, 2013 to Unitholders of record on September 30, 2013 and is estimated to be C$ ● per Unit (assuming the Closing occurs on ● , 2013). See "Distribution Policy", "Description of the Trust — Distributions" and "Risk Factors".
Distribution Policies of the Trust Subsidiaries:	Wind I will make quarterly cash distributions to Threshold Power. Threshold Power will make quarterly interest payments, along with principal repayments (as required), to the Trust on the Threshold Power Note. In addition, Threshold Power intends to adopt a policy to make cash distributions on its shares held by Can Holdco to the extent determined prudent by the directors of Threshold Power. Such distributions will be made by Threshold Power on a quarterly basis to Can Holdco. Can Holdco will make corresponding cash distributions to the Commercial Trust and the Commercial Trust will make corresponding cash distributions to the Trust. Threshold Power, Can Holdco and the Commercial Trust may, in addition, make cash distributions at any other time, which will likewise be distributed to the Trust. Capital and other expenditures, including amounts to enable the Trust to stabilize quarterly cash distributions based on anticipated future cash available for distribution, may be financed by borrowings. See "Description of the Commercial Trust", "Description of Can Holdco", "Description of Threshold Power" and "Description of Wind I". The Administrator Directors, on behalf of the Trust and the Commercial Trust, and the boards of directors of Can Holdco, Threshold Power and Wind I, the management committee of the Portfolio Entities and the Managing Member (as defined herein) of the Project LLCs each have discretion in determining the amount of cash distributions. Cash distributions to Unitholders are not guaranteed and will fluctuate with, among other things, the performance of the Projects and distributions from the Project LLCs and the Portfolio Entities. See "Risk Factors".
Distribution Policies of the Portfolio Entities:	Within two business days of receiving cash distributions from the Project LLCs, each Portfolio Entity is required by the applicable Portfolio Entity Agreement to distribute such cash to its members, less any amounts that are required to pay the costs and expenses incidental to the business of the Portfolio Entity (as determined from time to time by the applicable Portfolio Entity management committee in the case of THLLP1 and THLLP2 or Wind I in the case of TH3). The division of cash distributions among the members of each Portfolio Entity is determined by the allocations provided in the applicable Portfolio Entity Agreement. See "The Acquisitions".
Distribution Policies of the Project LLCs:	On the last business day of each calendar month, each Project LLC is required to make cash distributions to members of all cash available for distribution for the immediately preceding calendar month, with the division of cash distributions among the members determined by reference to the allocations provided in the applicable Project LLC Agreement. See "The Projects — Region and Project Descriptions". The only exception to this general rule is with respect to the month in which the IRR Flip Point occurs. For that month, the applicable distribution date may be delayed pending confirmation that the IRR Flip Point has in fact occurred. The amount of cash available for distribution consists of cash held by the Project LLC at the end of a calendar month less reasonable reserves that are budgeted or otherwise approved by the members in accordance with the applicable

	Project LLC Agreement, or which are determined by the Managing Member or management committee for the Project LLC (as applicable) to be necessary to prevent or mitigate emergencies, to meet clearly identified costs and expenses, or to provide a minimum working capital below (which varies among the Projects).
Committees of the Administrator Directors:	The Administrator Directors expect to form the following committees at or following the Closing with chairpersons and members as set out below: Audit and Risk Committee: David C. Kerr (Chair), David Spivak and ●. Governance, Nomination & Compensation Committee: L. Rita Theil (Chair), David Spivak and ●. See "Trustee, Directors and Management" and "Corporate Governance".
Governance of the Trust:	Computershare Trust Company of Canada ("**Computershare**") is the Trustee. The Trust Indenture provides that Unitholders may replace the Trustee by ordinary resolution at any time. The Trust Indenture empowers the Trustee to delegate most of the responsibility regarding the operations and governance of the Trust, which it has done to the Administrator pursuant to the Administrative Services Agreement. The Voting Agreement will provide that Susan Nickey, the sole shareholder of the Administrator, will agree to elect all of the Administrator Directors at the direction of the Unitholders. See "Description of the Trust — Trustee", "Trustee, Directors and Management — Trustee", "Administrative Services Agreement" and "Voting Agreement".
Administration of the Trust:	The Trust and the Administrator have entered into the Administrative Services Agreement, pursuant to which the Administrator will, on an exclusive basis, perform or procure all administrative, advisory, operational, technical and governance services as may be required to administer the affairs of the Trust (other than certain excluded services). The Administrative Services Agreement provides for the recovery by the Administrator of its costs and expenses. No fees are payable to the Administrator. See "Administrative Services Agreement".
Governance of the Trust Subsidiaries, Portfolio Entities and Project LLCs:	The Administrator is the administrator of the Commercial Trust and is responsible for the oversight and governance of the Commercial Trust. The executive officers of Can Holdco, Threshold Power and Wind I are the same as those of the Administrator. The directors of Can Holdco are Susan Nickey and Peter Kampian. The directors of Threshold Power and Wind I are Susan Nickey, Peter Kampian and Martin Crotty. The Portfolio Entities will be governed by the Portfolio Entity Agreements with management delegated to their respective Portfolio Entity management committee. Wind I is the sole member of TH3. The management committee of each of THLLP1 and THLLP2 will consist of one JPM appointee and one Wind I appointee. The Wind I appointee has a casting vote with respect to all matters regarding cash distributions or matters related thereto. The Project LLCs are each governed by a Project LLC Agreement which typically appoints one or more partners or managing members, as applicable, to manage the business affairs of the relevant Project LLC, within the limitations set out under those Project LLC Agreements. For a description of the voting rights, rights of first offer and other rights pursuant to the Portfolio Entity Agreements or the Project LLC Agreements see "The Projects" and "The Acquisitions".

Principal Canadian Federal Income Tax Considerations:	**There are important tax consequences to an investment in the Units. See "Principal Canadian Federal Income Tax Considerations".** A Unitholder resident in Canada will generally be required to include in computing income for a taxation year that portion of the net income of the Trust, including interest, taxable dividends and any net taxable capital gains, that is paid or becomes payable to the Unitholder in the year (whether in cash or Reinvested Units). Taxable dividends in respect of which the appropriate designations are made by Can Holdco, the Commercial Trust and the Trust may benefit from the enhanced dividend tax credit available in respect of eligible dividends for Unitholders who are individuals resident in Canada. Management expects that over 60% of the Trust's distributions in 2013 will be tax-deferred distributions of capital rather than distributions of the net income of the Trust. Such distributions of capital will generally be taxable in accordance with the first four sentences of the next paragraph below. The non-taxable half of any net capital gains of the Trust that is paid or becomes payable to a Unitholder in a taxation year will not be included in computing the Unitholder's income for the year, and will not reduce the adjusted cost base of the Units held by the Unitholder. Any other distributions by the Trust in excess of the Unitholder's share of the net income of the Trust generally will not be included in such Unitholder's income for the year. However, such amounts (other than amounts received as proceeds of disposition on the redemption of Units) will reduce the adjusted cost base of the Units held by the Unitholder. To the extent that the adjusted cost base of a Unit held as capital property would otherwise be a negative amount, the Unitholder will be deemed to have realized a capital gain equal to the absolute value of the negative amount. A Unitholder who disposes of Units held as capital property (on a redemption or otherwise) will generally realize a capital gain (or capital loss) to the extent that the proceeds of disposition exceed (or are less than) the sum of the adjusted cost base of the Units to the Unitholder and any reasonable costs of disposition. Each prospective investor should satisfy itself as to the tax consequences of an investment in Units by obtaining tax advice from its tax advisor. See "Principal Canadian Federal Income Tax Considerations".
Risk Factors:	**Investments in Units are considered to be speculative due to the nature of the Trust's business and its formative stage of development.** The Trust and the Trust Subsidiaries have no business history or history of earnings. Prospective investors should carefully consider information set forth under the heading "Risk Factors" and other information included in this prospectus before deciding to invest in Units. The successful completion of the Acquisitions cannot be assured. There are additional risks associated with an investment in Units relating to the Trust's prospects for success, including: ***Risks Relating to the Business and Operations of the Trust, the Project LLCs and the Projects*** • the Trust is newly established and therefore historical data cannot be used to assess the future performance of the Trust; • the Trust will have limited control over the operations of the Projects and the Projects may not operate as planned;

- the revenue received by each Project LLC is dependent, in whole or in part, on the amount of electric energy generated by the applicable Project;
- an off-taker may curtail a Project's energy production by exercising its Curtailment Rights (as defined herein);
- weather events and weather related damage to the assets of the Projects may adversely affect the Trust's performance;
- wind farm performance is dependent upon a number of factors, including meteorological and atmospheric conditions that fluctuate over time;
- operations and maintenance issues can adversely affect production and/or result in unplanned capital expenditures;
- a significant percentage of cash distributions from the Project LLCs was generated by a single project for LTM Q1 2013;
- revenue may be reduced upon expiration or termination of PPAs;
- the Trust is exposed to off-taker credit risk;
- third party contractor credit and performance issues may cause disruptions in the Project LLCs production;
- the Trust may face significant competition for future acquisitions and may not be able to fully execute on its business strategy or achieve the benefits of acquisitions;
- operations of wind farms are subject to numerous environmental, health and safety laws and regulations;
- ownership and operation of real property and disposal of hazardous waste could result in a Project LLC being liable for environmental issues;
- the nature of the Trust's operations may evolve which may change the risk profile for Unitholders;
- the Trust may be unable to attract and retain key Management;
- the Trust's level of indebtedness may reduce financial flexibility;
- the seasonality of the Trust's operations may affect revenues and liquidity;
- the Trust is exposed to interest rate risk and foreign currency exchange risk in the ordinary course of business;
- the Trust may be unable to obtain needed capital or financing on satisfactory terms for future acquisitions;
- the Trust will incur increased costs as a result of complying with reporting requirements, rules and regulations affecting public issuers once the Trust becomes a publicly traded entity;
- unforeseen events in the global economy may negatively impact the financial condition of the Trust;
- the Trust may have to change its trademarks or name and lose any goodwill developed, if the trademarks or trade name are found to violate the rights of others;

- if we are unable to maintain our relationship with JPM, it may be difficult to pursue potential future acquisitions of Tax Equity Interests in other renewable energy projects;
- if the FMV Option is exercised, the Trust will be required to sell its Tax Equity Interests which may impact the Trust's ability to complete future acquisitions or make cash distributions;
- a sale of the transmission line by the Cedar Creek LLC could trigger the occurrence of the IRR Flip Point sooner than Management currently anticipates;
- the operations, performance and business strategy of Infigen may impact the business or financial condition of the Trust;
- warranties from suppliers of turbines, which protect against turbine non-performance, may be limited by the ability of the vendor to satisfy its obligations under the warranty;
- the re-negotiation of operations and maintenance ("**O&M**") agreements or arrangements may result in higher expenses than current arrangements with OEMs;

Risks Relating to the Trust's Structure and Ownership of Units

- there is currently no public market for the Units and there can be no assurance that an active trading market for the Units will develop or be sustained;
- distributions do not represent a similar "yield" to that of debt instruments, and rights of redemption have limited liquidity;
- the Units are not shares in a corporation and carry different risks;
- Units may from time to time trade at a price that is less than the net asset value per Unit;
- the market price for Units may be volatile, and Unitholders may not be able to sell their Units at a favourable price or at all;
- substantial sales of Units, or the perception that such sales might occur, could depress the market price of the Units;
- the Trust may issue additional Units diluting existing Unitholders' interests;
- the Trust will be dependent on the Projects, Project LLCs, Portfolio Entities and Trust Subsidiaries for all cash available for distribution;
- the Trust's cash available for distribution is dependent on the timing of the Project LLCs' Cash Flip Points and IRR Flip Points, which may occur other than anticipated and the IRR Flip Point may not occur at all;
- the Trust and Wind I have provided certain indemnities in favour of JPM, its affiliates and JPM Subsidiary in connection with the Acquisitions;
- distributions on Units are variable and may be reduced or suspended entirely;
- future distributions are not guaranteed;

- distribution of available cash may restrict the Trust's ability to complete future acquisitions;

Risks Relating to Taxation

- income tax laws relating to mutual fund trusts or SIFT trusts may in the future be changed or interpreted in a manner that adversely affects the Trust and its Unitholders;
- Canadian tax laws could change;
- U.S. tax laws could change;
- certain tax positions taken by the Trust and its subsidiaries may be challenged. A successful challenge of tax positions taken by the Trust and its subsidiaries may reduce cash available for distribution to Unitholders and adversely affect the market for the Units;
- the deductibility of interest payments on the Threshold Power Note is subject to certain rules and limitations;
- distributions from Threshold Power to Can Holdco, from Can Holdco to the Commercial Trust, and from the Commercial Trust to the Trust may be subject to FATCA withholding tax;
- the Trust could be subject to certain United States tax rules relating to acquisitions by non-U.S. corporations;
- the Trust and Can Holdco may not qualify for benefits under the Treaty;

Additional Risks to Non-Residents of Canada

- persons not resident in Canada may have difficulty enforcing civil remedies;
- the Trust may impose restrictions on the ownership of Units by Non-residents to ensure compliance with the Tax Act;
- the Trust may impose restrictions on the ownership of Units by U.S. Residents to ensure compliance with U.S. securities laws;
- there is additional taxation applicable to Non-residents;
- non-resident Unitholders will be subject to additional foreign exchange risk;

Risks Relating to Legal and Regulatory Matters

- the Projects and the Project LLCs are subject to the provisions of extensive local, state and federal regulation;
- Unitholder limited liability is subject to contractual and statutory assurances which may have some enforcement risks;
- the Wind Farm Interests are subject to transfer restrictions;
- if we were required to register as an investment company under the U.S. Investment Company Act, the regulatory requirements may materially adversely impact our financial condition and results of operations;

Risks Relating to the Acquisitions

- an incorrect assessment of value of the Wind Farm Interests could adversely affect the value of the Units and distributions to Unitholders;

- the ability of Wind I to make a claim for and collect damages pursuant to the indemnities provided in the Purchase Agreements and Contribution Agreements is limited and such limitations may adversely affect Unitholders;
- the ability of purchasers of Units to collect damages from the Vendors, the Managing Members and the promoter for misrepresentation in this prospectus is limited; and
- the other factors discussed under "Risk Factors".

Many of these factors are beyond the control of the Trust. In assessing the risks of an investment in the Units, potential investors should realize that they are relying on the experience, judgment, discretion, integrity and good faith of Management and the Administrator Directors. An investment in the Units is suitable for only those prospective investors who are willing to risk a loss of their entire investment and who can afford to lose their entire investment. Prospective investors should consult their own professional advisors to assess the income tax, legal and other aspects of an investment in Units. See "Risk Factors".

INDUSTRY OVERVIEW

Overview of Power Industry

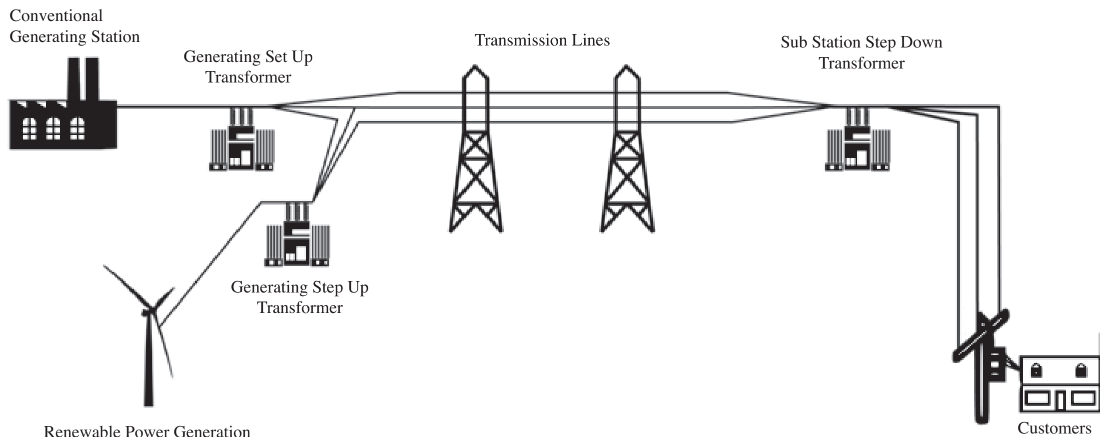
The electric power industry provides for the generation and delivery of electric energy, also known as power or electricity, to an end use customer. There are three primary components to the power industry:

Generation: The industry employs a variety of technologies to generate electric energy. Electricity is most often generated at a power station by electric generators using thermal or nuclear fuels or renewable power sources such as wind, hydro, solar and biomass. Historically, vertically integrated utility companies controlled the power generation component. However, as a result of industry restructuring starting in the 1980s, a greater percentage of power generation is now owned by third parties, often referred to as independent power producers ("**IPPs**").

Transmission: Following the generation of power, bulk transmission lines carry the power throughout the power system to electrical substations. Transmission lines form a network that may provide multiple paths for electricity to flow through a region.

Distribution: Once the power has been transmitted through the network of transmission lines, an electrical distribution network takes the electricity from the transmission system and connects to the customer (industrial, commercial or residential). The network is comprised of various levels of voltage lines, substations, transformers and meters.

The following diagram illustrates the electric power generation, transmission and distribution process.



A number of factors, including rising electricity rates and fossil fuel prices, technological advances, increased demand for renewable power capacity, and concerns about funding future investments in generation, led several jurisdictions, including the U.S. in the late 20th century, to restructure their electricity markets to make them more competitive. An integral part of the restructuring of the U.S. electricity market was the introduction of a new generation supply from IPPs. IPPs either market their power at wholesale market rates, which may vary on a periodic basis in unregulated power markets, or enter into PPAs, which typically establish pre-defined power prices for a period of time with local utilities or other counterparties.

According to the EIA, electricity demand grew by approximately 2.5% per year from 1990 to 1999 and approximately 0.5% per year from 2000 to 2009 (including during the 2008-2009 U.S. economic downturn). The EIA expects that electricity demand in the U.S. will continue to grow by approximately 0.9% per year from 2011 through 2040. When compared to historical trends, the annual growth in demand for electricity is expected to be lower from 2011 through to 2040 due to certain efficiency gains from new appliance standards and investments in energy-efficient equipment. The EIA expects that an aggregate of 237 gigawatts ("**GW**") of new installed

electricity generating capacity will be added in the U.S. between 2012 and 2040, including the replacement of 103 GW of installed capacity that is expected to be retired in that period.

U.S. Electricity Regulatory Environment

According to the Regulatory Assistance Project, a global non-profit group which advises U.S. policymakers on aspects of the power and natural gas sectors, the U.S. electric industry comprises over 3,000 public, private and cooperative utilities, more than 1,000 IPPs, three regional synchronized power grids, eight electric reliability councils, approximately 150 control-area operators, and thousands of separate engineering, economic, environmental and land-use regulatory authorities.

Interstate transmission, wholesale generators and wholesale power sales are federally regulated. Typically, retail rates and distribution services are state-regulated. Facility siting and environmental impacts (including transmission siting) are regulated by the state and/or local governments. The U.S. electric regulatory regime varies significantly by state, by sector and based upon the characteristics of the participant.

The primary federal regulator for the U.S. electric sector is the Federal Energy Regulatory Commission ("**FERC**"). FERC is an independent federal government agency that has the following responsibilities:

- regulation of wholesale generation and sales of electricity and transmission of electricity in interstate commerce;
- oversight of mandatory reliability standards for the bulk power system;
- promotion of strong national energy infrastructure, including adequate transmission facilities; and
- regulation of jurisdictional issuances of stock and debt securities, assumptions of obligations and liabilities, and mergers.

While FERC's authority is extensive, it cannot design or institute retail competition. Under U.S. law, regulation of the retail rates paid by consumers is carried out by the states, local utilities or, in some instances, by government owned utilities. State agencies that carry this out are generally known as Public Service Commissions or Public Utility Commissions (together, "**PUCs**"). The majority of U.S. utilities are regulated at the state level, where PUCs are responsible for overseeing and authorizing their investment decisions, operations and customer rates. U.S. states may decide to design wholesale markets and set up organizations to manage the applicable transmission grid; however, final approval of such actions remains with FERC.

Some regulatory authority over the electricity sector is shared by both federal and state agencies. Often, a merger of electric utilities requires the approval of the PUCs in states where the merger would result in a transfer of control. FERC retains approval authority over mergers, along with the agencies normally charged with enforcing antitrust laws, such as the Federal Trade Commission and the U.S. Department of Justice's Antitrust Division.

Energy Policy Act of 2005

In August of 2005, the U.S. federal government enacted the Energy Policy Act of 2005 ("**EPACT 2005**"). EPACT 2005 provided new authority for FERC to act to limit wholesale market power, if required, and promote a competitive and efficient energy supply to U.S. consumers. In addition, EPACT 2005 extended U.S. federal tax credits to a variety of renewable energy technologies, including wind, solar, geothermal, small hydropower, landfill gas and biomass.

FERC has jurisdiction to regulate most inter-state wholesale power generation and sales in the U.S. Generally, FERC does not have jurisdiction with respect to facilities located within ERCOT, which includes most of Texas, as these facilities typically do not transmit energy outside the state in which the energy is generated. Instead, such facilities are regulated by the PUC of Texas and the market is operated by ERCOT. Federal tax credits are available for energy products regulated by ERCOT and have been a significant driver of wind power project development in the ERCOT region. The EPACT 2005 reliability requirements apply to facilities located in the ERCOT region, and such requirements are administered and enforced by the Texas Reliability Entity and ultimately FERC. The Texas Reliability Entity was established in 2006 to serve as the regional reliability entity for the ERCOT region, pursuant to the reliability provisions of EPACT 2005.

Renewable Power Sector Overview

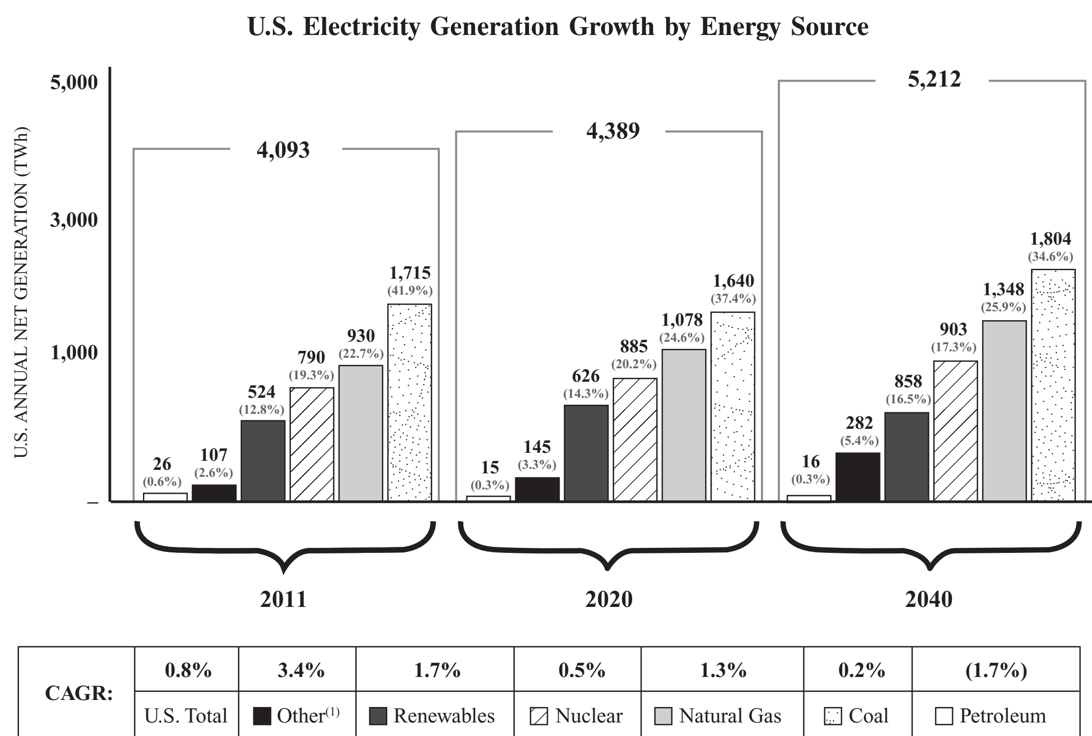
Overview of Renewable Energy Generation in the U.S.

Renewable energy is produced using naturally replenishable resources such as water, wind, sunlight, plant and wood waste and geothermal energy. According to the EIA, renewable energy generation in the U.S. is expected to account for approximately 32% of total electricity generation growth between 2011 and 2040.

Management believes that the historical growth and the future expected growth of renewable energy production in the U.S. results from an increase in demand for electricity, the retirement of non-renewable power generation facilities, an improvement in the competitiveness of renewable energy generation technologies and support from governmental authorities. According to the EIA, renewable energy accounted for approximately 13% of U.S. electricity generation, making it the fourth largest source of U.S. electricity generation in 2011 (after coal, natural gas and nuclear power). The EIA estimates that by 2040, renewable energy will account for approximately 16% of U.S. electricity generation. Management believes that the growth in the demand for renewable energy in the U.S. will be further driven by a number of factors including: (i) the need for energy suppliers to meet existing renewable energy portfolio standards imposed by states; (ii) federal and state mandates to reduce the consumption of fossil fuels; (iii) increased consumer demand; (iv) increased price competitiveness of renewable generation technologies; (v) the need for distributed power to alleviate transmission congestion; (vi) federal government support for renewable energy driven by concerns over energy independence; (vii) climate change and environmental impacts; and (viii) federal and state government's desire to stimulate economic growth.

The charts below illustrate (i) the EIA's estimate of the anticipated growth in U.S. electricity generation, including the increased U.S. electricity generation which is expected to come from renewable energy sources, and (ii) the EIA's estimate of the growth attributable to certain renewable energy sources.

U.S. Electricity Generation Growth by Energy Source



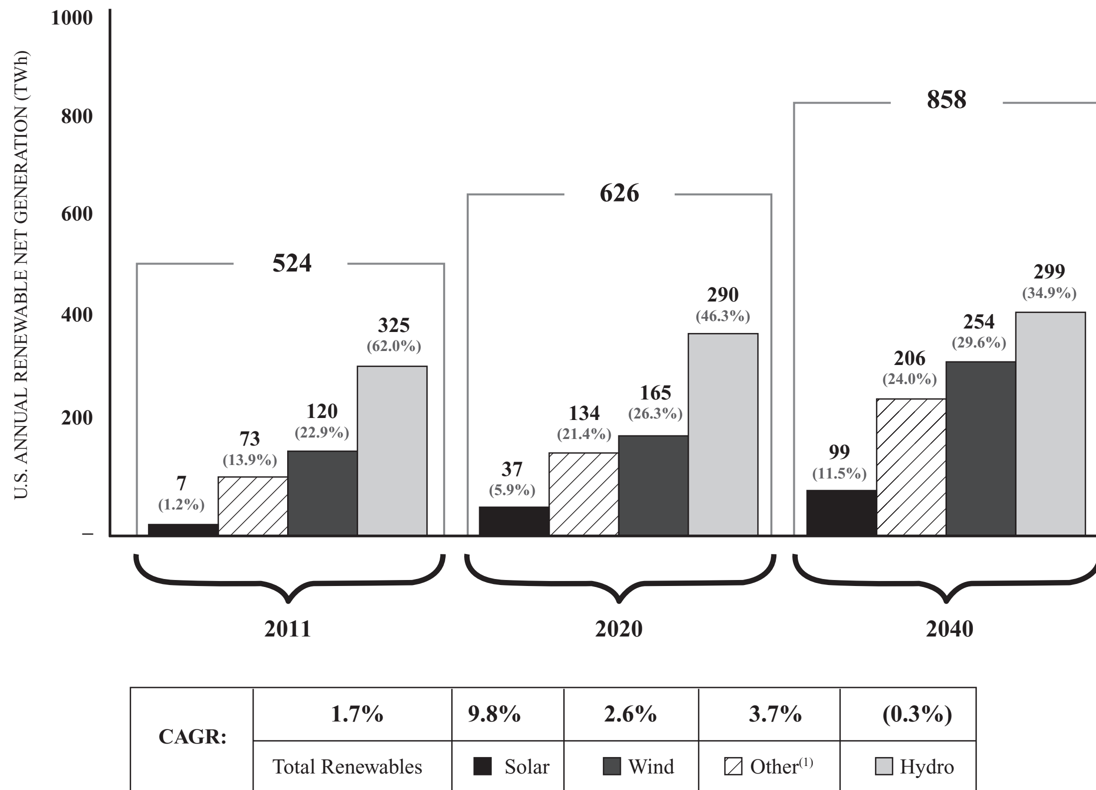
CAGR:	0.8%	3.4%	1.7%	0.5%	1.3%	0.2%	(1.7%)
	U.S. Total	Other[1]	Renewables	Nuclear	Natural Gas	Coal	Petroleum

Source: U.S. Energy Information Administration, Annual Energy Outlook 2013, Table D3, "Electricity Generation and Generating Capacity in Extended Policy Cases" (reference case used), page 191.

Notes:

(1) "Other" includes pumped storage, non-biogenic municipal waste, refinery gas, still gas, batteries, chemicals, hydrogen, pitch, purchased steam, sulfur and miscellaneous technologies.

U.S. Renewable Electricity Generation by Energy Source



Source: U.S. Energy Information Administration, Annual Energy Outlook 2013, Table A16, "Renewable Energy Generating Capacity and Generation", page 152.

Notes:

(1) "Other" includes pumped storage, non-biogenic municipal waste, refinery gas, still gas, batteries, chemicals, hydrogen, pitch, purchased steam, sulfur and miscellaneous technologies.

According to the EIA, hydro power accounted for approximately 62.0% of U.S. renewable energy generation in 2011; however, hydro power is expected to account for only 34.9% of U.S. renewable energy generation by 2040 as a result of an increase in the utilization of other renewable technologies, including wind and solar power. Wind power is expected to increase at a compound annual growth rate ("**CAGR**") of approximately 2.6% from 2011 to 2040, increasing wind power's share of U.S. renewable energy generation from approximately 22.9% in 2011 to approximately 29.6% in 2040. The EIA expects the use of solar photovoltaic power generation in the U.S. to see the strongest growth over the same time period with a CAGR of approximately 9.8%; however, it is starting from a smaller base of installed capacity.

Mechanisms to Promote Wind and Other Renewable Energy Sources

U.S. State and Federal Government Incentives

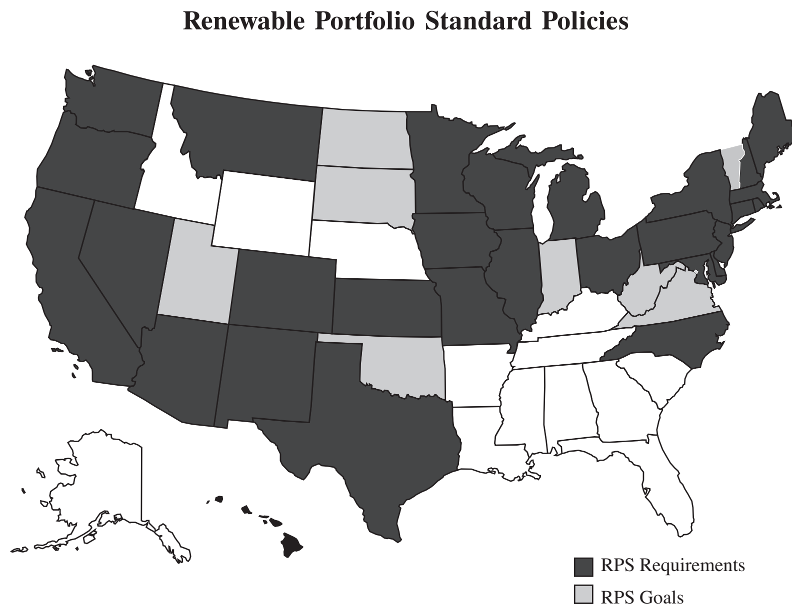
Renewable Portfolio Standards: Renewable portfolio standard ("**RPS**") refers to a state or municipal program that mandates that a specified percentage of electricity generation in the applicable jurisdiction be derived from renewable energy. As of March of 2013, eight U.S. states have adopted RPS goals and 29 U.S. states and the District of Columbia have RPS requirements (more than double those with RPS requirements in 2004). RPS goals are not mandatory but are target minimum percentages of electricity provided by a retailer which a state expects to consist of renewable energy. The EIA expects renewable energy as a percentage of total generation to vary by state, between 10% and 30%, when the RPS requirements are fully

implemented in states with continually increasing requirements. Additionally, federal RPS requirements have from time to time been proposed in the U.S. Congress.

Renewable Energy Credits: Some state RPS programs operate in tandem with a credit trading system in which participants buy and sell RECs. Although the programs vary from state to state, typically RECs are a stand-alone tradable instrument representing the attributes associated with one megawatt hour ("**MWh**") of energy produced from a qualified renewable energy source. Energy suppliers, including utilities, can meet RPS requirements by purchasing RECs from renewable energy generators or by producing or acquiring the electricity from renewable sources. REC prices can represent a significant additional revenue stream for wind energy generators. In states with RPS requirements but without a liquid REC market, renewable energy can be bought or sold through "bundled" PPAs, where the PPA price includes RECs. In states that do not have RPS requirements, certain entities may purchase RECs voluntarily. These RECs, which are referred to as "voluntary RECs", are generally sold at a lower price than RECs in states with RPS requirements.

The map below highlights U.S. states with RPS requirements and RPS goals as of March 31, 2013.

Renewable Portfolio Standard Policies



Source: Database of State Incentives for Renewables and Efficiency, March 2013.

Tax Incentives

A number of U.S. federal tax incentives have been employed to encourage the development of renewable energy projects, including the following:

- *Production Tax Credits:* The current federal PTC provides federal tax credits calculated on a per kilowatt hour ("**KWh**") basis for electricity generated by certain renewable energy projects. The PTC is a fixed amount with annual adjustments for inflation and is applied to a project's first 10 years of operation. As of March 31, 2013, wind, geothermal and closed-loop biomass projects were eligible for a PTC incentive of 2.3 cents escalating/KWh and landfill gas, small hydro, and certain other projects are eligible for half of that amount. In January of 2013, the PTC was extended by the federal government and is available for projects that begin construction during 2013. Although there can be no assurance that legislation will be enacted extending the application of the PTC to projects that commence construction after 2013, there is historical precedence for renewals. For example, since 1992, the PTC has been extended and has been available for wind energy projects, except for three non-consecutive periods between 1999 and 2004 when the PTC temporarily expired; however, the PTC was retroactively reauthorized by subsequent legislation. Once a project's owner has become entitled to receive the PTC, such person's entitlement does not

change if the federal government fails to renew the PTC with respect to future projects or investments. If a project's owner receives the PTC, they cannot simultaneously claim the ITC (as described below).

- *Investment Tax Credits:* The current federal ITC provides a federal tax credit for 30% of the total eligible capital costs for a qualified renewable energy project following commercial operation. In 2009, due to the economic downturn and a decline in available capital from Tax Equity Investors, a cash grant from the Department of Treasury (generally calculated in a manner similar to the ITC) was made available to renewable energy developers in lieu of the PTC or ITC and is generally payable within 60 days after an application has been submitted following achievement of the project's commercial operation. Currently, wind projects must have begun construction by the end of 2013 to be eligible for the 30% ITC. Solar projects that become operational prior to the end of 2016 are eligible for the 30% ITC. Solar projects remain eligible for the 30% ITC if they are operational by the end of 2016, at which time the eligibility reverts back to a 10% ITC.
- *Accelerated Depreciation:* The Tax Reform Act of 1986 established MACRS, which divides assets into classes and assigns a mandated schedule over which the assets in the class depreciate for tax purposes. For example, the majority of the capital assets for wind and solar projects are classified as "five-year property" and depreciate at a set rate over five to six years. This accelerated depreciation for the initial five to six years enables renewable power developers to deduct the capital cost of these assets more quickly than would be the case if the costs were depreciated over the useful lives of these assets, thus improving the after-tax rate of returns of these projects.

Availability of Off-Take Contracts

Power from renewable energy projects is typically sold pursuant to long-term PPAs, which provide for contractually agreed upon sale prices. Another alternative, frequently used in Europe and parts of Canada, is to sell power in accordance with a feed-in-tariff ("**FIT**") program.

Power Purchase Agreements: A PPA is a contract between an IPP and an off-taker to purchase electricity. PPAs are typically long-term in nature and may vary in structure, but generally provide for energy payments, capacity payments and/or RECs (in the case of renewable power PPAs). PPAs can be used by utilities or other load-serving entities to procure renewable power to meet RPS requirements or RPS goals and are often awarded after a competitive solicitation process requiring IPPs to meet specific eligibility criteria. Competitive solicitations are intended to secure new renewable power supply at the lowest cost to ratepayers. PPAs may also be awarded through bilateral contract negotiations. Under certain circumstances, PPAs may provide an off-taker with a right to curtail energy production from a project ("**Curtailment Rights**").

FIT Program: A FIT program offers guaranteed long-term pricing for power generated from renewable sources. Pricing often varies based on the renewable technology and size of the project and is designed to ensure a reasonable rate of return for the IPP based on the typical cost to construct, operate and maintain a project.

REC Sales: RECs are typically sold under bilateral contracts, with sales facilitated through an independent trading system, which tracks REC vintages and transfers, but RECs may also be bundled and sold pursuant to a PPA. The criteria for electricity generation to obtain REC eligibility varies across states and is often determined on the basis of the age of a facility generating the electricity and/or the generation technology employed. More stringent eligibility criteria for RECs have typically translated into higher REC pricing.

Commodity Hedging Arrangements: In certain instances, particularly when production is sold into regional wholesale markets, derivative contracts may be used to hedge electricity prices for a specific period of time. Hedging may also be used to mitigate price risk under a PPA with a variable rate component. The counterparties to the derivative and hedging contracts utilized by IPPs are typically investment-grade, financial institutions.

Overview of the Wind Power Industry

Wind Power Fundamentals

Wind energy harnesses the kinetic energy of moving air. Energy is produced from the power of wind flows exerted on the blades of a wind turbine which drives an electrical generator. Wind turbines are equipped with a control system that is designed to optimize electrical production and output during varying climatic conditions. When the wind blows, it causes the rotor blades on the wind turbine to rotate the hub to which they are attached. The rotation of the hub turns a gearbox coupled to a generator that produces electricity. The electricity is then transferred via electrical cables to the wind park's common electrical system. The collection system conveys the electrical power to a substation for delivery to an electricity transmission grid.

Each wind turbine is equipped with a sophisticated on-board computer monitoring system or "controller" to control the operating parameters of the turbine (such as the nacelle yaw drives) to ensure that the rotor blades face into the wind and to generally monitor the operation and record operational and environmental data for that wind turbine. All of the wind turbines located at a particular wind park are typically connected via a fiber optic network to a common system control and data acquisition ("**SCADA**") system. These SCADA systems allow remote monitoring, operation and control of individual wind turbines and the complete wind park in general.

Project Operator

The role of the project operator is to operate and maintain the project, including the wind turbine generators and their components, the collection system, transformers, substation and the balance of the plant. The goal of the project operator is to ensure that the project achieves the highest level of production possible by ensuring that all of the generating equipment and infrastructure is in good working order. While the project operator has the overall responsibility for the performance of a project, the maintenance and operations role may change during the life of a project as operations may be contracted out to third parties. A project's wind turbines are typically under warranty for a period of two to 10 years after they are commissioned. During this warranty period, maintenance is typically provided by the wind turbine manufacturer, otherwise referred to as the OEM. After the warranty period expires, maintenance can continue to be contracted to the OEM or may be taken over by a Project Principal, an affiliate of a Project Principal or contracted to a qualified independent third party. In cases where the maintenance is contracted to the OEM, maintenance is typically limited to only the maintenance of the wind turbines themselves, while the balance of the plant is often operated and maintained by the project operator or a third party under contract to the project operator.

Turbine Manufacturer

Turbine manufacturers or OEMs typically have a contractual arrangement with the owner of a project to provide the turbine related equipment for the project, including the tower, nacelle and blades, prior to construction and the turbine related operations and maintenance services during an initial warranty period. The turbine related operations and maintenance services often include both scheduled and unscheduled maintenance. Unscheduled maintenance includes trouble shooting and repairs or replacements of both minor and major components. In some instances, a project owner may enter into an agreement with the OEM pursuant to which the OEM provides turbine operations and maintenance services for periods as long as 15 years. It is common for the OEMs to provide a performance guarantee during the applicable warranty period and any extended service periods. Generally, performance guarantees are, directly or indirectly (through turbine availability), tied to the production of the project with potential penalties and incentives contingent on actual production levels achieved by the project.

There are at least 10 active OEMs in the U.S. wind market that either supply or maintain wind turbines. The table below illustrates the top five OEMs based on total U.S. installations by MW capacity through 2012. Each of the OEMs listed in the table below has established service organizations in the U.S. with comprehensive capabilities to provide the parts and labor to support their various technologies. Given the competition for turbine sales in the U.S., the OEMs have continued to improve both their technology and service to turbine owners. For instance, to remain competitive, various OEMs including those listed below, have been offering turbine upgrades to improve performance and reliability as part of their service offering. Management believes

that such competition has resulted in more favourable contractual terms and conditions with enhanced service offerings and lower pricing.

Largest OEMs (as of December 31, 2012)[1]

Manufacturer	Capacity as of December 31, 2012 (MW)
General Electric Company	24,085
Vestas-American Wind Technology Inc.	11,363
Siemens Energy, Inc.	8,506
Gamesa Wind U.S., LLC	3,923
Mitsubishi Power Systems Americas, Inc.	3,899

Source: AWEA U.S. Wind Industry Annual Market Report, Year Ending 2012.

Notes:

(1) Based on total U.S. installations by MW capacity.

Factors Affecting Wind Project Performance

Since the wind does not blow at a constant level throughout a given day, the level of wind energy production on a day-to-day basis is also variable and intermittent. However, long-term historical site-specific measurements for wind power allow for a monthly or annual average or "mean" wind speed, enabling the use of statistical analyses to estimate energy production. The models of statistical analysis have been significantly improved and refined over the last decade, given the large increase in actual wind data and project performance. Expected annual production (which is typically expressed in MWh) for a turbine is calculated as:

Annual Production (in MWh) = Turbine Capacity (in MW) X number of hours in one year (in hours) X Capacity Factor (as a %)

"**Turbine Capacity**", measured in MW, is an indication of the energy production capability of a turbine. Current utility-scale land-based wind turbines have a capacity ranging from less than one MW to over four MW.

"**Maximum Theoretical Production**", measured in MWh, is the maximum theoretical annual production of a turbine, and is equal to Turbine Capacity multiplied by the number of hours in one year (8,760 hours in a non-leap year).

"**Capacity Factor**" is a measure of the productivity of an electricity-generating source as determined by the wind resource for a specific technology. It is defined as the percentage of electricity that an electricity-generating source produces in a given period relative to the Maximum Theoretical Production where such production is the product of the installed nameplate capacity and the hours in the period which is typically 8760 hours in a year. For example, an energy site that has a capacity of 100 MW, has a Maximum Theoretical Production of 876,000 MWh per year, but only produces an average of 262,800 MWh per year and has a capacity factor of 30%. In general, wind power projects have capacity factors ranging from 25% to in excess of 40%, depending on various site-specific factors.

A number of factors preclude a wind powered electricity-generating turbine from operating at its theoretical maximum capacity, but the primary factor is mean wind speed. As a result of the variance in wind speed at any given project, a turbine will be operating for significant periods of time at power outputs less than the rated capacity. Other factors also affect the Capacity Factor but are generally less significant, including scheduled annual maintenance of electricity-generating equipment and unscheduled outages resulting from equipment failure or transmission system limitations.

Advantages of Wind Power Generation

Wind energy is a source of renewable, non-polluting electricity and provides the following potential advantages over conventional energy sources:

Environmentally Preferred

Wind energy facilities do not produce any greenhouse gas emissions, such as carbon dioxide (CO_2), which are believed to have significant negative environmental impacts. Furthermore, unlike more conventional generation, wind generation does not create by-products, such as ash or spent fuel.

Low Operating Costs

Wind energy projects do not have any fuel costs and typically use a remote monitoring system that permits offsite operation and supervision. In addition, improvements to wind turbine technology have increased the efficiency and reliability of wind energy projects when compared to conventional power plants, resulting in relatively low operating expenses.

Reliable Production

Modern wind turbines have reliability factors that are comparable with other conventional forms of electricity production. Availability (a measure of an electricity generation system's reliability) is calculated as the percentage of time that an energy system is able to operate relative to total time in a period (week/month/year). Generally, the difference between the two is largely attributable to annual scheduled maintenance.

Operational Flexibility

Wind energy projects are compatible with agricultural uses, thereby permitting projects to be erected in areas where traditional electricity generation facilities might cause substantial harm. As wind energy projects do not require any fuel, the logistical problem of supplying fuel to remote locations is eliminated, although the availability of transmission lines can be an issue.

Non-Restrictive Use of Land

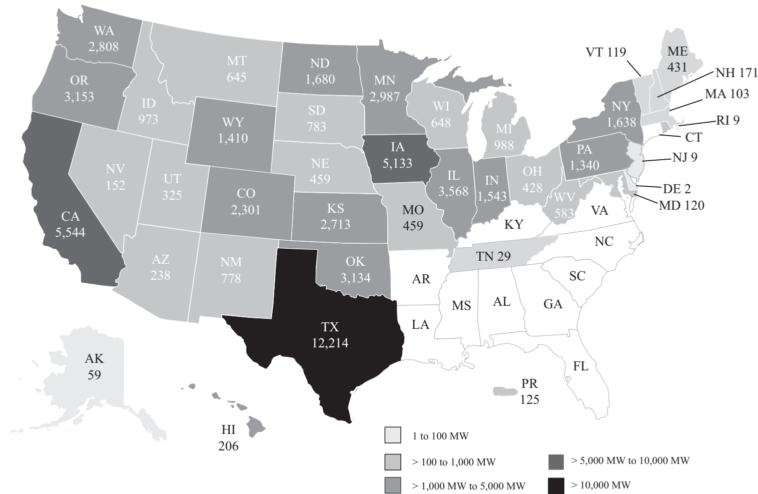
Wind energy projects require only a small percentage of the land they occupy for road access and foundations. The rest of a project's site is available for other uses, such as agriculture, pasture, industry and recreation. Further, wind projects require no commercial use of water, which can be reserved for agricultural needs.

U.S. Wind Power Industry Overview

As of March 31, 2013, the U.S. had the second largest wind power industry in the world (based upon installed power generating capacity) with an installed power generating capacity of approximately 60 GW, representing over 21% of the world's installed wind power generating capacity. AWEA has reported that from 2008 through 2012, new developments of wind projects drove the installed wind generating capacity in the U.S. to increase at a CAGR of approximately 24.3%. Further, approximately 13.1 GW of wind capacity was installed across a total of 31 states in 2012, representing over U.S.$25 billion of investment. As of December 31, 2012, 39 U.S. states and Puerto Rico have utility-scale wind projects, totaling 890 projects across the U.S.

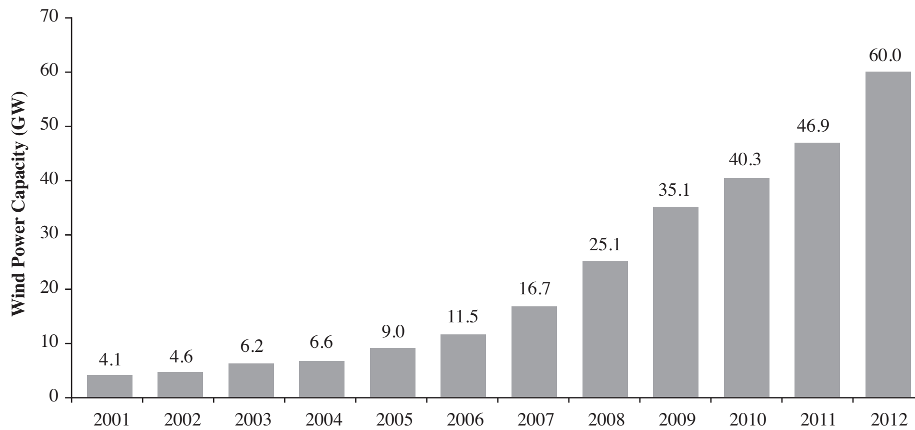
The map below sets out the aggregate installed wind power capacity across the U.S. as of December 31, 2012.

U.S. Cumulative Wind Power Installations by State — December 31, 2012



Source: AWEA U.S. Wind Industry Annual Market Report, Year Ending 2012.

The chart below indicates the historical growth of wind power installed generating capacity in the U.S. from December 31, 2001 to December 31, 2012.



Source: AWEA U.S. Wind Industry First Quarter 2013 Market Report Executive Summary, page 4.

U.S. Renewable Tax Equity Overview

Overview

In the U.S., federal support through tax incentives such as the Tax Attributes have played an instrumental role in the growth and structure of the wind power industry. See "Industry Overview — Mechanisms to Promote Wind and Other Renewable Energy Sources". Historically, many Project Principals could not fully benefit from the Tax Attributes in the early years of their projects due to their lack of sufficient taxable income.

Tax Equity Investors have been an important source of third party capital for Project Principals and have played a key role in financing the growth of the U.S. wind power industry over the past decade. Tax Equity Investors typically generate significant amounts of taxable income and are primarily attracted to the Tax Attributes generated by renewable power projects. Historically, the large up-front capital investment required to

construct power generation facilities often caused Project Principals to seek third party sources of capital (such as Tax Equity Investors) since they could not fully benefit from the PTC and other federal tax incentives due to lack of sufficient taxable income. Tax equity financing has enabled Project Principals to more efficiently monetize the federal tax incentives from their projects resulting in the use of tax equity financing over debt.

Tax Equity Investors

Since 2007, the majority of renewable energy Tax Equity Investors have consisted of financial institutions, such as commercial banks, investment banks and insurance companies; however, companies not generally considered to be "financial institutions" have also invested in Tax Equity Interests. As shown in the table below, various companies (among others) have provided tax equity financing to wind and solar power projects in the U.S., including three non-financial institutions.

Selected Financial Institutions		
JP Morgan & Co.	Citigroup Inc.	Bank of America Corporation
General Electric Energy Financial Services	Sumitomo Corporation of America	Rabobank Group
Credit Suisse Group AG	Wells Fargo & Company	Teachers Insurance and Annuity Association — College Retirement Equities Fund
Morgan Stanley	Union Bank, N.A	East West Bancorp, Inc.
Metlife, Inc.	U.S. Bankcorp.	
Selected Non-Financial Institutions		
Google Inc.	San Diego Gas & Electric	Washington Gas Energy Services, Inc.

Project Principals

The Project Principal may be a project's initial developer, a person that subsequently acquired the Project Principal Interests from the initial developer of a project or the current owner of the project. The developer is typically responsible for securing a project site, obtaining permits and transmission capabilities, arranging for project financing, executing a PPA with a suitable off-taker and managing construction. The Project Principal is typically responsible for operating and maintaining the project upon commencement of commercial operations. After the commercial operation date, Project Principals typically work directly with the community in which the applicable project is located and with participating landowners to ensure that the terms of lease agreements are maintained and that any concerns of participating landowners, community members, permitting agencies or other officials are addressed. A Project Principal's brand is typically the sole corporate brand associated with a project.

Tax Equity Finance Structures

A variety of tax equity structures exist in the U.S. renewable energy industry to optimize the economic benefits of the projects to best accommodate the interests of Project Principals and Tax Equity Investors. The most common industry standard structure for wind projects is the Flip Structure.

Sale-Leaseback Structure

Under this structure, the Project Principal sells the project to a Tax Equity Investor at FMV following the completion of the project's construction. The Tax Equity Investor then leases the project back to the Project Principal. The Project Principal is contractually required to operate the project and thus incurs the operating expenses. The Tax Equity Investor, as owner of the project, obtains the project's Tax Attributes and receives lease payments from the Project Principal. An early buyout option is a common provision in a sale-leaseback structure, allowing the Project Principal to re-acquire the project from the Tax Equity Investor for a price, which

is often the FMV. This structure is often used by Project Principals in connection with solar energy projects and to finance projects that elected to receive the ITC. This structure cannot be employed to finance a project that receives the PTC.

Inverted Lease

Under an inverted lease structure, the Tax Equity Investor invests as a partner in an entity treated as a lease partnership for U.S. federal income tax purposes (the "**Lessee**"). The Tax Equity Investor holds a 99% ownership interest in the Lessee (although more than one Tax Equity Investor may invest in the Lessee). The Lessee leases the project from the Project Principal, which retains ownership of the project, and pays the Project Principal lease payments based on project related cash flows. The Project Principal makes an election under U.S. tax laws to pass through to the Lessee the ITC or cash grant. The Lessee in turn allocates the ITC or the cash grant proceeds to the Tax Equity Investor. The Lessee may also hold up to a 49% equity ownership interest in the Project Principal and thus receive allocations of losses and deductions (including depreciation deductions from the project) from the Project Principal, which the Lessee will in turn allocate to the Tax Equity Investor.

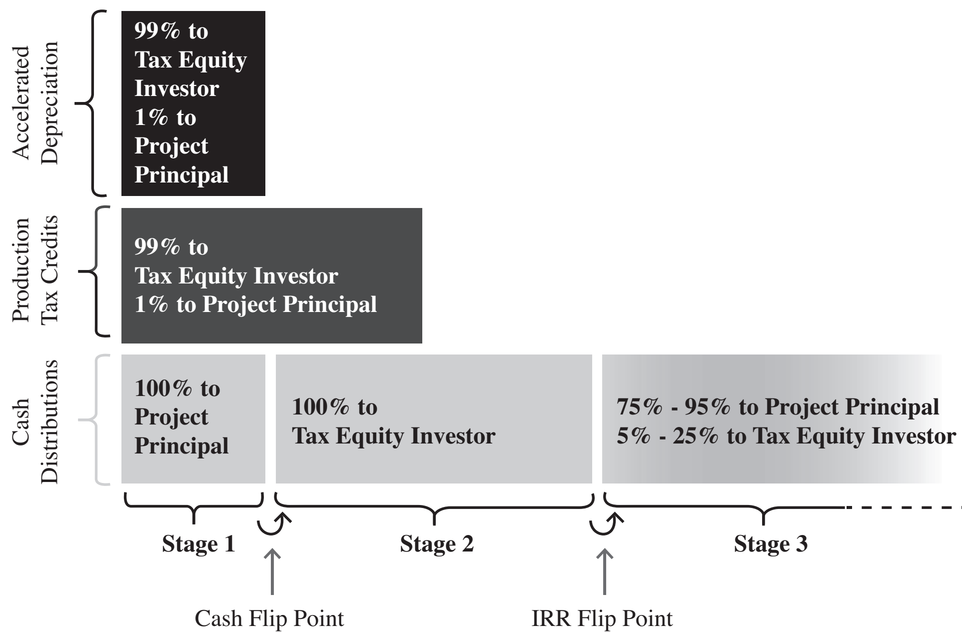
Flip Structure

Under the Flip Structure, Project Principals and Tax Equity Investors typically establish a limited liability company to co-invest in a project. The allocation of the project's cash distributions and Tax Attributes between the Tax Equity Investors and Project Principals is negotiated and contractually set for the life of the project in compliance with Internal Revenue Service ("**IRS**") guidelines.

Generally, there are two Flips at which the allocation of a project's cash distributions and Tax Attributes to the Project Principals and Tax Equity Investors change.

The chart below provides an illustrative summary of the Flips and the stages in a typical three-stage Flip Structure.

Illustrative Three-Stage Flip Structure



Stage 1: Occurs from the start of commercial operations for a project until a specific milestone is achieved. The Cash Flip Point occurs on the earlier of a contractual date or when the Project Principal has recovered its initial investment. During Stage 1, Project Principals receive 100% of the cash distributions from the project while Tax Equity Investors receive substantially all of the Tax Attributes from the project's owner (consisting

primarily of PTCs and losses as a result of MACRS). The duration of Stage 1 may take more or less time than initially anticipated depending on the performance of the project; however, it typically cannot extend beyond the contractually agreed upon calendar date for the Cash Flip Point.

Stage 2: Follows immediately after the Cash Flip Point until the IRR Flip Point, which occurs when the Tax Equity Investors have achieved their contractually agreed upon after-tax targeted IRR. During Stage 2, Tax Equity Investors receive substantially all of the cash distributions and Tax Attributes from the project during Stage 2 until their after-tax IRR target is achieved. The duration of Stage 2 may take more or less time than initially anticipated depending on the performance of the project; however, the duration will be automatically adjusted based on actual cash distributions and Tax Attributes received from the project. In this respect, Tax Equity Investors earn a Preferred Return as Project Principals do not typically receive a return on their invested capital until Tax Equity Investors have received a return equal to their targeted after-tax IRR.

Stage 3: Follows immediately after the IRR Flip Point until the end of the project's life whereby Project Principals typically receive between 75% and 95% of all of the cash distributions and Tax Attributes from a project and Tax Equity Investors receive an on-going but smaller allocation. Project Principals are often granted a purchase option to acquire the Tax Equity Interests in the project for FMV at various points during Stage 3.

Decision Making Responsibilities

Project Management and Oversight

For most projects financed using the Flip Structure, a Project Principal (or more than one Project Principal) is designated as a managing member ("**Managing Member**"). The Managing Member or Managing Members (as applicable) are authorized to manage the business affairs of the relevant project, including those of the limited liability company that owns the project. Managing Members typically delegate the day-to-day administration of a project to one or more entities (each a "**Project Administrator**") while retaining responsibility for managing its overall business.

Tax Equity Investors typically receive monthly project performance reports, which ensure that there is transparency with respect to the Managing Member's management of the relevant project. The Managing Member or Managing Members (as the case may be) are also required to obtain approval from the Tax Equity Investors prior to taking certain significant project-related decisions, as described in more detail below.

Generally, Managing Members make all day-to-day decisions other than (i) those that have been delegated to a Project Administrator and (ii) those that are not expressly required to be voted upon by other members under the applicable agreement governing the members of the limited liability company that owns a project. The discretion of Managing Members further extends to decisions regarding expenditures that fall below approved guidelines and matters that involve emergency actions. Managing Members are also responsible for the calculation of when a project's Cash Flip Point and IRR Flip Point occurs. Tax Equity Investors have the right to review and dispute any such calculation.

Voting Rights

As noted above, Managing Members are afforded significant day-to-day control over project operations, which means that the other members (Tax Equity Investors) have limited, albeit important, oversight rights with respect to major project decisions.

In this context, the bifurcation of membership interests into Tax Equity Interests and Project Principal Interests in a limited liability company provides for more than just the allocation of cash distributions and Tax Attributes. It also enables specific voting rights to be provided to each class of investor in respect of company matters. These matters can be categorized as follows:

(i) Decisions that require the support of all, or nearly all, members

Certain fundamental decisions require the support of all, or nearly all members, and are typically taken by way of a vote involving both classes of investor in the limited liability company that owns the project. The voting influence of an individual investor generally depends, at least prior to the IRR Flip Point, on the level of capital investment made by such investor relative to other investors in the project. After the IRR Flip Point, voting arrangements tend to change. Although some fundamental decisions will still be determined by reference to each investor's capital investment in the project, other matters will be determined by reference to the residual interests of the investors. Residual interests in this context typically means an investor's right, after the IRR Flip Point, to cash available for distribution generated by the project. In addition, certain decisions that pre-flip required the support of all members, may, after the IRR Flip Point, be taken by fewer investors, who may also, in some cases, comprise a single class of investor.

Typically, decisions regarding the creation of additional membership interests in a project company, changes to the business of the project company and actions that would cause fundamental changes to the project company, including a dissolution, winding up or merger, require an affirmative vote of both Tax Equity Investors and Project Principals, with each class of member entitled to a class vote. Although the approval threshold varies among project companies, project companies are typically established to ensure that all significant investors effectively have a veto right over decisions, including decisions on fundamental matters. Following the IRR Flip Point, the number of votes that a member has may be adjusted pursuant to the applicable agreement governing investors in a project company.

(ii) Decisions that require the support of a majority of members

Certain decisions require the support of members holding a majority of interests in a project company, with Tax Equity Investors and Project Principals voting as a single class for matters not considered to be "fundamental". These matters may involve the sale or transfer of assets whose value falls below a specified amount (which varies among different projects), amendments to principal project documents (such as PPAs or land leases) and changes to project budgets. As with decisions in category (i) above, prior to the IRR Flip Point, the determination of the number of votes a particular member is entitled to on these matters is based upon the capital contribution to the limited liability company made by such member whereas after the IRR Flip Point decision-making is based on the residual interests that an investor holds after the IRR Flip Point.

(iii) Decisions that are reserved to a single class of investor

Certain matters typically require the approval of either the Tax Equity Investors or the Project Principals. Generally, these matters are either day-to-day decisions (in which case voting authority is conferred on Project Principals) or they have a materially adverse effect on one class of member and accordingly require the approval of the affected class. The determination of the number of votes a particular member is entitled to on these matters is typically based upon the percentage of the outstanding membership interests of the voting class held by such member.

Transfers of Member Interests

Transfers of interests in each limited liability company that owns a project are subject to certain transfer restrictions under the limited liability company's governing agreement. For example, transfers of member interests to unaffiliated third parties will trigger pre-emptive rights including rights of first refusal, which may enable other members of the same class to acquire the interests of the transferee. Typically, the governing agreement will permit certain transfers without triggering pre-emptive rights. Generally, these transfers are to affiliated entities that do not have a competing interest with the relevant project or limited liability company. Generally, if a person voluntarily proposes to sell its Tax Equity Interests or Project Principal Interests, the

holders of the same class of membership interests have rights of first offer with respect to such interests. See “Our Business — Pre-Emptive Rights, Buyout and FMV Options”.

In addition to the transfer provisions described above, there are typically a number of situations where a person’s Tax Equity Interests or Project Principal Interests may, without its consent, be bought out by one or more of the other members of the applicable limited liability company. The triggers for such buyout options may include the occurrence of unexpected events (such as the bankruptcy of a member) of the occurrence of pre-established dates or specified events. In most circumstances, a member being bought out in this way will be entitled to receive fair market value in consideration for the transfer of its membership interests, with such fair market value to be determined by reference to an appraisal procedure set forth in the applicable limited liability company agreement for the project. See “Our Business — Pre-Emptive Rights, Buyout and FMV Options”.

OUR BUSINESS

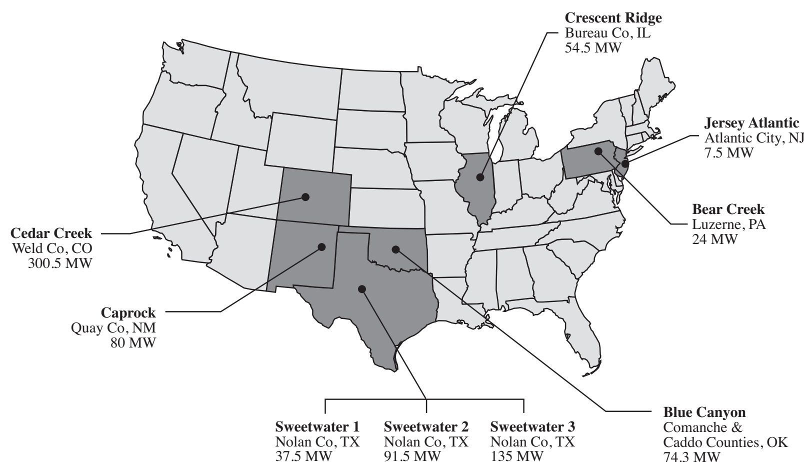
Business Overview

The Trust is an unincorporated open-ended limited purpose trust established under the laws of the Province of Ontario on June 11, 2013 to become a leading investor in operating renewable power projects in the U.S. The Trust’s initial investment will consist of indirect interests in certain Tax Equity Interests and Project Principal Interests in eight limited liability companies that own nine operating wind projects in the U.S. with a gross installed power generating capacity of 804.7 MW that are diversified by geography, PPA off-takers, power markets and OEMs. As of March 31, 2013, the Projects have an average operating history of approximately 7.7 years and substantially all of the power generated by the Projects is sold by the Project LLCs pursuant to PPAs, with a capacity weighted average remaining life of approximately 11.1 years.

Each Project LLC uses the Flip Structure, which provides Tax Equity Investors with a Preferred Return. Management expects that each of the Project LLCs will be in Stage 2 (the period of time during which Tax Equity Investors are entitled to receive 100% of the cash distributions) during the third quarter of 2013 (seven of eight Project LLCs are already in Stage 2) and that, as of March 31, 2013, the period during which Tax Equity Investors will receive 100% of the cash distributions from each Project LLC has a cash distribution weighted average remaining period of approximately 8.9 years. Following Stage 2, Tax Equity Investors in the Project LLCs will be entitled to receive between 5% and 21.8% of the cash distributions from each Project LLC. See “Industry Overview — Tax Equity Finance Structures”, “The Projects”, “Notice to Investors — About this Prospectus” and “Risk Factors”.

The map below illustrates the location and gross installed generating capacity of each of the Projects.

Location and Installed Capacity (MW) of the Projects



Investment Rationale and Strategies of the Trust

Investment Rationale

Management believes the market for Tax Equity Interests and Project Principal Interests in operating wind projects in the U.S. is entering a phase of structural change. Management estimates that most of the U.S. renewable energy projects constructed before the end of 2008 using the Flip Structure are approaching or have entered Stage 2, where the return to Tax Equity Investors will begin to shift from primarily Tax Attributes to cash distributions. As such, Management believes that Tax Equity Investors invested in such projects are motivated to sell their interests to, among other reasons, invest in new projects with additional Tax Attributes. Furthermore, Management believes that many Project Principals are also seeking liquidity for a variety of business development, strategic or other reasons. Management has experience and a network within the U.S. renewable energy industry, with relationships with both Tax Equity Investors and Project Principals, which it intends to leverage to capitalize on these acquisition opportunities.

The Acquisitions will provide the Trust with cash flow from its indirect investments in the Project LLCs, which the Trust intends to use to fund quarterly distributions to Unitholders and future acquisition opportunities. Management has a conservative long-term payout ratio target of 75%, which Management believes will provide the Trust with part of the cash resources necessary to pursue and fund future acquisitions.

The Trust has designed its business model with an emphasis on creating a lean and scalable platform. The Trust has been able to create this platform by primarily focusing on indirect investments in the Project LLCs, which provide cash distributions generated from the operations of the Projects.

Strategies of the Trust

- **Focus on Renewable Power Projects in the U.S.:** The Trust will focus on acquiring interests in renewable energy projects located in the U.S. Management believes that its expertise and relationships in the U.S. renewable energy industry will allow the Trust to capitalize on a growing opportunity to consolidate Tax Equity Interests and acquire Project Principal Interests.

- **Invest in Projects with Proven Track Records and Existing PPAs:** The Trust will pursue investments in projects with a proven operating history and similar characteristics to the Projects. Management does not expect to pursue investments in projects still being developed or under construction with no proven track record of performance and cash flow. The Trust will primarily pursue interests in projects with PPAs that provide for pre-defined pricing for electrical output to support the stability of its cash flows.

- **Acquire Additional Tax Equity and Project Principal Interests:** Following the closing of the Acquisitions, the Trust plans to pursue acquisitions of additional Tax Equity Interests and Project Principal Interests in the Project LLCs and in additional projects. Management believes there is a growing opportunity to consolidate these interests and that the Trust is well-positioned to capitalize on this opportunity. Obtaining both Tax Equity Interests and Project Principal Interests supports the Trust's future cash generation requirements as Tax Equity Interests typically provide greater cash flow early in a project's life while Project Principal Interests provide greater cash flow later in a project's life and greater influence on the project's operations.

- **Utilize Prudent Risk Management Strategies:** The Trust intends to implement prudent risk management strategies to manage foreign currency and interest rate exposure to support the sustainability of its operations. The Trust's business generates cash in U.S. dollars and the Trust distributes cash to Unitholders in Canadian dollars. The Trust's foreign exchange hedging strategy will predominantly consist of forward and derivative contracts and other derivative products, hedging at least 12 months of anticipated cash distributions by the Trust on a rolling basis. With respect to the Credit Agreement, the Trust intends to fix its interest rate by entering into interest rate swap agreements to match the term and profile of the Credit Facility. The Trust will have no material leverage upon the closing of the Acquisitions.

Investment Highlights

Diversified portfolio of operating wind power projects

The operations of the Projects are diversified by geography, power markets, PPAs, off-takers and OEMs. The Projects generate power for nine off-takers across four wholesale power markets: SPP, PJM, WECC and ERCOT. The Projects are located across seven U.S. states and operate using wind turbines from four OEMs.

Stable cash flow generation enhanced through Preferred Returns

The Project LLCs have entered into PPAs with off-takers to sell the energy generated by the Projects. As of March 31, 2013, the PPAs have a capacity weighted remaining average life of approximately 11.1 years. As of the Closing Date, approximately 92.7% of the aggregate capacity of the Projects will be contracted for under PPAs.

The Projects have a proven history of reliable production. Aggregate production from the Projects in each of 2010, 2011 and 2012 has varied by less than 3.0% from the average annual aggregate production from the Projects from 2010 through 2012, which Management believes can be attributed to the diversification characteristics described above, the use of proven wind turbine technologies from well-established OEMs and operating practices used by Project Administrators. As of March 31, 2013, the Projects had an average operating history of approximately 7.7 years.

The Trust will indirectly benefit from the Preferred Return received by the Portfolio Entities as a result of their ownership of Tax Equity Interests in the Project LLCs, which will partially protect the Trust from variations in the cash distributions from the Project LLCs. Tax Equity Investors are entitled to receive 100% of the cash distributions from a Project LLC for a period of time until a contractually agreed-upon after-tax IRR target is achieved. As of March 31, 2013, the period during which Tax Equity Investors in the Project LLCs will receive 100% of the cash distributions from each Project LLC has a cash distribution weighted average remaining period of approximately 8.9 years. Following Stage 2, Tax Equity Investors in the Project LLCs will be entitled to receive between 5% and 21.8% of the cash distributions from each Project LLC. See "Industry Overview — Tax Equity Finance Structures", "Notice to Investors — About this Prospectus", "The Projects" and "Risk Factors".

Significant growth opportunities

Management believes that the interests in the Project LLCs being acquired by the Portfolio Entities pursuant to the Acquisitions are indicative of a significant and growing number of opportunities to acquire investments in U.S. renewable power projects that use the Flip Structure and have similar characteristics to the Projects.

Upon completion of the Acquisitions, the Trust Subsidiaries or the Portfolio Entities will be parties to certain agreements that Management believes will provide the Trust with a stream of actionable growth opportunities, including the following:

- The Portfolio Entities will be entitled to certain Imbedded ROFOs with respect to the sales of Tax Equity Interests or certain Project Principal Interests in the Project LLCs.
- Threshold Power will be entitled to a right of first offer on any proposed sale by JPM (a leading Tax Equity Investor in U.S. renewable power projects) of Tax Equity Interests in the limited liability companies that has invested in over 90 U.S. wind projects with an aggregate capacity of over 10,000 MW during the 24-month period following the date of the final prospectus pursuant to the JPM ROFO Agreement.
- JPM and the Trust have entered into the JPM LOI which contemplates an indicative non-binding proposal whereby Threshold Power may within 180 days of the date of the final receipt issued for the prospectus, acquire JPM's Tax Equity Interests in three limited liability companies which own four U.S. wind projects with an aggregate capacity of approximately 276 MW.

See "The Projects — Imbedded ROFOs under the Project LLC Agreements", "The Acquisitions — JPM LOI" and "Risk Factors".

Attractive risk return profile

Management believes that the Trust offers an attractive risk-adjusted return for prospective investors seeking to invest in the U.S. renewable energy industry through its indirect contractually agreed upon entitlement to cash distributions which benefit from Preferred Returns. Furthermore, Management has a conservative long-term payout ratio target of 75%, which Management believes will provide the Trust with part of the cash resources necessary to pursue and fund future acquisitions.

The Trust will not have any material leverage upon the Closing and the closing of the Acquisitions. The Trust will prudently employ debt for investments if opportunities arise to enhance the value for Unitholders through investments in projects with characteristics similar to those of the Projects. See "Risk Factors".

Experienced management with significant track record in renewable energy

Susan Nickey, Chief Executive Officer of the Administrator and Threshold Power has 25 years of experience in finance in the U.S. renewable energy industry, including as the Chief Financial Officer of Acciona Energy North America, a subsidiary of Acciona S.A. (a leading global renewable energy company) (IBEX:ANA). In this role, she was part of the executive team that built the North American organization which owns operating renewable projects with a capacity greater than 860 MW and raised over U.S.$1.0 billion of capital.

Martin Crotty, Chief Operating Officer of the Administrator and Threshold Power, has 30 years of experience in power generation, including as the President of AES Wind Generation Inc., a wholly owned subsidiary of AES Corporation (NYSE:AES), a global diversified IPP with total assets of approximately U.S.$32 billion as of March 31, 2013. Mr. Crotty was responsible for managing the growth of AES' wind business from approximately 100 MW to approximately 1,500 MW through acquisitions and development.

Peter Kampian, CPA, CA, Chief Financial Officer of the Administrator, has 30 years of experience in public accounting, finance, energy generation and infrastructure, of which the last 14 years have been spent in the renewable sector. From 1999 to 2007, Mr. Kampian served as the Chief Financial Officer of Algonquin Power Corporation and Algonquin Power Income Fund, which was the predecessor to Algonquin Power and Utilities Corp., a publicly traded corporation (TSX:AQN) where Mr. Kampian was involved in raising more than C$1.0 billion in equity and debt financing.

Opportunities for Growth

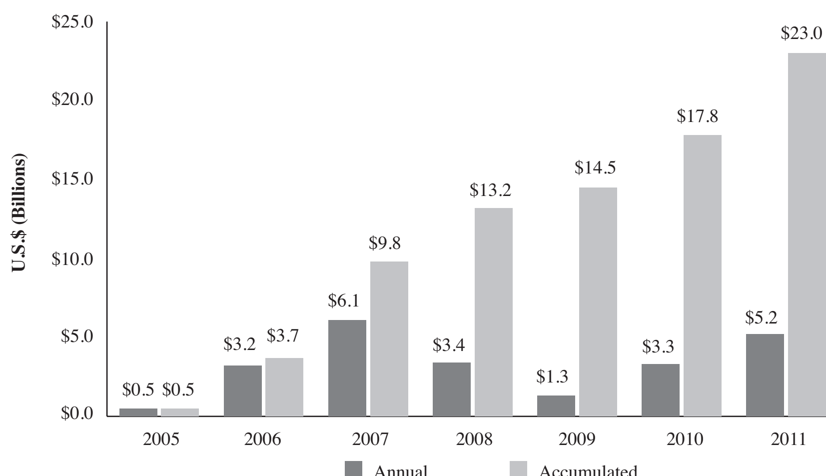
Consolidate Interests in the Project LLCs

The Trust intends to pursue the acquisition of the Tax Equity Interests and Project Principal Interests in the Project LLCs not acquired by the Portfolio Entities pursuant to the Acquisitions. This growth strategy is supported by the Imbedded ROFOs to be held by the Portfolio Entities upon the closing of the Acquisitions, which provide the Portfolio Entities with a right of first offer with respect to any sale of Tax Equity Interests in the Project LLCs and Project Principal Interests in Blue Canyon LLC. See "The Projects — Imbedded ROFOs under the Project LLC Agreements" and "Risk Factors".

Acquire Tax Equity Interests in additional renewable projects

By the end of 2008, approximately U.S.$13.2 billion of cumulative investments had been made in U.S. renewable energy projects by Tax Equity Investors. Management estimates that most of these projects are approaching or have entered Stage 2, where the return to Tax Equity Investors will begin to shift from primarily Tax Attributes to cash distributions. Management believes Tax Equity Investors in projects in Stage 2 are motivated to sell their interests to, among other reasons, invest in new projects with additional Tax Attributes. Applying the same rationale to later years, Management estimates that by 2017, Tax Equity Interests in U.S. renewable energy projects which originally represented investments of approximately U.S.$9.8 billion from January 1, 2009 to December 31, 2011, may provide viable acquisition opportunities as the projects invested in are approaching or will have entered Stage 2. The chart below provides an estimate of the amount of capital invested by Tax Equity Investors in renewable energy projects in the U.S. from January 1, 2005 to December 31, 2011.

Investment by Tax Equity Investors in U.S. Renewable Energy Projects



Sources: Bloomberg New Energy Finance U.S. Clean Energy White Paper "The return — and returns — of tax equity for U.S. renewables projects (November 21, 2011) and Bloomberg New Energy Finance H2 2012 Tax Equity Market Update — Revive and Prosper (July 18, 2012).

Management expects that its arrangements with JPM, such as the JPM LOI and JPM ROFO Agreement will provide the Trust with significant advantages for potential acquisitions of additional Tax Equity Interests. See "Our Business — Investment Highlights", "The Acquisitions — JPM ROFO Agreement", and "Risk Factors".

Acquire Project Principal Interests in additional renewable energy projects

Management believes that there will be an opportunity for the Trust to secure long-term cash flow streams and increased operational control over projects by acquiring Project Principal Interests from Project Principals seeking to obtain liquidity and realize returns more quickly than they would otherwise be able to. The Flip Structure provides for a repayment of capital to Project Principals following the start of commercial operations, but does not typically provide for any return on capital until after the Tax Equity Investors have achieved their Preferred Return. For certain Project Principals, the wait to receive their returns may prove challenging as cash might be required earlier to support their business. See "Industry Overview — Tax Equity Finance Structures".

Credit Facility Available for Future Acquisitions

On Closing, the Trust expects to enter into the Credit Agreement to establish a U.S.$100.0 million senior limited-recourse variable amortization term Credit Facility, which will enable the Trust to access up to U.S.$100.0 million for acquisitions with U.S.$45.1 million available for drawdown immediately following Closing. The access to funds available through the Credit Facility will assist the Trust in capitalizing on the various growth opportunities that it will be pursuing following the Acquisitions. The Credit Facility will only be drawn on for acquisitions if Management believes that the characteristics of the projects in which interests are being acquired are similar to those of the Projects. See "Our Business — Investment Highlights" and "Credit Facilities".

THE PROJECTS

Summary of the Projects

The Projects consist of nine operating wind power projects which are located across seven states and four power markets in the U.S. and have a gross installed generating capacity of 804.7 MW.

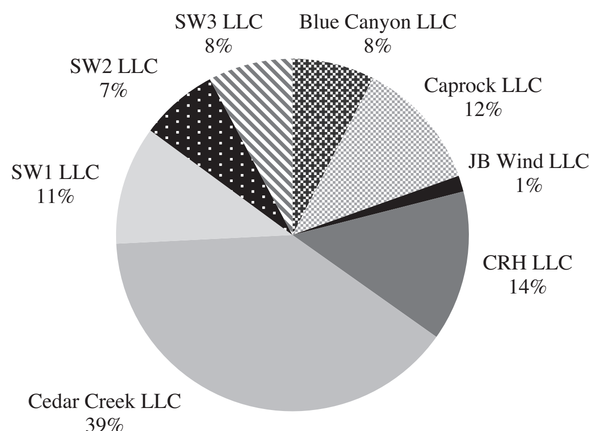
Project Diversification

The Projects are diversified by geography, power markets, PPAs, off-takers and OEMs, thereby reducing the impact of any single factor on the performance of the Projects, such as credit risk of an off-taker, volatility in

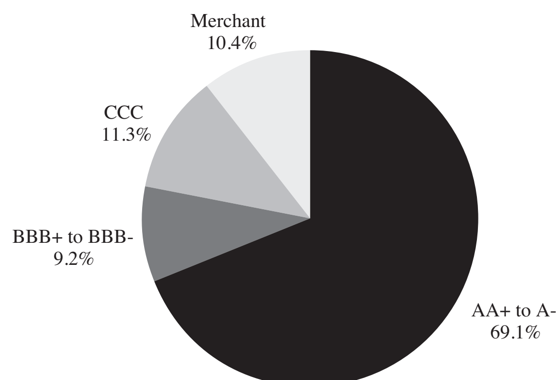
a power market, poor wind availability at a particular Project or technical or supply issues affecting turbines provided by a particular OEM. The Projects generate power sold to nine off-takers across four wholesale power markets: SPP, PJM, WECC and ERCOT. The Projects are also located in seven states and utilize wind turbines from four different OEMs.

The following charts set out on an Adjusted LTM Q1 2013 basis: (i) the percentage of cash distributions for the 12 months ended for the LTM Q1 2013 period received by Wind I that can be attributed to cash distributions from each Project LLC; and (ii) the credit rating of the off-takers of the production of the Projects for the LTM Q1 2013 weighted by the cash distributions received by Wind I attributable to each Project LLC for such period. On a *pro-forma* basis at LTM Q1 2013, approximately two thirds of the cash distributions that would have been received by Wind I through cash distributions from each Project LLC are attributable to Project LLCs in the West Region and over three-fourths are attributable to Project LLCs which have entered into PPAs with investment grade off-takers.

Adjusted LTM Q1 2013 Cash Distributions
Total: US$18.0 million



Off-taker Credit Rating Weighted by
Adjusted LTM Q1 2013 Cash Distributions(1)



Notes:

(1) For a complete breakdown of the credit rating of off-takers, see "The Projects — Generation and Revenue Stability from the Project LLCs".

Cash distributions to Wind I from the Project LLCs will be impacted by the Flips and the eventual expiration of the PPAs entered into by each of the Project LLCs. The charts above make adjustments to reflect that on June 30, 2013, the PPA entered into by CRH LLC expired and the energy generated by the Crescent Ridge Project is expected to be sold in the PJM wholesale market. Management expects that the average price per MWh sold in the first year following the expiration of the CRH LLC PPA will be approximately 48% of the price per MWh received under the PPA. Management expects the decrease in cash distributions received by Wind I from the termination of CRH LLC's PPA will be offset by the impact of Cedar Creek LLC entering Stage 2, which Management believes will occur during the third quarter of 2013. See "The Projects — Region and Project Descriptions", "Notice to Investors", "Management's Discussion and Analysis for the Project LLCs for the years ended December 31, 2010, 2011 and 2012", "Management's Discussion and Analysis for the Project LLCs for the three months ended March 31, 2012 and 2013" and "Risk Factors".

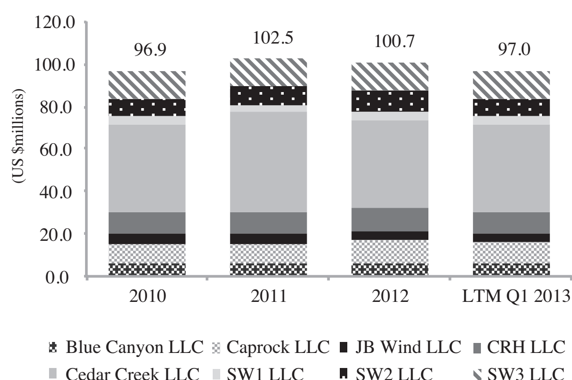
Generation and Revenue Stability from the Project LLCs

As of March 31, 2013, the average operating history of the Projects is approximately 7.7 years. From January 1, 2010 to March 31, 2013, the average availability of the Projects was approximately 92.7% and the aggregate production from the Projects in each of 2010, 2011 and 2012 has varied by less than 3.0% from the average annual aggregate production from the Projects from 2010 through 2012. Further, aggregate revenue from the Project LLCs in each of 2010, 2011 and 2012 has varied by less than 4.0% from the average annual

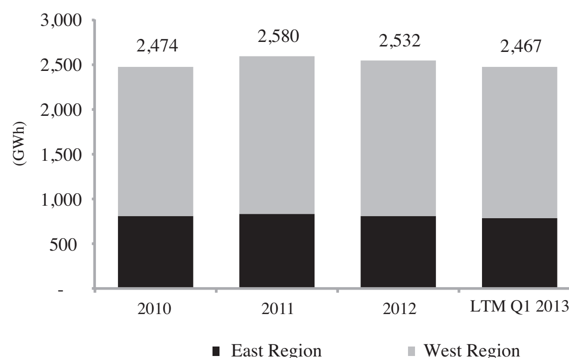
revenue from the Project LLCs from 2010 through 2012. Management believes that the consistent results of the Projects and the Project LLCs, taken as a whole, can be attributed to the diversification characteristics of the Projects and the Project LLCs described in this prospectus. The stability of the Project LLCs' aggregate revenue can also be attributed to the fact that the Project LLCs generate substantial revenues from PPAs, which offer greater stability than wholesale market derived revenues. As of March 31, 2013, the PPAs entered into with off-takers of energy from the Projects have a capacity weighted average remaining life of approximately 11.1 years. As of the Closing Date, approximately 92.7% of the aggregate capacity of the Projects will be contracted for under PPAs.

The charts below set out: (i) the aggregate annual revenue of the Project LLCs for the 12 months ended December 31, 2010, December 31, 2011, December 31, 2012 and the LTM Q1 2013; and (ii) the aggregate regional annual production of the Project LLCs for the 12 months ended December 31, 2010, December 31, 2011, December 31, 2012 and LTM Q1 2013.

Combined Project LLC Revenue(1)(2)



Combined Project LLC Production



Notes:

(1) On June 30, 2013, the PPA entered into by CRH LLC expired and the energy generated by the Crescent Ridge Project is expected to be sold in the PJM wholesale market. Management expects that the average price per MWh sold in the first year following the expiration of the CRH LLC PPA will be approximately 48% of the price per MWh received under the PPA. Management expects the decrease in cash distributions received by Wind I from the termination of CRH LLC's PPA will be offset by the impact of Cedar Creek LLC entering Stage 2, which Management believes will occur during the third quarter of 2013. See "The Projects — Region and Project Descriptions", "Notice to Investors", "Management's Discussion and Analysis for the Project LLCs for the years ended December 31, 2010, 2011 and 2012", "Management's Discussion and Analysis for the Project LLCs for the three months ended March 31, 2012 and 2013" and "Risk Factors".

(2) Since the Trust is not acquiring 100% of the outstanding Tax Equity Interests and Project Principal Interests in the Project LLCs, the revenue or results of the Project LLCs is not equivalent to nor indicative of the revenue of the Portfolio Entities, Wind I or the Trust. See "Corporate Structure — Percentage of Cash Distributions and Tax Attributes from the Project LLCs", "Management's Discussion and Analysis for the Project LLCs for the years ended December 31, 2010, 2011 and 2012", "Management's Discussion and Analysis for the Project LLCs for the three months ended March 31, 2012 and 2013", "Notice to Investors — About this Prospectus" and "Risk Factors".

The following table lists certain information about each of the Projects as well as the Tax Equity Interests and Project Principal Interests in each Project LLC that will be acquired by the Portfolio Entities.

Project Name (LLC Name)	Location and (Power Market)	Gross Capacity (MW)	Portfolio Entities' Interests	Turbines	Commercial Operation Date	Electricity Off-Taker(s)	Off-Taker(s) Credit Ratings	PPA Expiry
East Region								
Bear Creek Project (JB Wind LLC)	Luzerne, Pennsylvania (PJM)	24.0	100% of Tax Equity Interests	(12) Gamesa G87 2.0 MW	2006	PPL Energy	S&P: BBB Moody's: Baa2 Fitch: BBB[1]	2026
Blue Canyon Project (Blue Canyon LLC)	Comanche and Caddo Counties, Oklahoma (SPP)	74.3	62% of Tax Equity Interests / 25% of Project Principal Interests	(45) NEG Micon[2] NM 72 1.65 MW	2003	Western Farmers	S&P: BBB+ Fitch: A−	2023
Caprock Project (Caprock LLC)	Quay County, New Mexico (SPP)	80.0	50% of Tax Equity Interests	(80) Mitsubishi MWT 1000A 1.0 MW	2004 / 2005	SPSC	S&P: A− Moody's: Baa2 Fitch: BBB	2024
Crescent Ridge Project (CRH LLC)	Bureau County, Illinois (PJM)	54.5	100% of Tax Equity Interests	(33) Vestas V82 1.65 MW	2005	Constellation	S&P: BBB Moody's: Baa2 Fitch: BBB+[3]	2013
Jersey-Atlantic Project (JB Wind LLC)	Atlantic City, New Jersey (PJM)	7.5	100% of Tax Equity Interests	(5) GE sle 1.5 MW	2006	ACUA Merchant[4]	Moody's: Ba1 Fitch: BBB−	2026[5]
West Region								
Cedar Creek Project (Cedar Creek LLC)	Weld County, Colorado (WECC)	300.5	28% of Tax Equity Interests	53 GE sle 1.5 MW; 221 Mitsubishi MWT-1000A 1 MW	2007	PSCo	S&P: A− Moody's: Baa1 Fitch: BBB+	2027
Sweetwater 1 Project (SW1 LLC)	Nolan County, Texas (ERCOT)	37.5	100% of Tax Equity Interests	(25) GE 1.5 MW	2003	Luminant	S&P: CCC Moody's: Ca Fitch: CC[6]	2028[7]
Sweetwater 2 Project (SW2 LLC)	Nolan County, Texas (ERCOT)	91.5	51% of Tax Equity Interests	(61) GE sle 1.5 MW	2005	Austin Energy	S&P: A+ Moody's: A1 Fitch: AA−	2017
Sweetwater 3 Project (SW3 LLC)	Nolan County, Texas (ERCOT)	135	23% of Tax Equity Interests	(90) GE sle 1.5 MW	2005	Austin Energy (25%)	S&P: A+ Moody's: A1 Fitch: AA−	2017
						CPS Energy (75%)	S&P: AA Moody's: Aa1 Fitch: AA+	2025

Notes:

(1) Credit ratings reflect those of PPL Energy Supply LLC, the guarantor of the off-taker PPL Energy-Plus LLC.

(2) Vestas acquired Neg Micon in February of 2004.

(3) Credit ratings reflect those of Exelon Corp., the parent of Constellation Energy Group Inc., the guarantor of the off-taker Constellation Energy Commodities Group Inc.

(4) 9,500 MWh is required to be purchased under the PPA; however, for the 12 month period ended March 31, 2013, the amount purchased by ACUA was equal to approximately 56% of total production.

(5) The Project LLC has an option to extend for 10 years to 2036.

(6) Credit ratings reflect those of Texas Competitive Electric Holdings Company LLC, the guarantor of the off-taker, Luminant Energy Company LLC.

(7) The Project LLC and the purchaser each have a five-year extension option.

Management evaluates the Projects and the Project LLCs on a regional basis which reflects similarities in the power market dynamics, economic environment and other regional factors such as the regulatory environment and transmission dynamics. Following the Acquisitions, Management will monitor and assess the performance of the Projects LLCs within each region and the contribution of each region to the Trust's overall performance.

The composition of each region is as follows:

Region	Power Market	Project LLCs
West Region	WECC, ERCOT	Cedar Creek LLC, SW1 LLC, SW2 LLC, SW3 LLC
East Region	SPP, PJM	Blue Canyon LLC, Caprock LLC, CRH LLC, JB Wind LLC

The Trust will manage and evaluate the performance of each region based on its contribution to the Trust's cash flow using cash distributions since this provides information which supports the ability of the Trust to service debt and pay distributions to Unitholders. A description of each Project, organized by region, is set out below.

All leases entered into by the Project LLCs or their subsidiaries with respect to the land where the Projects operate had original terms (with extensions) at least as long as the term of the PPAs entered into by such entities.

East Region

The East Region consists of the PJM and SPP wholesale power markets and includes the Bear Creek Project, the Blue Canyon Project, the Caprock Project, the Crescent Ridge Project and the Jersey-Atlantic Project. For the period from January 1, 2010 to March 31, 2013, the East Region represented approximately 32% of the total production from the Projects.

Historical Operating Performance

The following table provides a summary of the historical operating performance for the years ended December 31, 2010, December 31, 2011 and December 31, 2012 and the 12 months ended March 31, 2013.

East Region Historical Performance

	Year Ended December 31, 2010	Year Ended December 31, 2011	Year Ended December 31, 2012	12 months Ended March 31, 2013
Total Production (MWh)	804,202	823,261	812,076	785,618
Power Sales Revenue/MWh[(1)]	$ 36.56	$ 36.28	$ 36.50	$ 35.97
EBITDA (U.S.$000's)[(2)]	$16,983	$16,626	$16,682	$15,993

Notes:

(1) Power Sales Revenue/MWh is calculated as Total Power Sales Revenue divided by Total Production for the period.

(2) EBITDA shown in thousands of U.S. dollars. For a reconciliation of EBITDA of the Project LLCs to net income of the Project LLCs as calculated under IFRS, see "Management's Discussion and Analysis for the Project LLCs for the years ended December 31, 2010, 2011 and 2012" and "Management's Discussion and Analysis for the Project LLCs for the three months ended March 31, 2012 and 2013". The Trust will not own 100% of any of the Projects following the Acquisitions. For a description of the interests in the Projects and the Project LLCs held by the Trust following closing of the Acquisitions. See "Corporate Structure — Percentage of Cash Distributions and Tax Attributes from the Project LLCs".

Bear Creek Project — JB Wind LLC

Overview

The Bear Creek Project is located in Luzerne, Pennsylvania and has a gross generating capacity of 24 MW. The Bear Creek Project consists of 12 Gamesa G87 wind turbines with ratings of 2 MW and achieved commercial operations in March of 2006. The average annual net energy output from the Bear Creek Project from 2010 through 2012 was 57.3 GW hours ("**GWh**") with an average implied capacity factor of approximately 27%.

Summary of JB Wind LLC Flip Structure

Stage within Flip Structure	Entitlements of the Tax Equity Interests		Entitlements of the Project Principal Interests		Status
	Cash Distributions	Tax Attributes	Cash Distributions	Tax Attributes	
Stage 1	0.00%	100.00%	100.00%	0.00%	Completed in 2012
Stage 2	100.00%	100.00%	0.00%	0.00%	Current Stage
Stage 3	10.56%	10.56%	89.44%	89.44%	Future Stage

The Project LLC for the Bear Creek Project is JB Wind Holdings LLC ("**JB Wind LLC**"), a Delaware limited liability company. JB Wind LLC owns 100% of Wind Park Bear Creek, LLC, which owns the Bear Creek Project. Project Principal Interests in JB Wind LLC are held by Wind Park Jersey Member LLC, an affiliate of Infigen Energy Ltd. ("**Infigen Energy**") and CH-Community Wind Energy LLC. Prior to the completion of the Acquisitions, the Tax Equity Interests in JB Wind LLC are held by an affiliate of JPM. Following the closing of the Acquisitions, THLLP1 will hold 100% of the Tax Equity Interests in JB Wind LLC. JB Wind LLC is governed by a Project LLC Agreement dated March 10, 2006. The Managing Members of the Bear Creek Project are Wind Park Jersey Member LLC and CH-Community Wind Energy, LLC.

The Bear Creek Project is currently in Stage 2 of its Flip Structure. During Stage 2, Tax Equity Investors are entitled to 100% of the Tax Attributes and 100% of the cash distributions from JB Wind LLC. See "Risk Factors".

Power Purchase Agreement

Electrical output from the Bear Creek Project is sold to PPL Energy-Plus LLC ("**PPL Energy**"), an affiliate of PPL Energy Supply LLC, under a 20-year PPA. Energy sales commenced in March of 2006 and the PPA is scheduled to expire in March of 2026. Under the PPA, PPL Energy agrees to purchase all of the electric generation from the Bear Creek Project.

Operations and Maintenance

In 2007, JB Wind LLC, through an affiliate, entered into an agreement with Infigen Asset Management LLC ("**Infigen Asset Management**") pursuant to which Infigen Asset Management agreed to provide operational and management services for the Bear Creek Project. This agreement commenced in May of 2007 and had an initial term of four years with an unlimited number of one-year automatic renewal periods unless terminated. Pursuant to this agreement, Infigen Asset Management performs all scheduled and unscheduled maintenance pertaining to the wind turbines.

Effective June 2013, JB Wind LLC, through an affiliate, entered into a 15-year warranty and maintenance agreement with Gamesa pursuant to which Gamesa will provide warranties, turbine maintenance services and replacement components for the turbines at the Bear Creek Project. Under this agreement, Gamesa will be responsible for all turbine maintenance costs including labor, cost of all wind turbine component replacements, including blades (subject to agreed liability caps) for an annual fixed fee. Gamesa will also provide turbine availability warranties coupled with performance payments contingent on turbine availability. The agreement with Gamesa means that Infigen Asset Management will cease to provide turbine maintenance services for the Bear Creek Project, but will continue to operate the wind farm and provide a balance of plant service and maintenance.

Blue Canyon Project

Overview

The Blue Canyon Project is located in Comanche and Caddo Counties, Oklahoma and has gross generation capacity of 74.3 MW. The Blue Canyon Project consists of 45 NEG Micon NM72 wind turbines with ratings of 1.65 MW and achieved commercial operations in December of 2003. The average annual net energy output from

the Blue Canyon Project from 2010 through 2012 was 264.4 GWh with an average implied capacity factor of approximately 41%.

Summary of Blue Canyon LLC Flip Structure

Stage within Flip Structure	Entitlements of the Tax Equity Interests		Entitlements of the Project Principal Interests		Status
	Cash Distributions	Tax Attributes	Cash Distributions	Tax Attributes	
Stage 1	0.00%	100.00%	100.00%	0.00%	Completed in 2008
Stage 2	100.00%	100.00%	0.00%	0.00%	Current Stage
Stage 3	21.84%	21.84%	78.16%	78.16%	Future Stage

The Project LLC for the Blue Canyon Project is Blue Canyon Windpower LLC ("**Blue Canyon LLC**"), a Texas limited liability company, in which the Project Principal Interests are held by Blue Canyon 1 Member LLC, an affiliate of Infigen Energy, Acciona Wind Energy USA LLC, an affiliate of ACCIONA Energy North America Corporation, and prior to the Acquisitions, EDP Renewables North America LLC ("**EDP**"). Prior to the completion of the Acquisitions, the Tax Equity Interests in Blue Canyon LLC are held by an affiliate of JPM, KEF Equity Investment Corp ("**KEF**") and other Tax Equity Investors. Following the closing of the Acquisitions, THLLP1 and THLLP2 will, together, hold 62% of the Tax Equity Interests in Blue Canyon LLC and TH3 will hold 25% of the Project Principal Interests in Blue Canyon LLC. Blue Canyon LLC is governed by an amended and restated Project LLC Agreement dated December 23, 2003. The Managing Members of Blue Canyon LLC are Blue Canyon 1 Member LLC, Acciona Wind Energy USA LLC and EDP (prior to the completion of the EDP Acquisition). Upon completion of the EDP Acquisition, TH3 will acquire EDP's interest in Blue Canyon LLC and will be admitted to the management committee of Blue Canyon LLC as a Managing Member in place of EDP. TH3 will hold a minority of the Project Principal Interests in Blue Canyon LLC and will not have the ability to control decisions made by the management committee. However, TH3's admission to the management committee will provide Management with an opportunity to apply its operational and commercial experience and to promote improvements, if possible, in the performance and reliability of the Blue Canyon Project.

Blue Canyon LLC is currently in Stage 2 of its Flip Structure. During Stage 2, Tax Equity Investors are entitled to 100% of the Tax Attributes and 100% of the cash distributions from Blue Canyon LLC. During Stage 3, Tax Equity Investors will be entitled to 21.84% of the cash distributions and Tax Attributes, and the holders of Project Principal Interests will be entitled to 78.16% of the cash distributions and Tax Attributes. Based upon its review of Blue Canyon LLC's historical performance, Management anticipates that Blue Canyon LLC's IRR Flip Point will occur in 2016 at which time Blue Canyon LLC will enter Stage 3; however, there can be no guarantee that Blue Canyon LLC will enter Stage 3 when Management anticipates. See "Risk Factors".

Power Purchase Agreement

Electrical output from the Blue Canyon Project is sold to the Western Farmers Electric Cooperative ("**WFEC**") under a 20-year PPA. Energy sales commenced in December of 2003 and the PPA is scheduled to expire in December of 2023. Under the PPA, WFEC agrees to purchase all of the electric generation from the Blue Canyon Project.

Operations and Maintenance

Blue Canyon LLC has entered into an agreement with Infigen Asset Management pursuant to which Infigen Asset Management provides operational and management services for the Blue Canyon Project. Pursuant to this agreement, Infigen Asset Management manages and coordinates all scheduled and unscheduled maintenance pertaining to the wind turbines which is performed by Vestas, the wind turbine maintenance contractor under a separate maintenance agreement. The maintenance agreement with Vestas has a 10 year term beginning in April of 2011. Vestas is responsible for providing comprehensive turbine maintenance services

for a fixed fee per turbine (subject to agreed liability caps), including the labour, parts, vehicles, tools, equipment and any subcontracted services (including cranes) to perform all scheduled and unscheduled maintenance (troubleshooting and repairs) activities during the term with typical *force majeure* exclusions. The maintenance agreement also includes an availability guaranty requiring the maintenance contractor to achieve certain minimum availability thresholds for the turbines, which if not achieved, may result in performance payments from Vestas to Blue Canyon LLC.

Caprock Project

Overview

The Caprock Project is located in Quay County, New Mexico and has gross generation capacity of 80 MW. The Caprock Project consists of 80 Mitsubishi MWT 1000A wind turbines with ratings of 1 MW. The development of the Caprock Project was accomplished in two stages, with 60 MW of capacity commencing commercial operations in December of 2004 and the remaining 20 MW commencing commercial operations in May of 2005. The average annual net energy output from the Caprock Project from 2010 through 2012 was 322.7 GWh with an average implied Capacity Factor of approximately 46%.

Summary of Caprock LLC Flip Structure

Stage within Flip Structure	Entitlements of the Tax Equity Interests		Entitlements of the Project Principal Interests		Status
	Cash Distributions	Tax Attributes	Cash Distributions	Tax Attributes	
Stage 1	0.00%	100.00%	100.00%	0.00%	Completed in 2011
Stage 2	100.00%	100.00%	0.00%	0.00%	Current Stage
Stage 3	20.32%	20.32%	79.68%	79.68%	Future Stage

The Project LLC for the Caprock Project is Caprock Wind LLC (“**Caprock LLC**”), a Delaware limited liability company, in which the Project Principal Interests in Caprock LLC are held by an affiliate of Infigen Energy. Prior to completion of the Acquisitions, the Tax Equity Interests in Caprock LLC are held by an affiliate of JPM, KEF and other Tax Equity Investors. Following the closing of the Acquisitions, THLLP1 and THLLP2 will hold an aggregate of 50% of the Tax Equity Interests in Caprock LLC. Caprock LLC is governed by a second amended and restated Project LLC Agreement dated December 31, 2004. The Managing Member of Caprock LLC is Caprock Wind Member LLC.

Caprock LLC is currently in Stage 2 of its Flip Structure. During Stage 2, Tax Equity Investors are entitled to 100% of the Tax Attributes and 100% of the cash distributions from Caprock LLC. See “Risk Factors”.

Power Purchase Agreement

Electrical output from the Caprock Project is sold to the Southwestern Public Service Company (“**SPSC**”), an affiliate of Xcel Energy Inc., under a 20-year PPA. Energy sales commenced in December of 2004 and the PPA is scheduled to expire in December of 2024. Under the PPA, SPSC agrees to purchase all of the electric generation from the Caprock Project.

Operations and Maintenance

Caprock LLC has entered into an agreement with Infigen Asset Management pursuant to which Infigen Asset Management provides operational and management services for the Caprock Project. This agreement was extended until March of 2017 and the extension included the existing warranty, service and maintenance agreements between Caprock LLC and Mitsubishi. Pursuant to this agreement, Infigen Asset Management manages and coordinates all scheduled and unscheduled maintenance pertaining to the wind turbines which is performed by Mitsubishi, the wind turbine maintenance contractor under a separate maintenance agreement. Mitsubishi is responsible for providing comprehensive turbine maintenance services for a fixed fee per turbine (subject to agreed liability caps), including the labour, parts, vehicles, tools, equipment and any subcontracted services (including cranes) to perform all scheduled and unscheduled maintenance (troubleshooting and repairs) activities during the term with typical *force majeure* exclusions. The related availability guaranty agreement includes minimum availability thresholds for the turbines, which if not achieved, may result in performance payments from Mitsubishi to Caprock LLC.

Crescent Ridge Project

Overview

The Crescent Ridge Project is located in Bureau County, Illinois and has gross generation capacity of 54.5 MW. The Crescent Ridge Project consists of 33 Vestas V82 wind turbines with ratings of 1.65 MW and achieved commercial operations in November of 2005. The average annual net energy output from the Crescent Ridge Project from 2010 through 2012 was 150.5 GWh with an average implied Capacity Factor of approximately 32%.

Summary of CRH LLC Flip Structure

	Entitlements of the Tax Equity Interests		Entitlements of the Project Principal Interests		
Stage within Flip Structure	Cash Distributions	Tax Attributes	Cash Distributions	Tax Attributes	Status
Stage 1	0.00%	100.00%	100.00%	0.00%	Completed in 2012
Stage 2	100.00%	100.00%	0.00%	0.00%	Current Stage
Stage 3	5.00%	5.00%	95.00%	95.00%	Future Stage

The Project LLC for the Crescent Ridge Project is CRH LLC, a Delaware limited liability company. CRH LLC owns 100% of Crescent Ridge LLC which owns the Crescent Ridge Project. Project Principal Interests are held by Infigen Energy U.S. LLC, an affiliate of Infigen Energy, and Eurus Energy America Corporation, an affiliate of Eurus Energy Holdings Corporation. Prior to completion of the Acquisitions, the Tax Equity Interests are held by an affiliate of JPM. Following closing of the Acquisitions, THLLP1 will hold 100% of the Tax Equity Interests in CRH LLC. CRH LLC is governed by an amended and restated Project LLC Agreement dated June 30, 2006. The Managing Member CRH LLC is Infigen Energy U.S. LLC.

CRH LLC is currently in Stage 2 of its Flip Structure. During Stage 2, Tax Equity Investors are entitled to 100% of the Tax Attributes and 100% of the cash distributions from CRH LLC. See "Risk Factors".

Power Purchase Agreement

Electrical output from the Crescent Ridge Project was sold to Constellation Energy Commodities Group, Inc. ("**Constellation**"), an affiliate of Exelon Corporation, under a five-year PPA, which expired on June 30, 2013. Under the PPA, Constellation agreed to purchase all of the electric generation from the Crescent Ridge Project. Absent a replacement of the Constellation PPA, CRH LLC is eligible, with certain modifications to its interconnection arrangements, to sell the electrical output from the Crescent Ridge Project into the PJM wholesale energy market. Upon termination of the PPA, Management expects that the energy generated by the Crescent Ridge Project will be sold into the PJM wholesale market. Management expects that the average price per MWh sold by CRH LLC for the first full year following the expiration of the PPA will be approximately 48% of the price per MWh under the PPA.

Operations and Maintenance

CRH LLC has entered into an agreement with Infigen Asset Management pursuant to which Infigen Asset Management provides operational and management services for the Crescent Ridge Project. This agreement commenced in July of 2012 and has an initial term of five years with a five-year extension term at the option of CRH LLC. Pursuant to this agreement, Infigen Asset Management manages and coordinates all scheduled and unscheduled maintenance pertaining to the wind turbines which is performed by Vestas, the wind turbine maintenance contractor, under a separate maintenance agreement. The agreement with Vestas commenced in May of 2011 and has an initial term of five years. Vestas is responsible for providing comprehensive turbine maintenance services for a fixed fee per turbine (subject to agreed liability caps), including the labour, parts, vehicles, tools, equipment and any subcontracted services (including cranes) to perform all scheduled and unscheduled maintenance (troubleshooting and repairs) activities during the term with typical *force majeure* exclusions. The maintenance agreement also includes an availability guaranty requiring the maintenance

contractor to achieve certain minimum availability thresholds for the turbines, which if not achieved, may result in performance payments from Vestas to CRH LLC.

Jersey-Atlantic Project — JB Wind LLC

Overview

The Jersey-Atlantic Project is located in Atlantic City, New Jersey and has gross generation capacity of 7.5 MW. The Jersey-Atlantic Project consists of 5 GE sle wind turbines with ratings of 1.5 MW, and achieved commercial operations in March of 2006. The average annual net energy output from the Jersey-Atlantic Project from 2010 through 2012 was 18.2 GWh with an average implied capacity factor of approximately 28%.

Summary of JB Wind LLC Flip Structure

	Entitlements of the Tax Equity Interests		Entitlements of the Project Principal Interests		
Stage within Flip Structure	**Cash Distributions**	**Tax Attributes**	**Cash Distributions**	**Tax Attributes**	**Status**
Stage 1	0.00%	100.00%	100.00%	0.00%	Completed in 2012
Stage 2	100.00%	100.00%	0.00%	0.00%	Current Stage
Stage 3	10.56%	10.56%	89.44%	89.44%	Future Stage

The Project LLC for the Jersey-Atlantic Project is JB Wind LLC, a Delaware limited liability company. JB Wind LLC owns 100% of Jersey-Atlantic Wind, LLC, which owns the Jersey-Atlantic Project. Project Principal Interests in JB Wind LLC are held by Wind Park Jersey Member LLC, an affiliate of Infigen Energy, and CH-Community Wind Energy, LLC. Prior to completion of the Acquisitions, the Tax Equity Interests in JB Wind LLC are held by an affiliate of JPM. Following the closing of the Acquisitions, THLLP1 will hold 100% of the Tax Equity Interests in JB Wind LLC. JB Wind LLC is governed by a Project LLC Agreement dated March 10, 2006. The Managing Members of the JB Wind LLC are Wind Park Jersey Member LLC and CH-Community Wind Energy, LLC.

JB Wind LLC is currently in Stage 2 of its Flip Structure. During Stage 2, Tax Equity Investors are entitled to 100% of the Tax Attributes and 100% of the cash distributions from JB Wind LLC. See "Risk Factors".

Power Purchase Agreement

The Jersey-Atlantic Project currently has a 20 year PPA with ACUA which requires that ACUA purchase at least 9,500 MWh per year (representing approximately 53% of the electrical output of the Jersey-Atlantic Project for the 12 month period ended March 31, 2013). For the 12 month period ending March 31, 2013, the amount purchased by ACUA exceeded the minimum and was equal to approximately 56% of total production. Energy sales under the PPA commenced in March of 2006, and the PPA is scheduled to expire in March of 2026, with a 10 year extension to 2036 at the option of Jersey-Atlantic Wind, LLC. The agreement was extended in December of 2010 to January of 2016. The remainder of electrical output from the Jersey-Atlantic Project is sold into the PJM wholesale market.

REC Agreement

Pursuant to a REC contract between Jersey-Atlantic Wind, LLC and Community Energy, Inc., Jersey-Atlantic Wind, LLC has agreed to transfer all of the RECs produced by the Jersey-Atlantic Project to Community, Energy Inc. Transfers commenced in January of 2012 and the REC contract is scheduled to expire in December of 2014.

Operations and Maintenance

JB Wind LLC, through an affiliate, has entered into an agreement with Infigen Asset Management pursuant to which Infigen Asset Management provides operational and management services for the Jersey-

Atlantic Project. Pursuant to this agreement, Infigen Asset Management manages and coordinates all scheduled and unscheduled maintenance pertaining to the wind turbines which is performed by GE, a wind turbine maintenance contractor under a separate maintenance agreement. The agreements with Infigen Asset Management and GE were extended in December of 2010 to January of 2016. GE is responsible for providing comprehensive turbine maintenance services. GE receives a fixed fee per turbine for labour, vehicle tools and equipment to perform all scheduled maintenance and troubleshooting. The other services provided by GE, including the provision of parts and any subcontracted services (including cranes) are provided on a time and material basis. The maintenance agreement also includes an availability guaranty requiring GE to achieve certain minimum availability thresholds for the turbines, which if not achieved, may result in performance payments from GE to JB Wind LLC.

West Region

The West Region consists of the WECC and ERCOT wholesale power markets and includes the Cedar Creek Project, the Sweetwater 1 Project, the Sweetwater 2 Project and the Sweetwater 3 Project. For the period from January 1, 2010 to March 31, 2013, the West Region represented approximately 68% of the total production from the Projects.

Historical Operating Performance

The following table provides a summary of the historical operating performance for the years ended December 31, 2010, December 31, 2011 and December 31, 2012 and the 12 months ended March 31, 2013.

West Region Historical Performance

	Year Ended December 31, 2010	Year Ended December 31, 2011	Year Ended December 31, 2012	12 months Ended March 31, 2013
Total Production (MWh)	1,670,258	1,757,293	1,719,757	1,681,579
Power Sales Revenue/MWh[1]	$ 38.91	$ 39.08	$ 38.87	$ 39.02
EBITDA (U.S.$000's)[2]	$ 44,907	$ 45,296	$ 39,550	$ 38,219

Notes:

(1) Power Sales Revenue/MWh is calculated as Total Power Sales Revenue divided by Total Production for the period.

(2) EBITDA shown in thousands of U.S. dollars. For a reconciliation of EBITDA of the Project LLCs to net income of the Project LLCs as calculated under IFRS, see "Management's Discussion and Analysis for the Project LLCs the years ended December 31, 2010, 2011 and 2012" and "Management's Discussion and Analysis for the Project LLCs for the three months ended March 31, 2012 and 2013".

Cedar Creek Project

Overview

The Cedar Creek Project is located in Weld County, Colorado and has gross generation capacity of 300.5 MW. The Cedar Creek Project consists of 221 Mitsubishi Heavy Industries ("**MHI**") MWT-1000A wind turbines and 53 GE sle wind turbines with ratings of 1 MW and 1.5 MW, respectively. The development of the Cedar Creek Project was accomplished in two stages, with 280.5 MW of capacity commencing commercial operations in November of 2007, and the remaining 20 MW commencing commercial operations in December of 2007. The average annual net energy output from the Cedar Creek Project from 2010 to 2012 was 857.1 GWh with an average implied capacity factor of approximately 33%.

Summary of Cedar Creek LLC's Flip Structure

Stage within Flip Structure	Entitlements of the Tax Equity Interests		Entitlements of the Project Principal Interests		Status
	Cash Distributions	Tax Attributes	Cash Distributions	Tax Attributes	
Stage 1	0.00%	100.00%	100.00%	0.00%	Current Stage
Stage 2	100.00%	100.00%	0.00%	0.00%	During the third quarter of 2013 (*expected*)[(1)]
Stage 3	5.00%	5.00%	95.00%	95.00%	Future stage

Notes:

(1) Based on its review of Cedar Creek LLC's historical performance Management expects that Cedar Creek LLC's Cash Flip Point will occur during the third quarter of 2013; however, the Cedar Creek Project LLC Agreement provides that Cedar Creek LLC's Cash Flip Point must occur no later than February 28, 2015. See "Risk Factors".

The Project LLC for the Cedar Creek Project is Cedar Creek LLC, a Delaware limited liability company. Cedar Creek LLC owns 100% of Cedar Creek Wind Energy, LLC, a Colorado limited liability company, which owns the Cedar Creek Project. Project Principal Interests in Cedar Creek LLC are held by Cedar Creek Wind 1 Member LLC, an affiliate of Infigen Energy and BP Wind Energy North America Inc. Prior to the completion of the Acquisitions, the Tax Equity Interests are held by JPM and other Tax Equity Investors. Following the closing of the Acquisitions, THLLP1 will hold 28% of the Tax Equity Interests in Cedar Creek LLC. Cedar Creek LLC is governed by an amended and restated Project LLC Agreement dated November 21, 2007. The Managing Member of Cedar Creek LLC is Cedar Creek Wind Energy, LLC. In addition, Cedar Creek LLC is the only Project LLC that has an ownership interest in part of the transmission line used to transmit power from its Project to the power grid. Electricity from the Cedar Creek Project reaches the power grid through a 76-mile transmission line (which is jointly owned by Cedar Creek Wind Energy, LLC and others), which connects to the applicable off-taker's system in Keenesburg, Colorado.

Cedar Creek LLC is currently in Stage 1 of its Flip Structure. During Stage 1, Tax Equity Investors are entitled to 100% of the Tax Attributes and 0% of the cash distributions from Cedar Creek LLC. Management expects Cedar Creek LLC to enter Stage 2 during the third quarter of 2013. During Stage 2, Tax Equity Investors will be entitled to 100% of the Tax Attributes and 100% of the cash distributions from Cedar Creek LLC. There can be no guarantee Cedar Creek LLC will enter Stage 2 when Management anticipates. In the event that the transmission line partially owned by Cedar Creek LLC is sold, it may result in additional cash distributions which may trigger the occurrence of the IRR Flip Point sooner than Management currently anticipates causing a decrease in the length of Stage 2. See "Risk Factors".

For the 12 months ended March 31, 2013, Cedar Creek LLC provided aggregate cash distributions of approximately U.S.$26.0 million to all of its members. On an Adjusted LTM Q1 2013 basis, Wind I would have received approximately U.S.$7.0 million of the cash distributions from Cedar Creek LLC during the 12 month period ending March 31, 2013. See "Notice to Investors", "Selected *Pro Forma* Financial Information" and "Risk Factors".

Power Purchase Agreement

Electrical output from the Cedar Creek Project is sold to the Public Service Company of Colorado ("**PSCo**"), an affiliate of Xcel Energy Inc., under a 20 year PPA. Energy sales commenced in November of 2007 and the PPA is scheduled to expire in November of 2027. Under the PPA, PSCo agrees to purchase all of the electric generation from the Cedar Creek Project.

Operations and Maintenance

Cedar Creek Wind Energy LLC, through an affiliate, has an agreement with Infigen Asset Management to provide operational and management services for the Cedar Creek Project. This agreement commenced in July of 2007, and had an initial term of 10 years with an unlimited number of one-year automatic renewal periods

unless terminated. Pursuant to this agreement, Infigen Asset Management manages and coordinates all scheduled and unscheduled maintenance pertaining to the wind turbines to be performed by a wind turbine maintenance contractor under a separate maintenance agreement.

Wind turbine maintenance and servicing is performed by Mitsubishi on the 221 MHI turbines pursuant to maintenance agreement entered into on March 31, 2012 with an initial term of five years. Mitsubishi is responsible for providing comprehensive turbine maintenance services for a fixed fee per turbine (subject to agreed liability caps), including the labour, parts, vehicles, tools, equipment and any subcontracted services (including cranes) to perform all scheduled and unscheduled maintenance (troubleshooting and repairs) activities during the term with typical force majeure exclusions. The maintenance agreement also includes an availability guaranty requiring the maintenance contractor to achieve certain minimum availability thresholds for the turbines, which if not achieved, may result in performance payments from Mitsubishi to Cedar Creek LLC.

Wind turbine maintenance and servicing is performed by EDF Renewable Energy, a subsidiary of EDF Energies Nouvelles on the 53 GE turbines pursuant to a maintenance agreement entered into in July of 2007 with an initial term of 10 years. EDF Renewable Energy is responsible for providing a fixed amount of labour, trucks and hand tools required to perform scheduled and unscheduled maintenance services for a fixed fee per turbine. Cedar Creek LLC is responsible for providing parts and subcontracting out of scope services including cranes.

Sweetwater 1 Project

Overview

The Sweetwater 1 Project is located in Nolan County, Texas and has gross generation capacity of 37.5 MW. The Sweetwater 1 Project consists of 25 GE S wind turbines with ratings of 1.5 MW, and achieved commercial operations in December of 2003. The average annual net energy output from the Sweetwater 1 Project from 2010 through 2012 was 126.2 GWh with an average implied capacity factor of approximately 38.4%.

Summary of SW1 LLC Flip Structure

Stage within Flip Structure	Entitlements of the Tax Equity Interests		Entitlements of the Project Principal Interests		Status
	Cash Distributions	Tax Attributes	Cash Distributions	Tax Attributes	
Stage 1	0.00%	100.00%	100.00%	0.00%	Completed in 2012
Stage 2	100.00%	100.00%	0.00%	0.00%	Current Stage
Stage 3	16.34%	16.34%	83.66%	83.66%	Future Stage

The Project LLC for the Sweetwater 1 Project is SW1 LLC, a Delaware limited liability company, in which the Project Principal Interests are held by Sweetwater 1 Member LLC, an affiliate of Infigen Energy, and Catamount Sweetwater 1 LLC, an affiliate of Duke Energy Corporation. Prior to completion of the Acquisitions, the Tax Equity Interests are held by an affiliate of JPM and by KEF. Following the closing of the Acquisitions, THLLP1 and THLLP2 will hold 100% of the Tax Equity Interests in SW1 LLC. SW1 LLC is governed by an amended and restated Project LLC Agreement dated December 23, 2003. The Managing Members of SW1 LLC are Sweetwater 1 Member LLC and Catamount Sweetwater 1 LLC.

SW1 LLC is currently in Stage 2 of its Flip Structure. During Stage 2, Tax Equity Investors are entitled to 100% of the Tax Attributes and 100% of the cash distributions from SW1 LLC. See “Risk Factors”.

Power Purchase Agreement

Electrical output from the Sweetwater 1 Project is sold to Luminant Energy Company LLC (“**Luminant**”), a subsidiary of Energy Future Holdings Corp., under a 20 year PPA. Energy sales commenced in December of 2003 and the PPA is scheduled to expire in December of 2028 which includes an extension provision of five years

exercisable at the option of SW1 LLC. Under the PPA, Luminant agrees to purchase all of the electric generation from the Sweetwater 1 Project.

Operations and Maintenance

SW1 LLC has entered into a management, operations and maintenance agreement with Infigen Management Asset pursuant to which Infigen Asset Management provides operational, management and maintenance services for the Sweetwater 1 Project. This agreement commenced in November of 2009 and has an initial period of five years with a five year extension option exercisable at the option of SW1 LLC. Pursuant to this agreement, Infigen Asset Management is responsible for providing turbine maintenance services for a fixed fee including the labour, vehicles, tools and any subcontracted services to perform all scheduled and minor unscheduled maintenance (troubleshooting and repairs) with the exception of certain out of scope maintenance activities that includes major maintenance and work that requires the use of a crane.

Sweetwater 2 Project

Overview

The Sweetwater 2 Project is located in Nolan County, Texas and has gross generation capacity of 91.5 MW. The Sweetwater 2 Project consists of 61 GE sle wind turbines with ratings of 1.5 MW, and achieved commercial operations in February of 2005. The average annual net energy output from the Sweetwater 2 Project from 2010 through 2012 was 308.0 GWh with an average implied Capacity Factor of approximately 38%.

Summary of SW2 LLC Flip Structure

Stage within Flip Structure	Entitlements of the Tax Equity Interests		Entitlements of the Project Principal Interests		Status
	Cash Distributions	Tax Attributes	Cash Distributions	Tax Attributes	
Stage 1	0.00%	100.00%	100.00%	0.00%	Completed in 2012
Stage 2	100.00%	100.00%	0.00%	0.00%	Current Stage
Stage 3	21.49%	21.49%	78.51%	78.51%	Future Stage

The Project LLC for the Sweetwater 2 Project is SW2 LLC, a Delaware limited liability company, in which the Project Principal Interests are held by Sweetwater 2 Member LLC, an affiliate of Infigen Energy, and Catamount Sweetwater 2 LLC, an affiliate of Duke Energy Corporation. Prior to completion of the Acquisitions, the Tax Equity Interests are held by an affiliate of JPM and by KEF and other Tax Equity Investors. Following the closing of the Acquisitions, THLLP1 and THLLP2 will hold approximately 51% of the Tax Equity Interests in SW2 LLC. SW2 LLC is governed by an amended and restated Project LLC Agreement dated February 11, 2005. The Managing Members of SW2 LLC are Sweetwater 2 Member LLC and Catamount Sweetwater 2 LLC.

SW2 LLC is currently in Stage 2 of its Flip Structure. During Stage 2, Tax Equity Investors are entitled to 100% of the Tax Attributes and 100% of the cash distributions from SW2 LLC. See "Risk Factors".

Power Purchase Agreement

Electrical output from the Sweetwater 2 Project is sold to the city of Austin, Texas through its municipally owned electric utility, Austin Energy ("**Austin Energy**"), under a 12-year PPA. Energy sales commenced in February of 2005 and the PPA is scheduled to expire in February of 2017. Under the PPA, the city of Austin agrees to purchase all of the electric generation from the Sweetwater 2 Project.

Operations and Maintenance

SW2 LLC has entered into a management, operations and maintenance agreement with Infigen Asset Management pursuant to which Infigen Asset Management provides operational, management and maintenance

services for the Sweetwater 2 Project. This agreement commenced in November of 2009 and has an initial period of five years with a five year extension option exercisable at the option of both parties by mutual agreement. Pursuant to this agreement, Infigen Asset Management is responsible for providing turbine maintenance services for a fixed fee including the labour, vehicles, tools and any subcontracted services to perform all scheduled and minor unscheduled maintenance (troubleshooting and repairs) with the exception of certain out of scope maintenance activities that includes major maintenance and work that requires the use of a crane.

Sweetwater 3 Project

Overview

The Sweetwater 3 Project is located in Nolan County, Texas and has gross generation capacity of 135 MW. The Sweetwater 3 Project consists of 90 GE sle wind turbines with ratings of 1.5 MW, and achieved commercial operations in December of 2005. The average annual net energy output from the Sweetwater 3 Project from 2010 through 2012 was 424.4 GWh with an average implied Capacity Factor of approximately 36%.

Summary of SW3 LLC Flip Structure

Stage within Flip Structure	Entitlements of the Tax Equity Interests		Entitlements of the Project Principal Interests		Status
	Cash Distributions	Tax Attributes	Cash Distributions	Tax Attributes	
Stage 1	0.00%	100.00%	100.00%	0.00%	Completed in 2012
Stage 2	100.00%	100.00%	0.00%	0.00%	Current Stage
Stage 3	16.71%	16.71%	83.29%	83.29%	Future stage

The Project LLC for the Sweetwater 3 Project is SW3 LLC, a Delaware limited liability company, in which the Project Principal Interests are held by Sweetwater 3 Member LLC, an affiliate of Infigen Energy, and Catamount Sweetwater 3 LLC, an affiliate of Duke Energy Corporation. Prior to the completion of the Acquisitions, the Tax Equity Interests are held by an affiliate of JPM and other Tax Equity Investors. Following the closing of the Acquisitions, THLLP1 will hold approximately 23% of the Tax Equity Interests in SW3 LLC. SW3 LLC is governed by a second amended and restated Project LLC Agreement dated December 30, 2005. The Managing Members of SW3 LLC are Sweetwater 3 Member LLC and Catamount Sweetwater 3 LLC.

SW3 LLC is currently in Stage 2 of its Flip Structure. During Stage 2, Tax Equity Investors are entitled to 100% of the Tax Attributes and 100% of the cash distributions from SW3 LLC. See "Risk Factors".

Power Purchase Agreement

Electrical output from the Project is sold in part to Austin Energy under a 12-year PPA and in part to CPS Energy of San Antonio ("**CPS Energy**") under a 20 year PPA. Energy sales to Austin Energy commenced in February of 2005 and the PPA is scheduled to expire in February of 2017 (approximately 25% of output). Energy sales to CPS Energy commenced in December of 2005 and the PPA is scheduled to expire in December of 2025 (approximately 75% of output). Under the PPAs, Austin Energy and CPS Energy agree to purchase all of the electric generation from the Sweetwater 3 Project.

Operations and Maintenance

SW3 LLC has entered into a management, operations and maintenance agreement with Infigen Management Asset pursuant to which Infigen Asset Management provides operational, management and maintenance services for the Sweetwater 3 Project. This agreement commenced in November of 2009 and has an initial period of five years with a five year extension option exercisable at the option of SW3 LLC. Pursuant to this agreement, Infigen Asset Management is responsible for providing turbine maintenance services for a fixed fee including the labour, vehicles, tools and any subcontracted services to perform all scheduled and minor unscheduled maintenance (troubleshooting and repairs) with the exception of certain out of scope maintenance activities that includes major maintenance and work that requires the use of a crane.

Tax Equity Interests and Project Principal Interests in the Project LLCs

Each of the Projects is, directly or indirectly, wholly-owned by a Project LLC. The relationship between the Project Principals and Tax Equity Investors relating to each Project LLC is established through the applicable Project LLC Agreement, which stipulates the rights and claims of its members and governs, among other things, the management of the applicable Project LLC, the allocation of cash distributions and Tax Attributes and the ability of members to transfer their member interests. See "The Acquisitions".

The Project LLC Agreements establish two classes of members (Tax Equity Investors and Project Principals) and prescribe the rights of such members. The Project LLC Agreements provide for two Flips. The Cash Flip Point (Stage 1 to Stage 2) occurs upon the earlier of: (i) cumulative cash distributions being made to the Project Principal in an amount equal to their contributed capital; or (ii) a contractual date (which varies by Project LLC). At the closing of the Acquisitions, seven of the eight Project LLCs will be in Stage 2. Management expects that, based on historical performance, Cedar Creek LLC will enter Stage 2 during the third quarter of 2013. Based on Management's expectation that all eight of the Project LLCs will have entered Stage 2 prior to the end of the third quarter of 2013, the cash distribution weighted average remaining Stage 2 life of the Project LLC as at March 31, 2013 will be approximately 8.9 years. Following Stage 2, Tax Equity Investors in the Project LLCs will be entitled to receive between 5% and 21.8% of the cash distributions from each Project LLC. See "Industry Overview — Tax Equity Structure" and "Risk Factors".

The after-tax IRR targets required to reach the IRR Flip Points (Stage 2 to Stage 3) for the Project LLCs range from approximately 6.045% to 8.25% in the Project LLCs. The after-tax IRR target is based upon the initial investment by the initial Tax Equity Investors in the Project LLCs and not the return expected to be received by the Portfolio Entities or the Trust. The after-tax IRR target for a particular Project LLC, combined with the performance of the Project LLC and the initial capital contributed, determines the IRR Flip Point for the particular Project LLC.

Following the IRR Flip Point for a Project LLC, the applicable Project Principal is entitled to the majority of the cash distributions and Tax Attributes from such Project LLC for the remaining life of the Project (with percentages ranging from 78.16% to 95%). The expected length of Stage 3 for the Project LLCs as at March 31, 2013 is estimated to be a cash distribution weighted average of 14 years based on an assumed 30 year useful life for the Projects and Management's estimate of future cash distributions. The useful life of turbines may exceed this assumption depending on maintenance, capital expenditures, technology improvements or repowering extensions.

Although the stages described above explain the general division of benefits between the Tax Equity Investors and Project Principals in the Project LLCs, additional provisions in the Project LLC Agreements may affect the cash distributions. For example, Project Principals are allowed to advance loans or provide additional equity contributions to the Project LLCs up to certain permitted levels to remediate immediate working capital needs. If such loans are made, they will be repaid prior to cash distributions to the members. The Project LLC Agreements also permit the Project LLCs to distribute certain cash payments received under contractual arrangements which compensate for the lost value of PTCs, for example, warranty payments for lower equipment availability of a Project. These payments are separate from, and in addition to, the general allocation of cash distributed. Such payments are included in the calculation of the targeted after-tax IRR.

Pre-Emptive Rights, Buyout and FMV Options

The transfer of membership interests in each Project LLC are governed by the corresponding Project LLC Agreement. A transfer of membership interests by a member to an unaffiliated third party generally triggers the Imbedded ROFO, which permits members of the same class to submit a right of first bid to the member that is proposing to transfer its interests. Such pre-emptive rights do not typically apply to transfers to affiliated entities and may differ before and after the IRR Flip Point has occurred.

Each Project LLC Agreement establishes a limited number of circumstances in which a member may be compelled to transfer its membership interests in the corresponding Project LLC to another member or members of that Project LLC. Each Project LLC Agreement provides that a "buyout event" will occur with respect to a member of the relevant Project LLC in a number of situations, including where the member

becomes bankrupt, prohibited by law from holding membership interests in the Project LLC, or becomes a "related party" under the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") (which might happen, for example, if the relevant member becomes the off-taker of electricity from the project). If such an event occurs, then the other members of the relevant Project LLC have the option to buy out the affected member in accordance with procedures set forth in the Project LLC Agreement. The buyout price for members wishing to purchase the affected member's membership interests is set at FMV, except where the reason for the buyout event is because a member has become a "related party", in which case the buyout price is set at 50% of the FMV of the affected member's membership interests.

In addition, each of the Project LLC Agreements provides one or more options for the applicable Project Principal to acquire the interests held by a holder of Tax Equity Interests at FMV upon the occurrence of (i) the IRR Flip Point, (ii) a specific anniversary of the Project LLC Agreement (typically, no earlier than the 10th anniversary) or the IRR Flip Point (typically, the fifth anniversary of the IRR Flip Point), and/or (iii) after the IRR Flip Point, the failure by the Managing Member(s) to obtain certain consents of the holders of Tax Equity Interests ("**FMV Options**"). In the case of Cedar Creek LLC, interests held by a holder of Tax Equity Interests may be acquired on the 10th or 15th anniversary of the effective date. If the IRR Flip Point has not yet occurred by the anniversary date, the option price will be the higher of (i) the FMV, or (ii) an amount sufficient to cause the after-tax IRR target to be achieved.

If a FMV Option event is triggered, the holders of Project Principal Interests in the relevant Project LLC have the option to acquire all, but not less than all, of the interests held by a holder of Tax Equity Interests. In the case of a failure of a Tax Equity Investor to consent to actions proposed to be taken by the Managing Members after the IRR Flip Point, the holders of Project Principal Interests may acquire the interests of such Tax Equity Investor at the FMV. See "Risk Factors".

Imbedded ROFOs under the Project LLC Agreements

Each Project LLC Agreement provides that the transfer of membership interests by a member to an unaffiliated third-party is subject to a right in favour of the existing members of the same class to submit an offer to acquire the transferring member's membership interests in the Project LLC.

Under this mechanism, a member with Tax Equity Interests or Project Principal Interests that is proposing to transfer its interests is required to notify other members of the same class, or, if the proposal is to transfer Tax Equity Interests after the IRR Flip Point, to both Tax Equity Investors and Project Principals. After receiving notice, the members receiving the disposition notice have 30 days to submit an offer for all, but not less than all, of the transferring member's interests, at the price and on the terms set forth in the offer notice. If more than one member intends to submit an offer, the offering members may agree amongst themselves the proportion of interests each offering member wishes to acquire. Absent agreement, the offering members will be deemed to have submitted offers in proportion to their pro-rata interests in the Project LLC.

After receiving one or more offers, the transferring member may, in its sole discretion, accept the offer or offers by notice to the other members, whereupon the offering members are required to purchase the relevant membership interests within five days (15 days in the case of Cedar Creek LLC) of the acceptance notice (or, in any event if later, the fifth day after the receipt of all applicable regulatory and governmental approvals of the purchase).

If the transferring member does not accept the offer or offers it receives, the transferring member may, for a limited period (typically 180 days) sell the relevant membership interests to a third party for a price and on terms that are not less favourable in any material respect than the price and terms contained in the offering members' offer.

Governance Arrangements under the Project LLC Agreements

The Project LLC Agreements follow the typical approach for limited liability company agreements governing a Flip Structure. As such, many decisions at the Project LLC level are decided by both membership classes voting on the matter at hand. However, certain matters are reserved exclusively to the Tax Equity Investors or the Project Principals. For example, a number of the Project LLC Agreements include a catch-all

provision that states that if a decision is reasonably likely to have a materially adverse effect solely on Tax Equity Investors, then only Tax Equity Investors should vote on that decision. Conversely, the Project Principals are given exclusive competence on a range of matters. See "Industry Overview — Tax Equity Finance Structures".

Under the Project LLC Agreements, the ability of a Tax Equity Investor or a Project Principal to influence Project LLC decision-making is different before and after the IRR Flip Point has occurred. Generally, the ability of Tax Equity Investors to influence Project LLC decision-making is significantly reduced after the IRR Flip Point.

The Project LLC Agreements allocate day-to-day responsibilities to the Managing Members but reserve certain oversight rights and decision-making authority to the Tax Equity Investors which is typical for agreements of this nature. See "Industry Overview — Decision Making Responsibilities — Voting Rights".

For example, there are certain fundamental decisions under each Project LLC Agreement that require, at least prior to the IRR Flip Point, the support of a supermajority of all members of the relevant Project LLC ("**Supermajority Decisions**"). As a result of the structure of the Acquisitions, decisions regarding the following matters will generally require the support of all members of the relevant Project LLC and will in all cases require, prior to the IRR Flip Point, the support of the applicable Portfolio Entity:

- creation of additional membership interests;
- change in the purpose of the Project LLC, or to engage in any other business;
- entry into a joint venture, merger or consolidation with any other entity, or acquisition of all or substantially all of the assets or stock of any other entity;
- change in the legal form of the Project LLC, recapitalization, liquidation, winding up, dissolution;
- take or file any action or institute any proceeding in bankruptcy;
- hire of employees, entry into bonus or profit sharing programs for the benefit of directors, officers or employees;
- replacement of a Managing Member. Note that a Managing Member cannot be removed without "Cause";
- sale or issue of any interest or option in the Project LLC, distribution of assets or the Project LLC, or purchase of any interest in the Project LLC (except as otherwise specified in the Project LLC Agreement); or
- cause the Project LLC to receive any grants, tax-exempt bonds, subsidized energy financing or other credits, sell or grant any ownership in the wind farm, or voluntarily remove any wind turbine from service other than in the case of force majeure.

In addition to Supermajority Decisions, there are certain other decisions requiring support from members holding a majority of the interests in a project company ("**Majority Decisions**"). Except for Cedar Creek LLC and SW3 LLC, the Portfolio Entities will, prior to the IRR Flip Point, collectively hold sufficient interests in the Project LLCs after closing of the Acquisitions to exercise negative control (i.e. block) Majority Decisions that the Portfolio Entities object to (provided that there is agreement to exercise such negative control at the Portfolio Entity level). The Majority Decisions generally include the following:

- confirmation that the IRR Flip Point has occurred (if the Portfolio Entity disputes the calculation of the IRR Flip Point, it will be determined using the applicable dispute resolution procedures set forth in the Project LLC Agreements);
- approval on the net agreed value of any property, other than money, contributed to the Project LLC by a member;
- incurrence of indebtedness other than as permitted by the Project LLC Agreement. Permitted indebtedness falls into four categories:
  - permitted liens;

  - indebtedness arising in the ordinary course of the business, and obligations arising under the principal project documents;
  - indebtedness incurred under certain working capital facilities; and
  - unsecured indebtedness that when taken together does not exceed a certain specified level (generally ranging between U.S.$200,000 and U.S.$500,000, albeit with one Project LLC (Cedar Creek LLC) having a U.S.$1.5 million limit).
- encumbrance of assets (other than permitted liens);
- sale, assignment, lease or other transfer any asset with value in excess of a specified level. The level varies across the projects, ranging from U.S.$200,000 to U.S.$1.5 million;
- (i) cancellation, suspension, renewal, termination of any principal project document (ii) assignment release or relinquishment of rights or obligations of any party to if to do so would have a material adverse effect or (iii) enter into any replacement principal project document;
- taking of any action resulting in event of default, acceleration of any obligation or termination of any right under principal project documents;
- making capital expenditures (including acquisition or capital lease) greater than specified level except as contemplated by the principal project documents or approved budgets. The level varies across the Project LLCs, ranging from U.S.$100,000 to U.S.$1,500,000;
- permission of (i) possession by any member of Project LLC property (ii) assignment, transfer, pledge or rights of Project LLC property (iii) any commingling of funds of the Project LLC with those of any other person;
- settlement of any claim or confession with respect to claims in excess of specified threshold or which includes consent to or award of injunction, specific performance or other equitable relief. The aforementioned threshold varies across the projects, ranging from U.S.$100,000 to U.S.$1,500,000;
- making of any loan to any person, except advance payments made in ordinary course of business;
- guaranteeing the payment of money or performance of any contract or other obligation of any person;
- approving any amendment to an approved budget in excess of a specified threshold. The threshold is typically set at U.S.$100,000, although it is U.S.$500,000 for Cedar Creek LLC;
- changing certified public accountants or the independent engineer for the Project; and
- approving, executing, delivering, amending or terminating any material contract with an affiliate of any member.

As noted above, there are certain matters in respect of which the Managing Member(s) of a Project LLC has discretion to make decisions without requiring the approval of the Tax Equity Investors. The general rule is that the Managing Member (if the Project LLC has only one Managing Member) or "Management Committee" (comprising more than one Managing Member) will have discretion to make all day-to-day decisions that are not expressly required to be put to members of the Project LLC.

- *Tax Matters.* Each Project LLC Agreement appoints one Managing Member to be the "Tax Matters Member". The Tax Matters Member is responsible for preparing tax returns and communicating with the IRS.
- *Loans and Additional Capital Contributions Managing Members.* There are specific rules in each of the Project LLC Agreements that permit the Managing Members to advance certain loans or provide additional capital contributions up to a certain level. It should be noted that Project LLCs must apply all cash available for distribution to the repayment of the loans (plus interest) advanced by the Managing Members and that, unless and until such loans (plus interest) are repaid in full, there will be no distributions to the members under the Project LLC Agreement.

- *Exceptions to the general rules described above.* There is a general exception in each of the Project LLC Agreements that provides that the Managing Members make capital expenditures and advance additional funds to prevent or mitigate an emergency situation or to preserve the value of wind farm assets or property.

After the IRR Flip Point occurs, Majority Decisions will typically be determined by reference to the residual interests of the investors. Residual interests in this context typically means an investor's right, after the IRR Flip Point, to cash available for distribution generated by the project. The more cash an investor is entitled to receive after the IRR Flip Point, the greater such investor's voting influence is likely to be at that time. In effect, this means that the Project Principals have greater influence after the IRR Flip Point, because they receive more cash available for distribution after the IRR Flip Point than the Tax Equity Investors.

Power Purchase Agreements

As of the Closing Date, the Project LLCs will have PPAs for off-take of production from eight of the nine Projects, with 92.7% of the aggregate capacity of the Projects contracted for under PPAs. The Project LLCs receive payments for the supply of energy pursuant to the terms of the applicable PPAs. The IRR Flip Points of the Project LLCs are unrelated to the PPAs and their expiry. The expiration date of a PPA is based on the terms of the PPA between the applicable Project LLC and the off-taker, while a Project LLC's IRR Flip Point occurs based on the achievement of certain targets agreed upon by the Tax Equity Investors and the Project Principals in the Project LLC Agreement, the achievement of which is driven by the performance of the Project LLC.

With one exception, the PPAs entered into by the Project LLCs each establish a minimum energy supply requirement. Where that requirement exists, the relevant Project LLC must, as seller, achieve the minimum agreed energy output, as set forth in the PPA, or be liable to pay damages to the off-taker. Such damages are typically a contractually agreed amount for each MWh that the Project LLC falls short of the minimum. No such payments were made during the 12 months ended December 31, 2010, December 31, 2011 and December 31, 2012.

Certain of the PPAs require the relevant Project LLC and/or the off-taker to provide collateral, such as a letter of credit or guaranty, to support its supply or purchase obligations (as applicable). The value of the collateral varies among the PPAs and broadly coincides with the size of the Project. Management is not aware of any draw on collateral posted by a Project LLC under the PPAs.

As at March 31, 2013, the capacity weighted average remaining life of the PPAs is approximately 11.1 years. The term of each PPA is specified under the "Summary of the Projects" and in the descriptions of the individual Projects above. A limited number of the PPAs provide rights in favour of the relevant off-taker or the Project LLC to extend the PPA beyond the initial term. The CRH LLC PPA will expire on June 30, 2013. See "The Projects — Crescent Ridge" and "Risk Factors".

Curtailment Rights

Where an off-taker has Curtailment Rights under a PPA, such rights are typically linked to an obligation on the part of the off-taker to provide compensation if the off-taker exercises them. There are a limited number of exceptions to this general approach, which vary by PPA, and which typically include curtailments demanded by the relevant independent system operator or other events beyond the control of the off-taker. Amounts received as a result of an off-taker exercising Curtailment Rights usually become part of the revenues for the Project LLC.

Operations and Maintenance

The Project Administrator for each Project is responsible for the day-to-day administration of the Project in accordance with the project administration agreement. Turbine maintenance of a Project is performed by the OEM immediately following the commercial operation date and typically for a multi-year period thereafter in accordance with a service contract providing for scheduled and unscheduled maintenance activities corresponding to the warranty provision in the turbine sales agreement (the "**OEM Agreement**"). In parallel with the OEM agreements, the Project LLC also enters into one or more agreements relating to operations as well as the balance of plant maintenance which is subject to the review and oversight by the Managing Members and/or Project Administrator in accordance with the relevant Project LLC Agreement. Once the initial period of the OEM Agreement expires, the Project LLC can choose to employ one of the following options with respect to turbine maintenance:

- extend the term of the OEM Agreement;
- appoint a new independent third party to operate and maintain the turbines; or
- engage an affiliate of a Project LLC to perform maintenance.

The OEM Agreements with respect to a number of the Projects have been extended beyond the initial term. These extensions and each new OEM Agreement typically include fixed fees for a pre-defined scope of scheduled and unscheduled wind turbine maintenance. Such maintenance arrangements for specific Projects are more fully described under "The Projects — Region and Project Descriptions".

Turbine Manufacturers

The 625 wind turbines at the Projects are from the following OEMs in order of installed capacity in the U.S.: GE, Mitsubishi, Vestas, and Gamesa. Through 2012, these OEMs were four of the five largest OEMs in the U.S. in terms of installed capacity of wind turbines with a range of over 2.5GW (Gamesa) to over 10 GW (GE). Each OEM has significant service organizations in the U.S. with projects ranging 7.5 MW to over 200 MW which includes access to parts for the various turbine technologies. The OEMs for several of the Projects including Jersey-Atlantic Project (GE), Crescent Ridge Project and Blue Canyon Project (Vestas) and Cedar Creek Project and Caprock Project (Mitsubishi) have extended the original service agreements to continue to provide operations and maintenance services. Although the initial warranties for the Projects have expired, those with ongoing service agreements include performance guarantees and warranties on parts installed and workmanship.

Project Debt

The Projects required construction loans or other finance facilities, which were repaid and discharged after the Projects achieved commercial operation. Indebtedness at the Project LLC level is now governed by the Project LLC Agreements. Permitted indebtedness under the Project LLC Agreements includes indebtedness arising in the ordinary course of business (such as lines of credit extended to Project LLCs by equipment suppliers), indebtedness arising under the principal Project documents (such as the PPAs, discussed below), loans provided by members and certain unsecured indebtedness that does not exceed specified levels. Management is not aware of any outstanding member loans or material unsecured indebtedness.

Prior to the Acquisitions, no additional indebtedness will have been or will be incurred by any of the Projects or Project LLCs and this will not change as a result of the Acquisitions or Closing. There are restrictions prohibiting the incurrence of Project debt without sufficient support from the members (including the Portfolio Entities) under the terms of the Project LLC Agreements. See "The Acquisitions".

Indemnification Agreement with Infigen

Pursuant to an indemnity agreement between the Commercial Trust, Infigen and certain subsidiaries of Infigen (the "**Infigen Indemnity Agreement**") dated January 27, 2013, the Trust has agreed to indemnify Infigen for any losses or claims against Infigen resulting from the Offering or from information about the Projects or the Project LLCs, including historical financial and accounting information, to the extent (i) such information is

disclosed in this prospectus or otherwise in connection with the Offering or the Private Placements or (ii) is otherwise used or relied on by any person other than Infigen. The Infigen Indemnity Agreement does not apply where the applicable Project LLC Agreement permits such disclosure or reliance on information pertaining to the Project.

Key Relationships

Management has long standing relationships with Project Principals and Tax Equity Investors in the U.S. renewable energy industry. These relationships and Management's understanding of the structure of the renewable energy industry provides the Trust with access to opportunities, as demonstrated by the Acquisitions. Management believes that the Trust's relationship with JPM and the relationships Management has established with other Tax Equity Investors and Project Principals will facilitate future acquisitions by the Trust.

JPM is a leading investor in U.S. renewable energy investment and a pioneer in tax equity investing, particularly in the U.S. wind energy industry. Since 2003, JPM has invested U.S.$4.5 billion and raised U.S.$5.0 billion from co-investors for renewable energy projects and has helped finance 94 wind power projects for 16 clients in 20 U.S. states. These wind projects have an aggregate capacity of approximately 10.2 GW.

In connection with the negotiation of the JPM Acquisition, the Trust has been able to negotiate the JPM ROFO Agreement and the JPM LOI, which Management believes will assist the Trust in pursuing future acquisition opportunities. See "Our Business — Investment Highlights". In connection with these arrangements, JPM and Threshold Power will enter into a letter agreement (the "**JPM Letter Agreement**"), which will provide for certain payments to be made to JPM in consideration for its ongoing assistance with identifying growth opportunities. See "The Acquisitions — JPM LOI".

Competitive Landscape

Following the completion of the Acquisitions, Management believes that there will be significant opportunities for the Trust to pursue the potential acquisition of additional Tax Equity Interests and Project Principal Interests in limited liability companies that operate U.S. renewable energy projects given the fragmentation of the industry and the anticipated motivations of the sellers described in this prospectus. See "Our Business — Investment Rationale and Strategy of the Business Trust", "Our Business — Opportunities for Growth" and "Risk Factors".

Management believes that the Trust may experience competition for future acquisitions of Tax Equity Interests from institutional investors, infrastructure funds and others, including existing Project Principals that are motivated to secure favourable contractually agreed upon future cash flows. The Trust is aware of a recent acquisition of Tax Equity Interests by a member of the Macquarie Group and a publicly announced intention to acquire certain Tax Equity Interests by Bank of America.

The market for acquisitions of Principal Interests has been active for many years and Management expects that it will continue to be active. The Trust faces competition for Principal Interests from prospective investors, including IPPs, utilities and infrastructure and pension funds with a focus on renewable and/or clean energy within North America. Management believes that consolidation is occurring in what is a large and fragmented market for Principal Interests, which will provide for increased acquisition opportunities but also increased competition for such acquisitions.

General Corporate Affairs

The principal executive office of Threshold Power is located at 101 North Wacker Drive, Chicago, Illinois, USA, Suite 2014, 60606. The head office of the Administrator is located at 130 King Street West, The Exchange Tower, Suite 720, P.O. Box 137, Toronto, ON M5X 1A6. The principal, head and registered office of the Trust is located at 3400 One First Canadian Place, Toronto, Ontario, M5X 1A4. The Trust's website address is www.thresholdpower.com. Information contained in or linked from our website is not a part of this prospectus. As of the date hereof, the Trust Subsidiaries have a total of seven full-time employees and one part-time employee. Of these employees, seven are located in the U.S. For further discussion of additional information

regarding the Trust and the Trust Subsidiaries, see "Management's Discussion and Analysis of the Commercial Trust".

THE ACQUISITIONS

Overview

Immediately following the Closing and the CT Unit Exchange, the net proceeds of the Offering will be used by Wind I, the Trust's indirectly, wholly-owned subsidiary to acquire the Wind Farm Interests from JPM, KEF and EDP. Following the closing of the Acquisitions, the Portfolio Entities will hold 100% of the Tax Equity Interests in each of CRH LLC, JB Wind LLC and SW1 LLC, 62% of the Tax Equity Interests in Blue Canyon LLC, 51% of the Tax Equity Interests in SW2 LLC, 50% of the Tax Equity Interests in Caprock LLC, 28% of the Tax Equity Interests in Cedar Creek LLC, 23% of the Tax Equity Interests in SW3 LLC and 25% of the Project Principal Interests in Blue Canyon LLC. Wind I and JPM will each have partnership interests in THLLP1 and THLLP2.

The JPM Acquisition

Overview

The JPM Acquisition will be governed by four principal transaction agreements: (i) a Second Amended and Restated Capital Contribution Agreement between Wind I, JPM and JPMC TH LLC, a Delaware limited liability company that is a wholly-owned subsidiary of JPM ("**JPM Subsidiary**"), dated July 4, 2013 (the "**JPM Contribution Agreement**"); (ii) a Purchase Agreement to be entered into between THLLP1 and JPM (the "**JPM Purchase Agreement**"), (iii) a limited liability partnership agreement governing THLLP1 ("**THLLP1 Portfolio Entity Agreement**") to be entered into between Wind I and JPM Subsidiary, and (iv) a Parent Guaranty by JPM in favor of Wind I guaranteeing certain of the obligations of JPM Subsidiary (the "**JPM Guaranty**"). Following the completion of the JPM Acquisition, THLLP1 will hold 100% of the Tax Equity Interests in CRH LLC and JB Wind LLC, 28% of the Tax Equity Interests in Cedar Creek LLC, 23% of the Tax Equity Interests in SW3 LLC, 31% of the Tax Equity Interests in Caprock LLC, 66.6% of the Tax Equity Interests in SW1 LLC, 30% of the Tax Equity Interests in SW2 LLC and 46% of the Tax Equity Interests in Blue Canyon LLC. Wind I and JPM Subsidiary will both be partners of THLLP1 following the closing of the JPM Acquisition. The Project LLCs are governed by the respective Project LLC Agreements. Pursuant to the JPM Capital Contribution Agreement, immediately following Closing, Threshold Power and JPM will enter into the JPM ROFO Agreement and the JPM Letter Agreement. Pursuant to the JPM ROFO Agreement and the JPM Letter Agreement, Threshold Power and JPM agree to provide mutual support in the pursuit of future acquisitions of interests in Tax Equity Interests in U.S. renewable power projects. See "The Acquisitions — The JPM Acquisition — JPM ROFO Agreement" and "The Acquisitions — The JPM Acquisition — JPM Letter Agreement".

Contribution and Purchase Agreements for the JPM Acquisition

Under the JPM Contribution Agreement, each of Wind I and JPM will contribute funds to THLLP1. Wind I's contribution amount will be approximately U.S.$103.4 million and JPM's contribution amount, which JPM will cause to be paid by JPM Subsidiary, will be approximately U.S.$73.2 million, (together, the "**contribution amounts**") which such contribution amounts are subject to certain adjustments, described below.

Upon receipt of the contribution amounts, THLLP1 will, pursuant to the terms of the JPM Purchase Agreement, pay JPM the contribution amounts and purchase JPM's Tax Equity Interests in the Project LLCs. The cash contributions required to be made by Wind I under the terms of the JPM Contribution Agreement will be funded out of the net proceeds of the Offering. The closing of Wind I and JPM Subsidiary's respective contributions to THLLP1 under the JPM Contribution Agreement, and the purchase of JPM's Tax Equity Interests in the Project LLCs by THLLP1, are each conditional upon the closing of the Offering. The contribution amounts will be subject to certain adjustments described below.

The contribution amounts are subject to adjustment to reflect any cash distributions or Tax Attributes that were not anticipated in the financial model attached to the JPM Contribution Agreement (the "**Adjustment**

Mechanism"). This Adjustment Mechanism may result in the contribution amounts being increased or decreased to take into account the financial effect of any unanticipated cash distributions or tax benefits prior to Closing (the "**adjusted contribution amounts**"). The adjusted contribution amounts may be further adjusted post-Closing if JPM or its affiliates receive more than $250,000 in cash distributions that are not reflected in the adjusted contribution amounts. A corresponding adjustment will be made under the JPM Purchase Agreement so that the purchase price payable by THLLP1 under the JPM Purchase Agreement is equal to the aggregate adjusted contribution amounts required by Wind I and JPM Subsidiary under the JPM Contribution Agreement. Management does not expect that any adjustments will be material. On or before the date which is five days before the closing of the JPM Acquisition, JPM will be required under the JPM Contribution Agreement to prepare and deliver a good faith estimate of the financial model and the adjusted contribution amounts to Wind I. Wind I can request data and information in support of such amount and the parties will be required to negotiate in good faith to resolve any differences concerning calculations of the adjusted contribution amounts. In addition to funding Wind I's proportion of the adjusted contribution amounts, Wind I will also be required to pay JPM an amount equal to U.S.$750,000 under the terms of the JPM Contribution Agreement. See "JPM Letter Agreement" below.

The JPM Contribution Agreement and the JPM Purchase Agreement will each be available on SEDAR at www.sedar.com. See "Material Contracts".

From the date of the signing of the JPM Contribution Agreement through closing of the JPM Acquisition, JPM has agreed that it will not take certain actions with respect to the Project LLCs and Projects without Wind I's consent. Both parties are also under an obligation to use commercially reasonable efforts to obtain the needed consents and affect the closing of the transactions contemplated by the JPM Contribution Agreement.

Completion of the JPM Acquisition is conditional upon, among other conditions: (i) receipt of a good standing certificate and certification of formation with respect to THLLP1; (ii) the transfer to THLLP1 of all of JPM Subsidiary's direct and indirect right, title and interest in the Project LLCs or in their wholly-owned subsidiaries that own the interests in the Projects; (iii) receipt of third party consents and approvals; (iv) the lack of a material adverse effect from the effective date of the JPM Contribution Agreement; (v) the closing of the JPM Acquisition occurring by August 15, 2013; and (vi) the Closing having occurred in order to fund the required contribution amount under the JPM Contribution Agreement.

THLLP1 Portfolio Entity Agreement for the JPM Acquisition

After completion of the JPM Acquisition and execution of the THLLP1 Portfolio Entity Agreement, JPM Subsidiary and Wind I will become partners in THLLP1. The respective rights and obligations of JPM Subsidiary and Wind I with respect to THLLP1 will be governed by the THLLP1 Portfolio Entity Agreement.

The THLLP1 Portfolio Entity Agreement will provide that the sole purpose of THLLP1 is to directly or indirectly acquire, hold and dispose of and otherwise manage the Tax Equity Interests acquired by THLLP1 from JPM Subsidiary in each of the Project LLCs, and to engage in any and all general business activities related or incidental thereto.

The THLLP1 Portfolio Entity Agreement will provide that until the end of December 31, 2017, each of JPM Subsidiary and Wind I will be partners of THLLP1, with management delegated to a management committee comprising one representative of JPM Subsidiary and one representative of Wind I (the "**THLLP1 Management Committee**"). Except for: (i) actions reserved for a particular partner (as described below), and (ii) certain reserved matters, which are subject to partner consent, the THLLP1 Management Committee will be given authority to manage and control the business and affairs of THLLP1. If the THLLP1 Management Committee is unable to agree on a particular course of action, the relevant issue will be referred to senior management of each of Wind I and JPM Subsidiary. If the THLLP1 Management Committee is unable to agree upon the manner of THLLP1 exercising any vote or responding to a consent solicitation proposed by one of the Project LLCs in which THLLP1 has an interest, then THLLP1 will vote in favour of the proposed matter, unless such matter (i) concerns PTCs, in which case JPM Subsidiary controls the vote by THLLP1, or (ii) concerns cash distributions from the relevant Project LLC, in which case Wind I controls the vote by THLLP1.

None of the partners of THLLP1, including any partner, will have any fiduciary duties to THLLP1 or to other partners of THLLP1 in the exercise of their duties, and such fiduciary duties are expressly waived by THLLP1. THLLP1 is required to reimburse each partner for reasonable and documented third-party expenses incurred by that partner on behalf of THLLP1. The THLLP1 Portfolio Entity Agreement provides for removal of a partner for fraud, gross negligence or willful misconduct or material breach, subject to cure, of the THLLP1 Portfolio Entity Agreement.

Following December 31, 2017, the management of THLLP1 will transfer to and vest exclusively in Wind I, provided, however, that for so long as JPM Subsidiary remains a partner of THLLP1 certain reserved matters, including the initiation of any bankruptcy or insolvency proceedings, will be subject to JPM Subsidiary's written consent.

The Portfolio Entity Agreement for THLLP1 will be available on SEDAR at www.sedar.com. See "Material Contracts".

Reserved Matters

The Portfolio Entity Agreement for THLLP1 includes a list of reserved matters that require the consent of all partners (i.e. Wind I and JPM Subsidiary). That list includes a restriction from doing (or causing THLLP1 to do) any of the following:

- to the extent that doing so would have a material adverse effect on THLLP1, JPM Subsidiary, Wind I or any affiliate, do any act in contravention of the Portfolio Entity Agreement;
- change the purpose of THLLP1, or to engage in any other business;
- consent to the incurrence of any indebtedness of any Project LLC;
- create additional partnership interests;
- change the legal form of THLLP1, recapitalization, liquidation, winding up, dissolution;
- subject only to the JPM Subsidiary's right to withdraw if bank requirements dictate such action, to:
  - enter, or cause THLLP1 to enter, into any merger, consolidation, recapitalization or similar transaction resulting in a change in legal form, structure, ownership or control of THLLP1;
  - consent to any merger, consolidation, recapitalization or similar transaction of any Project LLC resulting in a change in legal form, structure, ownership or control of such Project LLC;
  - consent to, or cause THLLP1 to cause or consent to, any transfer, sale or other disposition of any portion of THLLP1's interests in any of the Project LLCs; or
  - consent to, or cause THLLP1 to consent to, any transfer, sale or other disposition by any of the Project LLCs of all or substantially all or any material portion of their interests in the Projects;
- initiate any bankruptcy or insolvency proceedings by or on behalf of THLLP1 or any Project LLC;
- enter into affiliate transactions;
- dissolve and terminate THLLP1; or
- hire or appoint any employee of THLLP1.

Principle of First Point Contact

Prior to January 1, 2018, JPM Subsidiary will, provided it remains a partner of THLLP1, act as the first point of contact with Project LLCs, their affiliates and representatives. However, the Portfolio Entity Agreement establishes that each partner of THLLP1 has an opportunity to comment on communications in advance of their delivery and a right to participate on calls and discussions relevant to matter of mutual interest.

Removal of Partner

A partner (i.e. JPM Subsidiary or Wind I) may be removed under very limited circumstances: if such partner has engaged or is engaging in conduct, as a partner of THLLP1, which constitutes fraud, gross negligence or willful misconduct or is otherwise in material breach of its obligations under the THLLP1 Portfolio Entity Agreement. Although a partner may be removed in the limited circumstances described above, the THLLP1 Portfolio Entity Agreement nevertheless contemplates that partner's continued involvement in THLLP1. In particular, approval of a decision made with respect to a reserved matter (as described above) is contingent on the approval of all "partners".

Distributions and tax allocations under the THLLP1 Portfolio Entity Agreement

Under the THLLP1 Portfolio Entity Agreement to be entered into at the Closing of the JPM Acquisition, Wind I will generally be entitled to receive the following from its ownership of interests in THLLP1:

- the following percentages of cash distributions by THLLP1:
  - 95% through December 31, 2017; and
  - 87.5% after December 31, 2017 (this percentage is subject to adjustment in accordance with the Adjustment Mechanism, described above, with any such amendment to be mutually agreed between Wind I and JPM Subsidiary, which Management does not expect will exceed 0.25%); and
- in respect of tax benefits and profits and losses of THLLP1:
  - 1% through December 31, 2017; and
  - 87.5% after December 31, 2017 (this percentage is subject to adjustment in accordance with the Adjustment Mechanism, described above, with any such amendment to be mutually agreed between Wind I and JPM Subsidiary, which Management does not expect will exceed 0.25%).

JPM Subsidiary will be entitled to receive the remainder of cash available for distribution, tax benefits and profits and losses that are not allocated to Wind I. For these purposes, tax benefits include PTCs, together with any state or local tax credits. See "Industry Overview — Renewable Power Sector Overview — Tax Incentives".

The general allocation rules described above are subject to specific exceptions, for example in cases in which THLLP1 receives cash from the Project LLCs and such cash is characterized as compensation, indemnification or damages for the loss of certain PTCs from the Projects. Further, for the purposes of allocations under the THLLP1 Portfolio Entity Agreement, any adjustments after closing of the JPM Acquisition that relate to cash (and other items) received or taken by JPM Subsidiary before closing are for the account of JPM Subsidiary.

Although the THLLP1 Portfolio Entity Agreement will establish the division of benefits as between JPM Subsidiary and Wind I with respect to THLLP1, the amount of cash and/or tax benefits and profits and losses that each party will actually receive also depends on the distribution of cash and/or allocation of tax benefits and profits and losses received by THLLP1, which are governed by the underlying Project LLC Agreements for the Projects. See "The Acquisitions".

Transfers of interests under the THLLP1 Portfolio Entity Agreement and future acquisitions by Threshold Power

The transfer of an interest in THLLP1 by a partner will in general be subject to a pre-emptive right in favour of the other partner. This general rule is, however, subject to the following:

- Wind I will have a purchase option over JPM Subsidiary's interests in THLLP1 on fifth anniversary of the Closing, the purchase price for which will be the greater of: (i) FMV, and (ii) the value of JPM Subsidiary's interests at that time if THLLP1 were to be liquidated; and
- JPM Subsidiary will have the right to withdraw from THLLP1 at any time after the sixth anniversary of the Closing. If JPM Subsidiary elects to exercise such right of withdrawal, Wind I will be obliged to pay an amount equal to the lower of the FMV of JPM Subsidiary's interests in THLLP1 and U.S.$7.0 million.

The withdrawal amount shall be payable (i) on the withdrawal date in full or (ii) in 24 equal monthly installments, subject to an interest rate on any outstanding balance equal to the 2 year LIBOR swap rate as of the date of the first installment payment plus a 3.0% margin. To ensure that THLLP1 can remain a partnership after the withdrawal of JPM Subsidiary, Management has agreed to form a special purpose entity ("**ManagementCo**"), which will not be a subsidiary of the Trust or any of the Trust's affiliates, and which will enter into a purchase agreement with THLLP1 (the "**ManagementCo Purchase Agreement**"). Under the terms of the ManagementCo Purchase Agreement, and assuming that Threshold Power has marketed the interests held by the JPM Subsidiary and failed to locate a purchaser for such interests, ManagementCo will agree to purchase 1% of the partnership interests in THLLP1 on the date on which JPM Subsidiary withdraws from the partnership as described in this paragraph. The purchase price for ManagementCo's purchase will be determined at the time of JPM Subsidiary's withdrawal from THLLP1 but will be based on 1% of the net present value of all cash estimated to be received by THLLP1 after such withdrawal, subject to a discount rate agreed between the parties. The purchase by ManagementCo of such 1% partnership interest shall be conducted, completed and funded in such manner so as to ensure that the Trust and its subsidiaries do not violate the terms of the U.S. Investment Company Act. The ManagementCo Purchase Agreement will be available on SEDAR at www.sedar.com. See "Material Contracts".

In addition, JPM Subsidiary will have the right to require a sale of THLLP1's interests in a Project LLC if applicable regulatory requirements do not allow JPM Subsidiary to own indirect interests in the related Project, subject to an option in favour of Wind I to buy such interests at FMV prior to any sale to a third party purchaser.

JPM Guaranty for the JPM Acquisition

Under the JPM Guaranty, JPM will guarantee to Wind I the payment of amounts that JPM Subsidiary is required to contribute to THLLP1 after Closing to pay THLLP1's deficit reduction obligations to the underlying Project LLCs. THLLP1's deficit reduction obligations are governed by the under Project LLC Agreements and relate to TH1LLP's rights to receive its share of Tax Attributes generated by the Projects. Under the JPM Guaranty JPM will also guaranty the payment of amounts due to Wind I pursuant to a court judgment if JPM Subsidiary commits a breach of any representation, warranty or covenant that JPM Subsidiary made by JPM Subsidiary for the benefit of Wind I under the terms of the THLLP1 Portfolio Entity Agreement.

Wind I Indemnity of JPM Subsidiary

Under the THLLP1 Portfolio Entity Agreement, Wind I has agreed to indemnify JPM Subsidiary for losses resulting from or arising out of Wind I's breach of its representation that it is not, and Wind I's covenant that it shall not become, a "tax-exempt" entity within the meaning of Section 168(h)(2) of the Code or a "tax-exempt controlled entity" within the meaning of Section 168(h)(6)(F)(iii) of the Code, which in each case means an entity that is exempt from U.S. federal income tax. Threshold Power is subject to U.S. federal income tax and will remain subject to U.S. federal income tax.

JPM Letter Agreement

Pursuant to the JPM Capital Contribution Agreement, immediately following Closing, Threshold Power, Wind I and JPM will enter into the JPM Letter Agreement, which provides a framework for the parties to mutually support the pursuit of future acquisitions of interests in Tax Equity Interests in U.S. renewable power projects. Management expects that if such transactions are completed, they will be structured in substantially the same manner as the JPM Acquisition or the KEF Acquisition.

The Letter Agreement provides that the parties will work exclusively together during the period ending 180 days after Closing to pursue additional Tax Equity Interests in the Projects LLCs. As consideration for JPM entering into the JPM Letter Agreement and the JPM ROFO Agreement, Threshold Power and Wind I have agreed to provide certain payments to JPM, as described below.

If, within 18 months of executing the THLLP1 Portfolio Entity Agreement, Threshold Power acquires additional Tax Equity Interests in the Project LLCs, Threshold Power will pay to JPM a fee that is equal to 1.0% of the purchase price of the Tax Equity Interests being acquired (the "**JPM Tagalong Advisory Fee**"). There is no

cap limit on the JPM Tagalong Advisory Fee. Additionally, the JPM Letter Agreement contains a "most favoured nations" clause. If, within 18 months of executing the THLLP1 Portfolio Entity Agreement, Threshold Power acquires additional Tax Equity Interests in the Project LLCs at a lower discount rate than what was used for the JPM Acquisition, then Threshold Power shall make a payment to JPM, an amount of which, when added to the purchase price for the acquisition, results in the discount rate for the acquisition being equal to the discount rate utilized for the JPM Acquisition.

If Threshold Power acquires Tax Equity Interests in projects other than the Project LLCs from a third party that is unaffiliated with JPM, Threshold Power will pay an advisory fee to JPM (the "**Advisory Fee**"). If the Trust completes the acquisition contemplated under the JPM LOI by November 30, 2013, the Advisory Fee will be 1.0% of the purchase price for any such acquisitions, subject to a total cap of U.S.$8.0 million. If the Trust does not complete the acquisition contemplated under the JPM LOI by November 30, 2013, then the Advisory Fee will be 1.25% of the purchase price for any such acquisitions, subject to a total cap of U.S.$14.75 million. No Advisory Fee is payable to JPM in connection with the acquisition contemplated in the JPM LOI; however, the timing of completing such transaction determines the amount of Advisory Fee.

As part of the commercial arrangements with JPM, Threshold Power will make a non-refundable payment of U.S.$750,000 at Closing as a pre-payment of the fees described above. This amount will be payable in accordance with the provisions of the JPM Contribution Agreement.

JPM ROFO Agreement

Pursuant to the JPM Contribution Agreement, concurrently with the closing of the Acquisitions, Threshold Power and JPM will enter into the JPM ROFO Agreement. The JPM ROFO Agreement provides (i) Threshold Power with a right of first offer in respect of any proposed sale by JPM or one of its affiliates of Tax Equity Interests in certain limited liability companies that operate wind energy projects in the U.S., and (ii) JPM with a right of first offer in respect of any proposed sale of Tax Attributes by Threshold Power or any of its affiliates arising from Tax Equity Interests in wind energy projects or solar energy projects acquired by Threshold, provided that the right of first offer shall only apply to Tax Equity Interests if the related Tax Attributes have a remaining PTC period in excess of 18 months.

The rights of first offer provided pursuant to the JPM ROFO Agreement are applicable for a period of 24 months following the date that the Canadian Securities Administrator issues a receipt for the Trust's final prospectus filed in connection with the Offering. As of the date of this prospectus, the JPM ROFO Agreement provides Threshold with a right of first offer over Tax Equity Interests in limited liability companies that have invested in 94 U.S. wind projects.

Prior to entering into a binding agreement with any person for the sale of the interests covered by the JPM ROFO Agreement (the "**Covered Interests**"), JPM or Threshold (as applicable) must first offer in writing to sell the Covered Interests to the other. Following the receipt of notice of a party's intention to sell the Covered Interests (i) the seller is required to provide the notified party with customary operational, financial and legal due diligence information concerning or relating to the Covered Interests and the project related thereto, and (ii) the notified party has 30 days (the "**Review Period**") to submit an offer to purchase all but not less than all of the Covered Interests to the seller. During the Review Period, the seller shall (i) provide the notified party with additional information reasonably requested by the notified party, (ii) timely respond to information requests to ensure the notified party has sufficient time to prepare its offer, and (iii) ensure the notified party has the right to conduct evaluations that are customary in similar acquisitions.

Following its receipt of an offer, the seller may accept the offer by providing written notice within 30 days of the offer or the seller may decline the offer. The seller has the right for a period of 180 days following its decision to decline an offer to complete its sale of the Covered Interests to a third party at a price which is no less than the price set forth in the notified party's offer and upon terms no less favourable in any material respect to the seller than the terms included in the notified party's offer. The seller cannot disclose the offer it received from a notified party to any third party offeror and cannot provide a third party offeror with information, documents or access rights not given to the notified party.

Nothing in the JPM ROFO Agreement prohibits either Threshold Power or JPM or their affiliates from soliciting non-binding offers from, or discussing potential sales of the Covered Interests with potential buyers or from complying with its obligations under any existing agreement governing the Covered Interests, including any obligation to provide a right of first offer pursuant to any applicable Imbedded ROFOs. Further, the right of first offer provided by JPM is not applicable should JPM decide to sell the Covered Interests to the sponsor of the applicable project.

The KEF Acquisition

Overview

The KEF Acquisition will be governed by four principal transaction agreements: (i) a Purchase Agreement between Threshold Power and KEF; (ii) a Contribution Agreement between THLLP2, Wind I, JPM and JPM Subsidiary; (iii) a Portfolio Entity Agreement for THLLP2 (the "**THLLP2 Portfolio Entity Agreement**") expected to be entered into between Wind I and JPM Subsidiary; and (iv) a parent guaranty by JPM of the obligations of JPM Subsidiary. The KEF Acquisition provides for the disposition by KEF of all its interests in Blue Canyon LLC, Caprock LLC, SW1 LLC and SW2 LLC (the "**KEF Project LLCs**"). Pursuant to the KEF Acquisition, THLLP2 will hold 19% of the Tax Equity Interests in Caprock LLC, 33% of the Tax Equity Interests in SW1 LLC, 21% of the Tax Equity Interests in SW2 LLC and 16% of the Tax Equity Interests in Blue Canyon LLC. Wind I and JPM Subsidiary will both be partners of THLLP2. The Project LLCs are governed by the respective Project LLC Agreements.

The Purchase Agreement was executed on February 4, 2013, and it was amended on July 3, 2013 to extend the date for the closing. The Contribution Agreement was executed on July 4, 2013. The THLLP2 Portfolio Entity Agreement and the Parent Guaranty are each in agreed form and will be executed at Closing.

Contribution and Purchase Agreements for the KEF Acquisition

Under the Contribution Agreement, each of Wind I and JPM will contribute funds to THLLP2. Wind I's contribution amount will be approximately U.S.$12.1 million. JPM's contribution amount, which JPM will cause to be paid by JPM Subsidiary, will be approximately $6.3 million. Together, these contribution amounts will be adequate to permit THLLP2 to complete the acquisition of the Tax Equity Interests from KEF.

Pursuant to the Purchase Agreement executed with KEF, THLLP2 will use the amounts contributed by Wind I and JPM Subsidiary to THLLP2 to purchase KEF's Tax Equity Interests in the KEF Project LLCs. Under the Purchase Agreement, THLLP2 has agreed to pay KEF approximately U.S.$23.6 million, subject to adjustment as described below. Although the figure of U.S. $23.6 million is higher than the aggregate contribution amounts stated above to be paid by Wind I and JPM Subsidiary under the Contribution Agreement, the adjustment mechanism in the Purchase Agreement means that, in practice, the aggregate contribution amounts to be paid under the Contribution Agreement and the final purchase price to be paid under the Purchase Agreement will be the same. The decrease in the purchase price under the Purchase Agreement is as a result of the continued operation of the Projects and distributions therefrom between the execution of the Purchase Agreement and the execution of the Contribution Agreement. Although the Purchase Agreement for the KEF Acquisition has been executed between Threshold Power and KEF, it will be assigned by Threshold Power to THLLP2 immediately prior to Closing.

The cash contributions required to be made by Wind I under the terms of the Contribution Agreement for the KEF Acquisition will be funded out of the net proceeds of the Offering received by it from Threshold Power. It is a condition for the closing of Threshold Power's contribution under the Contribution Agreement and THLLP2's purchase under the Purchase Agreement that the Closing shall have occurred. The KEF Acquisition is conditional upon closing the KEF acquisition by August 15, 2013 and other customary consents and deliveries. KEF will concurrently upon closing of the KEF Acquisition pay a 1% fee based on the total acquisition price which will be applied to offset the prepayment of the JPM Tagalong Advisory Fee.

The Purchase Agreement includes representations and warranties from KEF in relation to, among other things, KEF's organization, existence, and good standing, and its capacity to enter into such agreement, as well as certain representations relating to the KEF Project LLCs. The representations and warranties of KEF with

respect to the KEF Project LLCs are limited to the knowledge of KEF, given only with respect to the time period during which KEF has held its interest in the KEF Project LLCs, and limited to KEF's interests in the KEF Project LLCs.

The other material aspects of the Contribution Agreement and Purchase Agreement for the KEF Acquisition (for example with respect to closing conditions) are similar to those in the Contribution Agreement and Purchase Agreement for the JPM Acquisition described above.

The Purchase Agreement provides for KEF to indemnify and hold THLLP2 harmless from and against any and all Losses (as defined in the Purchase Agreement) caused by, resulting from or incidental to any breach or default by KEF of any of its representations or warranties or any of its covenants under the Purchase Agreement, provided that KEF will not be required to indemnify THLLP2 for any individual claim less than U.S.$25,000 and the aggregate amount of all Losses for which KEF will be liable shall not exceed U.S.$2.5 million, except in relation to tax matters, as to which the cap is limited to $5 million, and certain matters such as good title to the interests, as to which the cap is limited in the aggregate of 100% of the purchase price. Purchasers of Units are encouraged to review the terms of the Purchase Agreement for a complete description of representations, warranties and indemnities (and related limitations). The Purchase Agreement will be available on SEDAR at www.sedar.com. See "Material Contracts".

The Contribution Agreement provides for Wind I to indemnify and hold JPM Subsidiary harmless from and against all Damages (as defined in the Contribution Agreement) caused by, resulting from or incidental to any breach or default by Wind I of any of its representations and warranties or any of its covenants under the Contribution Agreement, provided that Wind I will not be required to indemnify JPM Subsidiary until the aggregate of such claims exceeds U.S.$80,000, at which point all amounts are indemnifiable, and the aggregate amount of all Damages for which Wind I will be liable shall not exceed the purchase price payable by JPM, which, as noted above, will be approximately U.S.$6.3 million, subject to closing adjustments. Wind I will not be liable for any breaches of representations and warranties as to which JPM Subsidiary has actual knowledge and Wind I will not be liable for breaches of certain representations and warranties concerning the KEF Project LLCs unless Wind I has actual knowledge of such breaches. The Contribution Agreement will be available on SEDAR at www.sedar.com. See "Material Contracts".

THLLP2 Portfolio Entity Agreement for the KEF Acquisition

After completion of the KEF Acquisition, the respective rights and obligations of JPM Subsidiary and Wind I with respect to THLLP2 will be governed by the THLLP2 Portfolio Entity Agreement.

The THLLP2 Portfolio Entity Agreement is substantially similar to the THLLP1 Portfolio Entity Agreement. Under the THLLP2 Portfolio Entity Agreement, Wind I will generally be entitled to receive the following from its ownership of interests in THLLP2:

- the following percentages of cash distributions by THLLP2:
  - 95% through December 31, 2015; and
  - 95% after December 31, 2015 (this percentage is subject to adjustment in accordance with an adjustment mechanism, with any such amendment to be mutually agreed between Wind I and JPM Subsidiary, which Management does not expect will exceed 0.25%);
- in respect of tax benefits and profits and losses of THLLP2:
  - 1% through December 31, 2015; and
  - 95% after December 31, 2015 (this percentage is subject to adjustment in accordance with an adjustment mechanism, with any such amendment to be mutually agreed between Wind I and JPM Subsidiary, which Management does not expect will exceed 0.25%.

JPM Subsidiary will be entitled to receive the remainder of cash available for distribution, tax benefits and profits and losses that are not allocated to Wind I. For these purposes, tax benefits include PTCs, together with any state or local tax credits. See "Industry Overview — Renewable Power Sector Overview — Tax Incentives".

The governance arrangements under the THLLP2 Portfolio Entity Agreement are substantially similar to those in the THLLP1 Portfolio Entity Agreement (as described above).

Wind I Indemnity of JPM Subsidiary

Under the THLLP2 Portfolio Entity Agreement, Wind I has agreed to indemnify JPM Subsidiary for losses resulting from or arising out of Wind I's breach of its representation that it is not, and Wind I's covenant that it shall not become, a "tax-exempt" entity within the meaning of Section 168(h)(2) of the Code or a "tax-exempt controlled entity" within the meaning of Section 168(h)(6)(F)(iii) of the Code, which in each case means an entity that is exempt from U.S. federal income tax. Threshold Power is subject to U.S. federal income tax and will remain subject to U.S. federal income tax. This indemnity of THLLP2 is similar to the indemnity described above in connection with THLLP1.

In addition, under the THLLP2 Portfolio Entity Agreement, Wind I has agreed that JPM Subsidiary will have the right to offset against distributions to Wind I from THLLP2 amounts that are due to JPM Subsidiary arising out of breaches of certain of the representations and warranties made by Wind I to JPM Subsidiary in the Contribution Agreement and the THLLP2 Portfolio Entity Agreement. These rights of offset in favor of JPM Subsidiary, however, will not be in effect while the Credit Facility remains in effect.

The EDP Acquisition

Overview

The EDP Acquisition will be completed through TH3, an indirect wholly-owned subsidiary of the Trust, and will be accomplished by (i) a Purchase Agreement between Threshold Power and EDP, and (ii) the Portfolio Entity Agreement for TH3 (the "**TH3 Portfolio Entity Agreement**"). The Purchase Agreement was executed on February 21, 2013, and was amended on May 7, 2013 to extend the closing date. The TH3 Portfolio Entity Agreement will be executed at Closing. Although the Purchase Agreement for the EDP Acquisition has been executed between Threshold Power and EDP, it will be assigned by Threshold Power to TH3 immediately prior to Closing. Wind I will advance the required funds to TH3 sufficient to complete the acquisition. TH3 will acquire EDP's Project Principal Interest in Blue Canyon LLC directly. The cash contributions required to be made by Wind I to TH3 for the EDP Acquisition will be funded out of the net proceeds of the Offering received by it from Threshold Power. It is a condition for the closing of the EDP Acquisition under the Purchase Agreement that the Closing shall have occurred. The Project LLCs are governed by the respective Project LLC Agreements.

Following the closing of the EDP Acquisition, Wind I will be entitled to 100% of the cash distributions and Tax Attributes received by TH3 and Wind I will be the sole member and manager of TH3.

Purchase Agreement for the EDP Acquisition

Under the agreed form of the Purchase Agreement with EDP, TH3 will pay U.S.$3,500,000 to EDP in return for receiving EDP's Project Principal Interests in Blue Canyon LLC, subject to a purchase price adjustment. The purchase price will be increased by U.S.$40,000 for the month of March 2013, and thereafter by U.S.$60,000 per calendar month (or a pro-rated portion of such amount for each day thereafter within a calendar month) until the closing of the EDP Acquisition.

The Purchase Agreement includes representations and warranties from EDP in relation to, among other things, EDP's organization, existence, and good standing, and its capacity to enter into such agreement, as well as certain representations relating to the Blue Canyon Project. The representations and warranties from EDP with respect to Blue Canyon LLC are limited to the knowledge of key individuals at EDP, commensurate with their role at EDP (and in the context of EDP as a Managing Member of Blue Canyon LLC). Purchasers of Units are encouraged to review the terms of the Purchase Agreement for a complete description of representations, warranties and indemnities (and related limitations).

Completion of the EDP Acquisition is conditional upon customary closing conditions and consents, among others, (i) the transfer to TH3 of all of EDP's direct and indirect right, title and interest in Blue Canyon LLC, (ii) receipt of third party consents and approvals, (iii) the lack of a material adverse effect from the effective date

of the Purchase Agreement, (iv) closing of the EDP Acquisition occurring by August 15, 2013 and (v) the Closing having occurred, in order to fund the required contribution amount under the Purchase Agreement. An additional closing condition is that TH3 is approved as a Managing Member of Blue Canyon LLC. The Purchase Agreement will be available on SEDAR at www.sedar.com. See "Material Contracts".

Although TH3 will acquire all of EDP's Project Principal Interests in Blue Canyon LLC, EDP will continue to be the Project Administrator for the Blue Canyon Project under, and in accordance with, the terms of an existing project administrative services agreement between Blue Canyon LLC and EDP until such project administrative services agreement is amended and restated as described below. Pursuant to the terms of the existing project administrative services agreement, Blue Canyon LLC delegates certain administrative responsibilities for the Blue Canyon Project to EDP, except for certain fiscal matters which are delegated to Blue Canyon 1 Member LLC, an affiliate of Infigen, pursuant to a separate fiscal administrative services agreement. However, EDP and Blue Canyon 1 Member LLC are negotiating an amended and restated project administrative services agreement and an amended and restated fiscal administrative services agreement to reallocate the division of administrative and fiscal services between EDP and Blue Canyon 1 Member LLC, including allocation of responsibilities relating to compliance with the North American Electric Reliability Corporation's ("NERC") reliability standards.

TH3 Portfolio Entity Agreement for the EDP Acquisition

TH3 will be wholly-owned and member managed by Wind I. The governance arrangements for TH3 will be set forth in the TH3 Portfolio Entity Agreement, executed under Delaware law by Wind I as TH3's sole member. The TH3 Portfolio Entity Agreement will delegate full authority, power and discretion to Wind I to manage and control the business of TH3. However, Wind I will be required to ensure that TH3 maintains an identity that is separate from its parent. For example, Wind I will be required to cause TH3 to maintain separate books and records, and must correct any known misunderstanding regarding its separate identity.

Indemnification Agreements with JPM

Separate from the indemnities included in the Portfolio Entity Agreements, three separate indemnity agreements will be executed between the Trust and JPM. These three indemnity agreements will provide:

1. An indemnity in favour of JPM and its affiliates for any losses or claims against JPM or its affiliates resulting from or arising out of the Offering or the Private Placements;
2. An indemnity in favour of JPM and its affiliates for any losses suffered by JPM or its affiliates arising out of breaches of certain of the representations and warranties made by Wind I to JPM Subsidiary in the Contribution Agreement and the THLLP2 Portfolio Entity Agreement, this indemnity will terminate if the Credit Facility ceases to be in effect; and
3. An indemnity in favour of JPM and its affiliates (excluding, however, the JPM general partner) for any losses suffered by JPM or its affiliates arising out of a third party claim against JPM or its affiliates (other than the JPM general partner) for the liabilities of THLLP1 or THLLP2.

Limitation in Transaction Documents

Purchasers of Units under this prospectus will not have any right of action against any Vendor. The sole remedy against the Vendors for any misrepresentation in the Contribution Agreements, the Purchase Agreements or the Portfolio Entity Agreements will be through Threshold Power exercising its rights (either directly or through Wind I) under the Contribution Agreements, the Purchase Agreements or the Portfolio Entity Agreements (as applicable) to claim for damages in respect of a breach by the Vendors of the provisions or representations and warranties in those agreements. See "Risk Factors — Risks Relating to the Business and Operations of the Trust, the Project LLCs and the Projects". The ability of Threshold Power to make a claim for and collect damages pursuant to a breach of a Contribution Agreement, Purchase Agreement or a Portfolio Entity Agreement by a Vendor is limited, which may adversely affect Unitholders.

Purchasers of Units are encouraged to review the terms of the Contribution Agreements, Purchase Agreements and Portfolio Entity Agreements for a complete description of the terms thereof, including the

representations, warranties and indemnities (and related limitations) contained therein. The Contribution Agreements, Purchase Agreements and Portfolio Entity Agreements will be available on SEDAR at www.sedar.com under the Trust's profile. See "Material Contracts".

JPM LOI

On April 15, 2013, the Administrator, on behalf of the Commercial Trust entered into the non-binding JPM LOI with JPM. Pursuant to the JPM LOI, the Trust has proposed to purchase the cash interests in certain Tax Equity Interests in three limited liability companies from JPM or its affiliates for a purchase price of approximately U.S.$53.4 million. The purchase price is subject to adjustment to reflect actual performance, income, expenses, PTCs and cash distributions in the monthly operating reports for the wind projects prior to the Closing. The three limited liability companies operate U.S. wind projects with an aggregate capacity of over 276 MW. The non-binding proposal anticipates that JPM or its affiliates would retain the Tax Attributes connected to the Tax Equity Interests subject to the proposal.

Pursuant to the JPM LOI, Threshold proposes that JPM and its affiliates work exclusively with the Trust, for a period of 180 days following date of the final prospectus, to jointly purchase the Tax Equity Interests held by holders of Tax Equity Interests in the Portfolio LLCs (other than the Trust) following the Acquisitions. These acquisitions would be structured in the same manner as the KEF Acquisition, which will result in JPM obtaining the Tax Attributes associated with the Tax Equity Interests and the Trust obtaining the right to substantially all of the cash distributions received from the Tax Equity Interests.

This potential acquisition is subject to a number of conditions including completion of due diligence and the negotiation of definitive agreements. The terms of any such agreements would need to be agreed by JPM and Threshold Power, and the transfers contemplated by such agreements would need to satisfy the conditions of transfer specified in the underlying limited liability company agreements for the applicable projects. Management expects that it will be necessary to obtain FERC 203 approval for each such proposed transaction. Further, the JPM LOI provides that JPM may, at any time, terminate the JPM LOI if the Canadian Securities Administrators have not issued a receipt for the Trust's final prospectus by August 15, 2013.

Pursuant to the JPM LOI, the Trust provides that it will reimburse JPM for certain of JPM's transaction and out-of-pocket expenses incurred in connection with the negotiation of the Acquisitions and future acquisitions (if any), subject to specified caps. The proposal in the JPM LOI also addresses certain additional advisory fees payable to JPM in connection with future acquisitions by Threshold Power from third parties not affiliated with JPM. For a detailed description of these advisory fees, see "The Acquisitions — JPM Letter Agreement".

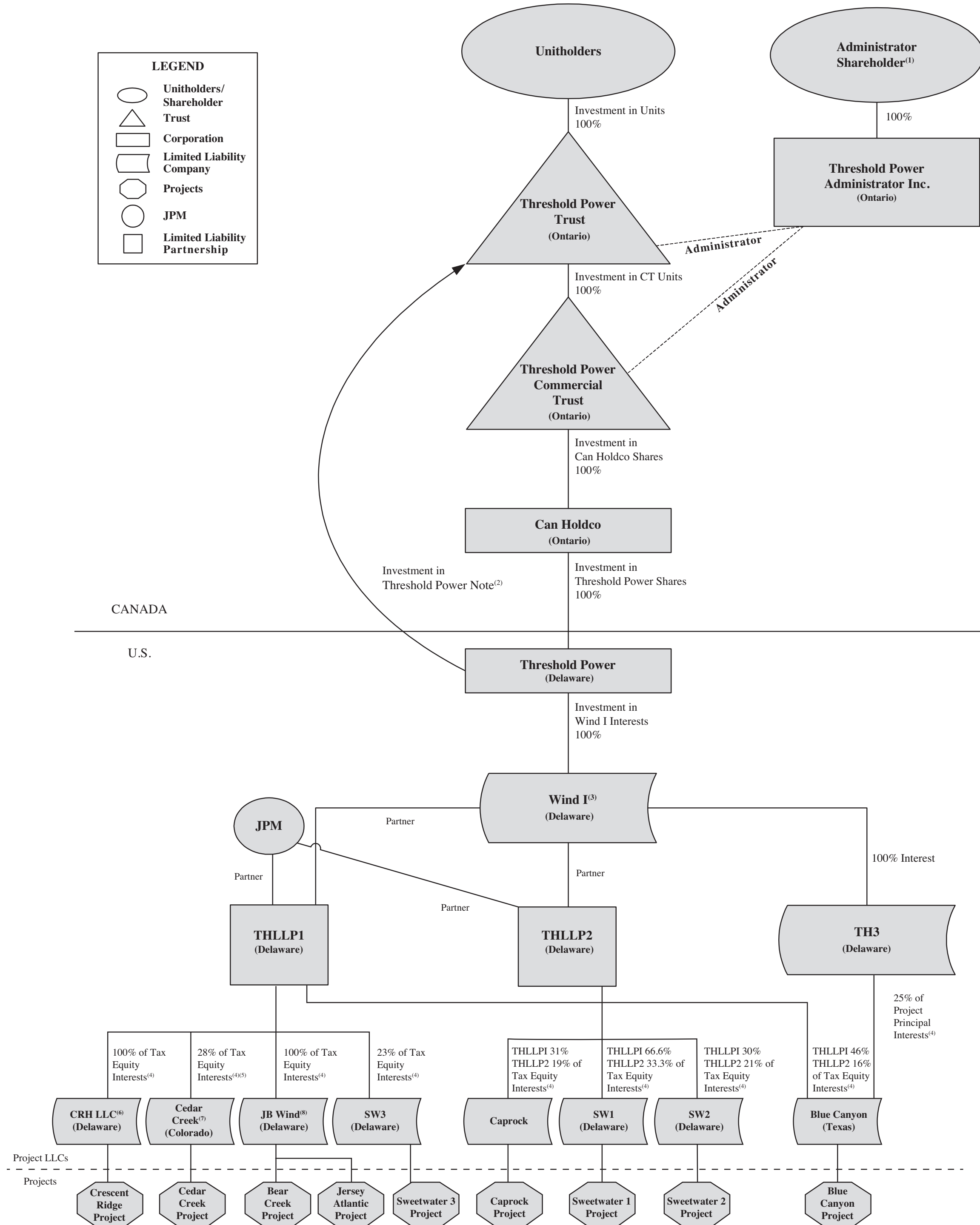
Although there is no guarantee that the JPM LOI will ensure the successful completion of future acquisitions by the Trust, Management believes that the Trust is well-positioned to capitalize on future growth opportunities and that the Imbedded ROFOs, the JPM ROFO Agreement, the JPM Contribution Agreement and the JPM LOI will afford the Trust with viable future acquisition opportunities. See "Risk Factors".

CORPORATE STRUCTURE

The Trust is an unincorporated open-ended limited purpose trust established under the laws of the Province of Ontario on June 11, 2013 pursuant to the Trust Indenture. The Trust has no prior history of operations or earnings. See "Description of the Trust". The Trust was established to seek stable and consistent returns for Unitholders through direct or indirect investments in operating renewable energy projects in the U.S. Immediately following Closing, the Trust will acquire all of the issued and outstanding CT Units from the Private Placement Investors (as defined below) pursuant to the CT Unit Exchange. See "Prior Sales". The Commercial Trust owns all of the issued and outstanding common shares of Can Holdco. Can Holdco owns all of the issued and outstanding shares of Threshold Power. The Trust will use the net proceeds of the Offering to enable Threshold Power to fund the acquisition of the Wind Farm Interests through its wholly-owned subsidiary Wind I pursuant to certain agreements between Threshold Power and each of JPM, KEF and EDP. The Trust will indirectly be able, through the Commercial Trust and Can Holdco, to appoint the directors of Threshold Power and Wind I and thereby control the amount of cash distributions they make out of funds received from the Wind Farm Interests. The Trust intends to make quarterly distributions to Unitholders. See "Description of the Trust", "The Acquisitions" and "Distribution Policy". The head office of the Administrator is located at

130 King Street West, The Exchange Tower, Suite 720, P.O. Box 137, Toronto, ON M5X 1A6. The principal, head and registered office of the Trust is located at 3400 One First Canadian Place, Toronto, Ontario, M5X 1A4. The principal executive office of Threshold Power is located at 101 North Wacker Drive, Chicago, Illinois, USA, Suite 2014, 60606.

The following chart illustrates the indirect ownership interests of the Trust in the Projects and the structure of the Trust following the Closing, the CT Unit Exchange and the closing of the Acquisitions. All of the shares of the Administrator are owned by Susan D. Nickey, the Administrator Shareholder.



Notes:

(1) All of the shares of the Administrator are owned by the Administrator Shareholder. Under the Voting Agreement, the Administrator Shareholder is required to vote the shares of the Administrator, including for the election of the Administrator Directors, as directed by the Trustee, as agent for the Unitholders, in accordance with an Ordinary Resolution of the Unitholders. See "Description of the Trust — Delegation to the Administrator" and "Voting Agreement".

(2) The Threshold Power Note will initially be issued to Can Holdco and will be assigned by Can Holdco to the Commercial Trust and by the Commercial Trust to the Trust immediately following Closing and the CT Unit Exchange. As a result, interest and principal will be paid by Threshold Power directly to the Trust instead of to Can Holdco.

(3) Pursuant to the applicable Portfolio Entity Agreements, Wind I is entitled to a percentage of the cash distributions and Tax Attributes received by each of THLLP1 and THLLP2 from the Project LLCs. Until the applicable Portfolio Adjustment Date, Wind I is entitled to receive 95% of the total cash distributions and 1% of total Tax Attributes received by THLLP1 and THLLP2 from the applicable Project LLCs. After the Portfolio Adjustment Date, Wind I will be entitled to receive 87.5% of cash distributions and Tax Attributes received by THLLP1 and 95% of cash distributions and Tax Attributes received by THLLP2.

(4) Pursuant to the Project LLC Agreements, the holders of Tax Equity Interests and the holders of Project Principal Interests in the Project LLCs are entitled to a percentage of cash distributions and Tax Attributes received by the applicable Project LLCs.

(5) Management expects, based on its review of Cedar Creek LLC's historical performance that its Cash Flip Point will occur in the second half of 2013, but in any event no later than February 28, 2015 as per the Cedar Creek Project LLC Agreement. See "Risk Factors". Following the Cash Flip Point, THLLP1 will be entitled to 28% of Cedar Creek's cash distributions.

(6) CRH LLC holds 100% of the outstanding membership interests in CRH LLC which owns the Crescent Project.

(7) Cedar Creek LLC holds 100% of the outstanding membership interests in Cedar Creek Wind Energy LLC (Colorado) which owns the Cedar Creek Project.

(8) JB Wind LLC holds 100% of the outstanding membership interests in Wind Park Bear Creek, LLC and Jersey-Atlantic Wind, LLC which respectively own the Bear Creek Project and the Jersey-Atlantic Project.

Upon closing of the Acquisitions, Wind I will be entitled to 100% of the cash distributions and Tax Attributes received by TH3 from Blue Canyon LLC. The rights and interests of Wind I in THLLP1 and THLLP2 are established pursuant to the applicable Portfolio Entity Agreements. Following the Acquisitions, and until a specific contractual date (with respect to THLLP1, December 31, 2017, and with respect to THLLP1, December 31, 2015, each a "**Portfolio Adjustment Date**"), Wind I, through its holding of partnership interests in THLLP1 and THLLP2, will be entitled to receive 95% of total cash distributions and 1% of the total Tax Attributes received by THLLP1 and THLLP2 from the applicable Project LLCs. After the applicable Portfolio Adjustment Date, Wind I will be entitled to receive 87.5% of cash distributions and Tax Attributes received by THLLP1 and 95% of cash distributions and Tax Attributes received by THLLP1. See "The Acquisitions".

The interests and rights of the Portfolio Entities, as holders of Tax Equity Interests and Project Principal Interests, in the Project LLCs are established under the terms of the applicable Project LLC Agreements. Pursuant to the Project LLC Agreements, holders of Tax Equity Interests and Project Principal Interests are entitled to specific percentages of the cash distributions and Tax Attributes received by the Projects LLCs, which will change in time. See "Our Business — Tax Equity Interests and Project Principal Interests in the Project LLCs".

The following table provides the percentage of cash distributions and Tax Attributes from the Project LLCs that (i) the Portfolio Entities will be entitled to receive immediately following Closing and the closing of the Acquisitions, and (ii) Wind I will be entitled to receive as a result of its interests in the Portfolio Entities. The cash distributions and Tax Attributes received by Wind I are not in addition to the cash distributions and Tax Attributes received by the Portfolio Entities.

Percentage of Cash Distributions and Tax Attributes from the Project LLCs

Project LLCs[1]	Portfolio Entities' Right to Cash Distributions from Project LLCs[2]	Portfolio Entities' Right to Tax Attributes from Project LLCs[2]	Wind I's Right to Cash Distributions from Project LLCs[2][3]	Wind I's Right to Tax Attributes from Project LLCs[2][3]
Blue Canyon LLC	61.7%	61.7%	58.6%	0.6%
Caprock LLC	50.0%	50.0%	47.5%	0.5%
Cedar Creek LLC	0.0%[4]	28.0%	0.0%[4]	0.3%
CRH LLC	100.0%	100.0%	95.0%	1.0%
SW1 LLC	100.0%	100.0%	95.0%	1.0%
SW2 LLC	50.6%	50.6%	48.1%	0.5%
SW3 LLC	22.8%	22.8%	21.7%	0.2%
JB Wind LLC	100.0%	100.0%	95.0%	1.0%

Notes:

(1) For a break-down of the ownership of THLLP1, THLLP2 and TH3 in the Project LLCs, see "Corporate Structure".

(2) The entitlement to cash distributions and Tax Attributes of the Portfolio Entities will change over time as each Project LLC reaches its Cash Flip Point (i.e. start of Stage 2) and its IRR Flip Point (i.e. start of Stage 3). Other than Cedar Creek LLC, all of the Project LLCs will be in Stage 2 at the time of Closing. See "The Acquisitions" for a further description of Wind I's entitlements as a holder of the Wind Farm Interests.

(3) Wind I's rights to cash distributions and Tax Attributes from the Projects LLCs are held indirectly through THLLP1, THLLP2 and TH3 (the Portfolio Entities) and will change over time as THLLP1 and THLLP2 each reach their Portfolio Adjustment Date. Immediately following the closing of the Acquisitions, Wind I will be entitled to 1% of the Tax Attributes and 95% of the cash distributions from THLLP1 and THLLP2 and 100% of the cash distributions and Tax Attributes from TH3. Following the Portfolio Adjustment Dates for THLLP1 and THLLP2, Wind I's entitlement to cash distributions and Tax Attributes from THLLP1 and THLLP2 will change. See "The Acquisitions".

(4) Management expects that the Cash Flip Point at Cedar Creek LLC will occur during the third quarter of 2013, but in any event no later than February 28, 2015 (as per the Cedar Creek Project LLC Agreement) based on a review of the historical performance of Cedar Creek LLC. See "Risk Factors". After the Cash Flip Point, the Portfolio Entities and Wind I will be entitled to 28.0% and 26.6% of the cash distributions from Cedar Creek LLC, respectively.

TRANSACTIONS IN CONNECTION WITH THE OFFERING

Closing Transactions

The following is a summary of the principal transactions that will take place in connection with the closing of the Offering and the Acquisitions:

- The Trust will acquire 100% of the issued and outstanding CT Units pursuant to the CT Unit Exchange.
- The Initial Unit held by the Administrator will be redeemed and cancelled.
- The Trust will use substantially all of the net proceeds of the Offering to acquire additional CT Units.
- The Commercial Trust will use the proceeds received by it from the Trust to subscribe for additional Can Holdco Shares.
- Can Holdco will use a portion of the proceeds received from the Commercial Trust to subscribe for additional Threshold Power shares and will loan the remaining proceeds to Threshold Power in exchange for the Threshold Power Note having an initial aggregate principal amount of approximately C$78.0 million.
- Can Holdco will distribute the Threshold Power Note to the Commercial Trust and the Commercial Trust will distribute the Threshold Power Note to the Trust, such that the principal amount and interest payable under the Threshold Power Note will be payable by Threshold Power directly to the Trust.

- Threshold Power will contribute the funds received by it from Can Holdco (net of certain expenses and liabilities payable by Threshold Power in connection with the Offering and Acquisitions) to Wind I in consideration for additional membership interests in Wind I.
- Wind I will contribute U.S.$ ● (subject to certain closing adjustments) of the funds received by it from Threshold Power to the Portfolio Entities in exchange for the Wind Farm Interests. These funds will be used by the Portfolio Entities for the purposes of acquiring the Tax Equity Interests and Project Principal Interests in the Project LLCs from the Vendors.

Upon closing of the Acquisitions, Wind I will hold the Wind Farm Interests and will be entitled thereafter to receive distributions from the Portfolio Entities in accordance with the applicable Portfolio Entity Agreements.

USE OF PROCEEDS

The net proceeds to the Trust from the Offering will be approximately C$ ● million, after deducting fees payable to the Lead Underwriters on their behalf and on behalf of the Underwriters of approximately C$ ● million and expenses of the Offering estimated to be approximately C$7.3 million. The fees payable to the Underwriters and the expenses of the Offering will be paid out of the proceeds of the Offering.

The Trust will retain C$ ● of the net proceeds of the Offering to finance general and administrative expenses of the Administrator. Following the CT Unit Exchange, the Trust will use the balance of the net proceeds of the Offering to subscribe for additional CT Units. The Commercial Trust will use the net proceeds of the Offering received by it from the Trust to subscribe for additional Can Holdco Shares. Can Holdco will use C$78.0 million of the net proceeds received by it from the Commercial Trust to make a loan to Threshold Power in consideration for the Threshold Power Note, and the balance of the net proceeds to subscribe for additional shares of Threshold Power. The Threshold Power Note will be a C$ denominated note.

Threshold Power will convert the net proceeds received from Can Holdco into U.S. dollars using the exchange rate on the date of the final prospectus. Threshold Power will use U.S.$ ● of the funds received by it to repay indebtedness owing by Threshold Power to the Commercial Trust. The Commercial Trust will in turn use approximately U.S.$ ● of the funds received by it from Threshold Power to repay the debt owing to NGEN Partners, Persimmon Tree Capital Fund, LP and Roger W. Sant Revocable Living Trust (each a "**Noteholder**") pursuant to three unsecured notes (collectively, the "**Promissory Notes**") issued to the Noteholders on June 10, 2013 for an aggregate amount of U.S.$1,674,620.86 including accrued interest of U.S.$1,055.24. The Promissory Notes were issued in connection with a loan made by the Noteholders to the Commercial Trust to assist the Commercial Trust with funding expenses relating to the Offering. Following such repayment, the Commercial Trust will have no further obligations owing under the Promissory Notes. See "Promissory Notes".

Following such repayment, Threshold Power will retain approximately U.S.$ ● of the net proceeds received by it to repay liabilities incurred by it in connection with the Offering and the Acquisitions and to finance general and administrative expenses. Threshold Power will contribute U.S.$ ● of the net proceeds to Wind I in consideration for additional membership interests in Wind I. Wind I will use the net proceeds received by it from Threshold Power to fund the aggregate purchase price of approximately U.S.$120.0 million for the Wind Farm Interests. Any remaining proceeds held by Threshold Power will be used to pursue and fund future acquisitions and for general and administrative expenses. See "Transactions in Connection with the Offering".

If the Over-Allotment Option is exercised or there is residual cash resulting from the closing of the Acquisitions, such proceeds will be provided to Threshold Power in substantially the same manner as the proceeds of the Offering and used by Threshold Power to pursue and fund future acquisitions and for general and administrative expenses.

The following table sets out the proceeds to be received by the Trust and Wind I upon the Closing and the intended use of those proceeds:

Proceeds:	
Offering[1]	C$●
Underwriters' fee[2]	C$●
Estimated expenses of the Offering	C$●
Net proceeds from the Offering	C$●
Repayment of Commercial Trust	C$●
Repayment of Promissory Notes	C$●
Converted to U.S.$[3]	U.S.$●
	U.S.$●
Use of Proceeds:	
Acquisitions of Wind Farm Interests[4]	U.S.$●
General and Administrative	U.S.$●

Notes:

(1) Does not include proceeds that may be received pursuant to the exercise of the Over-Allotment Option.

(2) Assuming the Over-Allotment Option is not exercised.

(3) Converted at a foreign exchange rate of C$1.00 = U.S.$ ● , the noon rate of exchange posted by the Bank of Canada for conversion of Canadian dollars into U.S. dollars on ● . The net proceeds from the Offering will be converted into U.S. dollars on the Closing Date and will therefore be subject to the Canadian dollar/U.S. dollar exchange rate on that date.

(4) The purchase price for the Wind Farm Interests is subject to certain closing adjustments, which Management does not expect will exceed 0.25%.

DISTRIBUTION POLICY

The Trust intends to make quarterly distributions to Unitholders of record as of the close of business on the last business day of each calendar quarter, which are expected to be paid to Unitholders on or about the last day of the month immediately following the end of each quarter (or, if not a business day, the next business day thereafter). The amount of cash available for distribution per quarter per Unit will be determined at the discretion of the Administrator Directors, after considering the overall distribution policy of the Trust and after consideration of the Trust's cash receipts less estimated amounts required for the payment of expenses and other obligations of the Trust and the Trust Subsidiaries, cash redemptions of Units and the satisfaction of any tax liability. The initial cash distribution, which will be for the period from and including the Closing Date to September 30, 2013, is expected to be paid on October 31, 2013 to Unitholders of record on September 30, 2013 and is estimated to be C$ ● per Unit (assuming the Closing occurs on ● , 2013). See "Description of the Trust — Distributions" and "Risk Factors". As results of operations may vary, the distribution of cash is not guaranteed.

Management expects that less than 40% of the Trust's distributions in 2013 will be taxable distributions of the net income of the Trust and that the remainder will be tax-deferred distributions of capital.

The Trust's ability to pay distributions to Unitholders is dependent upon the ability of the Trust Subsidiaries to meet their dividend, interest, principal and other distribution obligations. Threshold Power's income, and thus the income of Can Holdco and the Trust, will be derived from the Portfolio Entities and their interests in the Project LLCs and Projects, and is therefore susceptible to the risks and uncertainties associated with the Projects and wind power industry generally, and particularly in the U.S. See "Risk Factors".

Wind I will be required to comply with covenants under the Credit Facilities. If it does not comply with covenants under the Credit Facilities, the ability to make distributions to Unitholders may be adversely affected. See "Credit Facilities" and "Risk Factors".

SUMMARY OF CASH AVAILABLE FOR DISTRIBUTION

The following summary has been prepared by Management on the basis of the audited and unaudited consolidated financial statements of the Project LLCs, the information contained in this prospectus and the unaudited *pro forma* financial data of the Trust for the 12 months ended March 31, 2013. See "Notice to Investors". The information should be read together with the *pro forma* consolidated financial statements of the Trust and the related notes thereto included in this prospectus, the Project LLCs' audited financial statements for the years ended December 31, 2010, 2011 and 2012 ("**Audited Project LLC Financial Statements**") and the related notes thereto included in this prospectus, the Project LLCs' unaudited financial statements for the three months ended March 31, 2012 and 2013 ("**Unaudited Project LLC Financial Statements**") and related notes thereto included in this prospectus, and the information included under the headings "Selected *Pro Forma* Financial Information of the Trust", "Management's Discussion and Analysis for the Project LLCs for the years ended December 31, 2010, 2011 and 2012", and "Management's Discussion and Analysis for the Project LLCs for the three months ended March 31, 2012 and 2013". **This analysis is not a forecast or a projection of future results. The actual results of operations for any period, whether before or after Closing and the closing of the Acquisitions, will likely vary from the amounts set forth in the following analysis, and such variation may be material.**

Management believes that cash available for distribution is an operating performance measure and an indicator of financial performance. As the Trust intends to distribute a significant amount of its cash available for distribution on an ongoing basis, and since EBITDA is a measure used by many prospective investors and financial analysts to compare issuers on the basis of the ability to generate cash from operations, Management believes that, in addition to net cash provided by operations, EBITDA is a useful non-IFRS, supplemental measure from which to make adjustments to determine cash available for distribution. EBITDA is adjusted for certain items, deemed to be cash, in order to provide prospective investors and financial analysts with the information necessary to assess the ongoing operating performance and the key trends in the continuing business and, accordingly, the cash available for distribution. However, there are no standard definitions of EBITDA or cash available for distribution prescribed by IFRS and other issuers may calculate similarly described measures differently. See "Notice to Investors — Non-IFRS Financial Measures".

After completion of the Offering, the CT Unit Exchange and the Acquisitions, the Trust will record income and receive cash distributions and Tax Attributes from the Portfolio Entities and incur general and administrative costs, each of which will differ from those contained in the historical financial statements of the Trust or in the unaudited *pro forma* consolidated financial statements of the Trust that are included elsewhere in this prospectus. The Portfolio Entities will receive cash distributions and Tax Attributes through the Tax Equity Interests and Project Principal Interests they hold in the Project LLCs. The Project LLCs derive their revenue, EBITDA and cash available for distribution primarily from the sale of power and incur costs to operate the Projects and general and administrative costs. The financial information is presented for the 12 months ended March 31, 2013. This information has been prepared by combining the financial results of the Project LLCs for that period and making adjustments that Management believes are reasonable. Some of these adjustments are reflected in the *pro forma* financial statements of the Trust contained elsewhere in this prospectus; however, many are not because this information is prepared for a different period than that reflected in the *pro forma* financial statements and because some of the adjustments are not permitted in *pro forma* financial statements.

Management's assumptions in preparing this summary are set out in the notes below. Management believes that the following represents a reasonable estimate of the cash available for distribution for the 12 month period ending March 31, 2013, assuming the Closing, the CT Unit Exchange and the Acquisitions had taken place prior to the beginning of the period. Management has a conservative long-term payout ratio target of 75%, which Management believes will provide the Trust with part of the cash resources necessary to pursue and fund future acquisitions.

Estimated Cash Available for Distribution

In U.S.$ thousands; Unless Otherwise Noted	12 Months Ended March 31, 2013
Combined Project LLC Net Income (Loss)[1]	$ (7,022)
Combined Project LLC Depreciation, Amortization and Accretion Expenses[2]	61,234
Combined Project LLC EBITDA[3]	**54,212**
Less: Combined Changes in Working Capital, Spare Parts Inventory and Reserve Accounts[4]	(2,274)
Total Cash Distributions from the Project LLCs[3]	**51,938**
Adjusted for Wind I's Share of Cash Distributions from the Project LLCs[5]	15,072
Plus: Adjustment for Cedar Creek LLC Achieving its Cash Flip Point[6]	7,085
Less: Adjustment for Change in Power Pricing at CRH LLC Upon Expiry of PPA[7]	(4,176)
Total Cash Distributions to Wind I	**17,981**
Less: General and Administrative Expenses of the Trust and its Subsidiaries[8]	(2,600)
Cash Available for Distribution to Unitholders (U.S.$)	**15,381**
Cash Available for Distribution to Unitholders (C$)[9]	**16,185**
Distribution to Unitholders (C$)	11,776
Payout Ratio	72.8%

Notes:

(1) The Combined Project LLC Net income (Loss) represents the sum of the net income or net loss of all Project LLCs for the 12 months ended March 31, 2013. The information is derived from the audited financial statements for the year ended December 31, 2012, by subtracting the three months ended March 31, 2012, and adding the three months ended March 31, 2013.

(2) The Combined Project LLC Depreciation, Amortization and Accretion Expenses reflect the sum of depreciation, amortization and accretion expenses of all Project LLCs for the 12 months ended March 31, 2013. The information is derived from the audited financial statements for the year ended December 31, 2012, by subtracting the three months ended March 31, 2012, and adding the three months ended March 31, 2013.

(3) EBITDA and Cash Available for Distribution are not recognized as measures under IFRS and do not have a standardized meaning prescribed by IFRS. See "Notice to Investors — Non-IFRS Financial Measures" and definition of EBITDA in the "Notice to Investors — Non-IFRS Financial Measures".

(4) Reflects a U.S.$1.8 million increase in working capital and a U.S.$3.9 million investment in equipment (to be used for upcoming maintenance), partially offset by a U.S.$3.4 million release of cash and operating reserves. See "Management's Discussion and Analysis for the Project LLCs for the Years Ended December 31, 2010, 2011 and 2012" and "Management's Discussion and Analysis for the Project LLCs for the Three Months Ended March 31, 2012 and 2013".

(5) Represents cash distributions to Wind I assuming the Offering, the CT Unit Exchange and the Acquisitions were completed prior to April 1, 2012, and all Project LLCs with the exception of Cedar Creek had reached the Cash Flip Date prior to April 1, 2012. For the cash distributions that Wind I will be entitled to upon Closing, see "Corporate Structure — Percentage of Cash Distributions and Tax Attributes from the Project LLCs".

(6) Assumes the Offering, the CT Unit Exchange and the Acquisitions were completed prior to April 1, 2012 and that Cedar Creek LLC achieved its Cash Flip Point prior to April 1, 2012. Based upon its review of Cedar Creek LLC's historical performance, Management expects that Cedar Creek LLC will achieve its Cash Flip Point and commence Stage 2 during the third quarter of 2013. See "The Projects — Cedar Creek Project" and "Risk Factors". During Cedar Creek LLC's Stage 2 period, Wind I will be entitled to 26.6% of the cash distributions from Cedar Creek LLC. This calculation represents Wind I receiving 26.6% of the cash distributions from Cedar Creek LLC during the 12 months ended March 31, 2013.

(7) Assumes the Offering, the CT Unit Exchange and the Acquisitions were completed prior to April 1, 2012, and the PPA entered into by CRH LLC was terminated prior to April 1, 2012. The PPA at CRH LLC expired on June 30, 2013. The adjustment represents the difference between the revenue recorded under the PPA and the historical merchant prices in PJM during the 12 months ended March 31, 2013, to reflect the impact of the expiration of the PPA for the full period. See "Risk Factors", "Notice to Investors" and "The Projects — Crescent Ridge Project".

(8) Represents the estimated amounts for general and administrative costs for the Trust and the Trust Subsidiaries during the first year of operations. This assumes no bonuses are to be paid to the executive officers of the Administrater or Threshold Power as any bonus may be awarded if, among other things, acquisitions are completed, efficiencies or operating efficiencies are achieved and/or distributable cash targets are met. All bonuses are subject to the discretion of the Governance, Nomination & Compensation Committee, which is comprised entirely of independent directors.

(9) Management estimates based on a C$/U.S.$ exchange rate of C$1.0523, the noon rate of exchange posted by the Bank of Canada for conversion of U.S. dollars into Canadian dollars on July 3, 2013. See "Management's Discussion and Analysis for the Commercial Trust — Liquidity and Capital Resources".

SELECTED FINANCIAL AND OPERATING HIGHLIGHTS OF THE PROJECTS AND THE PROJECT LLCS

The following selected financial information should be read in conjunction with the audited and unaudited consolidated financial statements of the Project LLCs and the related notes thereto and the discussion under "Management's Discussion and Analysis for the Project LLCs for the years ended December 31, 2010, 2011 and 2012", "Management's Discussion and Analysis for the Project LLCs for the three months ended March 31, 2012 and 2013" included elsewhere in this prospectus as well as other information included in this prospectus, including "Notice to Investors — About this Prospectus", "Notice to Investors — Non-IFRS Financial Measures" and "Summary of Cash Available for Distribution". The results of operations of the Projects and the Project LLCs for the periods reflected herein are not necessarily indicative of results that may be expected for future periods or the expected results of the Trust, due to various factors, including but not limited to those described under "Risk Factors" and those described elsewhere in this prospectus.

Financial and Operational Highlights of the Projects and the Project LLCs[1]

	Three Months Ended March 31, 2012	Three Months Ended March 31, 2013	12 Months Ended December 31, 2011	12 Months Ended December 31, 2012	12 Months Ended March 31, 2013
Production of the Projects (MWh)					
East Region	237,221	210,764	823,261	812,076	785,618
West Region	536,424	498,245	1,757,293	1,719,757	1,681,579
Total	**773,645**	**709,009**	**2,580,554**	**2,531,833**	**2,467,197**
Project LLC Power Sales Revenue (in U.S.$ thousands)					
East Region	$ 9,573	$ 8,189	$ 29,871	$ 29,639	$ 28,255
West Region	$21,014	$19,793	$ 68,682	$ 66,841	$ 65,620
Total	**$30,587**	**$27,982**	**$ 98,553**	**$ 96,480**	**$ 93,875**
Project LLC Power Sales Revenue per MWh (U.S.$/MWh)					
East Region	$ 40.35	$ 38.85	$ 36.28	$ 36.50	$ 35.97
West Region	$ 39.17	$ 39.73	$ 39.08	$ 38.87	$ 39.02
Project LLC EBITDA (in U.S.$ thousands)					
East Region	$ 5,500	$ 4,811	$ 16,626	$ 16,682	$ 15,993
West Region	$14,968	$13,637	$ 45,296	$ 39,550	$ 38,219
Total	**$20,468**	**$18,448**	**$ 61,922**	**$ 56,232**	**$ 54,212**
Project LLC Cash Distributions (in U.S.$ thousands)					
East Region	$ 7,890	$ 3,699	$ 15,888	$ 18,336	$ 14,145
West Region	$13,404	$11,950	$ 54,270	$ 39,247	$ 37,794
Total	**$21,294**	**$15,649**	**$ 70,158[2]**	**$ 57,583**	**$ 51,938**

Notes:

(1) Information contained in the above table has been prepared by Management based on the audited and unaudited Project LLC Financial Statements and the other operating and financial records of the Project LLCs. See "Management's Discussion and Analysis for the Project LLCs for the years ended December 31, 2010, 2011 and 2012" and "Management's Discussion and Analysis for the three months ended March 31, 2012 and 2013" included elsewhere in this prospectus as well as other information included in this prospectus including "Notice to Investors — Non-IFRS Financial Measures".

(2) Cash distributions in 2011 included one-time payments totaling $7.5 million to Cedar Creek LLC. These included a $5.7 million payment for wake loss resulting from the construction of the Cedar Creek II project and the release of operating cash reserves of $1.8 million which were set aside for spare parts. See "Management's Discussion and Analysis for the Project LLCs for the years ended December 31, 2010, 2011 and 2012".

SELECTED *PRO FORMA* FINANCIAL INFORMATION OF THE TRUST

The following selected *pro forma* financial information contains forward-looking statements that involve risks and uncertainties. See "Forward-Looking Information" and "Risk Factors" for a discussion of the uncertainties, risks and assumptions associated with these statements. The information should be read in conjunction with the unaudited *pro forma* consolidated financial statements of the Trust and the audited and unaudited consolidated financial statements of the Project LLCs, the Commercial Trust and the Trust and the related notes thereto and the discussion under "Management's Discussion and Analysis for the Project LLCs for the years ended December 31, 2010, 2011 and 2012", "Management's Discussion and Analysis for the Project LLCs for the three months ended March 31, 2012 and 2013" and "Management's Discussion and Analysis for the Commercial Trust" included elsewhere in this prospectus as well as other information included in this prospectus, including "Notice to Investors — About this Prospectus", "Notice to Investors — Non-IFRS Financial Measures" and "Summary of Cash Available for Distribution". The results of operations for the periods reflected herein are not necessarily indicative of results that may be expected for future periods, and actual results may differ materially from those discussed in the forward-looking statements as a result of various factors, including but not limited to those listed under "Risk Factors" and included elsewhere in this prospectus

The following selected *pro forma* financial information has been derived from the unaudited *pro forma* consolidated financial statements of the Trust and the audited and unaudited consolidated financial statements of the Project LLCs and the Commercial Trust, including those included elsewhere in this prospectus.

The unaudited *pro forma* statements of the Trust are based on management's assumptions and adjustments, which are inherently subjective. The unaudited *pro forma* consolidated financial statements of the Trust may not be indicative of the financial position and results of operations that would have occurred if the transactions had taken place on the dates indicated or of the financial position or operating results which may be obtained in the future. The unaudited *pro forma* consolidated financial statements are not a forecast or projection of future results.

The unaudited *pro forma* financial information does not reflect the impact of the expiry of the PPA entered into by CRH LLC or the impact of Cedar Creek LLC reaching the Cash Flip Point since these adjustments are not permitted in *pro forma* financial statements. These events had not occurred as at March 31, 2013, which is the date of the most recent period included in the *pro forma* consolidated financial statements of the Trust, and do not occur in connection with the Offering and the Acquisitions. Management does expect these events will impact the results of the Trust and this is discussed in the section "Summary of Cash Available for Distribution" included elsewhere in this prospectus. See "Threshold Power Trust Unaudited *Pro Forma* Consolidated Financial Statements of Financial Position as at March 31, 2013, and Consolidated Statement of Comprehensive Loss for the year ended December 31, 2012 and the three months ended March 31, 2013".

The unaudited *pro forma* financial information has been prepared to reflect the following transactions that have occurred or will occur in connection with the Offering and the Acquisitions:

1. Immediately following Closing, the Trust will acquire all of the issued and outstanding trust units of the Commercial Trust (the "**CT Unit Exchange**"), an unincorporated open-ended limited purpose trust established under the laws of Ontario pursuant to the Commercial Trust Indenture. The Commercial Trust owns all of the issued and outstanding common shares of Can Holdco, an Ontario corporation. Can Holdco owns all of the issued and outstanding shares of Threshold Power, a Delaware corporation formed for the purpose of acquiring interests in operational renewable and other clean energy projects located in the U.S. Threshold Power owns all of the interests in Wind I, a Delaware limited liability company.

2. Threshold Power has entered into certain agreements with JPM, KEF and EDP pursuant to which Wind I will acquire the Wind Farm Interests in THLLP1, THLLP2 and TH3. The Wind Farm Interests will be determined by limited liability partnership agreements governing THLLP1 and THLLP2 and a limited liability company agreement governing the Portfolio Entities (collectively, the "**Portfolio Entity Agreements**"). Pursuant to the Portfolio Entity Agreements, JPM and Wind I will each have certain ownership interests in THLLP1 and THLLP2, and Wind I will have 100% of the interests in TH3. The

Portfolio Entities will acquire Tax Equity Interests and Project Principal Interests held by the Vendors in Project LLCs which own, directly or indirectly, the Projects.

3. The Trust is assumed to complete the issue of Units to the public pursuant to the Offering for gross proceeds of U.S.$ ● (C$ ●) through the issuance of ● Units at C$ ● per Unit. After deducting fees payable to the Underwriters and estimated expenses of the Offering, total Unitholders' equity will be approximately U.S.$ ● (C$ ●).

4. The Trust will retain C$ ● of the net proceeds of the Offering to finance general and administrative expenses. Following the CT Unit Exchange, the Trust will use the balance of the net proceeds of the Offering to subscribe for additional CT Units. The Commercial Trust will use the proceeds received by it from the Trust to subscribe for additional Can Holdco Shares. Can Holdco will use C$78.0 million received by it from the Commercial Trust to make a C$ ● loan to Threshold Power in consideration for a promissory note dated ● (the "**Threshold Power Note**") and C$ ● of the net proceeds received by it to subscribe for additional shares of Threshold Power. Can Holdco will distribute the Threshold Power Note to the Commercial Trust, which will in turn distribute the Threshold Power Note to the Trust. Threshold Power will convert the net proceeds received by it from Can Holdco in U.S.$ using the exchange rate on the date of the final prospectus and retain approximately U.S.$ ● of the net proceeds to pay liabilities incurred by it in connection with the Offering and Acquisitions and to finance general and administrative expenses. Threshold Power will contribute the remaining U.S.$ ● of the net proceeds to Wind I in consideration for an additional membership interest in Wind I. Wind I will use the net proceeds received by it from Threshold Power to fund the aggregate purchase price of approximately U.S.$120.0 million (subject to certain closing adjustments) for the Wind Farm Interests. See "Transactions in Connection with the Offering".

5. Threshold Power will use U.S.$ ● of the funds retained by it to repay indebtedness owing by Threshold Power to the Commercial Trust. The Commercial Trust will in turn use approximately U.S.$ ● of the funds received by it from Threshold Power to repay the debt owing to the Noteholders pursuant to the Promissory Notes. Following such repayment, the Commercial Trust will have no further obligations owing under the Promissory Notes. See "Promissory Notes".

6. If the Over-Allotment Option is exercised in full, the net proceeds to the Trust from the Offering will be approximately C$ ● million, after deducting the fees payable to the underwriters of approximately C$ ● million and the expenses of the Offering estimated to be approximately C$ ● million. The net proceeds to be received by the Trust pursuant to the exercise of the Over-Allotment Option are expected to be provided by the Trust indirectly to Threshold Power in the same manner as the net proceeds of the Offering, and used by Threshold Power to pursue and fund future acquisitions and for general corporate purposes.

A number of assumptions and adjustments have been recorded in the *pro forma* statements of comprehensive income highlights and *pro forma* statement of financial position highlights to reflect the transactions that have occurred or will occur in connection with the Offering and the Acquisition as if the transactions had occurred prior to January 1, 2012 for the *pro forma* statements of comprehensive income highlights and March 31, 2013 for the *pro forma* statement of financial position highlights. These assumptions and adjustments are described in note two of the unaudited *pro forma* financial statements of the Trust for the year ending December 31, 2012 and the three months ending March 31, 2013 included elsewhere in this prospectus.

***Pro Forma* Statement of Comprehensive Income Highlights of the Trust**

(in U.S.$ thousands)	Three Months Ended March 31, 2013	12 Months Ended December 31, 2012	12 Months Ended March 31, 2013
Revenue	$ 192	$ 1,009	$ 938
Expenses	$ (650)	$ (2,600)	$(2,600)
Foreign Exchange Gain/(Loss)	$ 33	$ 2	$ 35
Net Loss	**$ (425)**	**$ (1,589)**	**$(1,627)**
EBITDA[(1)]	**$ (425)**	**$ (1,589)**	**$(1,627)**
Adjusted EBITDA	**$3,016**	**$11,320**	**$ 9,875**

Notes:

(1) EBITDA and Adjusted EBITDA have limitations as analytical tools and should not be considered in isolation from, or as an alternative to, net income or other data prepared in accordance with IFRS. See "Notice to Investors — Non-IFRS Financial Measures". The Trust did not incur interest, taxes, depreciation or amortization charges therefore EBITDA is equal to Net Loss for the *pro forma* period.

The following table is a reconciliation of net income to EBITDA and Adjusted EBITDA for the periods indicated.

Reconciliation of Net Loss to EBITDA and Adjusted EBITDA of the Trust

(in U.S.$ thousands)	Three Months Ended March 31, 2013	12 Months Ended December 31, 2012	12 Months Ended March 31, 2013
Net Loss	**$ (425)**	**$ (1,589)**	**$ (1,627)**
EBITDA	**$ (425)**	**$ (1,589)**	**$ (1,627)**
Excluding the impact of:			
Foreign Exchange Gain/(Loss)	$ (33)	$ (2)	$ (35)
Equity Accounted (Income)/Loss	$ (192)	$ (1,009)	$ (938)
Distributions from Equity Accounted Investments	$3,666	$13,920	$12,475
Adjusted EBITDA	**$3,016**	**$11,320**	**$ 9,875**

***Pro Forma* Statement of Financial Position Highlights**

(in U.S.$ thousands)	As at March 31, 2013
Current Assets	$ ●
Total Assets	$ ●
Current Liabilities	$ ●
Total Liabilities	$ ●
Unitholder Equity	$ ●

Liquidity and Capital Resources

Following the Closing and the CT Unit Exchange, the Trust intends to provide the net proceeds of the Offering indirectly to Threshold Power to permit Threshold Power to complete the Acquisitions for approximately U.S.$120.0 million (payable in U.S.$ based on the exchange rate on the date of closing of the Offering). The Trust will retain C$ ● of the net proceeds of the Offering to finance general and administrative expenses.

Threshold Power will retain a portion of the proceeds received from the Trust and will use U.S.$ ● of the funds retained by it to repay indebtedness owing by Threshold Power to the Commercial Trust. The Commercial Trust will in turn use approximately U.S.$ ● of the funds received by it from Threshold Power to repay the debt owing to certain lenders pursuant to the Promissory Notes. Following such repayment, the Commercial Trust will have no further obligations owing under the Promissory Notes. See "Promissory Notes".

If the Over-Allotment Option is exercised in full, the net proceeds to the Trust from the Offering will be approximately C$ ● million, after deducting the fees payable to the Underwriters of approximately C$ ● million and the expenses of the Offering estimated to be approximately C$ ● million. The net proceeds to be received by the Trust pursuant to the exercise of the Over-Allotment Option are expected to be provided by the Trust indirectly to Threshold Power in the same manner as the net proceeds of the Offering, and used by Threshold Power to pursue and fund future acquisitions and for general corporate purposes.

The Trust expects to have sufficient liquidity to fund its planned operations for the foreseeable future. Generally, five sources of funding for future expenditures are expected by management to be available: (i) internally generated cash flow from operations; (ii) existing working capital; (iii) the Working Capital Agreement (iv) Credit Facility external debt financing; and (v) new capital through the issuance of additional Units.

Outlook

Following the closing of the Offering, the CT Unit Exchange and the Acquisitions, Wind I, a wholly-owned subsidiary of Threshold Power, will be entitled to indirectly receive certain cash distributions and Tax Attributes from the Project LLCs through its interests in the Portfolio Entities. Pursuant to the Acquisitions, the Portfolio Entities' investments will principally be in Tax Equity Interests of the Project LLCs, which entitle Tax Equity Investors to a Preferred Return generated primarily by an entitlement to 100% of the cash distributions from the Project LLCs following a contractually agreed upon date until certain targeted after-tax returns of the Tax Equity Investors are achieved.

The Trust will have investments in nine Projects. As of March 31, 2013, the Projects have gross installed power generating capacity of 804.7 megawatts and have been operating for an average of approximately 7.7 years. The Project LLCs have entered into certain PPAs for the off-take of exportable energy from the Projects, which have a capacity weighted average remaining life of approximately 11.1 years as of March 31, 2013. As of the Closing Date, approximately 92.7% of the aggregate capacity of the Projects will be contracted for under PPAs. The Trust intends to make quarterly distributions of a portion of its available cash to Unitholders.

Following the Closing, the CT Unit Exchange and the closing of the Acquisitions, the Trust will be presenting the financial information for its indirect investment in the Wind Farm Interests on an equity basis in its financial statements. The Trust's primary source of revenue will be equity accounted income from the indirect interest in each of the Project LLCs, based on hypothetical liquidation book value ("**HLBV**") commonly used for tax equity accounting. See the Summary *pro forma* financial statements of the Trust for the expected presentation of the financial statements for post-closing reporting periods.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following section contains the MD&A for the Commercial Trust and the Project LLCs. The Commercial Trust was established on February 24, 2012, to acquire renewable energy assets in the U.S. Immediately following Closing, the Trust will acquire all of the issued and outstanding CT Unit of the Commercial Trust pursuant to the CT Unit Exchange. See "Corporate Structure".

For the Trust's post-closing reporting, the MD&A presented by the Trust will include the results of the Trust's indirect interests in the Project LLCs presented on a regional basis as shown in the MD&A for the Project LLCs. The Trust, through its indirect wholly-owned subsidiary Wind I, will record its share of equity accounted income and cash distributions from the Project LLCs through its ownership in the Portfolio Entities. See "*Pro Forma* Financial Statements of the Trust" for the presentation of the financial reporting of the Trust.

Certain capitalized terms and abbreviations used in this section are defined in the "Glossary".

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE COMMERCIAL TRUST

The following MD&A of the Commercial Trust's financial condition and results of operations relates to the Commercial Trust's audited consolidated financial statements for the period from February 24, 2012 to December 31, 2012 and unaudited consolidated financial statements for the quarter and period ended March 31, 2013 and March 31, 2012 and has been prepared with information available up to and including July 3, 2013. This MD&A should be read together with the consolidated financial statements of the Commercial Trust as well as other information included in this prospectus, including "Notice to Investors — Forward-Looking Information" and "Risk Factors".

The consolidated financial statements of the Commercial Trust are prepared in accordance with IFRS, which requires estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the amount of revenue and expenses during the reporting period. The results of operations for the periods reflected herein are not necessarily indicative of results that may be expected for future periods. Actual results could differ materially from the results contemplated by these forward-looking statements due to a number of factors, including those discussed elsewhere in this prospectus. See "Notice to Investors — Forward-Looking Information" and "Risk Factors" for a discussion of the risks, uncertainties and assumptions relating to those statements.

Overview

The Commercial Trust is an unincorporated, open-ended, limited purpose trust established under the laws of the Province of Ontario on February 24, 2012 pursuant to the Commercial Trust Indenture. The Commercial Trust was established to indirectly invest in a portfolio of operating wind assets in the U.S.

On June 11, 2013, the Trust was formed under the laws of the Province of Ontario, when the Administrator contributed C$10.00 to the Trustee and the Trustee issued the initial unit to the Administrator (the "**Initial Unit**"). Immediately following Closing, the Trust will acquire all of the issued and outstanding CT Units pursuant to the CT Unit Exchange. The Trust's objective is to create stable and consistent returns for investors through the acquisition of interests in operational renewable energy power projects, located in certain regions of the U.S., and to make cash distributions to holders of Units on a quarterly basis.

The Commercial Trust and each of its subsidiaries and affiliates were recently formed or incorporated and as such results of the Commercial Trust are presented for the period ended December 31, 2012 and for the period and quarter ended March 31, 2012 and March 31, 2013. The following should be read in conjunction with the audited consolidated statements of financial position as at December 31, 2012 and the unaudited consolidated statements of financial position as at March 31, 2012 and 2013, the consolidated statement of comprehensive loss, the consolidated statement of changes in Unitholders' equity and the consolidated statement of cash flows for the period from the date of the Commercial Trust's establishment on February 24, 2012 to December 31, 2012 and the period and quarter ended March 31, 2012 and March 31, 2013.

The consolidated financial information of the Commercial Trust included herein includes the information of the Commercial Trust and its wholly-owned subsidiaries. The information is presented in U.S. dollars which is the functional and reporting currency of the Commercial Trust.

Unit Information

The Commercial Trust was formed on February 24, 2012, when the Administrator contributed C$0.01 to the trustee of the Commercial Trust and was issued the Initial CT Unit (as defined herein). On February 29, 2012, the Commercial Trust issued an additional 1,466,667 CT Units at a price of C$0.01 per CT Unit, resulting in aggregate proceeds to the Commercial Trust of C$14,666.67. During June of 2012, the Commercial Trust issued a further 2,500,000 CT Units at a price of C$1.0275 per unit, on a private placement basis, resulting in aggregate proceeds to the Commercial Trust of C$2,568,750. These proceeds have been used to fund costs associated with the Offering, and general and administrative expenses of the Commercial Trust and its subsidiaries, including employee and management salaries.

On January 10, 2013, the Commercial Trust issued an additional 307,228 CT Units at a price of C$1.0275 per unit, resulting in aggregate proceeds of C$315,677.

On June 20, 2013, the initial CT Unit issued to the Administrator was redeemed for C$0.01 and cancelled. Immediately following Closing, the Trust will acquire all of the issued and outstanding CT Units pursuant to the CT Unit Exchange.

Results of Operations

Revenues

The Commercial Trust's operations have been limited to pursuing the Acquisitions and the Commercial Trust did not record any revenues for the period ended December 31, 2012 and for the period and quarter ended March 31, 2012 and March 31, 2013. Following the Closing, the CT Unit Exchange and the closing of the Acquisitions, the Commercial Trust's primary source of revenue will be equity accounted income from the Commercial Trust's indirect interest in each of the Project LLCs, based on HLBV commonly used for tax equity accounting.

Expenses

For the period ended December 31, 2012, the Commercial Trust recorded U.S.$1.7 million of expenses. Expenses are operating expenses of the Commercial Trust including salaries and wages, rent, utilities and other operational costs.

For the quarter ended March 31, 2013 and the period ended, March 31, 2012, the Commercial Trust recorded U.S.$0.5 and U.S.$0.2 of expenses. Expenses are operating expenses of the Commercial Trust including salaries and wages, rent, utilities and other operational costs.

The Commercial Trust recorded U.S.$3.5 million and U.S.$4.7 million of deferred costs as at December 31, 2012 and March 31, 2013, respectively. Deferred costs consist primarily of legal, accounting and certain filing fees relating to the pursuit of the Acquisitions and expenses relating to the Offering.

After the Acquisitions, the Commercial Trust will have general and administrative expenses relating to the management of its portfolio of investments and the pursuit of additional acquisitions.

Taxes

The Trust and its subsidiaries are newly formed entities with no history of earnings and approximately U.S.$1.7 million of losses carried forward as at December 31, 2012 and a further U.S.$0.5 million of losses carried forward at March 31, 2013. Management has assessed the probability of future taxable profits as indeterminable at December 31, 2012, and March 31, 2013, and therefore no deferred tax asset has been recognized.

Critical Accounting Estimates

The preparation of these consolidated financial statements in conformity with IFRS requires Management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from those estimates.

The Commercial Trust was formed on February 24, 2012 and as at March 31, 2013 had not acquired any operational assets. Accordingly, Management has not identified any estimation uncertainties. Following the acquisition of operational assets, information about critical judgments in applying accounting policies that will have the most significant effect on the amounts recognized in the consolidated financial statements will be included in the notes to the financial statements.

New Standards and Interpretations Not Yet Adopted

A number of new standards and amendments to standards and interpretations have not been applied in preparing these consolidated financial statements. Management has not completed an analysis of these changes so the extent of the impact has not yet been determined.

The following are amended or new IFRS standards that may impact the Trust, Commercial Trust and its subsidiaries:

1. IFRS 9: *Financial Instruments* (effective for annual periods beginning on or after January 1, 2013). This standard addresses the classification, measurement and recognition of financial assets and liabilities, replacing parts of IAS 39, *Financial Instruments: Recognition and Measurement*.

2. IFRS 10: *Consolidated Financial Statements* (effective for annual periods beginning on or after January 1, 2013). This standard builds on the existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company.

3. IFRS 12: *Disclosure of Interests in Other Entities* (effective for annual periods beginning on or after January 1, 2013). This standard includes all of the disclosures that were previously in IAS 27, *Consolidated Financial Statements* related to consolidated financial statements and a number of new disclosures.

4. IFRS 13: *Fair Value Measurement* (effective for annual periods beginning on or after January 1, 2013). This standard aims to improve consistency and reduce complexity by providing precise definitions of fair value, a single source of fair value measurement and disclosure requirements for use across all IFRS. IFRS 13 does not extend the use of fair value accounting, but provides guidance on how it should be applied where its use is already required or permitted by other standards within IFRS.

Risks and Uncertainties

See "Risk Factors" for a complete list of risks and uncertainties.

Liquidity and Capital Resources

As of March 31, 2013, and December 31, 2012, the Commercial Trust had cash balances of U.S.$0.2 million and U.S.$0.5 million, respectively. This cash will be used to fund operating expenses and expenses relating to the Offering.

Foreign Exchange Risk Management

The Threshold Group intends to implement a foreign currency hedging program to manage exposure to changes in foreign exchange rates and support the long-term sustainability of distributions to Unitholders. Threshold Power's business generates cash flow in U.S. dollars but distributions expected to be made to Unitholders will be paid in Canadian dollars. The Threshold Group's hedging strategy will predominantly consist of forward and other derivative contracts, hedging at least 12 months of anticipated Trust distributions on a rolling basis. Changes in the fair value of the forward and other derivative contracts will partially offset foreign exchange gains or losses on the conversion of U.S. cash flow to Canadian dollars for distribution to Unitholders.

Threshold Power, an indirectly wholly-owned subsidiary of the Commercial Trust, executed a master agreement with KeyBank, dated April 9, 2013, setting out the foreign exchange transaction terms and conditions which will apply to any foreign exchange spot, forward, or option transaction, or other foreign exchange transaction entered into by Threshold Power and KeyBank. Governed by this master agreement, Threshold Power and KeyBank will enter into two trades: (i) a forward agreement on the Offering pricing date pursuant to which Threshold Power will agree to deliver Canadian dollars and KeyBank will deliver the equivalent of U.S. dollars at the forward rate, to hedge foreign exchange variations between the Offering pricing date and the Closing, thereby reducing the Threshold Group's foreign exchange exposure with respect to the prices payable to the Vendors for the Acquisitions; and (ii) a rolling 12 month forward agreement to hedge 100% of the quarterly distributions to Unitholders in Canadian dollars.

Working Capital Facility

Threshold Power, an indirect, wholly-owned subsidiary of the Commercial Trust, expects to enter into the Working Capital Agreement with KeyBank, which will provide Threshold Power with a U.S.$5.0 million

revolving loan that can be used for working capital purposes. The WC Loan carries an interest rate of LIBOR plus 6.0% on drawn funds and a standby charge of 0.75% on undrawn funds. The WC Loan is for a term of 364 days. The WC Loan can be drawn following the closing of the Acquisitions.

Promissory Notes

On June 10, 2013, the Commercial Trust issued the Promissory Notes to the Noteholders in an aggregate amount of U.S.$1,674,620.86 to assist the Commercial Trust with working capital requirements, including expenses incurred to date in connection with the Offering. Each of the Promissory Notes specifies the principal amount provided to the Commercial Trust by the relevant Noteholder and requires that such principal amount (plus interest accruing at a rate equal to 1.0% per annum) must be repaid to each Noteholder, on the earlier of (i) August 30, 2013, (ii) the Closing, or (iii) any default by the Commercial Trust of its obligations. The Promissory Notes will be repaid using the proceeds from the Offering.

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE PROJECT LLCS FOR THE YEARS ENDED DECEMBER 31, 2010, 2011 AND 2012

The following MD&A of financial condition and results of operations relates to the Audited Project LLC Financial Statements included in this prospectus for the years ended December 31, 2010, 2011 and 2012 and has been prepared with information available up to and including July 3, 2013. This MD&A should be read together with the Audited Project LLC Financial Statements and the related notes as well as other information included in this prospectus, including information under the heading "Notice to Investors — Non-IFRS Financial Measures", "Summary of Cash Available for Distribution", "Forward-looking Information" and "Risk Factors". This MD&A compiles financial information by region, reflecting the asset management approach adopted by the Trust when reviewing the performance of the Project LLCs. The information has been compiled by adding all line items from the Audited Project LLC Financial Statements within each region. The information in this MD&A is presented in U.S. Dollars which is the functional and reporting currency of the Project LLCs.

The Audited Project LLC Financial Statements were prepared in accordance with IFRS which requires estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the amount of revenue and expenses during the reporting period. The results of operations for the periods reflected herein are not necessarily indicative of results that may be expected for future periods. Actual results could differ materially from the results contemplated by these forward-looking statements due to a number of factors, including those discussed elsewhere in this prospectus. See "Forward-Looking Information" and "Risk Factors" for a discussion of the risks, uncertainties and assumptions relating to those statements.

This MD&A is not indicative of the results of the Commercial Trust or the Trust and does not reflect its indirect ownership of Tax Equity Interests or Project Principal Interests in the Project LLCs. The unaudited pro forma financial statements of the Trust included in this prospectus reflect the impact of capital structure and income tax status as at March 31, 2013.

Overview

For purposes of this MD&A, regarding the financial condition and results of operations, the historical financial information has been prepared using the Audited Project LLC Financial Statements included in the prospectus.

Following the closing of the Offering, the CT Unit Exchange and the Acquisitions, the Trust will, through Wind I's interests in the Portfolio Entities, own Tax Equity Interests and Project Principal Interests in eight Project LLCs, which own nine operating wind projects in the U.S. The Projects have an aggregate of 625 turbines and a gross installed power generating capacity of 804.7 megawatts.

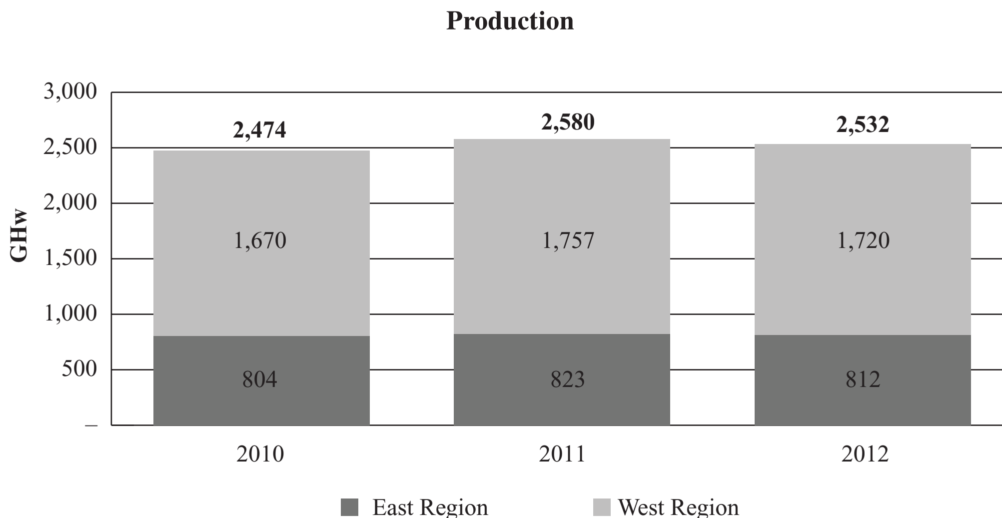
The Projects are located across seven U.S. states and currently deliver power to nine off-takers across four wholesale power markets: SPP, PJM, WECC, and ERCOT. For the purposes of this MD&A, the Projects are organized into two geographic regions, the East Region and the West Region. The regions reflect similarities in the power market dynamics, economic environment and other regional factors such as the regulatory environment and transmission dynamics. Management monitors and assesses the performance of the Projects

and the Project LLCs by region and the contribution of each region to the combined portfolio. The composition of each region is as follows:

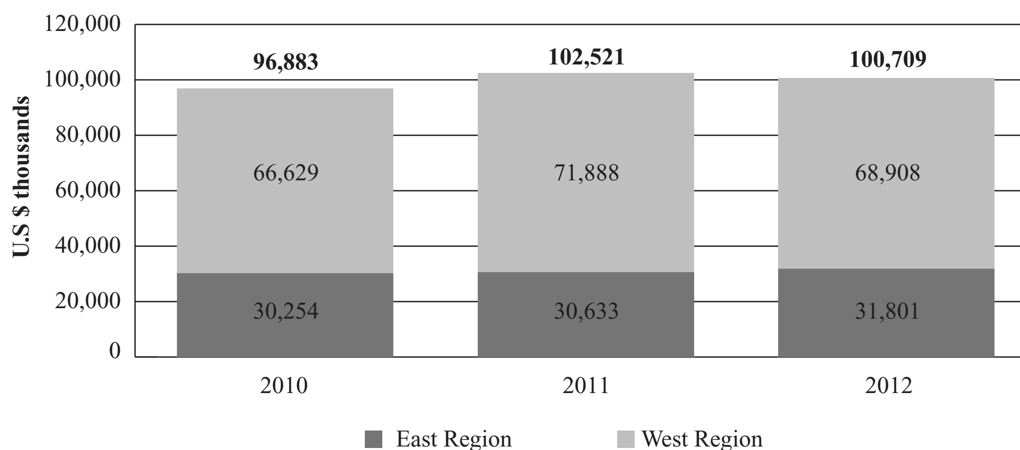
Region	Power Market	Project LLCs
East Region	SPP, PJM	Blue Canyon LLC, Caprock LLC, JB Wind LLC, CRH LLC
West Region	WECC, ERCOT	Cedar Creek LLC, SW1 LLC, SW2 LLC, SW3 LLC

The Project LLCs generate revenue from the sale of power produced by the Projects as well as the sale of related RECs. The ability of the Projects to generate power is the primary determinant of revenues for the Project LLCs. The Projects have a proven history of reliable and consistent production as a result of the diversification of the Projects by geography, PPA off-takers, power markets and turbine manufacturers, which reduces the impact of any single factor affecting performance. In addition, the Projects have a proven history of reliable production. Aggregate production from the Projects in each of 2010, 2011 and 2012 has varied by less than 3.0% from the average annual aggregate production from the Projects from 2010 through 2012, which Management believes can be attributed to the diversification characteristics described above, the use of proven wind turbine technologies from well-established OEMs and operating practices used by Project Administrators

The charts below illustrate the historical production and revenue of the Project LLCs for the years ended December 31, 2010, 2011 and 2012.



Revenue



At the date of this prospectus, all power produced by the Projects is contracted under PPAs with the exception of the 7.5 MW Jersey-Atlantic facility. The PPA between the Jersey-Atlantic Project and ACUA requires that at least 9,500 MWh per year be purchased by ACUA. For the 12 month period ended December 21, 2012, the amount purchased by ACUA was in excess of the minimum and equal to approximately 54% of total production. The remainder of electrical output from the Jersey-Atlantic Project is sold into the PJM wholesale market. Further, the CRH LLC PPA expired on June 30, 2013. See "The Projects — Crescent Ridge" and "Risk Factors". As at December 31, 2012, the capacity weighted average remaining life of the PPAs was approximately 11.3 years.

The table below details the PPA expiry, off-taker and installed capacity of each Project.

Project	Off-taker	PPA Expiry	Installed Capacity
Bear Creek Project	PPL Energy	2026	24 MW
Blue Canyon Project	Western Farmers	2023	74.3 MW
Caprock Project	SPSC	2024	80 MW
Cedar Creek Project	PSCo	2027	300.5 MW
Crescent Ridge Project	Constellation	2013	54.5 MW
Jersey-Atlantic Project	ACUA	2026	7.5 MW
Sweetwater 1 Project	Luminant	2028	37.5 MW
Sweetwater 2 Project	Austin Energy	2017	91.5 MW
Sweetwater 3 Project	Austin Energy (25%) & CPS Energy (75%)	2017 (25%) 2025 (75%)	135 MW

The Projects LLCs are required by the Project LLC Agreements to distribute all cash available for distribution to the Tax Equity Investors and Project Principals. The amount of cash available for distribution is determined after the end of each fiscal month and is calculated as the cash generated at each Project LLC in excess of reasonable reserves for the Project's working capital needs. Cash available for distribution for the Project LLCs will vary based on operating expenses, working capital requirements and other cash reserves. Under the terms of the Project LLC Agreements, once the Cash Flip Point occurs, Tax Equity Investors will be entitled to all of the cash available for distribution generated by the applicable Project LLC until the occurrence of the IRR Flip Point.

Historical cash distributions to Tax Equity Investors are not indicative of expected future cash distributions to Tax Equity Investors since (i) no historical year represents a full year of all Project LLCs having reached the

Cash Flip Point as the Cash Flip Point of the Project LLCs has occurred at various times in the past and the Cash Flip Point of Cedar Creek LLC has not yet been achieved; and (ii) the expiration of the PPA entered into by CRH LLC in June 2013 is expected to have a negative impact on the cash distributions from CRH LLC. Based on Management's expectation regarding merchant pricing in PJM for CRH LLC, the average price per MWh sold for the first full year following the expiration of the PPA will be approximately 48% of PPA pricing. Management expects that the adverse impact of the expiration of Crescent Ridge's PPA will be offset by the achievement of Cedar Creek LLC's Cash Flip Point during the third quarter of 2013.

The following table provides the percentage of cash distributions and Tax Attributes from the Project LLCs that (i) the Portfolio Entities will be entitled to receive immediately following Closing, the CT Unit Exchange and the closing of the Acquisitions, and (ii) Wind I will be entitled to receive as a result of its interests in the Portfolio Entities. The cash distributions and Tax Attributes received by Wind I are not in addition to the cash distributions and Tax Attributes received by the Portfolio Entities.

Percentage of Cash Distributions and Tax Attributes from the Project LLCs

Project LLCs(1)	Portfolio Entities' Right to Cash Distributions from Project LLCs(2)	Portfolio Entities' Right to Tax Attributes from Project LLCs(2)	Wind I's Right to Cash Distributions from Project LLCs(2)(3)	Wind I's Right to Tax Attributes from Project LLCs(2)(3)
Blue Canyon LLC	61.7%	61.7%	58.6%	0.6%
Caprock LLC	50.0%	50.0%	47.5%	0.5%
Cedar Creek LLC	0.0%(4)	28.0%	0.0%(4)	0.3%
CRH LLC	100.0%	100.0%	95.0%	1.0%
JB Wind LLC	100.0%	100.0%	95.0%	1.0%
SW1 LLC	100.0%	100.0%	95.0%	1.0%
SW2 LLC	50.6%	50.6%	48.1%	0.5%
SW3 LLC	22.8%	22.8%	21.7%	0.2%

Notes:

(1) For a break-down of the ownership of THLLP1, THLLP2 and TH3 in the Project LLCs, see "Corporate Structure".

(2) The entitlement to cash distributions and Tax Attributes of the Portfolio Entities will change over time as each Project LLC reaches its Cash Flip Point (i.e. start of Stage 2) and its IRR Flip Point (i.e. start of Stage 3). Other than Cedar Creek LLC, all of the Project LLCs will be in Stage 2 at the time of Closing. See "The Acquisitions" for a further description of Wind I's entitlements as a holder of the Wind Farm Interests.

(3) Wind I's rights to cash distributions and Tax Attributes from the Projects LLCs are held indirectly through THLLP1, THLLP2 and TH3 (the Portfolio Entities) and will change over time as THLLP1 and THLLP2 each reach their Portfolio Adjustment Date. Immediately following the closing of the Acquisitions, Wind I will be entitled to 1% of the Tax Attributes and 95% of the cash distributions from THLLP1 and THLLP2 and 100% of the cash distributions and Tax Attributes from TH3. Following the Portfolio Adjustment Dates for THLLP1 and THLLP2, Wind I's entitlement to cash distributions and Tax Attributes from THLLP1 and THLLP2 will change. See "The Acquisitions".

(4) Management expects that the Cash Flip Point at Cedar Creek LLC will occur during the third quarter of 2013, but in any event no later than February 28, 2015 (as per the Cedar Creek Project LLC Agreement) based on a review of the historical performance of Cedar Creek LLC. See "Risk Factors". After the Cash Flip Point, the Portfolio Entities and Wind I will be entitled to 28.0% and 26.6% of the cash distributions from Cedar Creek LLC, respectively.

Financial Highlights

Revenue

(in U.S.$ thousands)	12 Months Ended December 31		
	2010	2011	2012
Power Sales Revenue	$94,396	$ 98,553	$ 96,480
Other Income	2,487	3,968	4,229
Total Revenue	**$96,883**	**$102,521**	**$100,709**

For 2010, 2011, 2012, 96.4% of total revenue was earned from the sale of power generated by the Projects. Power sales revenue varies based on geography, the availability of the power generation equipment and seasonal adjustments to PPA prices. Power sales revenue during 2012 was 2.1% lower than power sales revenue in 2011 and 2.2% higher than power sales revenue in 2010.

Power sales revenue for the East Region, which represents approximately 30% of the total revenue, increased $0.5 million from 2010 to 2011 and decreased $0.2 from 2011 to 2012. Power sales revenue for the West Region, which represents 70% of the total revenue, increased $3.7 million from 2010 to 2011 and decreased $1.8 million from 2011 to 2012. These changes are addressed in the regional discussions below.

The Project LLCs also receive other income from the reimbursement of ordered curtailments of power delivery from PPA counterparties, and liquidated damages from service or warranty agreement counterparties if performance of a Project falls below specified levels outlined in the various performance guarantees. If a Project operates at an availability that is below the threshold specified in the applicable service and/or warranty agreement, the applicable Project LLC receives liquidated damages for the loss of revenue and the associated compensation for lost production tax credits ("**PTC Compensation**") in the form of a cash payment from the warranty provider. PTC Compensation is recorded as both an income and expense for the Project LLC since it is received by the Project as a cash receipt and passed on to the Tax Equity Investors as a form of cash distribution (distinct from regular cash distributions). From 2010 to 2012, other income earned by the Project LLC's averaged 3.6% of total revenue.

Expenses

(in U.S.$ thousands)	12 Months Ended December 31		
	2010	2011	2012
Operating Expenses	$ 24,114	28,910	33,518
Administrative Expenses	$ 9,910	10,138	10,553
Depreciation and Amortization	$ 59,610	59,826	59,838
Accretion Expense	$ 1,216	1,302	1,376
Other Expenses	$ 969	1,551	406
Total Expenses	**$ 95,819**	**$101,727**	**$105,691**

Expenses incurred by the Project LLCs primarily consist of operations and maintenance costs to operate and manage the Projects as well as depreciation, amortization and accretion charges on the property, plant and equipment. Operating expenses include turbine maintenance, balance of plant costs and land lease charges. Administrative expenses include insurance, professional fees and property taxes. Other expense includes PTC Compensation expense paid to Tax Equity Investors.

East Region expenses increased $0.7 million from 2010 to 2011 and $1.1 million from 2011 to 2012. West Region expense increased $4.9 million from 2010 to 2011 and $2.8 million from 2011 to 2012. These are primarily due to the renewal of O&M contracts and major maintenance at some of the facilities. All O&M contracts have been replaced since COD and are currently at market rates. The details are addressed in the regional discussions below.

EBITDA

(in U.S.$ thousands)	12 Months Ended December 31		
	2010	2011	2012
Power Sales Revenue	$ 94,396	$ 98,553	$ 96,480
Other Income	2,487	3,968	4,229
Other Expenses	(969)	(1,551)	(406)
Operating and Administrative Expenses	(34,024)	(39,048)	(44,071)
EBITDA	61,890	61,922	56,232
Depreciation and Amortization	(59,610)	(59,826)	(59,838)
Accretion Expense	(1,216)	(1,302)	(1,376)
Net Income (Loss)	**$ 1,064**	**$ 794**	**$ (4,982)**

This MD&A provides an analysis of the historical financial performance of the Project LLCs and the Project LLCs historical EBITDA. See "Notice to Investors — Non-IFRS Financial Measures". EBITDA for the Project LLCs is defined as net income (loss) plus the following items:

- **Depreciation:** depreciation on the property, plant and equipment and decommissioning liability of the Project LLCs are non-cash items.
- **Amortization:** amortization of the decommissioning liability, which is the cost of the obligation to restore the project site at the end of the lease.
- **Accretion expense:** accretion expense is a financing charge for the decommissioning liability to reflect the present value of the liability.

These items are excluded from net income to EBITDA because these are non-cash items and may vary depending on accounting methods and book values of assets and capital structures. EBITDA allows Management to evaluate operating performance and compare results without these variations. EBITDA is not a measure of net income or operating cash flows as determined by IFRS and should not be considered as an alternative to or more meaningful than, net income or cash flows from operating activities as determined in accordance with IFRS.

EBITDA for the East Region, which represents 27.9% of total EBITDA, decreased $0.4 million from 2010 to 2011 and $0.1 million from 2011 to 2012. West Region EBITDA, which represents 72.1% of total EBITDA, increased $0.3 million from 2010 to 2011 and decreased $5.7 million from 2011 to 2012. These changes are addressed in the regional discussions below.

Operating Cash Flow

(in U.S.$ thousands)	12 Months Ended December 31		
	2010	2011	2012
Total Operating Cash Flow	$57,171	$68,476	$52,630

Operating cash flow is equal to net income adjusted for non-cash items and changes in operating assets and liabilities.

East Region operating cash flow, which represents 26.5% of total cash flow, increased $2.0 million from 2010 to 2011 and decreased $3.0 million from 2011 to 2012. West Region operating cash flow, which represents 73.5% of total cash flow, increased $9.3 million from 2010 to 2011 and decreased $12.8 million from 2011 to 2012. These changes are addressed in the regional discussions below.

Cash Distributions

(in U.S.$ thousands)	12 Months Ended December 31		
	2010	2011	2012
Cash Distributions to Project Principals	57,483	66,860	36,931
Cash Distributions to Tax Equity Investors	2,452	3,298	20,653
Total Cash Distributions	**$59,935**	**$70,158**	**$57,584**

Cash distributions to Tax Equity Investors increased year-on-year as certain Project LLCs reached the Cash Flip Points. In 2010, Blue Canyon LLC was the only Project LLC that reached its Cash Flip Point. In 2011, Caprock LLC reached its Cash Flip Point and in 2012, JB Wind LLC, CRH LLC, SW1 LLC, SW2 LLC and SW3 LLC reached their Cash Flip Points. Cedar Creek LLC is expected to reach its Cash Flip Point during the third quarter of 2013.

East Region cash distributions decreased $0.2 from 2010 to 2011 and increased $2.4 million from 2011 to 2012. West Region cash distributions increased $10.4 million from 2010 to 2011 and decreased $15.0 million from 2011 to 2012. These changes are addressed in the regional discussions below.

Regional Analysis

East Region — Financial and Operating Information

The following financial and operating information is a compilation of the audited financial statements for Blue Canyon LLC, Caprock LLC, JB Wind LLC and CRH LLC, the Project LLCs which make up the East Region and consist of five projects: Blue Canyon Project, Caprock Project, Jersey-Atlantic Project, Bear Creek and Crescent Ridge. The information has been compiled by adding all line items from the four corresponding Project LLCs' audited financial statements.

East Region — Statement of Comprehensive Income (Loss) and reconciliation to EBITDA

(in U.S.$ thousands)	12 Months Ended December 31		
	2010	2011	2012
Power Sales Revenue	$ 29,401	$ 29,871	$ 29,639
Other Income	853	762	2,162
Other Expenses	(830)	(312)	(206)
Operating and Administrative Expenses	(12,441)	(13,695)	(14,913)
EBITDA	16,983	16,626	16,682
Depreciation and Amortization	(16,295)	(16,306)	(16,316)
Accretion Expense	(344)	(369)	(390)
Net Income (Loss)	**$ 344**	**$ (49)**	**$ (24)**

East Region — Statement of Financial Position Highlights

(in U.S.$ thousands)	12 Months Ended December 31		
	2010	2011	2012
Cash	$ 4,346	$ 6,794	$ 2,652
Other Current Assets	$ 8,392	$ 4,988	$ 6,525
Total Current Assets	$ 12,738	$ 11,782	$ 9,177
Total Assets	$246,599	$229,426	$210,734
Current Liabilities	$ 6,433	$ 4,826	$ 4,104
Total Liabilities	$ 12,416	$ 11,179	$ 10,847
Members' Equity	$234,183	$218,247	$199,887

East Region — Statement of Cash Flow Highlights

(in U.S.$ thousands)	12 Months Ended December 31		
	2010	2011	2012
Operating cash flow	$15,471	$17,424	$14,422
Cash Distributions to Project Principals	13,595	12,590	644
Cash Distributions to Tax Equity Investors	2,452	3,298	17,692
Total Cash Distributions	**$16,047**	**$15,888**	**$18,336**

East Region — Operating Highlights

(in U.S.$ thousands)	12 Months Ended December 31		
	2010	2011	2012
Total Production (GWh)	804	823	812
Power Sales Revenue/MWh	$36.56	$36.28	$36.50

East Region — Results of Operations

For the year ended December 31, 2012 compared to the year ended December 31, 2011, and the year ended December 31, 2010

Revenue

(in U.S.$ thousands)	12 Months Ended December 31		
	2010	2011	2012
Power Sales Revenue			
Blue Canyon LLC	$ 5,682	$ 6,456	$ 6,407
Caprock LLC	8,812	8,722	8,992
JB Wind LLC	4,842	4,373	3,757
CRH LLC	10,065	10,320	10,483
	$29,401	$29,871	$29,639
Other Income			
Blue Canyon LLC	105	100	62
Caprock LLC	58	1	1,770
JB Wind LLC	550	338	163
CRH LLC	140	323	167
	$ 853	$ 762	$ 2,162
Total Revenue	**$30,254**	**$30,633**	**$31,801**

Total revenue in the East Region in 2012 was 3.8% higher than 2011 and 5.1% higher than 2010. Power sales revenue contributed 95.9% of total revenue in the East Region over the past three years. Power sales revenue in 2012 was $0.2 million lower than 2011 and $0.2 million higher than 2010.

Power sales revenue at Blue Canyon LLC in 2012 was $0.05 million below 2011 and $0.7 million above 2010. Lower revenue in 2010 was primarily due to an ice storm which caused an unexpected grid outage from late January to mid-February 2010 and reduced availability at the project. Availability at Blue Canyon LLC in 2010 was 90.3%, which was below 2011 availability of 94.8% and 2012 availability of 98.3%. Power sales revenue returned to expected levels in 2011 and 2012.

Power sales revenue at JB Wind LLC in 2012 was $0.6 million below 2011 and $1.1 million below 2010. This was primarily driven by the Bear Creek Project which experienced a decline in production and availability as a result of damaged equipment at two of its 12 wind turbines. Availability in 2010 was 89.1% and fell to 73.1% in

2012. The damage to the turbines occurred in September 2011 and January 2012, respectively. A set of new blades was ordered for one of the turbines and is expected to be delivered by July 2013. The repair for the other turbine is expected to be completed by 2014. Effective June 2013, the operator agreed to a new warranty and maintenance agreement with the OEM to reduce the risk and impact of this type of incident in the future.

Power sales revenue at CRH LLC and Caprock LLC remained stable over the past three years as the Projects performed in line with expectations.

Other income for 2012 was $1.4 million higher than 2011 and $1.3 million higher than 2010. Other income in 2010 was $0.9 million which includes $0.3 million recorded at JB Wind LLC for the reimbursement of lost energy and the associated PTC Compensation income and $0.2 million for REC sales. Also in 2010, Blue Canyon LLC and CRH LLC each recorded $0.1 million for lost energy reimbursement.

Other income in 2011 was $0.8 million which includes $0.3 million of REC sales at JB Wind LLC, $0.3 million for the reimbursement of lost energy and the associated PTC Compensation income at CRH LLC and $0.1 million for the reimbursement of lost energy at Blue Canyon LLC.

Other income in 2012 was $2.2 million which was primarily comprised of $1.3 million recorded at Caprock LLC for the true up of a prior period accrual for spare parts usage. The amount is recorded in other income in 2012 as it relates to a prior period estimated accrual and does not relate to current period operations. Caprock LLC also received $0.2 million for an insurance claim for lightning damage and both Caprock LLC and CRH LLC received $0.2 million for lost energy reimbursement income and the associated PTC Compensation. Other income at Blue Canyon LLC of $0.05 million is also income received for lost energy reimbursement and other income at JB Wind LLC of $0.2 million is for REC sales at Jersey-Atlantic and an adjustment to a prior period accrual.

Expenses

	12 Months Ended December 31		
(in U.S.$ thousands)	**2010**	**2011**	**2012**
Operating Expenses			
Blue Canyon LLC	$ 1,874	$ 2,188	$ 2,582
Caprock LLC	3,643	4,107	3,661
JB Wind LLC	1,418	1,697	2,184
CRH LLC	1,569	1,905	2,562
	$ 8,504	**$ 9,897**	**$10,989**
Administrative Expenses			
Blue Canyon LLC	1,029	817	881
Caprock LLC	1,161	1,367	1,118
JB Wind LLC	818	717	891
CRH LLC	929	897	1,034
	$ 3,937	**$ 3,798**	**$ 3,924**
Total Other Expenses	**$ 830**	**$ 312**	**$ 206**
Total Expenses	**$13,271**	**$14,007**	**$15,119**

Operating expenses include wind plant operations and maintenance. Operating expenses increased 16.4% from 2010 to 2011 and a further 11.0% from 2011 to 2012. The increase was driven by higher costs under the new operating and maintenance agreements entered into at the Projects. All Projects in the East Region have extended or have entered into new operating and maintenance contracts in recent years. Details of the new contracts are as follows:

a) The Blue Canyon Project signed an operations and maintenance agreement in April of 2011 for a period of 10 years. The new contract includes a performance guaranty which includes minimum availability thresholds for the turbines, which if not achieved may result in performance payments.

b) The Caprock Project signed an extension of earlier warranty, service and maintenance agreements until March of 2017. This is a fixed fee per turbine and includes an availability guaranty which may result in performance payments.

c) The Jersey-Atlantic Project has an agreement to provide operational and management services which began in May of 2007 with an initial term of five years and an unlimited number of one year automatic renewal periods. This agreement is subject to an availability guaranty that may result in performance payments.

d) The Crescent Ridge Project signed an agreement to provide operational and management services in July of 2012. The contract has an initial term of five years with an unlimited number of one year automatic renewal periods. The agreement includes an availability guaranty which may result in performance payments.

e) The Bear Creek Project signed a 15-year warranty and maintenance agreement with Gamesa effective June 2013, pursuant to which Gamesa will provide warranties, turbine maintenance services and replacement components. The agreement includes an availability guaranty which may result in performance payments.

The new contracts include an increase in turbine operating and maintenance fees. The contracts that expired were the original contracts from COD which were favorably priced in conjunction with a package that included the turbine sales whereby a portion of maintenance and operating costs were covered under the turbine warranty. The new contracts are competitively priced by current market standards. The Projects are not expected to incur additional costs under these contracts except those related to *force majeure* events which are generally covered by insurance.

Administrative expenses include land lease rent, insurance, professional fees, property taxes and other administrative and project management fees and expenses. Administrative expenses in 2012 were 0.3% lower than 2010 and 3.3% higher than 2011. Administrative expenses are generally consistent and any variation is driven by professional fees, including fees paid to lawyers and accountants. Administrative expenses in 2011 include legal fees for a warranty dispute and letter of credit in respect of the Caprock Project. Administrative fees at JB Wind LLC include legal fees related to a dispute that has been settled with Gamesa in respect of the Bear Creek Project and professional fees for environmental studies at the Bear Creek Project.

Other expenses include PTC Compensation expense which is offsetting to the PTC Compensation income included in other income for the same period. The Project LLCs receive reimbursements for lost production and the PTC Compensation income associated with this reimbursement is passed to the Tax Equity Investors in the form of a cash distribution (distinct from other cash distributions).

Depreciation, Amortization and Accretion

	12 Months Ended December 31		
(in U.S.$ thousands)	**2010**	**2011**	**2012**
Blue Canyon LLC	$ 4,253	$ 4,270	$ 4,276
Caprock LLC	5,212	5,220	5,231
JB Wind LLC	2,676	2,680	2,688
CRH LLC	4,498	4,505	4,511
Total Depreciation, Amortization and Accretion	**$16,639**	**$16,675**	**$16,706**

Depreciation, amortization and accretion charges relate to the property, plant and equipment, which include the wind farm and associated decommissioning liability. See "Contractual Arrangements — Decommissioning Liability". Depreciation and amortization increased 0.2% and 0.2% from 2010 and 2011 to the year ended December 31, 2012, respectively. The slight increase reflects insignificant additions of property, plant and equipment during the period. The Projects did not make any significant capital expenditures during the period.

EBITDA

(in U.S.$ thousands)	12 Months Ended December 31 2010	2011	2012
Blue Canyon LLC	$ 2,884	$ 3,551	$ 3,006
Caprock LLC	3,773	3,205	5,847
JB Wind LLC	2,619	2,296	831
CRH LLC	7,707	7,574	6,998
Total EBITDA	**$16,983**	**$16,626**	**$16,682**

EBITDA for 2012 was $0.1 million higher than 2011 and $0.3 million lower than 2010.

From 2010 to 2011, EBITDA decreased $0.3 million which was due to a decrease in EBITDA at Caprock LLC, JB Wind LLC and CRH LLC of $0.6 million, $0.3 million and $0.1 million, respectively, due to higher operating costs in 2011. This was partially offset by EBITDA at Blue Canyon LLC that was $0.7 million higher in 2011 than 2010 as a result of the higher power sales revenue.

From 2011 to 2012, EBITDA at Caprock LLC increased $2.6 million which was driven by an increase in revenue of $2.0 million and a reduction in operating and administrative expenses of $0.7 million. Blue Canyon LLC experienced a decline in EBITDA from 2011 to 2012 of $0.5 million, primarily as a result of the increased operating costs. EBITDA at JB Wind LLC decreased $1.5 million from 2011 to 2012 due to a $0.8 million decrease in revenue and $0.7 million increase in expenses. CRH LLC also experienced higher operating costs which led to a decline in EBITDA of $0.6 million from 2011 to 2012.

Operating Cash Flow

(in U.S.$ thousands)	12 Months Ended December 31 2010	2011	2012
Blue Canyon LLC	$ 2,246	$ 3,746	$ 2,715
Caprock LLC	3,756	4,431	3,808
JB Wind LLC	2,501	1,923	684
CRH LLC	6,968	7,324	7,216
Total Operating Cash Flow	**$15,471**	**$17,424**	**$14,423**

Operating Cash Flow increased $2.0 million from 2010 to 2011 primarily due to a reduction in working capital at Blue Canyon LLC and Caprock LLC of $1.5 million and $1.3 million, respectively, which was partially offset by lower EBITDA at JB Wind LLC, Caprock LLC and CRH LLC. Operating Cash Flow decreased $3.0 million from 2011 to 2012 due to higher working capital needs to fund equipment purchases, repairs and maintenance, as well as and lower EBITDA across the East Region during the period.

Cash Distributions

(in U.S.$ thousands)	12 Months Ended December 31		
	2010	2011	2012
Blue Canyon LLC	$ —	$ —	$ —
Caprock LLC	3,687	2,123	—
JB Wind LLC	1,988	2,792	382
CRH LLC	7,920	7,675	262
Total Cash Distributions to Project Principals	**$13,595**	**$12,590**	**$ 644**
Blue Canyon LLC	2,452	3,010	3,482
Caprock LLC	—	288	6,587
JB Wind LLC	—	—	10
CRH LLC	—	—	7,613
Total Cash Distributions to Tax Equity Investors	**$ 2,452**	**$ 3,298**	**$17,692**
Total Cash Distributions	**$16,047**	**$15,888**	**$18,336**

Cash distributions in the East Region declined $0.2 million from 2010 to 2011 primarily due to Caprock LLC building cash reserves to fund potential turbine maintenance expenses. At December 2011, Caprock LLC had $2.3 million of cash reserves to be released in 2012 when the new turbine maintenance agreement was signed. The decline in cash distributions at Caprock LLC from 2010 to 2011 was partially offset by an increase in cash distributions at JB Wind LLC which included the release of $0.3 million of restricted cash held for a letter of credit, the release of $0.1 million of operating reserves and the release of $0.2 million held for equipment that was not required and released in 2011.

Cash distributions increased $2.4 million from 2011 to 2012 primarily due to the release of the cash reserves at Caprock LLC that were held to fund potential maintenance expenses, which offset the lower cash generated from operations.

West Region — Financial and Operating Information

The following selected financial and operating information is a compilation of the audited financial statements for Cedar Creek LLC, SW1 LLC, SW2 LLC and SW3 LLC, which are the Project LLCs included in the West Region and comprise four Projects: Cedar Creek Project, SW1 Project, SW 2 Project and SW 3 Project. The information has been compiled by adding all line items from the five corresponding Project LLCs' audited financial statements.

West Region — Statement of Comprehensive Income (Loss) and reconciliation to EBITDA

(in U.S.$ thousands)	12 Months Ended December 31		
	2010	2011	2012
Power Sales Revenue	$ 64,995	$ 68,682	$ 66,841
Other Income	1,634	3,206	2,067
Other Expenses	(139)	(1,239)	(200)
Operating and Administrative Expenses	(21,584)	(25,353)	(29,158)
EBITDA	**44,906**	**45,296**	**39,550**
Depreciation and Amortization Expense	(43,315)	(43,520)	(43,522)
Accretion Expense	(872)	(933)	(986)
Net Income (Loss)	**$ 719**	**$ 843**	**$ (4,958)**

West Region — Statement of Financial Position Highlights

(in U.S.$ thousands)	12 Months Ended December 31		
	2010	2011	2012
Cash	$ 7,609	$ 3,820	$ 856
Other current Assets	$ 9,458	$ 10,347	$ 11,281
Total Current Assets	$ 17,067	$ 14,167	$ 12,137
Total Assets	$707,940	$662,002	$618,772
Current Liabilities	$ 4,667	$ 6,107	$ 6,441
Total Liabilities	$ 20,553	$ 28,042	$ 29,019
Members' Equity	$687,387	$633,960	$589,753

West Region — Statement of Cash Flow Highlights

(in U.S.$ thousands)	12 Months Ended December 31		
	2010	2011	2012
Operating Cash Flow	$41,700	$51,052	$38,207
Cash Distributions to Project Principals	43,888	54,270	36,286
Cash Distributions to Tax Equity Investors	—	—	2,961
Total Cash Distributions	**$43,888**	**$54,270**	**$39,247**

West Region — Operating Highlights

(in U.S.$ thousands)	12 Months Ended December 31		
	2010	2011	2012
Total Production (GWh)	1,670	1,757	1,720
Power Sales Revenue/MWh	$38.91	$39.08	$38.87

West Region — Results of Operations

For the year ended December 31, 2012 compared to the year ended December 31, 2011, and the year ended December 31, 2010.

Revenue

(in U.S.$ thousands)	12 Months Ended December 31		
	2010	2011	2012
Power Sales Revenue			
Cedar Creek LLC	$40,745	$43,470	$40,822
SW1 LLC	3,578	3,867	4,181
SW2 LLC	8,066	8,583	8,591
SW3 LLC	12,606	12,762	13,247
	$64,995	$68,682	$66,841
Other Income			
Cedar Creek LLC	630	2,972	786
SW1 LLC	(69)	47	38
SW2 LLC	277	183	1,081
SW3 LLC	796	4	162
	$ 1,634	$ 3,206	$ 2,067
Total Revenue	**$66,629**	**$71,888**	**$68,908**

Total revenue for the West Region for the year ended December 31, 2012 was 4.1% lower than 2011 and 3.3% higher than 2010. Power sales revenue contributed 97.0% of total revenue in the West Region over the past three years. Power sales revenue increased $3.7 million from 2010 to 2011 and decreased $1.8 million from 2011 to 2012.

Power sales revenue at Cedar Creek LLC increased $2.7 million from 2010 to 2011 due to scheduled major maintenance outages which affected production and availability in 2010. From 2011 to 2012, power sales revenue at Cedar Creek LLC decreased $2.6 million from 2011 to 2012 due equipment downtime relating to defective equipment which is being replaced at the expense of the operations and maintenance contractor.

Power sales revenue at SW1 LLC, SW2 LLC and SW3 LLC increased year-on-year from 2010 to 2012. The increase in power sales revenue was a result of increasing production, driven by higher availability as the Projects experienced less downtime associated with equipment repairs and maintenance. Power sales revenue increased during 2012 at SW1 LLC and was 5.3% above the average for the past three years and availability was 2.7% above the average. At SW2 LLC, production in 2012 was 3.9% above the average and availability was 0.8% higher than the average. At SW3 LLC, both production and availability were 2.7% higher than the average for the three year period.

Other income in 2012 was $1.1 million less than 2011 and $0.4 million higher than 2010. Other income in 2011 included $2.7 million in Other Revenue at Cedar Creek LLC for lost energy reimbursement and the associated PTC Compensation income from downtime associated with the Cedar Creek II tie-in to the transmission lines. Other income in 2012 consisted of insurance proceeds of $0.9 million recognized at SW 2 LLC for a gearbox claim and an insurance reimbursement at Cedar Creek LLC of $0.4 million, also for a gearbox failure. Other income also includes smaller amounts for lost energy reimbursement and PTC Compensation income across the other Projects.

Expenses

	12 Months Ended December 31		
(in U.S.$ thousands)	**2010**	**2011**	**2012**
Operating Expenses			
Cedar Creek LLC	$ 7,225	$ 8,268	$10,870
SW1 LLC	1,320	1,657	1,709
SW2 LLC	3,653	4,577	5,017
SW3 LLC	3,413	4,511	4,933
	$15,611	**$19,013**	**$22,529**
Administrative Expenses			
Cedar Creek LLC	2,527	2,823	3,304
SW1 LLC	521	533	537
SW2 LLC	1,200	1,251	1,169
SW3 LLC	1,725	1,733	1,619
	$ 5,973	**$ 6,340**	**$ 6,629**
Other Expenses	**$ 139**	**$ 1,239**	**$ 200**
Total Expenses	**$21,723**	**$26,592**	**$29,358**

Operating expenses include wind plant operations and maintenance. Operating expenses for the year ended December 31, 2012 were $3.5 million higher than 2011 and $6.9 million higher than 2010. The increase was driven by higher costs under the new operating and maintenance agreements entered into at the Projects. The Projects in the West Region have entered into new operating and maintenance contracts which reflect expected operating and maintenance service fees in future periods with the exception of out of scope major maintenance

work that is not included in the contracts at SW1 LLC, SW2 LLC and SW3 LLC. Details of the new contracts are as follows:

a) The Cedar Creek Project signed an operations and maintenance agreement for the MHI turbines. The agreement is an extension of earlier warranty, service and maintenance agreements which have been extended until March of 2017. The agreement provides turbine maintenance services for a fixed fee per turbine. The related availability guaranty agreement includes minimum availability thresholds which may result in performance payments. For the remaining GE turbines at the Cedar Creek Project, the service agreement is in place under a 10 year term until July 11, 2017. The project company is responsible for paying the parts and subcontracting costs.

b) In November of 2009, SW1 LLC, SW2 LLC and SW3 LLC all entered into a management, operations & maintenance agreement with an initial period of five years and a five year extension option. The agreement provides for turbine and maintenance services for a fixed fee.

The new contracts include an increase in turbine operating and maintenance fees since the contracts that expired were the original contracts from COD which were favorably priced in conjunction with a package that included the turbine sales whereby a portion of maintenance and operating costs were covered under the turbine warranty. These new contracts are competitively priced by current market standards.

In addition to the above, Operating Expenses at Cedar Creek LLC increased by $1.0 million from 2010 to 2011 as a result of oil changes and replacement equipment costs. Higher operating costs from 2010 to 2011 at SW1 LLC, SW2 LLC and SW3 LLC were also attributed to planned oil changes and major maintenance which was intended to convert the turbines into “like new” condition.

Administrative expenses include land lease rent, insurance, professional fees, property taxes and other administrative and project management fees and expenses. Administrative expenses increased $0.4 million from 2010 to 2011 and $0.3 million from 2011 to 2012. The increase was due to higher legal and professional fees at the Projects.

Other expenses include PTC Compensation expense which is offsetting to the PTC Compensation income included in other income for the same period. The Project LLCs receive reimbursements for lost production and the PTC Compensation income associated with this reimbursement is passed to the Tax Equity Investors in the form of a cash distribution (distinct from other cash distributions).

Depreciation, Amortization and Accretion

	12 Months Ended December 31		
(in U.S.$ thousands)	**2010**	**2011**	**2012**
Cedar Creek LLC	$25,943	$26,169	$26,196
SW1 LLC	2,497	2,501	2,506
SW2 LLC	6,177	6,186	6,204
SW3 LLC	9,570	9,597	9,602
Total Depreciation, Amortization and Accretion Expense	**$44,187**	**$44,453**	**$44,508**

Depreciation and amortization relate to the property, plant and equipment which are primarily the wind farm and associated decommissioning liability. See “Contractual Arrangements — Decommissioning Liability”. Depreciation and amortization remained stable, increasing 0.1% and 0.6% from 2011 and 2010 to 2012, respectively. The Project LLCs did not have any major capital expenditures during the period.

EBITDA

(in U.S.$ thousands)	12 Months Ended December 31 2010	2011	2012
Cedar Creek LLC	$31,399	$34,179	$27,403
SW1 LLC	1,743	1,699	1,954
SW2 LLC	3,494	2,896	3,420
SW3 LLC	8,271	6,522	6,773
Total EBITDA	**$44,907**	**$45,296**	**$39,550**

EBITDA increased $0.4 million from 2010 to 2011 due to an increase in revenue of $5.3 million which was partially was offset by higher operating costs, administrative costs other expenses. EBITDA decreased $5.7 million from 2011 to 2012 due to lower revenue and higher operating and administration expenses, partially offset by lower other expenses.

Operating Cash Flow

(in U.S.$ thousands)	12 Months Ended December 31 2010	2011	2012
Cedar Creek LLC	$28,704	$39,052	$27,546
SW1 LLC	1,810	2,054	1,773
SW2 LLC	3,011	3,077	3,108
SW3 LLC	8,175	6,869	5,780
Total Operating Cash Flow	**$41,700**	**$51,052**	**$38,207**

Operating cash flow for the West Region increased $9.4 million from 2010 to 2011 primarily due to (i) a onetime receipt of a $5.7 million payment for wake loss at Cedar Creek LLC resulting from the construction of Cedar Creek II LLC, (ii) release of operating cash reserves of $1.8 million which were set aside for spare parts at Cedar Creek LLC and (iii) decreased working capital partially offset by lower EBITDA. Operating cash flow decreased $12.8 million from 2011 to 2012, primarily due to lower EBITDA during 2012 and not having the benefit of the wake payment received during 2011 and working capital requirements.

Cash Distributions

(in U.S.$ thousands)	12 Months Ended December 31 2010	2011	2012
Cedar Creek LLC	$32,014	$40,201	$27,615
SW1 LLC	2,017	2,296	896
SW2 LLC	2,706	3,449	1,810
SW3 LLC	7,152	8,324	5,965
Total Cash Distributions to Project Principals	**$43,888**	**$54,270**	**$36,286**
Cedar Creek LLC	—	—	—
SW1 LLC	—	—	971
SW2 LLC	—	—	950
SW3 LLC	—	—	1,040
Total Cash Distributions to Tax Equity Investors	**$ —**	**$ —**	**$ 2,961**
Total Cash Distributions	**$43,888**	**$54,270**	**$39,247**

Total cash distributions increased $10.4 million from 2010 to 2011 primarily due to the increased operating cash flow and decreased $15.0 million from 2011 to 2012 due to decreased operating cash flow. Cash distributions were higher than operating cash flow in each year from 2010 to 2012 due to this release of cash being held in operating reserves or for planned maintenance, repairs and parts usage that was no longer required. Cash distributions declined in 2012 in line with EBITDA, reflecting lower revenues and higher operating expenses during the year.

Cash distributions are paid from the Projects to the Project Principals and the Tax Equity Investors in accordance with the relevant Project LLC Agreement. Cash distributions to Tax Equity Investors were nil for 2010 and 2011. Each of SW1 LLC, SW2 LLC and SW3 LLC reached their Cash Flip Point in 2012 and began making cash distributions to Tax Equity Investors during the period. Cedar Creek LLC has not yet reached its Cash Flip Point but is expected to flip in the second half of 2013.

Critical Accounting Estimates

The preparation of the Audited Project LLC Financial Statements requires Management to make certain estimates and assumptions that affect the reported amounts and disclosures in the financial statements and the reported amounts of assets and liabilities, and to disclose contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below. Assumptions and estimates are based on parameters available when these financial statements were prepared. Existing circumstances and assumptions about future developments may change due to market changes or circumstances beyond control of Management. Such changes are reflected in the assumptions when they occur.

The members' shares of undistributed earnings or losses are calculated using the HLBV method. The HLBV method allocates earnings or losses by measuring the distribution amounts that would be due to the members in a hypothetical liquidation of the entity at the net book value of the underlying assets. The HLBV method is consistent with accounting guidance which indicates that the method to be used for allocations is the method that most appropriately reflects how an increase or decrease in net assets of the venture will affect cash payments to the investor over the life of the venture and upon its liquidation.

The estimate for decommissioning liability involves critical judgment in applying assumptions to estimate the decommissioning of the liability.

New Standards and Interpretations Not Yet Adopted

A number of new standards, and amendments to standards and interpretations, are not yet effective and have not been applied in preparing the Audited Project LLC Financial Statements. None of these are expected to have a significant effect on the presentation of the Audited Project LLC Financial Statements; however, the extent of the impact has not yet been determined.

The following are amended or new IFRS standards and interpretations that may impact the Audited Project LLC Financial Statements:

1. IFRS 10: *Consolidated Financial Statements* (effective for annual periods beginning on or after January 1, 2013). This standard builds on the existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company.

2. IFRS 13: *Fair Value Measurement* (effective for annual periods beginning on or after January 1, 2013). This standard aims to improve consistency and reduce complexity by providing precise definitions of fair value, a single source of fair value measurement and disclosure requirements for use across all IFRS. IFRS 13 does not extend the use of fair value accounting, but provides guidance on how it should be applied where its use is already required or permitted by other standards within IFRS.

Liquidity and Capital Resources

Cash and cash equivalents consist of cash in bank accounts. Restricted cash balances have been segregated in separate bank accounts. Restricted cash is maintained by the Project LLCs to fund site decommissioning, land restoration, securing of electrical power delivery requirements. The Project LLCs held cash and cash equivalents of $9.5 million, $8.5 million and $2.4 million for the years ended December 31, 2010, 2011 and 2012, respectively. The Project LLCs held restricted cash of $2.4 million, $2.1 million and $1.1 million for the years ended December 31, 2010, 2011 and 2012, respectively.

Current liabilities include accounts payable, accrued liabilities, current construction reserve liabilities and the current portion of deferred income. Non-current liabilities consist of the decommissioning liability and the non-current portion of deferred income. The Projects have no outstanding debt.

Taxes

The Project LLCs are subject to flow through taxation and all income, gains, losses, and tax credits are allocated to the owners who individually report their share of those items in their income tax returns. Accordingly, in order to reflect the ongoing expenses of the Project LLCs, no provision has been made for income taxes within the financial statements.

Contractual Arrangements

Power Purchase Agreements — All of the Project LLCs have entered into long-term PPAs for the sale of electricity to off-takers, with one Project LLC having a PPA with more than one off-taker. The Project LLCs receive energy payments for energy delivered pursuant to their respective PPAs. The PPAs provide the off-taker with a right to curtail energy from a Project under certain circumstances, but generally require the off-taker to provide compensation to the Project LLCs in situations where curtailments are ordered for economic reasons. Curtailments ordered by the system operator for system reliability and emergencies, among other exceptions, are not typically compensated for. The term and expiration of a PPA is based on the specific terms of the contract between the applicable Project LLC and the off-taker. As of March 31, 2013, the weighted average remaining PPA life of the Projects is approximately 11.1 years.

Land and Equipment Leases — The majority of land on which the Projects are located is leased from third parties. While provisions of the land leases vary, they generally provide for a fixed minimum annual payment as well as a percentage of power sales revenues. Lease terms generally exceed the term of any PPA and the majority of Projects have land leases which have a renewal or extension option. Generally, all of the land leases require removal of the wind turbines and restoration of the land at the expiration of the lease, unless the lease is renewed. The notes to the Audited Project LLC Financial Statements include details of the lease financial obligations.

Decommissioning Liability — The Project LLCs are obligated to decommission the wind farms, remove above-ground installations, and restore the site at the end of the leases. This obligation is recognized as the estimated cost of decommissioning the turbines, removing above-ground installations and restoring the site. The estimated cost to decommission the site at the reporting date is adjusted for a current market-based discount rate and reviewed annually by the Company for any material changes. The estimated liability for decommissioning costs at December 31, 2012 is $24.5 million (December 31, 2011: $23.2 million, December 31, 2010: $21.9 million).

Transactions with Related Parties

All of the Project LLCs (with the exception of Blue Canyon LLC) have entered into a project administration services agreement with Infigen Asset Management, an indirect owner of Class B interests in each of the Projects. The agreements provide for project management services at a market rate on an arm's length basis. The contract terms and renewals are included in the notes to the Audited Project LLC Financial Statements. The Project LLCs paid Infigen Asset Management $1.6 million for the year ended December 31, 2010 and $1.7 million for each of the years ended December 31, 2011 and 2012 for project administration services.

Further, all of the Project LLCs (with the exception of Blue Canyon LLC) have entered into an operations, maintenance and management agreement with Infigen Asset Management to provide services at a market rate on an arm's length basis. For the years ended December 31, 2010, 2011 and 2012, these Projects paid Infigen Asset Management $2.8 million, $5.0 million and $4.5 million, respectively, for operations and maintenance services.

Blue Canyon LLC entered into a fiscal administration services agreement with Infigen Asset Management. The agreements provide for fiscal project management services at a market rate on an arm's length basis. For the years ended December 31, 2010, 2011 and 2012, Blue Canyon LLC paid Infigen Asset Management $0.06 million for project management services.

Blue Canyon LLC entered into an agreement with Horizon Wind Energy LLC ("**Horizon**") to provide project administration services at a market rate on an arm's length basis. Horizon is an owner of Class B interests in Blue Canyon LLC. For each of the years ended December 31, 2010, 2011 and 2012, Blue Canyon LLC paid Horizon $0.09 million for project administration services.

Off-Balance Sheet Arrangements

The Project LLCs do not have any off-balance sheet arrangements.

Risks and Uncertainties

The business of the Project LLCs is subject to various risks and uncertainties. See "Risk Factors" for a discussion and description of key risks and uncertainties.

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE PROJECT LLCS FOR THE THREE MONTHS ENDED MARCH 31, 2012 AND 2013

The following MD&A of financial condition and results of operations relates to the Unaudited Project LLC Financial Statements included in this prospectus for the three months ended March 31, 2013 and 2012 and has been prepared with information available up to and including June 20, 2013. This MD&A should be read together with the Unaudited Project LLC Financial Statements and the related notes as well as other information included in this prospectus, including information under the heading "Notice to Investors — Non-IFRS Financial Measures", "Cash Available for Distribution", "Forward-looking Information" and "Risk Factors". This MD&A compiles financial information by region, reflecting the asset management approach adopted by the Trust when reviewing the performance of the Project LLCs.

The Unaudited Project LLC Financial Statements are prepared in accordance with IFRS which requires estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the amount of revenue and expenses during the reporting period. The results of operations for the periods reflected herein are not necessarily indicative of results that may be expected for future periods. Actual results could differ materially from the results contemplated by these forward-looking statements due to a number of factors, including those discussed elsewhere in this prospectus. See "Forward-Looking Information" and "Risk Factors" for a discussion of the risks, uncertainties and assumptions relating to those statements. For an overview of the operating of the Trust, see "Management's Discussion and Analysis for the Project LLCs for the Years Ended December 31, 2010, 2011 and 2012 — Overview".

Financial Highlights

The following selected financial and operating information is a compilation of the Unaudited Project LLC Financial Statements at March 31, 2012 and 2013, for Blue Canyon LLC, Caprock LLC, JB Wind LLC, CRH LLC, Cedar Creek LLC, SW1 LLC, SW2 LLC and SW3 LLC. The information has been compiled by adding all line items from the Unaudited Project LLC Financial Statements at March 31, 2012 and 2013.

The following table presents a reconciliation of EBITDA to unaudited IFRS net income for the three months ended March 31, 2012 and 2013. "See "Notice to Investors — Non-IFRS Financial Measures".

(in U.S.$ thousands)	Three Months Ended March 31	
	2012	2013
Power Sales Revenue	$ 30,587	$ 27,982
Other Income	1,740	673
Other Expense	(138)	(77)
Operating and Administrative Expenses	(11,721)	(10,130)
EBITDA	**20,468**	**18,448**
Depreciation and Amortization	(14,958)	(14,959)
Accretion Expense	(344)	(363)
Net Income	**5,166**	**3,126**
Total Project LLC Cash Distributions	**$ 21,294**	**$ 15,649**

The key drivers for the variance between the quarter ended March 31, 2012 and the quarter ended March 31, 2013 are outlined below:

Revenue

Power sales revenue decreased 8.5% or $2.6 million. East Region power sales revenue decreased $1.4 million from the quarter ended March 31, 2012 to the quarter ended March 31, 2013 and West Region power sales revenue decreased $1.2 million from the quarter ended March 31, 2012 to the quarter ended March 31, 2013. Production across all Projects was 8.4% lower for the first quarter of 2013 than the first quarter of 2012. This was driven by lower than expected wind speeds and reduced availability from downtime due to gearbox faults at the Crescent Ridge Project and pending equipment replacements at the SW1 Project and SW2 Project. This will be addressed further in the regional discussions below.

Other income decreased $1.0 million. Other income in 2012 was derived from non-recurring receipts for insurance claims at SW2 LLC ($0.9 million) and Caprock LLC ($0.1 million). Other income also includes lost energy reimbursements and the associated PTC Compensation income which varies year-on-year with outage income and receipt of lost energy reimbursements. East Region other income decreased $0.3 million from the quarter ended March 31, 2012 to the quarter ended March 31, 2013. West Region other income decreased $0.7 million from the quarter ended March 31, 2012 to the quarter ended March 31, 2013.

Operating and Administrative Expenses

Operating and administrative expenses decreased 14% or $1.6 million. East Region operating and administrative expenses decreased $1.0 million from the quarter ended March 31, 2012 to the quarter ended March 31, 2013. West Region operating and administrative expenses decreased $0.6 million from the quarter ended March 31, 2012 to the quarter ended March 31, 2013. SW1 LLC, SW2 LLC and SW3 LLC experienced significant maintenance expenses in 2012, which were not part of the annual maintenance process and did not occur in 2013. JB Wind LLC had lower operating expenses in 2013 as the Bear Creek Project required fewer repairs, replacements and maintenance. While the repairs and maintenance costs can vary year on year, the operating expenses associated with the replacement operations and maintenance service agreements signed by the Projects in recent years are all reflected in the first quarter of 2013. This will be addressed further in the regional discussions below.

For the quarter ended March 31, 2012, other expenses, depreciation and amortization and accretion expense were in line with the quarter ended March 31, 2013 in total and for both regions.

EBITDA

EBITDA declined 10% or $2.0 million. The decline in EBITDA was driven by the decline in power sales revenue and other income, partially offset by a decline in operating expenses. East Region EBITDA decreased $0.7 million from the quarter ended March 31, 2012 to the quarter ended March 31, 2013. West Region EBITDA decreased $1.3 million from the quarter ended March 31, 2012 to the quarter ended March 31, 2013. This will be addressed further in the regional discussions below.

Operating Cash Flow

(in U.S.$ thousands)	Three Months Ended March 31	
	2012	**2013**
Total Operating Cash Flow	$18,279	$17,806

Net cash from operating activities includes EBITDA as discussed above and changes in operating assets and liabilities.

East Region cash flow decreased $1.6 million from the quarter ended March 31, 2012 to the quarter ended March 31, 2013. West Region cash flow increased $1.1 million from the ended March 31, 2012 to the quarter ended March 31, 2013. These changes are addressed in the regional discussions below.

Cash Distributions

(in U.S.$ thousands)	Three Months Ended March 31	
	2012	**2013**
Cash Distributions to Project Principals	$13,783	$10,130
Cash Distributions to Tax Equity Investors	7,510	5,519
Total Cash Distributions	**$21,293**	**$15,649**

The allocation of cash distributions to Tax Equity Investors and Project Principals for each Project LLC is determined by the current stage of the Flip Structure. As at the quarter ended March 31, 2012, the Blue Canyon Project and the Caprock Project each reached their Cash Flip Point. During 2012, the JB Wind Project, the Crescent Ridge Project, the SW1 Project, SW2 Project and SW3 Project reached their Cash Flip Point. The Cedar Creek Project is expected to reach its Cash Flip Point during the second half of 2013.

East Region cash distribution decreased $4.2 million from the quarter ended March 31, 2012 to the quarter ended March 31, 2013. West Region cash distributions decreased $1.5 million from the quarter ended March 31, 2012 to the quarter ended March 31, 2013. The reduction in the cash distribution is due to the reduced cash flow

combined with increased operating reserves retained for planned maintenance. These changes are addressed in the regional discussions below.

East Region — Statement of Comprehensive Income (Loss) and reconciliation to EBITDA

(in U.S.$ thousands)	Three Months Ended March 31	
	2012	2013
Power Sales Revenue	$ 9,573	$ 8,189
Other Income	442	94
Other Expense	(92)	(7)
Operating and Administrative Expenses	(4,423)	(3,465)
EBITDA	**5,500**	**4,811**
Depreciation and Amortization	(4,078)	(4,080)
Accretion Expense	(98)	(103)
Net Income (Loss)	**$ 1,324**	**$ 628**

East Region — Statement of Financial Position Highlights

(in U.S.$ thousands)	Three Months Ended March 31	
	At December 31 2012	At March 31 2013
Cash	$ 2,652	$ 3,087
Other Current Assets	$ 6,525	$ 6,055
Total Current Assets	$ 9,177	$ 9,142
Total Assets	$210,734	$206,675
Current Liabilities	$ 4,104	$ 3,013
Total Liabilities	$ 10,847	$ 9,859
Members' Equity	$199,887	$196,816

East Region — Statement of Cash Flow Highlights

(in U.S.$ thousands)	Three Months Ended March 31	
	2012	2013
Operating Cash Flow	$5,795	$4,191
Cash Distributions to Project Principals	379	—
Cash Distributions to Tax Equity Investors	7,510	3,699
Total Cash Distributions	**$7,889**	**$3,699**

East Region — Operating Highlights

(in U.S.$ thousands)	Three Months Ended March 31	
	2012	2013
Total Production (GWh)	237	211
Power Sales Revenue/MWh	$40.35	$38.85

East Region — Results of Operations

For the three months ended March 31, 2013 compared to the three months ended March 31, 2012

Revenue

(in U.S.$ thousands)	Three Months Ended March 31	
	2012	2013
Power Sales Revenue		
Blue Canyon LLC	$ 1,859	$1,556
Caprock LLC	2,358	2,204
JB Wind LLC	1,365	1,232
CRH LLC	3,991	3,197
	$ 9,573	$8,189
Other Income		
Blue Canyon LLC	68	—
Caprock LLC	193	74
JB Wind LLC	15	20
CRH LLC	166	0
	$ 442	$ 94
Total Revenue	**$10,015**	**$8,283**

Revenues in the East Region declined $1.7 million during the quarter ended March 31, 2012, versus March 31, 2013 due to lower power sales revenue and lower other income.

Power sales revenue declined at Blue Canyon LLC by $0.3 million as a result of lower than anticipated wind speeds and production (11.0% lower than the same period in 2012) which is expected to return to historical average levels. At CRH LLC, power sales revenue declined $0.8 million, driven by lower availability due to downtime for equipment replacements (production was 20.4% lower in the first quarter of 2013 than the prior comparative period). The equipment has been replaced or is in the process of being replaced and production is expected to return to long term averages.

Power sales revenue at Caprock LLC and JB Wind LLC were within Management expectations from the first quarter of 2012 to the first quarter of 2013. Production at JB Wind LLC and Caprock LLC was 1.7% higher and 8.8% lower than the prior comparative period, respectively.

Other income includes wholesale power market and REC revenue, lost energy reimbursements, outage income, PTC Compensation and other non-recurring income items. Other income for the quarter ended March 31, 2013, was $0.3 million lower than the respective period in 2012. In the quarter ended March 31, 2012, Caprock LLC recognized other income of $0.1 million from lightening damage insurance proceeds and CRH LLC recognized $0.2 million from lost energy reimbursements and the associated PTC Compensation income.

Expenses

(in U.S.$ thousands)	Three Months Ended March 31	
	2012	2013
Operating Expenses		
Blue Canyon LLC	$ 593	$ 614
Caprock LLC	1,317	1,006
JB Wind LLC	737	321
CRH LLC	665	647
	$3,312	**$2,588**
Administrative Expenses		
Blue Canyon LLC	207	203
Caprock LLC	299	222
JB Wind LLC	276	209
CRH LLC	329	243
	$1,111	**$ 877**
Other Expenses	**$ 92**	**$ 7**
Total Expenses	**$4,515**	**$3,472**

Operating expenses, which includes wind plant operations and maintenance, were $0.7 million lower for the quarter ended March 31, 2013 than the same period in 2012.

The decrease in operating expenses is driven by the JB Wind Project, which required fewer equipment repairs, replacements and maintenance. Operating expenses at Caprock LLC declined since the new operating contract entered into in March 2012 includes many equipment repairs and replacements in the fixed fee scope of the contract terms.

All Projects in the East Region have extended or entered new operating and maintenance contracts in recent years. The Projects are not expected to incur additional costs except those related to *force majeure* events which are generally covered by insurance. The new contracts (with the exception of the Bear Creek Project) were in place at all Projects in the East Region for the quarter ended March 31, 2013, and are indicative of expected operating and maintenance service fees in future periods.

Administrative expenses includes land lease rent, insurance, professional fees, property taxes and other administrative and project management fees and expenses. Administrative expenses decreased $0.2 million due to lower legal fees at the Bear Creek Project and lower professional fees across all Projects.

Other expenses include PTC Compensation expense which is offsetting to the PTC Compensation income included in other income for the same period. The Project LLCs receive reimbursements for lost production and the PTC Compensation income associated with this reimbursement is passed to the Tax Equity Investors in the form of a cash distribution (distinct from other cash distributions).

Depreciation, Amortization and Accretion

(in U.S.$ thousands)	Three Months Ended March 31	
	2012	2013
Blue Canyon LLC	$1,069	$1,070
Caprock LLC	1,309	1,311
JB Wind LLC	671	672
CRH LLC	1,127	1,130
Total Depreciation, Amortization and Accretion Expense	**$4,176**	**$4,183**

Depreciation, amortization and accretion charges relate to the property, plant and equipment, which include the wind farm and associated decommissioning liability (see "Contractual Arrangements — Decommissioning Liability"). Depreciation and amortization increased 0.2% from March 31, 2012, to March 31, 2013. The Projects did not make any significant capital expenditures during the period.

EBITDA

(in U.S.$ thousands)	Three Months Ended March 31	
	2012	2013
Blue Canyon LLC	$1,127	$ 739
Caprock LLC	914	1,043
JB Wind LLC	353	722
CRH LLC	3,106	2,307
Total EBITDA	**$5,500**	**$4,811**

EBITDA for the quarter ended March 31, 2013 was $0.7 million lower than the prior comparative period. EBITDA at CRH LLC and Blue Canyon LLC declined due to lower revenues. This was partially offset by an improvement in EBITDA at Caprock LLC and JB Wind LLC as a result of lower operating expenses from fewer equipment repairs and replacements in 2013.

Operating Cash Flow

(in U.S.$ thousands)	Three Months Ended March 31	
	2012	2013
Blue Canyon LLC	$1,059	$ 646
Caprock LLC	1,334	805
JB Wind LLC	564	633
CRH LLC	2,838	2,107
Total Operating Cash Flow	**$5,795**	**$4,191**

Operating cash flow for the quarter ended March 31, 2013 was $1.6 million lower than the same period in 2012. Operating cash flow at Blue Canyon LLC and CRH LLC decreased in line with the decrease in revenues over the same period. Operating cash flow at Caprock LLC declined $0.5 million despite an increase in EBITDA for the period due to paying down an accrued liability for operating and maintenance fees in the first quarter of 2013, reducing operating cash flow but having no impact on EBITDA.

Cash Distributions

(in U.S.$ thousands)	Three Months Ended March 31	
	2012	2013
Blue Canyon LLC	$ —	$ —
Caprock LLC	—	—
JB Wind LLC	117	—
CRH LLC	262	—
Total Cash Distributions to Project Principals	**$ 379**	**$ —**
Blue Canyon LLC	1,789	623
Caprock LLC	2,844	802
JB Wind LLC	—	4
CRH LLC	2,878	2,270
Total Cash Distributions to Tax Equity Investors	**$7,511**	**$3,699**
Total Cash Distributions	**$7,890**	**$3,699**

Cash distributions in the East Region declined $4.2 million from the quarter ended March 31, 2012 to March 31, 2013.

Cash distributions at Caprock LLC and Blue Canyon LLC declined since the Projects distributed cash reserves during the first quarter of 2012 (which was not available for distribution in 2013) and experienced a decline in EBITDA. JB Wind experienced higher EBITDA, however reduced cash distributions to reserve cash for anticipated equipment expenses at Bear Creek. Cash distributions at CRH LLC declined in line with EBITDA, reflecting lower revenues for the first quarter of 2013 as a result of equipment faults causing downtime and lower production.

Cash distributions to Tax Equity Investors increased as Projects in the East Region reached their Cash Flip Point and cash was distributed for the first time to Tax Equity Investors. All Projects reached their Cash Flip Point by March 31, 2012 and all cash distributions were paid to Tax Equity Investors for the quarter ended March 31, 2013.

West Region — Selected Financial and Operating Information

The following selected financial and operating information is a compilation of the Unaudited Project LLC Financial Statements at March 31, 2012 and March 31, 2013, for Cedar Creek LLC, SW1 LLC, SW2 LLC and SW3 LLC, which are the Project LLCs included in the West Region. The information has been compiled by adding all line items from the Unaudited Project LLC Financial Statements at March 31, 2012 and 2013.

Statement of Comprehensive Income (Loss) and reconciliation to EBITDA

(in U.S.$ thousands)	Three Months Ended March 31	
	2012	2013
Power Sales Revenue	$ 21,014	$ 19,793
Other Income	1,298	579
Other Expense	(46)	(70)
Operating and Administrative Expenses	(7,298)	(6,665)
EBITDA	14,968	13,637
Depreciation and Amortization	(10,880)	(10,879)
Accretion Expense	(246)	(260)
Net Income (Loss)	**$ 3,842**	**$ 2,498**

Statement of Financial Position Highlights

(in U.S.$ thousands)	At December 31, 2012	As at March 31, 2013
Cash	$ 856	$ 1,145
Other Current Assets	$ 11,281	$ 8,965
Current Assets	$ 12,137	$ 10,110
Total Assets	$618,772	$607,242
Current Liabilities	$ 6,441	$ 4,198
Total Liabilities	$ 29,019	$ 26,940
Members' Equity	$589,753	$580,302

Statement of Cash Flow Highlights

	Three Months Ended March 31	
(in U.S.$ thousands)	2012	2013
Operating Cash Flow	$12,484	$13,615
Cash Distributions to Project Principals	13,404	10,130
Cash Distributions to Tax Equity Investors	—	1,820
Total Cash Distributions	**$13,404**	**$11,950**

Operating Highlights

	Three Months Ended March 31	
(in U.S.$ thousands)	2012	2013
Total Production (GWh)	536	498
Power Sales Revenue/MWh	$39.17	$39.73

West Region — Results of Operations

For the three months ended March 31, 2013 compared to the three months ended March 31, 2012

Revenue

	Three Months Ended March 31	
(in U.S.$ thousands)	2012	2013
Power Sales Revenue		
Cedar Creek LLC	$13,355	$13,077
SW1 LLC	1,208	995
SW2 LLC	2,589	2,149
SW3 LLC	3,862	3,572
	$21,014	$19,793
Other Income		
Cedar Creek LLC	280	486
SW1 LLC	—	—
SW2 LLC	989	93
SW3 LLC	29	—
	$ 1,298	$ 579
Total Revenue	**$22,312**	**$20,372**

Total power sales revenue for the West Region declined 5.8% during the quarter ended March 31, 2013, compared to March 31, 2012. The decline in power sales revenue at SW1 LLC, SW2 LLC and SW3 LLC was a result of lower production from reduced wind speeds at the Projects. Production fell 20.5%, 17.1% and 7.7% at SW1 LLC, SW2 LLC and SW3 LLC, respectively, from the quarter ended March 2012 to March 2013. Lower production at SW 2 LLC was also driven by a gearbox failure in January 2013 which was replaced and back in service in March 2013.

Cedar Creek LLC also experienced slightly lower production in the quarter ended March 2013 (1.5% below prior comparative period); however this was partially offset by higher availability which lessened the decline in power sales revenue from March 31, 2012, to March 31, 2013.

Other income includes REC revenue, lost energy reimbursements, outage income, PTC Compensation income and other non-recurring income items. Other income in the quarter ended March 31, 2012 included a one-off receipt for insurance proceeds of $0.9 million for a gearbox claim at the SW 2 Project. In the quarter ended March 31, 2013, Cedar Creek LLC received $0.4 million for insurance proceeds related to a gearbox failure.

Expenses

	Three Months Ended March 31	
(in U.S.$ thousands)	**2012**	**2013**
Operating Expenses		
Cedar Creek LLC	$1,906	$2,785
SW1 LLC	801	503
SW2 LLC	1,291	1,103
SW3 LLC	1,760	1,061
	$5,758	**$5,452**
Administrative Expenses		
Cedar Creek LLC	588	384
SW1 LLC	147	130
SW2 LLC	317	291
SW3 LLC	488	408
	$1,540	**$1,213**
Other Expenses	**$ 46**	**$ 70**
Total Expenses	**$7,344**	**$6,735**

Operating expenses, including wind plant operations and maintenance, were $0.3 million lower for the quarter ended March 31, 2013. Operating expenses at SW1 LLC, SW2 LLC and SW3 LLC were lower due to one off significant maintenance expenses in 2012 that did not occur in 2013. This was partially offset by higher operating expenses at Cedar Creek LLC due to higher operations and maintenance service fees under the new contract effective March 31, 2012. While the contract has a higher service fee, it also includes coverage for replacement of all equipment at the Cedar Creek Project.

By the first quarter of 2013, all Projects in the West Region had entered new operating and maintenance contracts, which are indicative of expected operating and maintenance service fees in future periods, with the exception of out of scope major maintenance work that is not included in the contracts at SW1 LLC, SW2 LLC and SW3 LLC.

Administrative expenses include land lease rent, insurance, professional fees, property taxes and other administrative and project management fees and expenses. All Projects saw a decline in administrative expenses due to lower legal and professional fees.

Other expenses include PTC Compensation expense which is offsetting to the PTC Compensation income included in other income for the same period. The Project LLCs receive reimbursements for lost production and the PTC Compensation income associated with this reimbursement is passed to the Tax Equity Investors in the form of a cash distribution (distinct from other cash distributions).

EBITDA

	Three Months Ended March 31	
(in U.S.$ thousands)	**2012**	**2013**
Cedar Creek LLC	$11,139	$10,372
SW1 LLC	260	362
SW2 LLC	1,941	800
SW3 LLC	1,628	2,103
Total EBITDA	**$14,968**	**$13,637**

EBITDA declined $1.3 million or 8.9% from the quarter ended March 31, 2012 to the quarter ended March 31, 2013. EBITDA at Cedar Creek LLC declined as a result of higher operating costs and lower revenues. EBITDA at SW 2 LLC was impacted by a one-off receipt for insurance proceeds of $0.9 million and declining revenues in 2013 which were partially offset by lower operating expenses. SW1 LLC and SW 3 LLC improved EBITDA through lower operating costs in 2013 notwithstanding a decline in revenues over the same period.

Operating Cash Flow

	Three Months Ended March 31	
(in U.S.$ thousands)	**2012**	**2013**
Cedar Creek LLC	$10,934	$10,988
SW1 LLC	254	534
SW2 LLC	512	371
SW3 LLC	784	1,722
Total Operating Cash Flow	**$12,484**	**$13,615**

Operating cash flow for the quarter ended March 31, 2013 was $1.1 million higher than the same period in 2012. Higher operating cash flow in 2013 was driven by SW 3, which increased primarily EBITDA through a reduction in operating and administrative expenses of $0.8 million in the period. SW1 LLC also witnessed an increase in operating cash flow primarily due to higher EBITDA from a reduction in operating costs of $0.3 million during the quarter ended March 31, 2013.

Depreciation, Amortization and Accretion Expense

	Three Months Ended March 31	
(in U.S.$ thousands)	**2012**	**2013**
Cedar Creek LLC	$ 6,549	$ 6,556
SW1 LLC	627	627
SW2 LLC	1,550	1,553
SW3 LLC	2,400	2,403
Total Depreciation, Amortization and Accretion Expense	**$11,126**	**$11,139**

Depreciation and amortization relate to the property, plant and equipment which are primarily the wind farm and associated decommissioning liability. See "Contractual Arrangements — Decommissioning Liability". Depreciation and amortization remained steady from the quarter ended March 31, 2012, to the quarter ended March 31, 2013. The Project LLCs did not have any major capital expenditures during the period.

Cash Distributions

(in U.S.$ thousands)	Three Months Ended March 31	
	2012	2013
Cedar Creek LLC	$11,110	$10,130
SW1 LLC	337	—
SW2 LLC	87	—
SW3 LLC	1,870	—
Total Cash Distributions to Project Principals	**$13,404**	**$10,130**
Cedar Creek	—	—
SW1	—	530
SW2	—	—
SW3	—	1,290
Total Cash Distributions to Tax Equity Investors	**$ 0**	**$ 1,820**
Total Cash Distributions	**$13,404**	**$11,950**

Cash distributions in the West Region declined $1.5 million from the quarter ended March 31, 2012, to the quarter ended March 31, 2013. SW 2 LLC and SW 3 LLC reduced cash distributions and increased cash balances at March 31, 2013, in order to fund planned major maintenance activities for the year. Cedar Creek LLC reduced cash distributions in line with lower EBITDA and cash flow as a result of increased operating expenses in the quarter ended March 31, 2013.

The Projects LLCs are required by the Project LLC Agreements to distribute all cash available for distribution to the Tax Equity Investors and Project Principals. Each of SW1 LLC, SW2 LLC and SW3 LLC reached their Cash Flip Point in 2012 and began making cash distributions to Tax Equity Investors immediately thereafter. As of March 31, 2013, Cedar Creek LLC had not reached its Cash Flip Point and therefore, all cash distributions will continue to be made to Project Principals until the occurrence of the Cash Flip Point (which is expected to occur during the third quarter of 2013).

Critical Accounting Estimates

The preparation of the Unaudited Project LLC Financial Statements requires Management to make certain estimates and assumptions that affect the reported amounts and disclosures in the financial statements and the reported amounts of assets and liabilities, and to disclose contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below. Assumptions and estimates are based on parameters available when these financial statements were prepared. Existing circumstances and assumptions about future developments may change due to market changes or circumstances beyond the control of Management. Such changes are reflected in the assumptions when they occur.

The members' shares of undistributed earnings or losses are calculated using the HLBV method. The HLBV method allocates earnings or losses by measuring the distribution amounts that would be due to the members in a hypothetical liquidation of the entity at the net book value of the underlying assets. The HLBV method is consistent with accounting guidance which indicates that the method to be used for allocations is the

method that most appropriately reflects how an increase or decrease in net assets of the venture will affect cash payments to the investor over the life of the venture and upon its liquidation.

The estimate for decommissioning liability involves critical judgment in applying assumptions to estimate the decommissioning of the liability.

New Standards and Interpretations Not Yet Adopted

A number of new standards, and amendments to standards and interpretations, are not yet effective and have not been applied in preparing the Unaudited Project LLC Financial Statements. None of these are expected to have a significant effect on the presentation of the Unaudited Project LLC Financial Statements; however, the extent of the impact has not yet been determined.

The following are amended or new IFRS standards and interpretations that may impact the Unaudited Project LLC Financial Statements:

1. IFRS 10: *Consolidated Financial Statements* (effective for annual periods beginning on or after January 1, 2013). This standard builds on the existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company.
2. IFRS 13: *Fair Value Measurements* (effective for annual periods beginning on or after January 1, 2013). This standard aims to improve consistency and reduce complexity by providing precise definitions of fair value, a single source of fair value measurement and disclosure requirements for use across all IFRS. IFRS 13 does not extend the use of fair value accounting, but provides guidance on how it should be applied where its use is already required or permitted by other standards within IFRS.

Liquidity and Capital Resources

Cash and cash equivalents consist of cash in banks and highly liquid investments with original maturities of three months or less. Restricted cash balances have been segregated in separate bank accounts. Restricted cash is maintained by the Project LLCs to fund site decommissioning, land restoration and securing of electrical power delivery requirements. The Project LLCs held cash and cash equivalents of $3.1 million and restricted cash of $1.1 million at March 31, 2013.

Current liabilities include accounts payable, accrued liabilities, current construction reserve liabilities and the current portion of deferred income. Non-current liabilities consist of the decommissioning liability and the non-current portion of deferred income. The Projects have no outstanding debt.

Contractual Arrangements

Power Purchase Agreements — All of the Project LLCs have entered into long-term PPAs for the sale of electricity to off-takers, with one Project LLC having a PPA with more than one off-taker. The Project LLCs receive energy payments for energy delivered pursuant to their respective PPAs. The PPAs provide the off-taker with a right to curtail energy from a Project under certain circumstances, but generally require the off-taker to provide compensation to the Project LLCs in situations where curtailments are ordered for economic reasons. Curtailments ordered by the system operator for system reliability and emergencies, among other exceptions, are not typically compensated for. The term and expiration of a PPA is based on the specific terms of the contract between the applicable Project LLC and the off-taker. As of March 31, 2013, the capacity weighted average remaining PPA life of the Projects is approximately 11.1 years.

Land and Equipment Leases — The majority of the land on which the Projects are located is leased from third parties. While provisions of the land leases vary, they generally provide for a fixed minimum annual payment as well as a percentage of power sales revenues. Lease terms generally exceed the term of any PPAs and the majority of Projects have land leases which have a renewal or extension option. Generally, all of the land leases require removal of the wind turbines and restoration of the land at the expiration of the lease, unless the lease is renewed. The notes to the Unaudited Project LLC Financial Statements include details of the lease financial obligations.

Decommissioning Liability — The Project LLCs are obligated to decommission the wind farms, remove above-ground installations, and restore the site at the end of the leases. This obligation is recognized as the estimated cost of decommissioning the turbines, removing above-ground installations and restoring the site. The estimated cost to decommission the site at the reporting date is adjusted for a current market-based discount rate and reviewed annually by the Company for any material changes. The estimated liability for decommissioning costs at March 31, 2013 is $24.8 million.

Transactions with Related Parties

All of the Project LLCs (with the exception of Blue Canyon LLC) have entered into a project administration services agreement with Infigen Asset Management, an indirect owner of Class B interests in each of the Projects. The agreements provide for project management services at a market rate on an arm's length basis. The contract terms and renewals are included in the notes to the Unaudited Project LLC Financial Statements. For each of the three months ended March 31, 2012 and 2013, the Project LLCs paid Infigen Asset Management $0.4 million for project administration services.

Further, all of the Project LLCs (with the exception of Blue Canyon LLC) have entered into an operations, maintenance and management agreement with Infigen Asset Management to provide services at a market rate on an arm's length basis. For each of the three months ended March 31, 2012 and 2013, these Projects paid Infigen Asset Management $1.3 million and $1.0 million, respectively, for operations and maintenance services.

Blue Canyon LLC entered into fiscal administration services agreement with Infigen Asset Management. The agreements provide for fiscal project management services at a market rate on an arm's length basis. For each of the three months ended March 31, 2012 and 2013, Blue Canyon LLC paid Infigen Asset Management $0.01 million for project management services.

Blue Canyon LLC entered an agreement with Horizon to provide project administration services at a market rate on an arm's length basis. Horizon is an owner of Class B interests in the Blue Canyon Project. For each of the three months ended March 31, 2012 and 2013, Blue Canyon LLC paid Horizon $0.02 million for project administration services.

Off-Balance Sheet Arrangements

The Project LLCs do not have any off-balance sheet arrangements.

Risks and Uncertainties

The business of the Project LLCs is subject to various risks and uncertainties. See "Risk Factors" for a discussion and description of key risks and uncertainties.

CONSOLIDATED CAPITALIZATION

The following table sets out the consolidated Unit capitalization of the Trust and Trust Subsidiaries as at July 4, 2013, and the *pro forma* Unit capitalization of the Trust and Trust Subsidiaries as at that date after giving effect to the Offering, the CT Unit Exchange and the Acquisitions.

Designation	Authorized	As at July 4, 2013	As at ●, 2013 after giving effect to the Offering, the CT Unit Exchange and the Acquisitions
Units	Unlimited	C$10[1] (1 Unit)	C$●[2][3][4][5] (● Units)
RTUs	—[6]	—	●

Notes:

(1) On June 11, 2013, in connection with the establishment of the Trust, the Administrator, as settlor of the Trust, contributed C$10.00 to the Trustee and was issued the Initial Unit. Immediately following the Closing, in connection with the CT Unit Exchange, the Trust will

issue an aggregate of 425,781 Units in consideration for the acquisition of all of the issued and outstanding CT Units from the Private Placement Investors and will redeem the Initial Unit. See "CT Unit Exchange".

(2) Net of Offering expenses of approximately C$7.3 million (excluding fees incurred in connection establishing the Credit Facilities, which will not be paid from the proceeds of the Offering) and Underwriters' fee estimated to be C$ ● .

(3) In addition, the Trust has adopted the Equity Plan. The Trust anticipates granting 28,736 RTUs and 50,000 Units to the NEOs in connection with Closing.

(4) Before giving effect to the Over-Allotment Option. If the Over-Allotment Option is exercised in full, the Unit capitalization is expected to be C$ ● (● Units). See "Use of Proceeds".

(5) On June 20, 2013, in connection with the CT Unit Exchange, the Trust entered into an agreement to issue up to 1,240,000 Contingent Units to certain of the Private Placement Investors in the future if certain contingent events should occur within four years after Closing. See "CT Unit Exchange" and "Contingent Unit Agreement".

(6) Grants are subject to restrictitions in the RTU Plan. See "Restricted Trust Unit Plan".

THE PROMISSORY NOTES

On June 10, 2013, the Noteholders agreed to lend an aggregate of U.S.$1,674,620.86 to the Commercial Trust (the "**Loan**"), to assist the Commercial Trust with working capital requirements, including expenses incurred to date in connection with relating to the Offering. In return for receiving the Loan, the Commercial Trust issued the Promissory Notes to Noteholders in an amount corresponding to the proportion of the Loan advanced by the relevant Noteholder. Except for their principal amount, the terms of the Promissory Notes are identical, as described below.

The Promissory Notes specify the principal amount provided to the Commercial Trust by the relevant Noteholder and require that such principal amount (plus interest accruing at a rate equal to 1% per annum), must be repaid on the earlier of: (i) August 30, 2013, (ii) the Closing or (iii) any default by the Commercial Trust of any of its obligations under the Promissory Note. The Promissory Notes will be repaid using the proceeds of the Offering. See "Use of Proceeds".

As at July 4, 2013, the outstanding balance owing under the Promissory Notes was U.S.$1,674,620.86, including accrued interest of U.S.$1,055.24.

CREDIT FACILITIES

Credit Facility

On Closing, Wind I, as the borrower, expects to enter into the Credit Agreement with Union Bank, N.A., as the lead arranger and lender, and KeyBank, as lender, to establish the Credit Facility with a committed amount of U.S.$100.0 million. The Credit Facility is expected to be a seven year term loan, with a commitment period for drawdowns of up to six months from Closing. The actual amount of the commitment under the Credit Facility will vary depending on the extent of Wind I's indirect membership interests in the Projects. Based solely on the initial acquisition of the Wind Farm Interests, the commitment under the Credit Facility will be approximately U.S.$45.1 million. Wind I intends to use the Credit Facility to fund additional acquisitions, including other Tax Equity Interests and Project Principal Interests in the Projects. The Credit Facility is expected to have two amortization components: (i) a fixed quarterly repayment schedule which is based on a ten year amortization profile; and (ii) a variable cash sweep mechanism of excess cash after quarterly permitted equity distributions. The annual permitted equity distributions by Wind I will be up to U.S.$16.0 million. All cash available after the fixed amortization payment and the permitted equity distributions will be swept, each quarter, to accelerate the repayment of the Credit Facility. This allows Wind I to make the permitted equity distributions before the lenders' variable component of their amortization schedule. Due to this amortization mechanism, after the seven year term the remaining outstanding balance is expected to be no greater than 30% of the total borrowed amount. Pursuant to the Credit Agreement, Wind I will be required to satisfy certain affirmative and negative covenants. As an example, the lenders will have the right to sweep 100% of the cash flow after the fixed amortization payments if Wind I fails to maintain rolling 12 month historical debt service coverage ratios and projected debt service coverage ratios of 1.20x. Also, distributions may be prevented if Wind I fails to fund and maintain certain reserves as scheduled. Wind I is required to have a six month debt service reserve, which requirement will be fulfilled through a letter of credit provided by Union Bank, ranking *pari passu* with the Credit Facility. Further, Wind I is required to fund a U.S.$7.0 million reserve to provide enough funds to pay its

obligations under a withdrawal right that JMPCC has under the THLLP1 Portfolio Entity Agreement (the "**Put Reserve**"). The Put Reserve will be funded with available cash flow, in equal quarterly payments during years four and five from the closing of the Acquisitions, and such payments will be senior to any permitted equity distributions by Wind I.

Interest payable under the Credit Facility will be based on the LIBOR rate plus a credit margin. The initial credit margin is 3.25%, subject to a pricing grid with a step-up at the beginning of year five. It is anticipated that a substantial percentage of the loan (85%) will be hedged through fixed swap rates. The Credit Agreement will also provide for a standby fee for each lender calculated on the unused amount of its commitment. The loan will have limited-recourse to the Trust and will be secured by a first priority security interest in all assets of Wind I, a pledge of Threshold Power's ownership interest in Wind I, and a pledge of Wind I's interests in the Portfolio Entities. The Trust will covenant not to breach certain obligations of the borrower, and provide indemnities for such potential breaches and other limited contingent obligations of the borrower. Funding of the Credit Facility will be subject to certain conditions precedent for each draw including, among others: consummation of the Acquisitions; all necessary governmental approvals in place; all filings, recordation and certifications evidencing perfected and unencumbered security; receipt of necessary legal opinions and independent consultant reports to the satisfaction of the lenders; compliance with debt sizing criteria; payment of fees and expenses and confirmation of representation and warranties. Upon entering into the Credit Agreement, an advisory and consulting fee of U.S.$150,000 will be paid by the Trust to one of the Underwriters, being Stifel Nicolaus Canada Inc.

The Credit Agreement will provide for certain events of default and negative and restrictive covenants including limitations on indebtedness, liens, contingent obligations, investments, dispositions, mergers, consolidations, liquidations and dissolutions. A failure to comply with any of the affirmative or negative covenants would result in an event of default which, if not cured or waived, would permit acceleration of the indebtedness pursuant to the Credit Agreement and would prevent distributions from being paid by Wind I to Threshold Power. Noncompliance with the terms of the covenants under the Credit Agreement could adversely impact the cash available for distribution by the Trust. See "Risk Factors".

Main covenants under the Credit Facility include: an obligation to repay mandatory pre-payments; no distributions if the required projected and historical coverage ratios are below 1.20x and the required reserves are not funded and maintained as scheduled; maintenance of first priority ranking; limit on indebtedness; no liens on assets; maintenance of accounts and security documents; maintenance of the required interest rate hedging; observance of lenders' voting rights on reserved matters; no modification or termination of material documents; no material counterparty defaults; no change in control; compliance with tax covenants; observance of budgets; maintenance of required insurance; good standing; no mergers; and other administrative covenants (such obligations to report circumstances, events, decisions and other matters material to the lenders).

WC Loan

On Closing, Threshold Power, as borrower, expects to enter into a loan agreement with KeyBank, as lender, in which KeyBank will provide the WC Loan to Threshold Power (the "**Working Capital Agreement**"). The Working Capital Agreement establishes a revolving facility which Threshold Power can draw on, repay and re-borrow any amount, during the term of the facility for any corporate working capital needs (provided the amount outstanding at any time does not exceed the maximum amount of U.S.$5.0 million). The WC Loan facility has a term of 364 days and is secured by the assets of Threshold Power (including all of its bank accounts and a pledge of its stocks). Threshold Power will pay LIBOR plus a margin of 6.0% for any drawn amount and a commitment fee of 0.75% on the balance of any undrawn amount. Draws under the WC Loan will be subject to certain conditions precedent including, among others: consummation of the Acquisitions; all necessary governmental approvals in place; all filings, recordation and certifications evidencing perfected and unencumbered security; receipt of necessary legal opinions; and confirmation of representation and warranties.

The Working Capital Agreement includes certain negative and restrictive covenants including limitations on indebtedness, liens, contingent obligations, investments, dispositions, mergers, consolidations, liquidations and dissolutions. A failure to comply with any of the affirmative and negative covenants would result in an event of default which, if not cured or waived, would prevent distributions from being made by Threshold Power to Can

Holdco. Noncompliance with the terms of the covenants under the Working Capital Agreeement could adversely impact the cash available for distribution by the Trust. See "Risk Factors".

PRIOR SALES

Prior Sales of Units

The Trust was established on June 11, 2013 when the Administrator, as settlor of the Trust, contributed C$10.00 to the Trust and was issued the Initial Unit. The Initial Unit will be redeemed immediately following the Closing.

Pursuant to the CT Unit Exchange Agreements, the Private Placement Investors have agreed to sell to the Trust, and the Trust has agreed to acquire, all of the issued and outstanding CT Units of the Commercial Trust, immediately following the Closing, in consideration for the Trust agreeing to issue an aggregate of 425,781 Units to the Private Placement Investors pursuant to the CT Unit Exchange. In connection with the CT Unit Exchange, the Trust has also agreed to issue up to a maximum of an additional 1,240,000 Units to certain of the Private Placement Investors if contractually agreed upon future acquisitions should occur within four years following Closing. The number of such Units issuable by the Trust on the completion of each Qualifying Acquisition (as defined herein) is proportional to the cost of such acquisition, with the maximum 1,240,000 Units being issued only if $1.3 billion of Qualifying Acquisitions are completed prior to the fourth anniversary of Closing. See "CT Unit Exchange" and "Contingent Unit Agreements".

As at the date of this prospectus, an aggregate of 1 Unit and 4,273,895 CT Units are issued and outstanding, consisting of the Initial Unit issued to the Administrator and 4,273,895 CT Units that have been issued by the Trust to the Private Placement Investors for an aggregate consideration of $2,899,135.

The table below sets forth the number of Units that will be beneficially owned, or over which control or direction is exercised, directly or indirectly, by Management following the Closing, the CT Unit Exchange and the grant of certain Units to Management as executive compensation. None of the Administrator Directors, other than Susan D. Nickey, will hold any Units following the Offering. See "CT Unit Exchange", "Contingent Unit Agreements" and "Executive Compensation".

Management	Number of Units Issued	Aggregate Cost of Exchanged CT Units(C$)
Martin Crotty	60,277	$ 54,308
Susan D. Nickey	113,193	135,771
Total	**173,470**	**$190,080**

Prior Sales of Commercial Trust Units

The Commercial Trust was established on February 24, 2012 to acquire indirect interests in operating renewable energy projects in the U.S. through its indirect, wholly-owned subsidiary Threshold Power. On February 24, 2012, in connection with the establishment of the Commercial Trust, the Administrator contributed C$0.01 to the Commercial Trust and was issued the Initial CT Unit by the Commercial Trust. The Initial CT Unit was repurchased by the Commercial Trust for C$0.01 and cancelled on June 20, 2013.

During the period from February 24, 2012 to February 29, 2012, the Commercial Trust issued an aggregate of 1,466,667 CT Units (excluding the Initial CT Unit issued to the Administrator) to Susan Nickey, Martin Crotty and Elizabeth Young at a price of C$0.01 per CT Unit, resulting in aggregate proceeds to the Commercial Trust of approximately C$14,666.67 (the "**First Private Placement**"). From June 13, 2012 to January 9, 2013, the Commercial Trust issued an additional 2,500,000 CT Units to Susan Nickey, Martin Crotty, Elizabeth Young and certain other investors, at a price of C$1.0275 per CT Unit for gross proceeds to the Commercial Trust of C$2,568,750 (the "**Second Private Placement**"). On January 10, 2013, the Commercial Trust issued an additional 307,228 CT Units to certain investors at a price of C$1.0275 per CT Unit for gross proceeds to the Commercial Trust of C$315,677 (the "**Third Private Placement**"). The proceeds from the issuance of CT Units pursuant to the First Private Placement, the Second Private Placement and Third Private Placement (collectively, the "**Private Placements**") have been used for general and administrative expenditures, including salaries of

Management, office expenses and fees of third party service providers, and to source and review potential acquisitions, including the Acquisitions.

Immediately following the Closing, all outstanding CT Units will be acquired by the Trust for cash and Units, as described below under "CT Unit Exchange". Following the completion of the CT Unit Exchange, the Trust will hold all of the issued and outstanding CT Units.

CT UNIT EXCHANGE

The Trust has entered into an agreement with each Private Placement Investor providing for the transfer of their CT Units to the Trust (the "**CT Unit Exchange Agreements**"). Pursuant to the CT Unit Exchange Agreements, the following transactions will take place immediately following Closing:

- 130,000 of the CT Units held by Ms. Elizabeth Young will be transferred to the Trust in exchange for the payment of $130,000, so that following the transfer 4,143,895 CT Units will be issued and outstanding; and
- the remaining 4,143,895 CT Units issued and outstanding will be transferred to the Trust in exchange for the issuance of 425,781 Units by the Trust. The Units issued by the Trust will be issued to each Private Placement Investor on a *pro rata basis* based on the proportion that the number of CT Units transferred by that Private Placement Investor to the Trust is of all the CT Units acquired by the Trust.

In connection with the CT Unit Exchange, the Trust has also agreed to issue up to a maximum of 1,240,000 Contingent Units to certain of the Private Placement Investors (other than Management) if contractually agreed upon future acquisitions should occur prior to the fourth anniversary of Closing. See "Contingent Units Agreements".

The transfer of the CT Units to the Trust pursuant to the CT Unit Exchange Agreements is conditional upon the Closing occurring.

CONTINGENT UNITS AGREEMENTS

In order to induce the Private Placement Investors to enter into the CT Unit Exchange Agreements, the Trust has entered into an agreement dated June 20, 2013 (the "**Contingent Units Agreements**") with certain of the Private Placement Investors (other than Management) pursuant to which the Trust has agreed to issue to such Private Placement Investors, in accordance with the terms and conditions set out in the Contingent Units Agreement, up to a maximum of 1,240,000 Units (the "**Contingent Units**") upon the completion by the Trust of one or more "Qualifying Acquisitions" (as defined in the Contingent Units Agreement) prior to the fourth anniversary of the Closing. A "**Qualifying Acquisition**" is any acquisition by the Trust or its direct or indirect subsidiaries of an interest in Tax Equity Interests or Project Principal Interests in operating renewable power projects in the U.S. that is approved by the Administrator Directors and that is completed prior to the fourth anniversary of the Closing. The Acquisitions and the acquisitions contemplated by the JPM LOI are not Qualifying Acquisitions.

The aggregate number of Contingent Units to be issued upon any Qualifying Acquisition completed prior to the fourth anniversary of the Closing will be determined by dividing the purchase price payable by the Threshold Group pursuant to such Qualifying Acquisition (determined in U.S. dollars) by 1,048.39. For these purposes the "purchase price" of a Qualifying Acquisition excludes any fees or expenses incurred in the completion of the Qualifying Acquisition, including any financing fees or advisory fees. In order for the Private Placement Investors to receive the maximum number of 1,240,000 Units, the Threshold Group will need to complete Qualifying Acquisitions with an aggregate purchase price of U.S.$1.3 billion prior to the fourth anniversary of the Closing.

Upon the completion of a Qualifying Acquisition, the Trust is required to forthwith issue to the Private Placement Investors the number of Units as described above without any further consideration or action by the Private Placement Investors. The aggregate number of Units issued on any Qualifying Acquisition will be

allocated among the following Private Placement Investors on a *pro rata* basis based upon the maximum entitlement of such persons:

Investor	Maximum Number of Units
NGEN III, L.P.	856,188
Persimmion Tree Capital Fund, L.P.	191,906
Roger W. Sant Revocable Living Trust	191,906

All rights of the Private Placement Investors to receive Contingent Units automatically expire and terminate without any further action or payment by the Trust, on the day that is four years from the Closing Date.

PRINCIPAL SECURITYHOLDERS

There are no persons known to the Trust or to the Administrator who, following Closing, will beneficially own, directly or indirectly, or exercise control or direction over, 10% or more of the outstanding Units.

EXISTING UNITHOLDER ARRANGEMENTS

The Underwriters will enter into Lock-Up Agreements with the Locked-Up Unitholders which, in the aggregate will hold 425,781 Units, representing approximately ● % of the outstanding Units on a fully-diluted basis immediately following the Closing and the CT Unit Exchange.

Pursuant to the Lock-up Agreements, the Locked-up Unitholders have agreed not to offer or sell, contract or offer to sell, or enter into an arrangement to offer or sell any Units or other securities of the Trust, or securities convertible into, exchangeable for, or otherwise exercisable to acquire any securities of the trust during the Lock-up Period as follows without the prior written consent of the Lead Underwriters, which consent shall not be unreasonably withheld, conditioned or delayed:

- 12,500 Units issued to Susan Nickey, 5,000 Units issued to Martin Crotty and all other Units issued to non-Management holders of CT Units pursuant to the CT Unit Exchange will be subject to a Lock-up Period ending on the later of (i) 180 days following the Closing, and (ii) the date of the Cash Flip Point for Cedar Creek LLC;
- 75,693 Units received by Susan Nickey and 30,277 Units received by Martin Crotty pursuant to the CT Unit Exchange will be subject to a Lock-up Period which shall expire in respect of one-third of the locked-up Units on each of the first three anniversary dates of the Closing; and
- 50,000 Units to be received by Susan Nickey and Martin Crotty in connection with the successful completion of the Offering will be subject to a Lock-up Period ending on the third anniversary of the Closing.

The securities subject to the Lock-up Agreements are summarized in the following table.

Designation of Class	Number of securities held in escrow or that are subject to a contractual restriction on transfer	Percentage of class[(1)]
Units	425,781	●%

Notes:

(1) Following Closing and the CT Unit Exchange but prior to any exercise of the Over-Allotment Option.

The Trust is not aware of any other escrow or contracual restrictions in respect of its securities.

TRUSTEE, DIRECTORS AND MANAGEMENT

Trustee

Computershare has been appointed as the Trustee of the Trust and will continue in that capacity until it resigns or is replaced by the Unitholders. Pursuant to the terms of the Administrative Services Agreement, the Trustee has delegated most of the administrative and governance functions relating to the Trust to the Administrator. As a result, the Administrator Directors fulfill the majority of the oversight and governance roles for the Trust, with the balance of those duties remaining with the Trustee. See "Description of the Trust" and "Administrative Services Agreement".

Commercial Trust

Following the CT Unit Exchange, the Trust will own all of the issued and outstanding CT Units. Computershare is currently the trustee of the Commercial Trust. It is expected that prior to or immediately following the Closing, Computershare will resign as trustee of the Commercial Trust and the Administrator will be appointed as the trustee of the Commercial Trust and will continue in that capacity until it resigns or is replaced by the Trust. Pursuant to the terms of an administrative services agreement between the Administrator and the Commercial Trust, most of the administrative and governance functions relating to the Commercial Trust have been delegated to the Administrator. As a result, the Administrator Directors fulfill the oversight and governance roles for the Commercial Trust. See "Description of the Commercial Trust".

Can Holdco

Can Holdco is wholly-owned by the Commercial Trust. Can Holdco owns all of the issued and outstanding Threshold Power Shares. Upon completion of the Offering, the directors of Can Holdco will be Susan Nickey and Peter Kampian, and the executive officers of Can Holdco will be the same as the executive officers of the Administrator. See "Description of Can Holdco".

Threshold Power

Threshold Power is wholly-owned by Can Holdco. Threshold Power owns all of the membership interests in Wind I. Upon the Closing, the directors of Threshold Power will be Susan Nickey, Martin Crotty and Peter Kampian and the executive officers of Threshold Power will be the same as the executive officers of the Administrator. See "Description of Threshold Power".

Wind I

Wind I is wholly-owned by Threshold Power. Following completion of the Offering, the CT Unit Exchange and the Acquisitions, Wind I will be the owner of the Wind Farm Interests. The executive officers of Wind I will be the same as the executive officers of the Administrator.

The Administrator

The Administrator is wholly-owned by the Administrator Shareholder. Under the terms of the Administrative Services Agreement, the Administrator will, on an exclusive basis, perform or procure administrative, advisory, operational, technical and governance services, other than certain excluded services (the "**Excluded Services**"), as may be required to administer the operations of the Trust. The Administrator performs its services pursuant to the Administrative Services Agreement on a cost recovery basis. See "Administrative Services Agreement". The Administrator is also the administrator of the Commercial Trust pursuant to an administrative services agreement whose terms are substantially similar to the terms of the Administrative Services Agreement.

From and after Closing, the number of the Administrator Directors shall be fixed at five until such time as the Unitholders of the Trust pass a resolution to fix the number of the Administrator Directors at a new number, subject to appointment of additional Administrator Directors pursuant to the articles of the Administrator. The Voting Agreement provides that following the Closing the Administrator Shareholder will vote her shares of the Administrator with regard to the election of the Administrator Directors as directed by the Trustee pursuant to

an Ordinary Resolution of the Unitholders, with the result that the Unitholders will be entitled to elect all of the Administrator Directors. See "Voting Agreement".

Directors and Executive Officers of the Administrator

The following table provides the names and municipalities of residence of the executive officers of the Administrator and the Administrator Directors, as well as their offices held with the Administrator, the date they were first appointed as Administrator Directors or executive officers of the Administrator or Threshold Power and their principal occupation.

Name, Province and Country of Residence	Current Positions and Offices Held[1]	Principal Occupation	Director or Officer Since
Susan D. Nickey . . . . Illinois, U.S.	Director and Chief Executive Officer of the Administrator and Threshold Power	Chief Executive Officer of the Administrator and Threshold Power	February 9, 2012
Peter Kampian . . . . Ontario, Canada	Chief Financial Officer of the Administrator	Chief Financial Officer of the Administrator	November 1, 2012
Martin C. Crotty . . . . Virginia, U.S.	Chief Operating Officer of the Administrator and Threshold Power	Chief Operating Officer of the Administrator and Threshold Power	February 9, 2012
David C. Kerr[2] . . . . Ontario, Canada	Director of the Administrator	Chief Executive Officer, Thorium Power Canada Inc.	June 19, 2013
David Spivak[2][3][4][5] . . . . Ontario, Canada	Director of the Administrator	Corporate director	●, 2013
L. Rita Theil[2] . . . . Ontario, Canada	Director of the Administrator	Chief Executive Officer, JacKryn Holdings Inc.	June 19, 2013
●	Director of the Administrator	●	●, 2013

Notes:

(1) Prior to or immediately following the Closing, the Chair of the Board will be appointed by the Board from amongst its members.

(2) Will be a member of the Governance, Nomination & Compensation Committee upon Closing. L. Rita Theil will be the Chair of the Governance, Nomination & Compensation Committee.

(3) Will be a member of Audit and Risk Committee upon Closing. David Kerr will be the Chair of the Audit and Risk Committee upon Closing.

(4) To be appointed as member of the Governance, Nomination & Compensation Committee and Audit and Risk Committee prior to or immediately following the closing of this Offering.

(5) Will be appointed to the Board immediately prior to Closing.

The term of office of each Administrator Director will expire at the first annual meeting of Unitholders of the Trust and, thereafter, at each annual meeting of Unitholders of the Trust or at the time at which his or her successor is elected or appointed, or earlier if any Administrator Director otherwise dies, resigns, is removed or is disqualified. Pursuant to the Voting Agreement, the Administrator Shareholder agrees to elect the Administrator Directors, immediately following each annual meeting of Unitholders of the Trust, as directed by the Trustee in accordance with an Ordinary Resolution approved by the Unitholders at the annual meeting of the Unitholders. Each director will devote the amount of time as is required to fulfill their obligations to the Administrator. The Administrator's officers are appointed by and serve at the discretion of the Administrator Directors.

Biographies

The following are brief profiles of each of the executive officers of the Administrator and Administrator Directors, which include a description of their present occupation and their principal occupation for the past five years.

Susan D. Nickey is an Administrator Director and has been the Chief Executive Officer of the Administrator since February 9, 2012 and the Chief Executive Officer of Threshold Power since April 5, 2012. Ms. Nickey has 25 years of executive leadership experience in the energy and finance sectors. Most recently Ms. Nickey worked for Acciona Energy North America where she was appointed in 2007 to be the company's Chief Financial Officer for the its aggressive North American expansion. Prior to ACCIONA, Ms. Nickey served as Managing Director of Investment Banking in the Project Finance Group of Mesirow Financial (2001 - 2007) where she provided investment banking advisory services to the energy, water and infrastructure sectors. Prior to Mesirow, Ms. Nickey briefly returned to ABN AMRO, Inc. as Vice President, Investment Banking. Ms. Nickey held the previous position of Vice President, Project Finance at ABN AMRO (1987 - 1994). Between her first and second tenure at ABN AMRO, Ms. Nickey was a founder and principal in a financial advisory firm, Carr, Nickey & Company, where from 1994 - 2001 she provided entrepreneurs in the energy space with business and financial strategies. Ms. Nickey is a recognized leader in the renewable energy industry, having served on the American Council on Renewable Energy Leadership Council and the AWEA Legislative and Finance Committees. Ms. Nickey earned a Bachelors of Business Administration from the University of Notre Dame and a Masters Degree from Georgetown University's School of Foreign Service.

Peter Kampian, CPA, CA, has been the Chief Financial Officer of the Administrator since November 1, 2012. Mr. Kampian has over 30 years of investment and financial management and reporting experience and over 10 years of executive leadership experience in the renewable energy sector. His executive experience most recently includes serving as Executive Vice President of Riverbank Power Corporation (2011 - 2012), a privately held North American renewable power developer. Prior to Riverbank Power, Mr. Kampian served as Executive Vice President and Chief Financial Officer of Oneworld Energy Inc. (2009 - 2011) and Vice President Finance of Superior Energy Management (2007 - 2009). From 1999 - 2007 Mr. Kampian was Chief Financial Officer of Algonquin Power Income Fund, an income trust trading on the TSX and the predecessor to Algonquin Power and Utilities Corp. Mr. Kampian also served as Chief Financial Officer of Algonquin Power Corporation (1999 - 2007). Mr. Kampian also acted as Controller for Indalex Aluminum Solutions, worked as an Investment Executive at ScotiaMcLeod and as an auditor at PricewaterhouseCoopers LLP. Mr. Kampian holds the designation of Canadian Chartered Accountant and earned a Bachelor of Business Administration from Wilfred Laurier University in 1982.

Martin C. Crotty has been Chief Operating Officer of the Administrator since February 9, 2012 and the Chief Operating Officer of Threshold Power since April 5, 2012. Mr. Crotty has 30 years of experience in leadership roles operating energy generation assets. Prior to Threshold Power, Mr. Crotty served as Chief Executive Officer of UpWind Solutions (2010 - 2011), an independent service operations and maintenance provider for wind power projects. Prior to UpWind, Mr. Crotty served as President of Wind Generation (2008 - 2010) and Managing Director, Wind Asset Management (2005 - 2008) at AES Corporation where, during his tenure, he led efforts to transition 525 MW of projects from development to operation and 756 MW from development to construction. Prior to AES Mr. Crotty worked as Executive Vice President of Asset Management (2002 - 2005) for SeaWest Wind Power Inc., a company acquired by AES Corp. during Mr. Crotty's tenure. Prior to SeaWest Mr. Crotty held positions of Director, Regional Operations at NRG Energy Inc., and Facility Management positions at Hennepin Energy Resource Company, Ogden Martin Systems and American Systems Corporation following five years of service in the U.S. Navy as a Nuclear Power Plant Operator. Mr. Crotty earned a Bachelor of Science from New York's New School and a Master of Engineering Management in Environmental and Energy Management from George Washington University. He also participated in Executive Leadership and Development programs at the University of Minnesota, Cornell University and the University of Virginia's Darden School of Business. Mr. Crotty served as the Operations and Maintenance Advisor to the AWEA board of directors and also served as the Co-Chair of AWEA's O&M Working Group.

David C. Kerr is an Administrator Director and Chief Executive Officer of Thorium Power Canada Inc. Mr. Kerr currently serves as director of Magellan Fuel Solutions Inc., Algonquin Power Management Inc., the administrator of Crius Energy Trust and Renewable Energy Developers Inc. Mr. Kerr was a founder and executive of Algonquin Power Income Fund from 1996 to 2010 and served as head of safety and environmental compliance from 1996 to 2010. Mr. Kerr holds a B.Sc. Honours from the University of Western Ontario.

David Spivak will be appointed an Administrator Director immediately prior to Closing. Mr. Spivak spent over 17 years at Citigroup as an investment banking and capital markets professional in their New York and Toronto offices. During his career at Citigroup, he served as a Managing Director in the Investment Banking and Equity Capital Markets Groups, as well as the Canadian Head of Global Capital Structuring. Mr. Spivak was also the Chief Operating Officer of Citigroup Global Markets Canada Inc. Between 1993 and 1995, Mr. Spivak worked as a professional accountant in the Financial Advisory Services Group at Coopers & Lybrand. Mr. Spivak holds a Bachelor of Commerce (Honours) with Distinction from the University of Manitoba, an MBA with High Honors from the University of Chicago, and has completed the CICA In-Depth Tax Course. Mr. Spivak is a Certified Public Accountant (Inactive) and was awarded the Elijah Watt Sells Silver Medal by the American Institute of Certified Public Accountants in 1994. Mr. Spivak is currently a member of the TSX Listings Advisory Committee.

L. Rita Theil is an Administrator Director and the Chief Executive Officer of JacKryn Holdings Inc. JacKryn Holdings is a Toronto-based advisory firm specializing in capital raising, mergers and acquisitions and board governance. Ms. Theil has advised governments, businesses, and investors on privatizations in electricity, water, and gas. She has over 18 years of experience advising global utilities companies. Ms. Theil served as a Director of European Utilities at Schroder Salomon Smith Barney from 1999 to 2003 and was responsible for the coverage of U.K. electric and water utilities. Since 2010, she has served as a Director of GWR Global Water Resources Corp., and Global Water Resources Inc. Ms. Theil also serves as a Non-Executive Director of CQ Search Inc. She served as an Independent Director of Sierra Geothermal Power Corp., from April 2007 to 2010 (chairing both the Compensation Committee and the Special Committee). Ms. Theil was a Non-Executive Director of Scottish Water PLC from 2000 to 2009. She served as an Assistant Director of Dresdner Kleinwort Benson (now DrKW) in London, England and New York from 1994 to 1999 where she was part of the electricity privatization team. She is a Chartered Director (C. Dir.) designated by The Directors College. Ms. Theil holds a MBA, LL.B. and a B. Soc. Sci. from the University of Ottawa.

Security Ownership by Directors and Executive Officers

As at the date hereof, the Administrator Directors and executive officers of the Administrator do not beneficially own or exercise control or direction over, directly or indirectly, any Units or RTUs. Following the Closing and the CT Unit Exchange, the Administrator Directors and executive officers of the Administrator are anticipated to beneficially own or exercise control or direction over, directly or indirectly, 173,470 Units and 28,736 RTUs representing approximately ● % of the issued and outstanding Units on a fully diluted basis (excluding Units issuable pursuant to the exercise of the Over-Allotment Option).

Cease Trade Orders

To our knowledge no Administrator Director or executive officer of the Administrator (nor any personal holding company of any of such persons) is, as of the date of this prospectus, or was within ten years before the date of this prospectus, a director, chief executive officer or chief financial officer of any company (including the Administrator), that: (i) was subject to a cease trade order (including a management cease trade order), an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days (collectively, an "**Order**"), that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Bankruptcies

To our knowledge, other than disclosed below, no Administrator Director or executive officer of the Administrator (nor any personal holding company of any of such persons) or shareholder holding a sufficient number of securities of the Administrator to affect materially the control of the Administrator: (i) is, as of the date of this prospectus, or has been within the ten years before the date of this prospectus, a director or executive officer of any company (including the Administrator) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (ii) has, within the ten years before the date of this prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Peter Kampian served as Executive Vice President and Chief Financial Officer of Oneworld Energy Inc. (“**Oneworld**”) from October of 2009 until July of 2011. Mr. Kampian was elected a director of Oneworld in 2010. Oneworld was an early stage renewable energy developer of wind and solar projects. In July of 2011, Mr. Kampian resigned from his positions as Executive Vice President and Chief Financial Officer. Mr. Kampian continued to serve as director until October of 2011 to assist Oneworld satisfy its Canadian residency requirements. Since that time, Mr. Kampian has had no relationship with Oneworld. In June of 2012, OneWorld filed for bankruptcy pursuant to the *Bankruptcy and Insolvency Act* (Canada). As at the date of this prospectus OneWorld has not been discharged from bankruptcy proceedings.

Susan Nickey was elected as a director of BlueScout Technologies Ltd. (“**BlueScout**”) in 2011 and Martin Crotty was elected as a director of BlueScout in 2010. BlueScout focused on advancing wind turbine performance and optimization. On January 23, 2013, BlueScout voluntarily filed for bankruptcy protection pursuant to Chapter 7 of the U.S. Bankruptcy Code. BlueScout filed for bankruptcy with the intent of protecting its existing cash and core technology assets from any potential exposure in ongoing litigation with two former directors. BlueScout filed voluntarily and was not petitioned into bankruptcy by a creditor or forced into filing as a result of being unable to pay outstanding debts as they came due. Each of Ms. Nickey and Mr. Crotty resigned on January 23, 2013, prior to the bankruptcy filing. As at the date of this prospectus BlueScout has not been discharged from bankruptcy proceedings.

Penalties or Sanctions

To our knowledge, no Administrator Director or executive officer of the Administrator (nor any personal holding company of any of such persons), or shareholder holding a sufficient number of securities of the Administrator to affect materially the control of the Administrator, has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

Certain officers of the Administrator and certain Administrator Directors are also officers and/or directors of other companies engaged in the wind power business. As a result, situations may arise where the duties of such officers of the Administrator and Administrator Directors conflict with their interests as directors and officers of other companies. The resolution of such conflicts is governed by applicable corporate laws, which require that directors and officers act honestly, in good faith and with a view to the best interests of the Administrator. In addition, pursuant to the Administrative Services Agreement, the Administrator is required to give prompt written notice to the Trustee of any material conflict between the interests of an affiliate or associate of the Administrator with those of the Trust or its affiliates or associates. The *Business Corporations Act* (Ontario) (the “**OBCA**”) provides that if a director or officer has an interest in a contract or proposed contract or agreement, the director or officer shall disclose his interest in such contract or agreement and, in the case of a

director, shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided by the OBCA. Management is not aware of any existing or potential material conflicts of interest between the Administrator, the Trust or a subsidiary of the Trust and any officer of the Administrator or Administrator Director.

Insurance Coverage and Indemnification

The Administrator will obtain a policy of insurance for the Administrator Directors, officers of the Administrator and the directors and officers of the Trust's other direct and indirect subsidiaries. Under the policy, each entity will have reimbursement coverage to the extent that it has indemnified the directors and officers. The policy will include securities claims coverage, insuring against any legal obligation to pay on account of any securities claims brought against the Trust, the Administrator, a Trust Subsidiary or any of their respective subsidiaries and their respective trustees, directors and officers. The total limit of liability will be shared among the Trust, the Administrator, the Trust Subsidiaries and their respective subsidiaries and their respective trustees, directors and officers so that the limit of liability will not be exclusive to any one of the entities or their respective trustees, directors and officers.

The by-laws of the Administrator and each of the Trust Subsidiaries provide for the indemnification of their respective directors and officers from and against liability and costs in respect of any action or suit brought against them in connection with the execution of their duties of office, subject to certain limitations. The Trust Indenture and the Commercial Trust Indenture also provide for the indemnification of the Administrator from and against liability and costs in respect of any action or suit brought against it in connection with the execution of its duties of office, subject to certain limitations.

Under the Administrative Services Agreement, the Administrator, its affiliates and associates and any person who is serving or shall have served as a director, officer, employee or agent of the Administrator, a Trust Subsidiary, or of their respective affiliates or associates, or any respective heirs, legal representatives and successors of any of the foregoing will be indemnified by the Trust in respect of such activities undertaken on its behalf unless the claim arises from the fraud, willful misconduct or gross negligence of the person claiming indemnification.

The Administrator Directors and officers of the Administrator have entered into indemnity agreements with the Administrator, Can Holdco and Threshold Power under which such directors and officers will be indemnified by such entities in respect of claims that may arise as a result of acting as a director and/or officer of such entities.

The Trust has indemnified Infigen and JPM for any third party claims arising out of the Offering. The Trust has also indemnified JPM for certain liabilities and damages in connection with the JPM Acquisition and the KEF Acquisition, including for claims made against JPM for liabilities of THLLP1 and THLLP2 and for breaches of the KEF Contribution Agreement.

EXECUTIVE COMPENSATION

All executive officer services are provided to the Trust by the Administrator under the Administrative Services Agreement. The following discussion describes the significant elements of the Administrator's and Threshold Power's executive compensation program, with particular emphasis on the process for determining compensation payable to Susan D. Nickey, as the Chief Executive Officer of the Administrator and Threshold Power ("**CEO**"), Peter Kampian, as the Chief Financial Officer of the Administrator ("**CFO**"), Martin Crotty, as the Chief Operating Officer of the Administrator and Threshold Power ("**COO**") and Daniela Shapiro, Vice President, Corporate Finance of Threshold Power (collectively, the "**Named Executive Officers**" or "**NEOs**"). No other executive officer or employee of the Administrator or Threshold Power is expected to receive compensation in excess of C$150,000 for the 2013 fiscal year.

Compensation Discussion and Analysis

General

After the Closing, and based on recommendations made by the Governance, Nomination & Compensation Committee, the Board will make decisions regarding salaries, annual bonuses and equity incentive compensation for the executive officers, and will approve corporate goals and objectives relevant to the compensation of the CEO and the other executive officers. The Board will solicit input from the CEO and the Governance, Nomination & Compensation Committee regarding the performance of the Administrator's and Threshold Power's other executive officers. The Board will also administer the incentive compensation and benefit plans with the assistance of the Governance, Nomination & Compensation Committee.

CEO Compensation

The compensation of the CEO will be determined by the Board as a whole on the recommendation of the Governance, Nomination & Compensation Committee. The level of CEO compensation will be determined by the Board considering all factors which they deem appropriate, including CEO salaries for public companies of comparable size and complexity. The annual incentive and Unit-based incentive entitlements will be determined by the Board, upon recommendation of the Governance, Nomination & Compensation Committee, based on the Trust's overall performance, relative Unitholder returns and other relevant factors. The CEO will receive 25,000 Units in connection with the successful completion of the Offering, which will be subject to a Lock-up Period. See "Existing Unitholder Arrangements".

Compensation Objectives and Principles

The Board recognizes that the Threshold Group's success depends on its ability to attract, retain and motivate superior performing employees at all levels, which can only occur if the Threshold Group has an appropriately structured and implemented compensation program. The Threshold Group's compensation policies will be founded on the principle that executive and employee compensation should be consistent with Unitholders' interests and the Threshold Group's compensation plans are therefore intended to encourage decisions and actions that will result in the Threshold Group's growth and create long-term Unitholder value. In determining the compensation to be paid to the executive officers, the Governance, Nomination & Compensation Committee will consider corporate achievements, comparative market data and information supplied by Management.

The principal objectives of the Threshold Group's executive compensation program are as follows:

- to attract and retain qualified executive officers;
- to align the executives' interests with those of the Unitholders;
- to have a compensation package that is competitive within the marketplace; and
- to reward the demonstration of both leadership and performance.

The Governance, Nomination & Compensation Committee's objective will be to ensure the compensation of the NEOs provides a competitive package that reflects the above objectives, as well as provide a link between discretionary short and long-term incentives with short and long-term corporate goals. The compensation package will be designed to reward performance based on the achievement of performance goals and objectives and to be competitive with comparable companies in the market in which the Threshold Group competes for talent.

Components of Compensation

The following components are currently intended to comprise the compensation package for the NEOs: (i) base salary; (ii) annual incentive compensation; and (iii) participation in the Threshold Group's long-term compensation plan. Following the Closing, all salary increases, cash bonuses and Unit-based compensation for the NEOs will be reviewed by the Governance, Nomination & Compensation Committee and amended as deemed appropriate with the approval of the Board. The components of the NEOs compensation package are

not treated as independent elements of an NEOs compensation as a decision regarding an element affects decisions regarding the others.

Base Salary

The base salary of each NEO will, subject to a minimum amount established under the executive employment agreements described below, be determined by the Governance, Nomination & Compensation Committee. The base salary of each NEO will reflect the complexity of the NEO's role in addition to the amount of industry experience they possess. Salaries will be reviewed annually and compared to industry peers through publicly available documents and available compensation surveys prepared by compensation consultants. Consideration will be given to the growth plans of the Threshold Group and the objective to attract and retain highly talented individuals from the industry.

Annual Incentive Compensation

Annual incentive compensation will generally provide for annual cash awards, which are intended to motivate and reward NEOs for achieving and surpassing annual corporate and individual goals. The amount of the cash award or "bonus" will be determined by reference to a target percentage of base salary. Bonus awards for the NEOs, excluding the CEO, will be recommended by the CEO and reviewed and approved by the Governance, Nomination & Compensation Committee. Bonus awards for the CEO will be recommended by the Governance, Nomination & Compensation Committee and approved by the Board. Peer performance and practices will also be considered each year in determining the final amounts to be awarded. The employment agreements entered into with each of the CEO, the CFO and the COO provide for a target cash bonus of 100% of such person's base salary. Ms. Shapiro's employment agent provides for a discretionary bonus.

Long-Term Compensation Plan

The long-term compensation plan of the Threshold Group will initially be comprised of a Restricted Trust Unit Plan (the "**Equity Plan**"), which is intended to encourage participants to focus on creating and improving the Trust's long-term financial success by providing participants an opportunity to increase their ownership interests in the Trust. The purpose of this long-term compensation plan is to align the interests of Unitholders and Management. See "Executive Compensation — Restricted Trust Unit Plan". The Administrator Directors have determined that the compensation policies of the Threshold Group adequately reward and compensate Management for their services while balancing the appropriate level of short-term and long-term objectives of the Trust. All restricted Trust Units ("**RTUs**") grants and allocations as made from time to time will be made by the Board upon the recommendation of the Governance, Nomination & Compensation Committee.

Awards Granted in Connection with this Offering

Immediately following the Closing, the Board has determined to grant the CEO, the CFO and the COO certain awards in consideration for past performance and services provided to the Threshold Power Group. As described under "Executive Compensation — Outstanding Unit-Based Awards", 25,000 Units will be granted to each of the CEO and the COO and 28,736 RTUs will be granted to the CFO.

Summary Compensation Table — NEOs — Expectations for 2013

Based on the information available at the date hereof, the following table sets out information concerning the initial expected annualized compensation anticipated to be paid by the Threshold Group to the NEOs.

			Non-Equity Incentive Plan Compensation			
Name and Principal Position	**Salary ($)(1)**	**Unit-Based Awards ($)(2)**	**Annual Incentive Plans ($)(3)**	**Long-Term Incentive Plans ($)(3)**	**All Other Compensation ($)(4)**	**Total Compensation ($)(5)**
Susan D. Nickey Chief Executive Officer	300,000	250,000	—	—	—	555,000
Martin Crotty Chief Operating Officer	280,000	250,000	—	—	—	530,000
Peter Kampian Chief Financial Officer	280,000	287,360	—	—	—	567,360
Daniela Shapiro Vice President, Corporate Finance	155,000	—	—	—	—	155,000

Notes:

(1) Base salaries presented are annualized amounts. Susan D. Nickey, Martin Crotty and Daniela Shapiro will be paid in U.S. dollars. Each NEO will hold the same office(s) indicated above under the heading "Trustee, Directors and Management" at both the Administrator and at Threshold Power.

(2) Following the Closing, the Board may grant RTUs to the NEOs, but no determination has been made in this regard. In connection with Closing, the Board has determined to grant 25,000 Units to each of Susan Nickey and Martin Crotty and Peter Kampian will receive 28,736 RTUs. The amounts indicated in this table represents the market value of Units and RTUs (as though vested) upon Closing.

(3) The amount of non-Unit-based incentive compensation to be paid to the NEOs for the 2013 calendar year has not yet been determined by the Governance, Nomination & Compensation Committee.

(4) The amount of "All Other Compensation" that might be paid to the NEOs during the 2013 calendar year has not yet been determined by the Governance, Nomination & Compensation Committee and the Board, although it is not expected that the amounts will be a material component of any NEO's total compensation.

(5) Susan Nickey is not compensated for acting in her capacity as an Administrator Director.

Indebtedness of Directors and Officers

No individual who is, or who at any time since the incorporation or formation of the respective members of the Threshold Power Group has been, a director or executive officer of a member of the Threshold Power Group (or an associate of any such individual): (i) is at the date of this prospectus, indebted to a member of the Threshold Group (other than in respect of routine indebtedness); or (ii) at the date of this prospectus, has indebtedness to another entity that is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by of a member of the Threshold Group.

Outstanding Unit-Based Awards

The Board adopted the Equity Plan on June 20, 2013. Immediately following the Closing, the Board has determined to grant 25,000 Units to each of Susan Nickey and Martin Crotty and 28,736 RTUs to Peter Kampian. These are the only Unit-Based Awards that will be granted in connection with the Offering and the only Unit-based awards outstanding on the Closing Date. Following Closing, all RTU grants and allocations from time to time will be made by the Board upon recommendation of the Governance, Nomination & Compensation Committee.

Unit-Based Awards — Value Vested or Earned

The following table sets forth, all Unit-based awards that are anticipated to be outstanding on the closing of the Offering.

Name and Principal Position	Class of Unit-based Award	Number of Unit-based Award	Market Value of Unit-based Award not Vested
Peter Kampian Chief Financial Officer	RTU	28,736	$287,360

No other Unit-based awards awarded to the NEOs will be vested or earned on the Closing Date. The Trust will not have any option-based awards outstanding on Closing.

Termination and Change of Control Benefits

Except as described below, the Administrator has not entered into any contract, agreement, plan or arrangement that provides for payments to an NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, change in control or a change in an NEO's responsibilities.

Each NEO has an employment contract in place and the employment agreements of each of the CEO, CFO and COO provide for termination and change of control benefits. The employment agreement entered into by Daniela Shapiro does not provide for any termination or change of control benefits. In the event of termination for cause, voluntary termination, expiration of term, death or permanent disability, the following will apply to the CEO, CFO and COO:

Termination for Cause, Voluntary Termination without Good Reason or Expiration of Term

In the event that the CEO's, CFO's or COO's employment is terminated by the Administrator for cause by such executive without Good Reason (as defined below) or either the executive or Administrator provides notice to the other that the NEO's term of employment will not be extended, the Administrator will have no further obligations with respect to the NEO's employment from and after the termination date, except for payment of:

- the NEO's base salary and benefits earned or accrued through the date of termination (and in the case of the CFO, vacation pay);
- any performance bonus due for the immediately preceding fiscal year to the extent that it is unpaid on the date of such termination; and
- any unpaid amounts in respect of expenses and amounts due and owing pursuant to the NEO's specific employment contract (collectively, the "**Basic Compensation**").

In addition, each of the CEO and COO will be required to put to the Trust, at a price of C$0.01 per unit, the following portion of 75,693 and 30,277 Units issued to him or her, respectively by the Trust in connection with the Offering and held by such executive as of the termination of employment subject to a Lock-Up Agreement:

- 100% of such Units, if termination occurs less than 12 months after the Closing;
- ⅔ of such Units, if termination occurs less than 24 months after the Closing; and
- ⅓ of such Units, if termination occurs less than 36 months after the Closing.

In the event that the CEO or COO's employment is terminated by the Administrator for cause or by such executive without Good Reason less than 36 months after Closing, 25,000 Units granted to either party at Closing must be automatically put to the Trust and purchased by the Trust at a price equal to C$0.01 per Unit.

The employment agreements define "Good Reason" as: (i) the Administrator require the NEO to perform his or her duties from an office that is more than 60 miles from an existing office of Threshold Power or the Administrator; (ii) the Administrator removing the NEO from his or her position or assigning the NEO to duties or tasks materially inconsistent with the duties of the NEO; (iii) the Administrator breaches any of its obligations under the employment agreement, which breach remains uncured 30 days after receipt by the Administrator of

written notice of such breach; (iv) a diminution in base salary or a material diminution in benefits available to the NEO, in each case other than: (x) an act or omission that is promptly cured upon notice by Executive to the Administrator; or (v) the employment period is terminated less than 180 days prior to, or after, a Change in Control (as defined in the executive's employment agreement).

If the NEO is terminated for any other reason (including death or permanent disability), the NEO will be entitled to retain all of such Units subject to any other contractual restrictions. See "Existing Unitholder Arrangements".

The following table shows the value of the estimated incremental payments to each NEO if his or her employment terminated on December 31, 2012 for cause, voluntarily terminated by the NEO without Good Reason or the NEO's term of employment was not extended:

Name	Value of Incremental Payment(1)
Susan D. Nickey	U.S.$300,000
Peter Kampian	$280,000
Martin Crotty	$280,000

Note:

(1) Amounts payable in respect of any entitlements under long-term compensation plans, accrued salary and vacation pay, annual bonus and benefits cannot be reasonably estimated at this time as the Board has not adopted or granted any compensation of such nature to date.

Termination without Cause or Voluntary Termination with Good Reason

If the CEO's, CFO's or COO's employment is terminated by the Administrator without cause or by such executive with Good Reason (and in the case of the CEO and COO, such termination constitutes a "Separation from Service" as defined in Section 409A of the Code), upon execution of a mutual release, the Administrator will have no further obligations with respect to NEO's employment from and after the termination date, except payment for:

- the NEO's Basic Compensation;
- an amount equal to two times the NEO's base salary for a period ending one year after such termination; and
- a pro-rated portion of the performance bonus, if any, that would have been payable during the fiscal year that the NEO is terminated (which shall be paid no later than two and one half months after the end of the fiscal year in which termination occurs).

The following table shows the value of the estimated incremental payments to each NEO if his or her employment terminated on December 31, 2012 without cause or if the NEO's employment was voluntarily terminated for a Good Reason:

Name	Value of Incremental Payment(1)
Susan D. Nickey	U.S.$900,000
Peter Kampian	$840,000
Martin Crotty	U.S.$840,000

Note:

(1) Amounts payable in respect of any entitlements under long-term compensation plans, accrued salary and vacation pay, annual bonus and benefits cannot be reasonably estimated at this time as the Board has not adopted or granted any compensation of such nature to date.

Death or Disability

In the event of the CEO's, CFO's or COO's death or disability, the Administrator shall have no further obligations with respect to the NEO's employment from and after the termination date, except payment for:

- the NEO's Basic Compensation; and
- in the event of disability, the NEO's base salary for a period of six months after the termination date.

Administrator Directors' Compensation

It is anticipated that each of the Administrator Directors will receive an annual retainer of C$25,000 plus C$1,500 per meeting for attending meetings of the Board or any meeting of a committee of the Board in person, plus C$750 per meeting for attending meetings of the Board or any meeting of a committee of the Board remotely. These retainers will also cover meetings of the board of directors of any Trust Subsidiary of which they are a director. The Chair of the Board, the Chair of the Audit and Risk Committee and the Chair of the Governance, Nomination & Compensation Committee will receive additional compensation of C$10,000, C$5,000 and C$5,000, respectively, per year. The Administrator will also reimburse Administrator Directors for out-of-pocket expenses incurred for attending meetings. Administrator Directors will participate in the Equity Plan in accordance with the recommendation of the Governance, Nomination & Compensation Committee. The aggregate number of Units issuable on settlement of RTUs outstanding at any time held by directors of the Administrator who are not officers or employees of the Threshold Group shall be limited to 2% of the issued and outstanding Units.

Summary Compensation Table — Directors — Expectations for 2013

The following table sets forth information concerning the initially expected annualized compensation anticipated to be paid to the Administrator Directors.

Name[1]	Fees Earned ($)[2]	Unit-Based Awards ($)[3]	Non-Equity Incentive Plan Compensation ($)	All Other Compensation ($)	Total ($)
David C. Kerr[4]	$39,000	$25,000	—	—	$64,000
David Spivak[5]	$34,000	$25,000	—	—	$59,000
L. Rita Theil[4]	$39,000	$25,000	—	—	$64,000
●	●	●	—	—	$ ●

Notes:

(1) All amounts stated in Canadian dollars. Compensation paid to Susan D. Nickey is disclosed above. See "Executive Compensation — Summary Compensation Table — NEOs — Expectations for 2013". Susan D. Nickey does not receive any compensation for her services as an Administrator Director

(2) Represents the Administrator Director's annualized retainer, chair fees and estimated committee meeting attendance fees for a full year. Actual fees earned during the year ending December 31, 2013 will be based on the number of meetings attended by the Administrator Director. Administrator Directors are paid $1,500 per meeting attended in person and $750 per meeting attended by phone or conference call. Administrator Directors are not additionally compensated for attending committee meetings that occur at the same time as Board meetings. The above table assumes the Administrator Directors attend in person four Board meetings and four telephonic meetings during the year ending December 31, 2013.

(3) Represents the market value of the RTUs anticipated to be awarded to the Administrator Director under the Equity Plan following Closing. These RTUs will vest as to one-third in each of the first, second and third anniversaries of the date of grant. The market value of the RTUs awarded under the Equity Plan does not necessarily equal the value of these RTUs that will be allocated for accounting purposes.

(4) David Kerr will earn $5,000 as Chair of the Audit and Risk Committee. L. Rita Theil will earn $5,000 as Chair of the Governance, Nomination and Compensation Committee.

(5) Mr. Spivak will be appointed to the Board immediately prior to Closing.

Administrator Directors will participate in the insurance and indemnification arrangements described under "Trustee, Directors and Management — Insurance Coverage and Indemnification".

RESTRICTED TRUST UNIT PLAN

Pursuant to the Equity Plan, RTUs may be granted by the Board or an appointed committee thereof (the "**Equity Plan Administrator**") to directors, officers, employees or direct or indirect service providers ("**Participants**") of the Threshold Group. The purpose of the Equity Plan is to advance the interests of the Threshold Group by permitting, through the grant and settlement of RTUs, the Participants to acquire Units, thereby: (i) increasing the proprietary interests of such persons in the Trust; (ii) aligning Participants' interests with the interests of the Unitholders generally; (iii) encouraging Participants to remain associated with the Threshold Group; and (iv) furnishing Participants with an additional incentive in their efforts on behalf of the Threshold Group.

Pursuant to the Equity Plan, the number of Units reserved for issuance pursuant to the redemption of RTUs granted under the Equity Plan and pursuant to all other security-based compensation arrangements of the Trust shall, in the aggregate, not exceed 10% of the number of Units then issued and outstanding. If any RTUs are redeemed, the number of Units to which such redeemed RTUs relate shall become available for the purpose of granting additional RTUs under the Equity Plan. In addition, if any RTUs expire or terminate for any reason without having been redeemed, any unissued Units to which such RTUs relate shall become available for the purposes of granting additional RTUs under the Equity Plan.

The vesting of RTUs will be determined by the Equity Plan Administrator at the time of grant, provided that no vesting conditions shall extend beyond December 31 of the third calendar year following the Service Year (as defined in the Equity Plan) in respect of which the RTUs were granted. Unless otherwise provided in the applicable award agreement, all RTUs shall vest: (i) one-third on the first anniversary of the date of grant of such RTUs (the "**Grant Date**"); (ii) an additional one-third on the second anniversary of the Grant Date; and (iii) the final one-third on the third anniversary of the Grant Date, subject to other vesting conditions and blackout extensions. If a redemption date for an RTU occurs during a blackout period of the Trust or within ten business days of the expiry of a blackout period, then the redemption date will be the tenth business day following the expiry of such blackout period, provided that such date shall be on or prior to the RTU Entitlement Date (as defined below).

On a date or before the date, which is three years following the end of the Service Year (as defined in the Equity Plan) in respect of which the RTUs were granted (the "**RTU Entitlement Date**"), the holder will receive, subject to applicable withholding taxes, for each RTU held either: (i) the cash equivalent of one Unit; or (ii) at the election of the Trust, one Unit, which may be issued from treasury or purchased by a designated broker on the TSX. Notwithstanding the foregoing, no RTU granted under the Equity Plan that is held by: (i) a citizen or permanent resident of the U.S. for purposes of the Code; or (ii) a Participant for whom the compensation subject to deferral under the Equity Plan would otherwise be subject to U.S. federal income tax under the Code, will be redeemed for Units absent registration under, or an exemption from, as determined in the discretion of the Board, the U.S. Securities Act. The determination of the value of the cash equivalent of Units will be determined based upon the volume weighted average trading price of the Units on the TSX for the last five trading days prior to the date of calculation. A Participant's RTU account will be credited with additional RTUs in respect of any distributions declared by the Trust on the Units that would have been paid to the Participant if the RTUs in the Participant's account were outstanding Units during the relevant period.

The Equity Plan Administrator will determine the Participants who shall participate under the Equity Plan and the number of RTUs granted to such Participants, provided that: (i) the aggregate number of Units reserved for issuance under RTUs granted to any one Participant shall not exceed 5% of the issued and outstanding Units at the Grant Date, calculated on a non-diluted basis; (ii) the aggregate number of Units which may be reserved for issuance to "insiders" (as such term is referred to in the policies of the TSX), under the Equity Plan and all other security-based compensation arrangements of the Threshold Group shall not, in the aggregate, exceed 10% of the issued and outstanding Units at the date of grant, calculated on a non-diluted basis; (iii) during any one-year period, the Governance, Nomination & Compensation Committee shall not grant to such insiders, under the Equity Plan and all other security-based compensation arrangements of the Threshold Group, in the

aggregate, a number of Units exceeding 10% of the issued and outstanding Units, calculated on a non-diluted basis; and (iv) the aggregate number of Units issuable on the settlement of Units outstanding at any time held by directors of the Administrator who are not officers or employees of the Threshold Group shall be limited to 2% of the issued and outstanding Units. The restrictions referred to in (ii) through (iv) above are referred to as the "Equity Plan Insider and Independent Director Participation Restrictions".

Subject to termination by reason of death or termination other than for cause and subject to the provisions of any applicable employment or RTU award agreement, unless otherwise determined by the Equity Plan Administrator in its sole discretion, upon the Participant terminating employment with the Threshold Group for any reason including, without limitation, due to involuntary termination for cause or voluntary termination by the Participant, all RTUs previously credited to such Participant which did not vest on or prior to the Participant's termination date shall be terminated and forfeited as of the Participant's termination date. Upon termination by reason of death or termination other than for cause, a proportion of a Participant's RTUs will vest, with such proportion being determined based upon the Participant's termination date relative to the date of grant and vesting date. Awards granted under the Equity Plan are not assignable.

The Equity Plan also provides that vesting of RTUs will accelerate on a "change of control". A "change of control" of the Trust is defined under the Equity Plan as follows: (i) the acceptance by the Unitholders, representing in the aggregate more than 50% of all issued and outstanding Units, of any offer, whether by way of a take-over bid or otherwise, for all or any of the Units; (ii) the acquisition by whatever means (including, without limitation, by way of an arrangement, merger or amalgamation), by any person (or two or more persons acting jointly or in concert), directly or indirectly, of the beneficial ownership of Units or rights to acquire Units that, together with such person's then owned Units and rights to acquire Units, if any, represent in the aggregate more than 50% of all issued and outstanding Units; (iii) the passing of a resolution by the Trustee, the Board or the Unitholders to substantially liquidate the assets or wind-up or significantly rearrange the affairs of the Trust in one or more transactions or series of transactions (including by way of an arrangement, merger or amalgamation) or the commencement of proceedings for such a liquidation, winding-up or re-arrangement; (iv) the sale by the Trust of all or substantially all of its assets (other than to an affiliate of the Trust in circumstances where the affairs of the Trust are continued, directly or indirectly, and where unitholdings of the Trust remain substantially the same following the sale as existed prior to the sale); (v) persons who were proposed as nominees (but not including nominees under a Unitholder proposal) to become directors of the Administrator immediately prior to a meeting of the Unitholders involving a contest for, or an item of business relating to the election of directors of the Administrator, not constituting a majority of the directors of the Administrator following such election; or (vi) any other event which, in the opinion of the Board, reasonably constitutes a change of control of the Trust; provided that a change of control shall not occur solely as a result of a reorganization of the Threshold Group in circumstances where the unitholdings, shareholders or ultimate ownership remains substantially the same upon completion of the reorganization, including a reorganization, in a transaction or series of related transactions, of the Trust for the purposes of avoiding the actual or potential application of the SIFT Rules and any related tax or trust, corporate or partnership reorganization or restructuring, including, without limitation, the contemporaneous or, to the extent entered into in connection with such reorganization, restructuring, subsequent termination or winding-up of the Trust.

The Board may, at any time, amend, suspend or terminate the Equity Plan, or any portion thereof, or any RTU granted thereunder, without Unitholder approval, subject to those provisions of applicable law (including, without limitation, the rules, regulations and policies of the TSX), if any, that require the approval of Unitholders or any governmental or regulatory body. However, except as expressly set forth in the Equity Plan, no action of the Board or Unitholders shall alter or impair the rights of a Participant under any RTU previously granted to the Participant without the consent of the affected Participant. Without limiting the generality of the foregoing, the Board may make the following types of amendments to the Equity Plan without seeking Unitholder approval:

- amendments of a "housekeeping" or ministerial nature including, without limiting the generality of the foregoing, any amendment for the purpose of curing any ambiguity, error or omission in the Equity Plan or to correct or supplement any provision of the Equity Plan that is inconsistent with any other provision of the Equity Plan;

- amendments necessary to comply with the provisions of applicable law;
- amendments respecting administration of the Equity Plan;
- amendments to the vesting provisions of the Equity Plan or any RTUs;
- amendments to the early termination provisions of the Equity Plan or any RTUs, whether or not such RTUs are held by an insider, provided such amendment does not entail an extension beyond the original expiry date;
- amendments to the termination provisions of the Equity Plan or any RTUs, other than RTUs held by an insider in the case of the amendment extending the term of an RTU, provided any such amendment does not entail an extension of the expiry date of such RTU beyond its original expiry date;
- amendments necessary to suspend or terminate the Equity Plan; and
- any other amendment, whether fundamental or otherwise, not requiring Unitholder approval under applicable law (including, without limitation, the rules, regulations and policies of the TSX).

Unitholder approval will be required for the following types of amendments:

- amendments to the number of Units issuable under the Equity Plan, including a change from a fixed maximum percentage to a fixed maximum number of Units;
- amendments to the calculation of the cash equivalent value of an RTU;
- removing or amending the Equity Plan Insider and Independent Director Participation Restrictions; and
- amendments required to be approved by Unitholders under applicable law (including, without limitation, the rules, regulations and policies of the TSX).

The Administrator has reviewed the Equity Plan and, based on this review and its consideration of the remuneration paid to directors, officers, employees and consultants of other publicly traded entities, is satisfied that the Equity Plan is an appropriate long-term incentive plan for the Threshold Group. The Equity Plan was approved by the Board on June 20, 2013.

As at the date hereof, no RTUs are issued and outstanding; however the Board has determined to grant 28,736 RTUs immediately following Closing. See "Executive Compensation — Awards granted in connection with the Offering".

CORPORATE GOVERNANCE

The Administrator Directors consider good corporate governance to be central to the effective and efficient operation and management of the Threshold Group. The Canadian Securities Administrators have published guidelines for issuers to consider in developing their own corporate governance practices. Annual disclosure of those practices is required. The Administrator's corporate governance practices are set forth below.

The Board

On Closing, the Administrator will have five directors, four of whom will be independent. The independent directors will be L. Rita Theil, David C. Kerr, David Spivak and ● . Susan Nickey is not an independent director because she is an executive officer of the Administrator. A director is independent if he or she has no direct or indirect material relationship with the Threshold Group. A "material relationship" is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment. Certain types of relationships are, by their nature, considered to be material relationships.

The Administrator will take steps to ensure that adequate structures and processes are in place to permit the Board to function independently of Management. Prior to or immediately following Closing, the Chair of the Board will be appointed by the Board from amongst its members. Where matters arise at meetings of the Board which require decision making and evaluation that is independent of Management and interested directors, the Administrator Directors will hold an "in-camera" session among the independent and disinterested Administrator Directors, without Management or any interested director present at such meeting.

Certain Administrator Directors are also directors of other reporting issuers (or the equivalent):

Director	Other Directorships	Stock Exchange Listing
David Kerr	Crius Energy Trust	TSX
	Renewable Energy Developers Inc.	TSX
L. Rita Theil	GWR Global Water Resource Corp.	TSX

Charter

The Board has responsibility for the overall stewardship of the Trust and its direct and indirect subsidiaries, and Management has responsibility for conducting the day to day business of the Threshold Group. The Board discharges its responsibility directly and indirectly through the delegation of specific responsibilities to committees of the Board, the Chair of the Board, and the officers of the Administrator, all as more particularly described in the Board's charter, a copy of which is attached to this prospectus as Appendix A. The charter provides that the primary responsibilities of the Board are to: (i) enhance and preserve long term Unitholder value; (ii) oversee the development, approval and execution of the strategy of the Threshold Group to ensure the long term success of the Threshold Group; (iii) provide guidance to Management; (iv) oversee the business and affairs of the Threshold Group in accordance with the terms of all applicable laws; (v) monitor the effectiveness of Management; and (vi) ensure that the Threshold Group meets its obligations on an ongoing basis and operates in a reliable and safe manner.

The Board has established two committees to assist with its responsibilities: the Audit and Risk Committee and the Governance, Nomination & Compensation Committee. Each committee has a charter defining its responsibilities.

Position Descriptions

The Board has adopted written position descriptions for the Chair of the Board, the Chairs of the Audit and Risk Committee and Governance, Nomination & Compensation Committee, and the Chief Executive Officer of the Administrator.

The primary responsibilities of the Chair of the Board will include: (i) ensuring that the Board is organized properly, functions effectively and meets its oversight obligations and responsibilities in all aspects of its work; and (ii) working with the Chief Executive Officer of the Administrator to coordinate the affairs of the Board and ensure effective relations with the Administrator Directors, Management and Unitholders.

The responsibilities of the Chair of each committee will include: (i) ensuring that their respective committee is organized properly, functions effectively and meets its obligations and responsibilities in accordance with its charter; and (ii) reporting to the Board on any decision or recommendation of their committee.

The primary responsibilities of the Chief Executive Officer of the Administrator will include: (i) providing overall leadership and vision in developing, in concert with the members of the Board, the strategic direction of the Threshold Group and the tactics and business plans necessary to realize the Threshold Group's objectives; and (ii) managing the overall business to ensure strategic and business plans are effectively implemented, results are monitored and reported to the Board, and financial and operational objectives are attained.

Orientation and Continuing Education

The orientation and continuing education of the Administrator Directors is the responsibility of the Governance, Nomination & Compensation Committee. The details of the orientation of new Administrator Directors will be tailored to their needs and areas of expertise and will include the delivery of written materials and participation in meetings with Management and Administrator Directors. The focus of the orientation program will be on providing new Administrator Directors with: (i) information about the duties and obligations of directors; (ii) information about the Threshold Group's strategy, business and operations; (iii) the expectations of Administrator Directors; (iv) opportunities to meet with Management and any other senior

employees or consultants designated for this purpose; and (v) access to documents from recent meetings of the Board.

The Administrator Directors have all been chosen for their specific level of knowledge and expertise. All Administrator Directors will be provided with materials relating to their duties, roles and responsibilities. In addition, Administrator Directors will be kept informed as to matters impacting, or which may impact, the operations of the Trust's subsidiaries through reports and presentations by internal and external presenters at meetings of the Board and during periodic strategy sessions held by the Board.

Ethical Business Conduct

The Board has adopted a written code of business conduct and ethics that encourages and promotes a culture of ethical business conduct that will be applicable to Administrator Directors, Management, employees and consultants of the Administrator. Upon the Closing, the Administrator will file a copy of the code on SEDAR at www.sedar.com under the Trust's profile.

Nomination of Administrator Directors

The responsibility for proposing new nominees for the Board falls within the mandate of the Governance, Nomination & Compensation Committee. On Closing, the Governance, Nomination & Compensation Committee will be comprised of Ms. Theil, as Chair, Mr. Spivak and ● all of whom are independent. New candidates for nomination to the Board will be identified and selected having regard to the strengths and constitution, as well as the needs, of the Board. The Governance, Nomination & Compensation Committee is responsible for determining the size of the Board and its composition, identifying the skills, experience and capability required by the Board to discharge its oversight responsibilities, organizing the process for recruiting new members of the Board and providing orientation to such members and structuring the membership of committees of the Board.

Compensation of Directors and Officers

The remuneration of the Administrator Directors will be set and periodically reviewed by the Board on the recommendation of the Governance, Nomination & Compensation Committee. The level of remuneration will be designed to provide a competitive level of remuneration relative to directors of comparable energy trusts and corporations. Consultants may be periodically retained to obtain this information and to assess the Board's relative remuneration position.

The compensation of the CEO will be periodically reviewed by the Board on the recommendation of the Governance, Nomination & Compensation Committee. See "Executive Compensation".

Board Committees

The Board will formally appoint two standing committees: the Audit and Risk Committee and the Governance, Nomination & Compensation Committee.

Audit and Risk Committee Charter

On Closing, the Audit and Risk Committee will be comprised of Mr. Kerr, as Chair, Mr. Spivak and ● , all of whom are independent and financially literate within the meaning of that term under National Instrument 52-110 — *Audit Committees* of the Canadian Securities Administrators. The specific responsibilities of the Audit and Risk Committee are set out in the Audit and Risk Committee charter, a copy of which is attached to this prospectus as Appendix B. The committee's primary role is: (i) to assist the Board in fulfilling its oversight responsibilities regarding the integrity, accuracy and completeness of the Trust's consolidated financial statements and related management discussion and analysis; (ii) the design and implementation of an effective system of internal financial controls and disclosure controls and procedures for the Threshold Group; (iii) the selection (subject to approval by Unitholders), engagement and monitoring of the activities of the Trust's external auditor; (iv) the Threshold Group's risk management strategy; (v) the Threshold Group's compliance

with legal, statutory and regulatory requirements as they relate to financial statements and taxation matters; and (vi) any additional duties delegated to it by the Board.

The Trust believes that each of the members of the Audit and Risk Committee possesses: (i) an understanding of the accounting principles used by the Trust to prepare its consolidated financial statements; (ii) the ability to assess the general application of such accounting principles in connection with the accounting for estimates and accruals; (iii) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Trust's consolidated financial statements, or experience actively supervising one or more individuals engaged in such activities; and (iv) an understanding of internal controls and procedures for financial reporting. For a summary of the education and experience of each member of the Audit and Risk Committee that is relevant to the performance of his responsibilities as a member of the Audit and Risk Committee. See "Trustee, Directors and Management — Biographies".

Governance, Nomination & Compensation Committee

On Closing, the Governance, Nomination & Compensation Committee will be comprised of Ms. Theil (as Chair), Mr. Spivak and ●, all of whom are independent for the purposes of National Instrument 58-101 — *Disclosure of Corporate Governance Practices* of the Canadian Securities Administrators. The specific responsibilities of the Governance, Nomination & Compensation Committee are set out in the Governance, Nomination & Compensation Committee charter, a copy of which will be available on the Trust's website upon the Closing. The primary role of the Governance, Nomination & Compensation Committee is to: (i) develop, implement and monitor governance standards and best practices; (ii) review the charters of the Board and its committees; (iii) regularly assess the effectiveness of the Board as a whole, the committees of the Board and the contributions of individual Administrator Directors; (iv) oversee the preparation of the annual "Statement of Corporate Governance Practices"; (v) evaluate corporate communication policies; (vi) identify and recommend individuals for nomination as members of the Board and its committees and for appointment as officers; and (vii) review and recommend to the Board all matters pertaining to the compensation of Administrator Directors and Management.

Assessment of Administrator Directors, the Board and Board Committees

The members of the Board will collectively assess the performance of the Board as a whole, the committees of the Board and all Administrator Directors. Such assessment will occur annually with an emphasis on the overall effectiveness and contributions made by the Board as a whole, the committees of the Board and all Administrator Directors individually.

ADMINISTRATIVE SERVICES AGREEMENT

The following is a summary of the material terms of the Administrative Services Agreement pursuant to which the Trustee has delegated to the Administrator responsibility for the general administration of the affairs of the Trust. The description below is qualified in its entirety by reference to the text of the Administrative Services Agreement. The Administrative Services Agreement will be available on SEDAR at www.sedar.com under the Trust's profile. See "Material Contracts".

The Administrator will provide administrative services to the Trust. These arrangements are set forth in the Administrative Services Agreement. In exercising its powers and discharging its duties under the Administrative Services Agreement, the Administrator's standard of care requires it to act honestly, in good faith, and in the best interests of the Trust and Unitholders and to exercise the degree of care, diligence and skill that a reasonably prudent administrator having responsibility for services similar to the Administrative Services (as defined below) would exercise in comparable circumstances.

Pursuant to the Administrative Services Agreement, the Administrator will, on an exclusive basis, perform or procure all administrative, advisory, operational, technical and governance services, other than the Excluded Services, as may be required to administer the operations of the Trust (the "**Administrative Services**").

The services the Administrator will provide to the Trust under the Administrative Services Agreement shall be in addition to those it will provide under the Trust Indenture. Without limiting the scope thereof, the Administrative Services to be provided by the Administrator under the Administrative Services Agreement will include: (i) preparing all returns, filings and other documents and making all determinations and taking all other actions necessary to discharge the Trustee's obligations under the Trust Indenture (other than the Excluded Services); (ii) preparing or causing to be prepared the annual audited and interim unaudited financial statements of the Trust; (iii) operating bank accounts and making banking arrangements on behalf of the Trust; (iv) assisting with the calculation of distributions to Unitholders, withholding all amounts required by applicable tax law, and making the remittances and filings in connection with such withholdings; (v) ensuring compliance by the Trust with all applicable laws, including securities laws and stock exchange requirements; (vi) providing investor relations services; (vii) calling and holding all annual and/or special meetings of Unitholders pursuant to the Trust Indenture and preparing, approving and arranging for the distribution of all materials including notices of meetings and information circulars in respect thereof; (viii) preparing and causing to be provided to Unitholders on a timely basis all information to which Unitholders are entitled under the Trust Indenture and under applicable laws; (ix) monitoring the investments of the Trust to ensure that they comply with the investment restrictions in the Trust Indenture; (x) monitoring the Units as to their status for investment through a Registered Plan, and providing the Trustee with written notice when the Units cease, or are at risk of ceasing, to so qualify; (xi) performing all acts, duties and responsibilities in connection with acquiring or disposing of assets and property for and on behalf of the Trust; (xii) voting all securities owned by the Trust; (xiii) performing all acts, duties and responsibilities in connection with any sale of securities of the Trust; (xiv) establishing and implementing any distribution reinvestment plans, Unit purchase plans, incentive option or other compensation plans and Unitholder rights plans; (xv) engaging and overseeing third party providers of services to the Trust in connection with the provision of administrative services; and (xvi) providing all other services as may be necessary, or requested by the Trustee, for the administration of the Trust (other than the Excluded Services).

The Excluded Services will consist of: (i) the issue, certification, exchange or cancellation of Units on or after the Closing; (ii) the maintenance of registers of Unitholders on or after the Closing; (iii) making the distribution of payments or property to Unitholders and statements in respect thereof; (iv) any mailings to Unitholders; (v) executing any amendment to the Trust Indenture or any amended and restated Trust Indenture following any amendment thereto; and (vi) any matters ancillary or incidental to any of those set forth in (i) through (v) immediately above.

The Administrative Services Agreement contains certain customary covenants, including restrictions on the performance of the Administrative Services by the Administrator, including compliance with applicable laws, causing the observing or performance of agreements entered into by the Trust, compliance with reasonable requests from the Trustee, not to take any actions or hold any property other than as required by the Administrative Services Agreement, not to commingle the property of the Trust with its affiliates and perform all aspects of the Administrative Services in Canada.

Fees and Expenses

Under the Administrative Services Agreement, the Administrator will receive no fees in consideration of the services it provides as Administrator of the Trust. The Administrator will be entitled to the reimbursement of all costs and expenses reasonably incurred by the Administrator in carrying out its obligations and duties under the Administrative Services Agreement and the Trust Indenture.

Reliance, Limitation of Liability and Indemnification

The Administrative Services Agreement provides that, in carrying out the Administrative Services, the Administrator and its delegates will be entitled to rely on: (i) statements of fact of other persons (any of which may be persons with whom the Administrator is affiliated or associated) who are considered by the Administrator to be knowledgeable of such facts (each, a "**Knowledgeable Person**"), provided that the Administrator has satisfied its standard of care under the Administrative Services Agreement in making the assessment as to whether such persons are knowledgeable of such facts; and (ii) statements or information from, or the opinion or advice of, any solicitor, auditor, valuator, financial advisor, engineer, surveyor, appraiser or other expert selected by the Administrator ("**Experts**"), provided that the Administrator has satisfied its

standard of care under the Administrative Services Agreement in selecting such Expert to provide such statements, information, opinion or advice.

The Administrative Services Agreement provides that the Administrator, its affiliates and associates and each of their respective directors, officers, employees, contractors and agents (collectively, the "**Administrator Service Providers**"), will not, either directly or indirectly, be liable, answerable or accountable to the Trust, the Trustee or any Beneficiary for: (i) any loss or damage resulting from, or incidental or relating to, the performance or non-performance of the Administrative Services by any of the Administrator Service Providers, or any act or omission believed by an Administrator Service Provider to be within the scope of authority conferred thereon by the Administrative Services Agreement or the Trust Indenture, unless such loss or damage resulted from the fraud, willful misconduct or gross negligence of an Administrator Service Provider, in which case the benefit of this limitation will not apply to such Administrator Service Provider; (ii) any loss or damage resulting from, or incidental or relating to, the performance or non-performance of the Administrative Services by any of the Administrator Service Providers, where such loss or damage is attributable to acting in accordance with the instructions of the Trustee, provided that the Administrator Service Providers will bear, on a several basis, their proportionate share of liability in the event of joint or contributory liability with the Trustee; (iii) any loss or damage resulting from, or incidental or relating to, any act or omission by any of the Administrator Service Providers, provided that such act or omission is based upon the Administrator Service Provider's reliance on: (A) statements of fact of Knowledgeable Persons (excluding persons with whom the Administrator is affiliated); or (B) the opinion or advice of or information obtained from any Expert; and (iv) any damage, injury or loss of an indirect or consequential nature, including loss of profits, suffered by the Trust, the Trustee or any Beneficiary, or any of their respective affiliates, which is in any way connected with the activities, investments or affairs of the Trust or the performance or non-performance of the Administrative Services or any other aspect of the Administrative Services Agreement or the Trust Indenture.

The Administrative Services Agreement provides that the Administrator, its affiliates, associates and any person who is serving or shall have served as a director, officer, employee or agent of the Administrator, a Trust Subsidiary, or of their respective affiliates, or associates and any respective heirs, legal representatives and successors of the foregoing (collectively, the "**Administrator Indemnitees**"), will be indemnified out of the Trust Property from and against all losses, claims, damages, liabilities, obligations, costs and expenses (including judgments, fines, penalties, amounts paid in settlement (with the approval of the Trustee, acting reasonably), legal fees and disbursements) (collectively, the "**Claims**") incurred by, borne by or asserted against any of the Administrator Indemnitees and which in any way arise from or relate in any manner to the Administrative Services Agreement, the Trust Indenture or the performance or non-performance of the Administrative Services, unless such Claims arise from the fraud, willful misconduct or gross negligence of, or breach of the terms and conditions of the Administrative Services Agreement by, any of the Administrator Indemnitees, provided that in such case only the Administrator Indemnitee guilty of the same will lose its right of indemnity as long as such Administrator Indemnitee was delegated its responsibility in accordance with the Administrator's standard of care under the Administrative Services Agreement.

The Administrative Services Agreement further provides that, subject to limitations on liability of the Administrator described above, the Trust, the Trustee and any person who is serving or shall have served as a director, officer or employee of the Trustee and any respective heirs, legal representatives and successors of the foregoing (collectively, the "**Trust Indemnitees**") will be indemnified by the Administrator from and against all losses, claims, damages, liabilities, obligations, costs and expenses (including judgments, fines, penalties, amounts paid in settlement (with the approval of the Administrator, acting reasonably), legal fees and disbursements) (collectively, the "**Trust Claims**") incurred by, borne by or asserted against any of the Trust Indemnitees and which arise from the fraud, willful misconduct or gross negligence of, or breach of the terms and conditions of the Administrative Services Agreement by, the Administrator in the performance of the Administrative Services, unless such Trust Claims arise from the fraud, willful misconduct or gross negligence of the Trust Indemnitee, or are attributable to actions undertaken on the specific instructions of the Trustee.

Term and Termination

The Administrative Services Agreement has an initial term to December 31, 2013, which is automatically renewable for additional successive terms of one year unless terminated by the Administrator or the Trust on

prior written notice which is provided at least 30 days before the expiry of the initial term or any renewal term. The Administrative Services Agreement also provides that it may, by written notice given by one party to the other, be immediately terminated in the event of: (i) certain events of bankruptcy, insolvency, receivership or liquidation of the other party; or (ii) a breach by the other party in the performance of a material obligation, covenant or responsibility under the agreement (other than as a result of the occurrence of a force majeure event) which is not remedied within 60 days after notice of such breach has been delivered (or when not reasonably capable of being remedied within such 60-day period, such party nonetheless fails to commence and diligently pursue steps to remedy such default within such 60-day period or fails to remedy such default within three months of such notice), provided that, prior to the Trust or Trustee being entitled to terminate the Administrative Services Agreement for breach by the Administrator of performance of a material obligation, covenant or responsibility, approval of the Unitholders by Ordinary Resolution must be obtained authorizing such termination.

A direct or indirect change of control of the Administrator will require the prior consent of the Unitholders by Ordinary Resolution, provided that the shares of the Administrator may be transferred in compliance with the terms and conditions of the Voting Agreement without the prior consent of the Unitholders. The Administrative Services Agreement permits the Administrator to delegate its responsibilities to any person without prior written consent of the Trustee, but no such delegation will relieve the Administrator of its responsibility for ensuring the performance of its duties and obligations under the Administrative Services Agreement and the Trust Indenture unless otherwise agreed by the Trustee in writing. If, however, the Administrator delegates its responsibilities to a third party and in so doing does not breach its standard of care under the Administrative Services Agreement, the Administrator will not be liable for the acts or omissions of such delegate (except where such delegate is an affiliate of the Administrator). It is anticipated that the Administrator may, from time to time, delegate certain responsibilities to Threshold Power. The Administrative Services Agreement will be available on SEDAR at www.sedar.com under the Trust's profile.

VOTING AGREEMENT

The following is a summary of the material terms of the Voting Agreement pursuant to which the Administrator Shareholder will agree to vote her shares in the Administrator, following the Closing, at the direction of the Unitholders, as communicated by the Trustee as agent for the Unitholders. The description below is qualified in its entirety by reference to the text of the Voting Agreement. See "Material Contracts". The Voting Agreement will be available on SEDAR at www.sedar.com under the Trust's profile.

The Administrator Shareholder, as the sole shareholder of the Administrator, has entered into the Voting Agreement with the Trustee, as agent for the Unitholders, and the Administrator. Pursuant to the Voting Agreement the Administrator Shareholder agrees to vote her shares in the Administrator, following the Closing, at the direction of the Unitholders, as communicated by the Trustee as agent for the Unitholders, with regard to, among other things, the election or removal of the Administrator Directors, setting the number of Administrator Directors from time to time, the appointment of any auditors of the Administrator from time to time and any other matter in respect of which the Administrator Shareholder otherwise would have the right to vote under the OBCA. The Voting Agreement is a unanimous shareholders agreement pursuant to the OBCA and will restrict the business of the Administrator to: (i) acting as administrator of the Trust pursuant to the terms of the Trust Indenture and the Administrative Services Agreement; (ii) acting as trustee of the Commercial Trust and (iii) such other activities ancillary to the activities in (i) and (ii) that are necessary to perform the obligations of the Administrator.

The Administrator Shareholder will also waive certain shareholder rights afforded to her under the OBCA, including the right to appoint an auditor, dissent rights and oppression rights. The Voting Agreement requires the Administrator Shareholder to be a director or officer of the Administrator or of a Trust Subsidiary (or a corporation wholly-owned by such director or officer). It also provides the Board with the right, under certain circumstances, to compel the Administrator Shareholder to transfer her shares in the Administrator to the Administrator for cancellation or to a director or officer of the Administrator or of a Trust Subsidiary (or a corporation wholly-owned by such director or officer) designated by the Board, for nominal consideration equal to the original subscription price at which the shares were issued by the Administrator. The Administrator's articles require that all transfers of its shares require the approval of the Board.

DESCRIPTION OF THE TRUST

The following is a summary of the material terms of the Trust Indenture which, together with other summaries of the terms of the Trust Indenture appearing elsewhere in this prospectus, are qualified in their entirety by reference to the text of the Trust Indenture. Reference is made to the Trust Indenture for a complete description of the Units and the full text of its provisions. See "Material Contracts". The Trust Indenture will be available on SEDAR at www.sedar.com under the Trust's profile.

General

The Trust is an unincorporated open-ended limited purpose trust established under the laws of the Province of Ontario on June 11, 2013 pursuant to the Trust Indenture. The Trust was established to acquire all of the CT Units and invest in a portfolio of operational wind and renewable energy assets in the U.S., including the acquisition of an indirect interest in the Projects through Threshold Power. Although the Trust intends to qualify as a "mutual fund trust" under the Tax Act, the Trust will not be a mutual fund under applicable securities laws.

The Trust is a limited purpose trust and the undertaking of the Trust is restricted to investing its funds in property (other than real property or an interest in real property or an immovable or a real right in an immovable). The Trust is also restricted from holding any "non-portfolio property", as defined in the Tax Act, and from taking any action, or acquiring, retaining or holding any investment in any entity or other property that would result in the Trust being a "SIFT trust" or the Trust not being a "mutual fund trust", each as defined in the Tax Act. Subject to the foregoing restrictions, the Trust may acquire, hold, transfer, dispose of, invest in, and otherwise deal with assets, securities (whether debt or equity) and other interests or properties of whatever nature or kind including securities of, or issued by: (i) the Commercial Trust, Can Holdco, Threshold Power or any associate or affiliate thereof, or any other business entity in which the Commercial Trust, Can Holdco or Threshold Power has an interest, direct or indirect; or (ii) any other person involved, directly or indirectly, in the business of, or the ownership, lease or operation of assets or property in connection with, energy related businesses.

Subject to the restrictions contained in the Trust Indenture, including those just noted, the Trustee has the authority to deal with the Trust's property as if it were the beneficial owner of such property, and in particular, may:

(i) hold cash and other short term investments in connection with and for the purposes of the Trust's activities, including paying management, administrative and other expenses of the Trust, paying any amounts required in connection with the redemption of Units and making distributions to Unitholders;

(ii) issue, or provide for the issuance of, debt or equity securities of the Trust, including Units and any other securities of the Trust ("**Other Trust Securities**"), on such terms and conditions and at such time or times as the Trustee may determine, provided recourse shall be limited to the property of the Trust;

(iii) give a guarantee on behalf of the Trust to secure performance of an obligation of another person;

(iv) mortgage, hypothecate, pledge or otherwise create a security interest in all or any movable or immovable, personal or real or other property of the Trust, to secure any obligation of the Trust;

(v) enter into and perform its obligation under the Voting Agreement;

(vi) invest, hold shares, securities, units, beneficial interests, partnership interests, joint venture interests or other interests in any person necessary or useful to carry out the purpose of the Trust;

(vii) redeem or repurchase Units in accordance with the terms set forth in the Trust Indenture;

(viii) make or cause to be made application for the listing or quotation on any stock exchange or market of any Units or Other Trust Securities, and to do all things which in the opinion of the Trustee may be necessary or desirable to effect or maintain such listing or listings or quotation;

(ix) possess and exercise all the rights, powers and privileges pertaining to the ownership of any securities held by the Trust;

(x) to the extent not prohibited by applicable law, to delegate any of the powers and duties of the Trustee to any one or more agents, representatives, officers, employees, independent contractors, subcontractors or other persons (including to the Administrator pursuant to the terms of the Administrative Services Agreement or otherwise) without liability to the Trustee except as provided in the Trust Indenture; and

(xi) do all such other acts and things as are necessary, useful, incidental or ancillary to the foregoing and to exercise all powers and authorities which are necessary, useful, incidental or ancillary to carry on the affairs of the Trust, to promote any purpose for which the Trust is formed and to carry out the provisions of the Trust Indenture.

Units of the Trust

The beneficial interests in the Trust are represented and constituted by one class of units described and designated as "Units". An unlimited number of Units may be issued pursuant to the Trust Indenture. The Trust may also issue an unlimited number of Other Trust Securities. See "Description of the Trust — Other Trust Securities". Upon Closing and the completion of the CT Unit Exchange, there will be ● Units outstanding (or ● Units outstanding if the Over-Allotment Option is exercised in full). See "Consolidated Capitalization". Further, the Trust has entered into Contingent Unit Agreements pursuant to which it has agreed to issue up to a maximum of 1,240,000 Units if certain future events occur. See "Contingent Unit Agreements".

Each Unit represents an equal, undivided beneficial interest in the Trust Property and all Units shall rank equally and ratably with all of the other Units without discrimination, preference or priority.

Unitholders are entitled to receive non-cumulative distributions from the Trust if, as and when declared by the Trust. Units are redeemable on demand by the holders thereof, and may be purchased for cancellation by the Trust through offers made to, and accepted by, such holders. See "Description of the Trust — Redemption at the Option of Unitholders" and "Description of the Trust — Repurchase of Securities". There are no other conversion, retraction, redemption or pre-emptive rights for Unitholders.

On liquidation or termination of the Trust, each Unit shall entitle the Unitholder to participate equally with respect to the distribution of the remaining Trust Property after payment of the Trust's debts, liabilities and liquidation or termination expenses.

Other Trust Securities

In addition to Units, the Trust may issue an unlimited number of Other Trust Securities, the terms of which may be determined by the Trustee or delegated to the Administrator. Other Trust Securities will not represent any beneficial interest in the Trust Property unless and until such securities are converted into Units.

Issuance of Units

The Trust Indenture provides that Units or Other Trust Securities may be created, issued, sold and/or delivered at such times, to such persons, for such consideration and on such terms and conditions as the Trustee or the Administrator determines, including pursuant to any Unitholder rights plan, distribution reinvestment plan, or any compensation plan established by the Trust. The authority to determine the timing and terms of future offerings of Units has been delegated by the Trustee to the Administrator. See "Description of the Trust — Delegation to the Administrator". Units are to be issued by the Trustee only when fully paid in money, property or past services, and they are not to be subject to future calls or assessments, provided that: (i) Units may be issued for consideration payable in installments if the Trust takes security over any such Units for unpaid installments; and (ii) the consideration for any Unit issued by the Trust shall be paid in money or in property or in past services that are not less in value than the fair equivalent of the money that the Trust would have received if the Unit had been issued for money, provided that property shall not include a promissory note or promise to pay given by the allottee. In determining whether property or past services are the fair equivalent of monetary consideration, the Trustee or the Administrator may take into account reasonable charges and expenses of organization and reorganization and payments for property and past services reasonably expected to benefit the Trust, and the resolution of the Trustee or the Administrator allotting and issuing those Units shall express the

fair equivalent in money of the non-cash consideration received. Units may be issued in satisfaction of any non-cash distribution by the Trust to Unitholders on a *pro rata* basis. The Trust Indenture also provides that immediately after any *pro rata* distribution of Units to Unitholders in satisfaction of any non-cash distribution, the number of outstanding Units will be automatically consolidated such that each Unitholder will hold, after the consolidation, the same number of Units as the Unitholder held before the distribution of such additional Units, subject to reduction for payment of applicable withholding taxes. In this case, each certificate representing a number of Units prior to the distribution of additional Units is deemed to represent the same number of Units after the distribution of such additional Units and the consolidation, subject to reduction for payment of applicable withholding taxes.

Limitation on Non-Resident Ownership

The Trust intends to qualify as a "mutual fund trust" under the Tax Act. A trust may lose its status under the Tax Act as a mutual fund trust if it can reasonably be considered that, having regard to all the circumstances, the trust was established or is maintained primarily for the benefit of non-residents of Canada. However, this requirement will generally not apply if all or substantially all of the trust's property is not "taxable Canadian property", as defined in the Tax Act. The Trust anticipates that its property will not be taxable Canadian property. In the event the Trust acquires "taxable Canadian property", the Trust Indenture provides that Non-residents (as such term is defined in the Trust Indenture) may not be the beneficial owners of more than 49% of the outstanding Units, on either a non-diluted or fully diluted basis or on a fair market value basis. It is the responsibility of the Administrator to monitor compliance by the Trust with this non-resident restriction, and to take all such actions as may reasonably be undertaken on behalf of the Trust to cause the Trust to maintain its status as a "mutual fund trust" under the Tax Act. The Administrator has various powers that can be used for the purpose of monitoring and controlling the extent of non-resident ownership of the Units.

U.S. Resident Restrictions

The Trust Indenture provides that at no time prior to the Trust filing a registration statement in accordance with the U.S. Securities Act or registering a class of securities under the United States Securities Exchange Act of 1934, as amended, (other than, in either case, in reliance on the Multijurisdictional Disclosure System between Canada and the U.S.) may more than 50% of the outstanding voting securities of the Trust be beneficially owned by U.S. Residents (as such term is defined in the Trust Indenture). The Trust Indenture also provides that U.S. Residents may be restricted from owning Units or Other Trust Securities to the extent such ownership would cause the Trust to be an investment company and would prevent the Trust from relying on exceptions from the definition of "investment company" and/or exemptions from registration under the U.S. Investment Company Act. It is the responsibility of the Administrator to monitor compliance by the Trust with these U.S. residency restrictions. The Trust Indenture grants the Trustee broad powers to ensure compliance with these U.S. residency restrictions, including refusing to issue securities to U.S. Residents, refusing to register transfers to U.S. Residents, causing U.S. Residents to sell their securities of the Trust into the secondary market within 60 days, or, in certain circumstances, selling securities of the Trust owned by U.S. Residents.

Book Entry Only System

Except as otherwise provided below, Units will be issued in "book entry only" form and must be purchased or transferred through participants in the depositary service of CDS ("**CDS Participants**"), which include securities brokers and dealers, banks and trust companies. On the Closing, the Trust will cause a global certificate or certificates representing the Units to be delivered to, and registered in the name of, CDS. Except as described below, no Unitholder will be entitled to a certificate or other instrument from the Trust or CDS evidencing that holder's ownership of Units, and no Unitholders will be shown on the records maintained by CDS except through a book entry account of a CDS Participant acting on behalf of such holder. Each purchaser acquiring a beneficial interest in a Unit (a "**Beneficial Owner**") will receive a customer confirmation of purchase from the registered dealer from which the Unit is purchased in accordance with the practices and procedures of that registered dealer. The practices of registered dealers may vary, but generally customer confirmations are

issued promptly after execution of a customer order. CDS will be responsible for establishing and maintaining book entry accounts for its CDS Participants having interests in the Units.

Neither the Trust nor the Underwriters will assume any liability for: (i) any aspect of the records relating to the beneficial ownership of the Units held by CDS or the payments relating thereto; (ii) maintaining, supervising or reviewing any records relating to the Units; or (iii) any statement made with respect to CDS and contained in this prospectus and relating to the rules governing CDS or any action to be taken by CDS or at the direction of the CDS Participants. The rules governing CDS provide that it acts as the agent and depositary for the CDS Participants. As a result, CDS Participants must look solely to CDS and Beneficial Owners must look solely to CDS Participants for the payment of the distributions on the Units paid by or on behalf of the Trust to CDS.

As indirect holders of Units, investors should be aware that they (subject to the situations described below): (i) may not have Units registered in their name; (ii) may not have physical certificates representing their interest in the Units; (iii) may not be able to sell the Units to institutions required by law to hold physical certificates for securities they own; and (iv) may be unable to pledge Units as security.

If: (i) CDS resigns or is removed from its responsibilities as depositary with respect to the Units and the Trust is unable or does not wish to locate a qualified successor; or (ii) the Administrator or the Trust, at their option (including to ensure compliance with the Trust Indenture's non-resident ownership limitations or U.S. residency restrictions) elects, or is required by law, to terminate the book entry system; or (iii) Unitholders representing more than 66⅔% of the aggregate votes entitled to be voted at a meeting of Unitholders vote to discontinue the book entry system, then Units will be issued in fully registered form to Unitholders or their nominees.

Transfer of Units

Subject to the non-resident ownership limitations and U.S. residency restrictions described above, Units are transferable at any time and from time to time. Transfers of ownership in the Units will be effected only through records maintained by CDS or its nominee for such Units with respect to interests of CDS Participants, and on the records of CDS Participants with respect to interests of persons other than CDS Participants. Unitholders who are not CDS Participants, but who desire to purchase, sell or otherwise transfer ownership of or other interests in the Units, may do so only through CDS Participants.

Repurchase of Securities

The Trust is entitled, at any time, to offer to purchase Units or Other Trust Securities for cancellation at a price per security and on a basis determined by the Trustee in its discretion, but in compliance with applicable securities legislation and the rules prescribed under applicable stock exchange or regulatory policies. The authority to determine the timing and terms of any such repurchase of Units has been delegated by the Trustee to the Administrator. Any such purchase will constitute an "issuer bid" under Canadian provincial securities legislation and, if not exempt, must be conducted in accordance with the applicable requirements thereof.

Take-over Bids

If there is a take-over bid for all of the outstanding Units (such Units subject to the bid collectively referred to as the "**Bid Units**") and, within 120 days after the date of a take-over bid, the bid is accepted by the holders of not less than 90% of the Bid Units, other than Bid Units held by or on behalf of, or issuable to, the offeror or an affiliate or associate of the offeror, then the offeror is entitled to acquire the Bid Units held by persons who did not accept the take-over bid, with such acquisition to occur on the same terms on which the offeror acquired Bid Units from persons who accepted the take-over bid. Similar provisions apply with respect to a take-over bid for all of any class of Other Trust Securities that are convertible into or exchangeable for Units. The Trust Indenture does not provide a mechanism for Unitholders who do not tender their Units to a take-over bid to apply to a court to fix the fair value of their Units.

Investments

Monies or other property received by the Trust or the Trustee on behalf of the Trust, including the net proceeds of any offering (including this Offering), may be used at any time and from time to time, for any purpose not inconsistent with the Trust Indenture. See "Description of the Trust — General".

The Trust Indenture contains investment restrictions to ensure that the Trust:

(i) complies at all times with the requirements for a "mutual fund trust", as defined in the Tax Act;

(ii) does not take any action, or acquire or hold any investment or other property, that would result in the Trust not being considered a "mutual fund trust" for purposes of the Tax Act;

(iii) does not take any action, or acquire, retain or hold any investment or other property, that would result in the Trust being a "SIFT trust" as defined in the Tax Act; and

(iv) does not acquire or hold any "non-portfolio property", as defined in the Tax Act.

Distributions

The Trust intends to make quarterly distributions to Unitholders of record as of the close of business on the last business day of each calendar quarter which are expected to be paid to Unitholders on or about the last day of the month following the end of each quarter (or if not a business day, the next business day thereafter). The amount of cash available for distribution on a *pro rata* basis per quarter per Unit will be determined in the discretion of the Trust.

Payments of cash distributions on each Unit issued in "book entry only" form will be made by the Trust to CDS or its nominee, as the case may be, as the registered owner of Units, and the Trust understands that such payments will be forwarded by CDS or its nominee, as the case may be, to CDS Participants. As long as CDS or its nominee is the registered owner of Units, CDS or its nominee, as the case may be, will be considered the sole owner of those Units for the purposes of receiving payments on those Units. The responsibility and liability of the Trust in respect of the payment of distributions in respect of the Units is limited to making payment of any income or capital in respect of those Units to CDS or its nominee.

Where the Administrator determines that the Trust does not have cash in an amount sufficient to make payment of the full amount of any distribution which has been declared to be payable, payment of such distribution may, at the option of the Administrator, include the issuance of additional Units, if necessary, having an aggregate value equal to the difference between the amount of such declared distribution and the amount of cash which has been determined by the Administrator to be available for the payment of such distribution. The value of each Unit which is to be issued in payment of distributions shall be the "market price" (as determined in accordance with the provisions of the Trust Indenture). See "Description of the Trust — Issuance of Units". Such additional Units will be issued pursuant to applicable exemptions under applicable securities laws, discretionary exemptions granted by applicable securities regulatory authorities or a prospectus or similar filing.

Redemption at the Option of Unitholders

Units are redeemable at any time or from time to time on demand by the Unitholders thereof upon delivery to the Trustee or transfer agent of the Trust and to CDS (if a global unit certificate has been issued by the Trust) of a duly completed and properly executed notice, in a form reasonably acceptable to the Trustee, requesting redemption, together with written instructions as to the number of Units to be redeemed and together with the certificates, if any, representing Units to be redeemed (if a global unit certificate has not been issued by the Trust). Upon tender of Units by a Unitholder for redemption, all rights to and under the Units tendered for redemption shall immediately cease, provided that the Unitholder thereof shall retain the right to receive distributions thereon which have been declared payable to Unitholders of record prior to the date of tender for redemption (being the date the Trust has, to the satisfaction of the Trustee, received all documents required in connection with the redemption) (the "**Redemption Date**") and the right to receive a price per Unit (the "**Redemption Price**") in cash (subject to the restrictions below) equal to the lesser of: (i) 90% of (a) the volume-weighted average trading price of a Unit traded on the principal stock exchange on which the Units are

listed (or, if the Units are not listed on any such exchange, on the principal market on which the Units are quoted for trading) during the period of the 10 consecutive trading days ending immediately prior to the Redemption Date; (b) if the applicable exchange or market does not provide information necessary to compute a volume-weighted average trading price, an amount equal to the volume-weighted average of the closing prices of a Unit for each of the 10 consecutive trading days occurring immediately prior to the Redemption Date on which there was a closing price; provided that if the applicable exchange or market does not provide a closing price, but only provides the highest and lowest prices of the Units traded on a particular day, the price shall be an amount equal to the volume-weighted average of the average of the highest and lowest prices for each of the 10 consecutive trading days on which there was a trade; and (c) if there was trading on the applicable market or exchange for fewer than five of the 10 consecutive trading days occurring immediately prior to the Redemption Date, the volume-weighted average of the following prices established for each of the 10 trading days: (1) the average of the last bid and last asking prices for each day on which there was no trading; (2) the closing price of the Units for each day that there was trading if the exchange or market provides a closing price; and (3) the average of the highest and lowest prices of the Units for each day that there was trading, if the exchange or market provides only the highest and lowest prices of Units traded on a particular day; and (ii) an amount equal to 100% of (a) the volume-weighted average trading price of a Unit on the Redemption Date, on the principal stock exchange on which Units are listed (or, if the Units are not listed on any such exchange, on the principal market on which the Units are quoted for trading) if the applicable exchange or market provides information necessary to compute a volume-weighted average trading price on such date; (b) the closing price of a Unit if there was a trade on the Redemption Date, and the exchange or market provides only a closing price; (c) the simple average of the highest and lowest prices of Units on the Redemption Date if there was trading on such date and the exchange or market provides only the highest and lowest trading prices of Units traded on a particular day; or (d) the simple average of the last bid and the last ask prices of the Units if there was no trading on the Redemption Date.

The aggregate Redemption Price payable by the Trust in respect of any Units tendered for redemption during any month shall be paid by cheque drawn on a Canadian chartered bank or trust company in lawful money of Canada payable to or to the order of the Unitholder who exercised the right of redemption, on or before the fifth business day after the end of the calendar month following the calendar month in which the Units were tendered for redemption; provided that Unitholders shall not be entitled to receive cash upon the redemption of their Units if: (i) the total amount payable by the Trust in respect of such Units and all other Units tendered for redemption in the same calendar month exceeds C$100,000 (provided that such limitation may be waived at the discretion of the Trustee); (ii) at the time such Units are tendered for redemption, the outstanding Units are not listed for trading on the TSX and are not traded or quoted on any other stock exchange or market which the Trustee considers, in its discretion, provides representative FMV prices for the Units; (iii) the normal trading of Units is suspended or halted on any stock exchange on which the Units are listed (or, if not listed on a stock exchange, on any market on which the Units are quoted for trading) on the Redemption Date or for more than five trading days during the 10 consecutive trading-day period immediately prior to the Redemption Date; or (iv) the Trust or any affiliate of the Trust (including Threshold Power) is, or after such redemption would be, in default under any agreements entered into by the Trust or any of its affiliates, from time to time, which set forth the terms and conditions of any debt financing obtained by the Trust, or by any one of its affiliates (as the case may be), from any person or persons not affiliated with the Trust (and for further certainty, shall include all agreements pertaining to issuances of debentures or other debt securities to the public).

If a Unitholder is not entitled to receive cash upon the redemption of Units as a result of the limitations set forth in the immediately preceding paragraph, then the Redemption Price for each Unit tendered for redemption shall be equal to the FMV of a Unit as determined by the Trustee, in its discretion, and shall, subject to all necessary regulatory approvals, be paid and satisfied by way of a distribution *in specie* of Trust Property (other than CT Units, Can Holdco Shares or securities, including debt securities, of any affiliate of Can Holdco), as determined by the Trustee in its discretion. To the extent that the Trust does not hold Trust Property (other than CT Units, Can Holdco Shares or securities, including debt securities, of any affiliate of Can Holdco) having a sufficient amount outstanding to effect payment in full of the *in specie* Redemption Price, the Trust may effect such payment by issuing notes, being unsecured subordinated promissory notes of the Trust ("**Redemption Notes**").

It is anticipated that the redemption right will not be the primary mechanism for Unitholders to dispose of their Units. The assets of the Trust which may be distributed *in specie* to Unitholders in connection with a redemption will not be listed on any stock exchange and no market is expected to develop in such assets of the Trust. The Trust Property so distributed is expected to be subject to resale restrictions under applicable securities laws and is not expected to be a qualified investment for Registered Plans.

Trustee

Computershare is the Trustee and the transfer agent and registrar for the Units. Subject to the express limitations contained in the Trust Indenture and any grant of certain powers to the Administrator, as administrator of the Trust, the Trustee has full, absolute and exclusive power, control and authority over the Trust Property and over the affairs of the Trust to the same extent as if the Trustee were the sole and absolute beneficial owner of the Trust Property in its own right, and to do all such acts and things as in its discretion are necessary or incidental to, or desirable for, the carrying out of the duties of the Trust created pursuant to the Trust Indenture. The Trustee has no obligation to Unitholders beyond the obligations set out in the Trust Indenture, except as may be mandated by law.

The Trust Indenture provides that the Trustee must discharge its duties honestly, in good faith and in the best interests of the Trust and the Unitholders, and in connection therewith, exercise the degree of care, diligence and skill that a reasonably prudent trustee would exercise in comparable circumstances.

Except as expressly prohibited by law, the Trustee may in its discretion delegate the execution of certain of its authority and powers to the Administrator, as the administrator of the Trust, pursuant to the terms of the Administrative Services Agreement. The Trustee may in its discretion also delegate the execution of certain of its authority and powers to such other persons as are necessary or desirable to carry out and effect the actual management and administration of the duties of the Trustee under the Trust Indenture, without regard to whether such authority is normally delegated by trustees. See "Description of the Trust — Delegation to the Administrator".

The Trustee shall be entitled to make any reasonable decisions, designations or determinations not contrary to the Trust Indenture which it determines are necessary or desirable in interpreting, applying or administering the Trust Indenture, or in administering, managing or operating the Trust. Any Trustee's decisions, designations or determinations made pursuant to the Trust Indenture shall be conclusive and binding upon the Trust and the Unitholders.

The Trustee may resign as Trustee by giving to the Administrator, in its capacity as administrator of the Trust, not less than 90 days prior written notice, unless the Administrator agrees to a shorter period of notice. The Trustee may be removed at any time with or without cause by Ordinary Resolution. The Trustee may also be removed at any time by the Administrator, in its capacity as administrator of the Trust, by notice in writing to the Trustee upon the occurrence of certain events, including where: (i) the Trustee is declared bankrupt or insolvent or enters into liquidation to wind up its affairs, (ii) all of its assets (or a substantial part thereof) are subject to seizure or confiscation, (iii) it becomes incapable or refuses to perform its responsibilities under the Trust Indenture, or (iv) the Trustee at any time ceases to be incorporated under the laws of Canada or a province thereof, to be resident in Canada for the purposes of the Tax Act, or to be authorized and registered under the laws of the Province of Ontario (or such other Province of Canada in which the head office of the Trust or Administrator may from time to time be located) to carry on the business of a trust company.

Any resignation or removal of the Trustee will take effect on the date upon which the last of the following occurs (i) a successor Trustee is appointed or elected pursuant to the Trust Indenture, and (ii) the new successor Trustee has accepted such election or appointment and has legally and validly assumed all obligations of the Trustee under the Trust Indenture. If no successor Trustee has been appointed or elected within 60 days of notice being given by the Trustee of its resignation, approval of an Ordinary Resolution to remove the Trustee, or the giving of notice by the Administrator to remove the Trustee, as the case may be, any Unitholder, the Trustee, the Administrator or any other interested person may apply to a court of competent jurisdiction for the appointment of a successor trustee.

Upon the taking effect of any resignation or removal of the Trustee under the terms of the Trust Indenture, the Trustee shall cease to be a party to the Administrative Services Agreement and the Voting Agreement.

The Trust Indenture provides that the Trustee shall be entitled to rely on and shall have no liability to any Unitholder, holder of Other Trust Securities, or any person for acting or failing to act, in good faith, in relation to any matter relating to the Trust where such action or failure to act is based upon statements from, the opinion or advice of, or information from, auditors, counsel or any valuator, engineer, surveyor, appraiser or other expert, where it is reasonable to conclude that the matter in respect of which such statements are made, or opinion or advice given, ought to be within the expertise of such advisor or expert, provided that the Trustee has satisfied its standard of care in selecting such advisors or experts. The Trustee shall have no liability whatsoever to any Beneficiary or any other person for any obligation, liability or claim arising in connection with, directly or indirectly, the Trust Property or the conduct and undertaking of the affairs of the Trust, including (i) any action or failure to act by the Trustee with respect to its duties, responsibilities, powers, authorities and discretion under the Trust Indenture (including failure to compel in any way any trustee to redress any breach of trust or any failure of the Administrator to perform its duties under, or delegated to it under, the Trust Indenture, the Administrative Services Agreement or any other contract), (ii) any error in judgment, (iii) any matters pertaining to the administration or termination of the Trust, (iv) any environmental liabilities, (v) any action or failure to act by the Administrator or any other person to whom the Trustee has, as permitted by the Trust Indenture, delegated any of its duties, and (vi) any depreciation of, or loss to, the Trust incurred by reason of the retention or sale of any Trust Property; unless such liabilities arise from or out of willful misconduct, fraud or gross negligence. Where the Trustee is held liable to any person, or its property or assets are subject to levy, execution or other enforcement resulting in personal loss to the Trustee in circumstances where there is to be no liability on the Trustee on the basis just described, the Trustee shall be indemnified out of the Trust Property to the full extent of such liability and the costs of any action, suit or proceeding or threatened action, suit or proceeding, including reasonable legal fees and disbursements. The Trust Indenture also contains other customary provisions limiting the liability of the Trustee.

Certain Restrictions on Trustee's Powers

The Trust Indenture provides that after the Closing (i) a change to the Administrative Services Agreement, the Voting Agreement, or any extension thereof, and (ii) the terms of any agreement entered into by the Trust or its affiliates with the Administrator, must be approved by a majority of the Administrator Directors.

The Trust Indenture further provides that the Trustee shall not, without the approval of Unitholders by Ordinary Resolution, (i) vote or instruct on the voting of any share of the Administrator pursuant to the Voting Agreement, including with regard to the election of Administrator Directors, or (ii) appoint or change the auditors of the Trust, except in the event of a voluntary resignation of such auditors.

In addition, the Trust Indenture provides that the Trustee shall not, without the approval of Unitholders by Special Resolution: (i) amend the Trust Indenture, except as permitted by the Trust Indenture (as described under "Amendments to the Trust Indenture" below); (ii) sell, lease, exchange or transfer all or substantially all of the Trust Property, other than (A) pursuant to *in specie* redemptions permitted under the Trust Indenture, (B) in order to acquire CT Units or securities of any affiliate of the Trust or Commercial Trust in connection with pursuing the purpose of the Trust, or (C) in conjunction with an internal reorganization involving the sale, lease, exchange or other transfer of the Trust Property (whether or not involving all or substantially all of the Trust Property) as a result of which the Trust has substantially the same interest, whether directly or indirectly, in the Trust Property that it had prior to the reorganization and, for greater certainty, such reorganization includes an amalgamation, arrangement or merger of the Trust and/or its affiliates with any entities; or (iii) authorize the termination, liquidation or winding up of the Trust, other than at the end of the term of the Trust.

Amendments to the Trust Indenture

Except where otherwise specifically provided in the Trust Indenture, such indenture may only be amended or altered by Special Resolution. The Trustee will be entitled, at its discretion and without the approval of the Unitholders, to make amendments to the Trust Indenture at any time on or prior to the Closing, for any purpose by agreement between the Trustee and the Administrator, and at any time (including after the Closing) for any

of the following purposes: (i) ensuring the Trust continues to comply with applicable laws, regulations, requirements or policies of any governmental or regulatory authority having jurisdiction over the Trustee or the Trust; (ii) providing additional protection for the Unitholders or to obtain, preserve or clarify the provision of desirable tax treatment to Unitholders; (iii) making amendments which, in the opinion of the Trustee, based on the advice of counsel, are necessary or desirable in the interests of the Unitholders as a result of changes in taxation laws or in their interpretation or administration; (iv) making corrections to, or removing or curing any conflicts or inconsistencies between, the provisions of the Trust Indenture or any supplemental indenture and any other agreement to which the Trust is a party, or any prospectus filed with any governmental or regulatory authority with respect to the Trust, or any applicable law or regulation of any jurisdiction, provided that, in the opinion of the Trustee, based on the advice of counsel, the rights of the Unitholders are not materially prejudiced thereby; (v) providing for the electronic delivery by the Trust to Unitholders of documents relating to the Trust (including annual and quarterly reports, including financial statements, notices of Unitholders' meetings and information circulars and proxy related materials) at such time as applicable securities laws have been amended to permit such electronic delivery in place of normal delivery procedures, provided that such amendments, based on the advice of counsel, are not contrary to or do not conflict with such laws; (vi) curing, correcting or rectifying any ambiguities, defective or inconsistent provisions, errors, mistakes or omissions in the Trust Indenture, provided that, in the opinion of the Trustee, based on the advice of counsel, the rights of the Unitholders are not materially prejudiced thereby; (vii) making amendments as are required to undertake an internal reorganization involving the sale, lease, exchange or other transfer of the Trust Property, including an amalgamation, arrangement or merger of the Trust and/or its affiliates with any entities, as a result of which the Trust has substantially the same interest, whether direct or indirect, in the Trust Property that it had prior to the reorganization, provided that in the opinion of the Trustee, based on the advice of counsel, the rights of Unitholders are not materially prejudiced thereby; and (viii) making amendments for any purpose provided that in the opinion of the Trustee, based on the advice of counsel, the rights of Unitholders are not materially prejudiced thereby.

No amendment may be made to modify the voting rights attributable to any Unit or to reduce the fractional undivided beneficial interest in the Trust Property represented by any Unit without obtaining the consent of the holder of such Unit.

Rights of Unitholders

The rights of the Unitholders are set out in the Trust Indenture. A Unitholder of the Trust has all of the material protections, rights and remedies a shareholder of a corporation would have under the OBCA, except as described below.

Many of the provisions of the OBCA respecting the governance and management of a corporation have been incorporated in the Trust Indenture. For example, Unitholders are entitled to exercise voting rights in respect of their holdings of Units in a manner comparable to shareholders of an OBCA corporation, including the right to direct the voting for the election of the Administrator Directors and the appointment of auditors. The Trust Indenture also includes provisions modeled after comparable provisions of the OBCA dealing with the calling and holding of meetings of Unitholders, the quorum for and procedures at such meetings and the right of Unitholders to participate in the decision-making process where certain fundamental actions are proposed to be undertaken. Unlike shareholders of an OBCA corporation, Unitholders do not have a comparable right to make a Unitholder proposal at a general meeting of the Trust. The matters in respect of which Unitholder approval is required under the Trust Indenture are generally less extensive than the rights conferred on the shareholders of an OBCA corporation, but effectively extend to certain fundamental actions that may be undertaken by the Trust and its subsidiary entities. These Unitholder approval rights are supplemented by provisions of applicable securities laws that are generally applicable to issuers (whether corporations, trusts or other entities) that are "reporting issuers" or the equivalent or listed on the TSX.

Unitholders do not have recourse to a dissent right under which shareholders of an OBCA corporation are entitled to receive the fair value of their shares where certain fundamental changes affecting the corporation are undertaken (such as an amalgamation, a continuance under the laws of another jurisdiction, the sale of all or substantially all of its property, a going private transaction or the addition, change or removal of provisions restricting (i) the business or businesses that the corporation can carry on, or (ii) the issue, transfer or ownership

of shares). As an alternative, Unitholders seeking to terminate their investment in the Trust are entitled to redeem their Units, as described under "Description of the Trust — Redemption at the Option of Unitholders".

Similarly, Unitholders do not have recourse to the statutory oppression remedy that is available to shareholders of an OBCA corporation. Such recourse occurs where the corporation undertakes actions that are oppressive, unfairly prejudicial to or disregard the interests of securityholders and certain other parties. Shareholders of an OBCA corporation may apply to a court to order the liquidation and dissolution of the corporation in those circumstances, whereas Unitholders can rely only on the general provisions of the Trust Indenture which permit the winding up of the Trust with the approval of a Special Resolution of the Unitholders. Shareholders of an OBCA corporation may also apply to a court for the appointment of an inspector, subject to court oversight and other investigative procedures, to investigate the manner in which the business of the corporation and its affiliates is being carried on where there is reason to believe that fraudulent, dishonest or oppressive conduct has occurred. By virtue of the right to requisition a meeting of Unitholders, the Trust Indenture allows Unitholders to call meetings to consider the appointment or removal of the Trustee and the Administrator Directors, but does not specifically contemplate the appointment of an inspector. Further, a meeting of Unitholders may be requisitioned in writing by Unitholders representing not less than 20% of all votes entitled to be voted at a meeting of Unitholders, while the equivalent threshold for shareholders of an OBCA corporation who wish to requisition a shareholder meeting is 5%. The OBCA also permits shareholders to bring or intervene in derivative actions in the name of the corporation or any of its subsidiaries, with the leave of a court. The Trust Indenture does not include a comparable right of the Unitholders to commence or participate in legal proceedings with respect to the Trust. See "Risk Factors — Risks Relating to the Trust's Structure and Ownership of Units". The above-mentioned protections, rights and remedies are contained in the Trust Indenture, which will be available on SEDAR at www.sedar.com under the Trust's profile.

Meetings of Unitholders

The Trust Indenture provides that there shall be an annual meeting of the Unitholders for the purpose of: (i) presentation of the financial statements of the Trust for the immediately preceding fiscal year; (ii) appointing the auditors of the Trust for the ensuing year; (iii) directing and instructing the Trustee how to vote (or how to compel the voting), as agent for the Unitholders, pursuant to the Voting Agreement for the election of the Administrator Directors; and (iv) transacting such other business as the Trustee or the Administrator may determine or as may be properly brought before the meeting. Pursuant to the Voting Agreement, the Administrator Shareholder has agreed to vote her shares in the Administrator at the direction of the Unitholders, as communicated by the Trustee as agent for the Unitholders, with regard to, among other things, the election of the Administrator Directors, setting the number of Administrator Directors from time to time and the appointment of an auditor of the Administrator from time to time. See "Voting Agreement".

The Trust Indenture provides that special meetings of Unitholders may be convened at any time and for any purpose by the Trustee and must be convened upon the request of the Administrator or, except in certain circumstances, if requisitioned in writing by Unitholders representing not less than 20% of all votes entitled to be voted at a meeting of Unitholders. A requisition will be required to state in reasonable detail the business proposed to be transacted at the meeting.

Unitholders of record may attend and vote at all meetings of the Unitholders either in person or by proxy. A proxyholder will not be required to be a Unitholder. Two or more persons present in person and being Unitholders or representing, by proxy, Unitholders who hold in the aggregate not less than 10% of all votes entitled to be voted at a meeting of Unitholders shall constitute a quorum for the transaction of business at all such meetings. At any meeting at which a quorum is not present within 30 minutes after the time fixed for the holding of such meeting, the meeting, if convened upon the requisition of the Unitholders, shall be terminated, but in any other case, the meeting will stand adjourned to a day not less than 14 days later and to a place and time as determined by the chairman of the meeting and if at such adjourned meeting a quorum is not present, the Unitholders present either in person or by proxy shall be deemed to constitute a quorum.

Every question submitted to a meeting, other than questions to be decided by Special Resolution, shall, unless a poll vote is demanded, be decided by a show of hands on which every person present and entitled to

vote shall be entitled to one vote. On a poll vote at any meeting of Unitholders, each Unit shall entitle the holder thereof to one vote.

The Trust Indenture contains provisions as to the notice required and other procedures with respect to the calling and holding of meetings of Unitholders. A resolution signed in writing by Unitholders holding a proportion of all the outstanding votes entitled to be voted at a meeting of Unitholders, where such proportion is equal to or greater than the proportion of votes required to be voted in favour of such resolution at a meeting of Unitholders to approve that resolution, is as valid as if it had been passed at a meeting of Unitholders duly called and convened for the purpose of approving that resolution, provided that, if such written resolution is not a unanimous written resolution of the Unitholders, then in addition to the written resolution of the Unitholders, the Administrator Directors must have unanimously approved such resolution whether by written resolution or at a duly convened meeting of the Administrator Directors.

Information and Reports

The Trust Indenture requires the Trustee to furnish to Unitholders, at least 21 days prior to each annual meeting and in accordance with applicable law, the annual consolidated financial statements of the Trust for the most recently ended fiscal year, together with comparative financial statements for the preceding year, if any, and the report of the auditors thereon. In addition, if the Trust is a "reporting issuer" under applicable securities law, the Trustee is also required to furnish to Unitholders, on or before any date prescribed by applicable law, the unaudited quarterly consolidated financial statements of the Trust for a fiscal quarter, together with comparative consolidated financial statements for the same fiscal quarter in the preceding fiscal year, if any. The Trustee is also required, on or before the 90th day in each year or such earlier date as may be required under applicable law, to furnish to Unitholders who received distributions from the Trust in the prior calendar year, such information regarding the Trust required by Canadian law to be submitted to Unitholders for income tax purposes to enable Unitholders to complete their tax returns in respect of the prior calendar year. Under the Administrative Services Agreement, the Trustee has delegated to the Administrator the responsibility to prepare and provide the foregoing information to Unitholders on a timely basis.

Each Unitholder has the right to obtain, on demand and without fee, from the registered office of the Trust a copy of the Trust Indenture and any amendments thereto and minutes of the meetings of Unitholders and any written resolutions of Unitholders passed in lieu of holding a meeting of Unitholders, and will also be entitled to examine a list of Unitholders (subject to providing an affidavit to the Administrator, as administrator of the Trust, similar to the affidavit required under the OBCA for a shareholder to obtain a list of shareholders).

Prior to each meeting of Unitholders, the Administrator, as administrator of the Trust, will provide to the Unitholders (along with notice of the meeting) all information, together with such certifications, as are required by applicable law and by the Trust Indenture to be provided to Unitholders.

Term of the Trust

The Trust has been established for a term ending 21 years after the date of death of the last surviving issue of Her Majesty, Queen Elizabeth II, alive on June 11, 2013. The termination or winding-up of the Trust may also be effected by passage of a Special Resolution authorizing the same.

Delegation to the Administrator

Under the terms of the Trust Indenture, the Trustee is authorized to delegate most of the powers and duties granted to it (to the extent not prohibited by law) to any person as the Trustee may deem necessary or desirable. The Trustee has delegated most of its powers and duties to the Administrator, as administrator of the Trust, pursuant to the terms of the Administrative Services Agreement. Among other things, the Administrative Services Agreement sets forth all of the rights, restrictions and limitations (including, without limitation, limitations of liability and indemnification rights) which pertain to the performance by the Administrator of the duties delegated to it by the Trustee. Pursuant to the terms of the Trust Indenture, those rights, restrictions and limitations also apply in all respects to the Administrator, as administrator of the Trust, in the exercise and performance by it of all powers, duties and authorities conferred upon or delegated to the Administrator under the terms of the Trust Indenture. In the event of a termination of the Administrative Services Agreement, the

Trustee will, until a successor administrator is appointed, perform the duties otherwise to have been performed by the Administrator under the Administrative Services Agreement and the Trust Indenture on the same terms and conditions as they were performed by the Administrator. See "Administrative Services Agreement". The Trust Indenture provides that the Trustee shall have no liability to any Unitholder as a result of the delegation by the Trustee of its powers and duties to the Administrator.

In performing the duties delegated to it, the Administrator must exercise its power and carry out its function honestly, in good faith and in the best interests of the Trust and the Unitholders, and will also be obligated to exercise that degree of care, diligence and skill as would be exercised by a reasonably prudent administrator having responsibilities of a similar nature to those under the Administrative Services Agreement in comparable circumstances. The Administrator will be indemnified by the Trust in respect of their activities on behalf of the Trust, as referred to above, unless the Administrator acts in a manner which constitutes willful misconduct, fraud, gross negligence or breach of its standard of care.

Power of Attorney

Upon becoming a Unitholder, each Unitholder, pursuant to the terms of the Trust Indenture, grants to the Trustee a power of attorney constituting the Trustee, with full power of substitution, as the true and lawful attorney of such Unitholder to act on his behalf, with full power and authority in his name, place and stead, to execute, swear to, acknowledge, deliver, make, file or record (and to take all requisite action in connection with such matters), when, as and where required with respect to: (i) the Trust Indenture and any other instrument required or desirable to qualify, continue and keep in good standing the Trust as a "mutual fund trust" under the Tax Act and to ensure that the Trust is not a "SIFT trust" under the Tax Act; (ii) any instrument, deed, agreement or document in connection with carrying on the affairs of the Trust as authorized in the Trust Indenture, including all conveyances, transfers and other documents required in connection with any disposition of Units; (iii) all conveyances, transfers and other documents required in connection with the dissolution, liquidation or termination of the Trust; (iv) any and all elections, determinations or designations whether jointly with third parties or otherwise, under the Tax Act or any other taxation or other legislation or similar laws of Canada or of any other jurisdiction in respect of the affairs of the Trust or of a Unitholder's interest in the Trust; (v) any instrument, certificate and other documents necessary or appropriate to reflect and give effect to any duly authorized amendment to the Trust Indenture; and (vi) all transfers, conveyances and other documents required to facilitate the acquisition of Units or Other Trust Securities of non-tendering offerees in the event of a take-over bid, pursuant to the Trust Indenture.

Each Unitholder agrees that the power of attorney is, to the extent permitted by applicable law, irrevocable, is a power coupled with an interest, and shall survive the death, mental incompetence, disability and any subsequent legal incapacity of the Unitholder and shall survive the assignment by the Unitholder of all or part of the Unitholder's interest in the Trust and will extend to and bind the heirs, executors, administrators and other legal representatives and successors and assigns of the Unitholder. Each Unitholder agrees to be bound by any representations or actions made or taken by the Trustee or its delegate pursuant to the power of attorney and waives any and all defences which may be available to contest, negate or disaffirm any actions taken by the Trustee or its delegate in good faith under the power of attorney.

DESCRIPTION OF THE COMMERCIAL TRUST

General

The Commercial Trust is an unincorporated open-ended limited purpose trust established under the laws of the Province of Ontario on February 24, 2012 pursuant to the Commercial Trust Indenture. The Commercial Trust was established to invest in a portfolio of operational wind and renewable energy assets in the U.S., including the acquisition of an indirect interest in the Projects through its indirect, wholly-owned subsidiary Threshold Power.

Trustee

Computershare was appointed the initial trustee, and is currently the trustee, of the Commercial Trust.

Pursuant to the terms of an administrative services agreement between the Commercial Trust and the Administrator, the trustee delegated most of the administrative and governance functions relating to the Commercial Trust to the Administrator. Pursuant to the administrative services agreement between the Commercial Trust and the Administrator, the Administrator performs administrative, advisory, operational, technical and governance services as may be required to administer the operations of the Commercial Trust. The Administrator will receive no fees in consideration of the services it provides under the administrative services agreement with the Commercial Trust, however the Administrator will be entitled to the reimbursement of all costs and expenses reasonably incurred by the Administrator in carrying out its obligations and duties under the administrative services agreement and the Commercial Trust Indenture. It is expected that prior to or immediately following the Closing, Computershare will resign as trustee of the Commercial Trust and the Administrator will be appointed as trustee of the Commercial Trust.

CT Units

The beneficial interests in the Commercial Trust are represented and constituted by one class of units, being the CT Units.

Each CT Unit entitles the holder of such CT Unit (“**CT Unitholder**”) to receive notice of and vote at any meeting of CT Unitholders or in respect of written resolutions of the CT Unitholders. Holders of CT Units are entitled to receive non-cumulative distributions from the Commercial Trust if, as and when declared by the Commercial Trust. CT Units are redeemable on demand by the holders thereof, and may be purchased for cancellation by the Commercial Trust through offers made to, and accepted by, such holders. There are no other conversion, retraction, redemption or pre-emptive rights for holders of CT Units.

On liquidation or termination of the Commercial Trust, each CT Unit entitles the CT Unitholder to participate equally with respect to the distribution of the remaining property after payment of the Commercial Trust’s debts, liabilities and liquidation or termination expenses.

Reorganization of Commercial Trust

Between February 24, 2012 and January 10, 2013, the Commercial Trust issued 4,273,895 CT Units to the Private Placement Investors.

In connection with, and immediately prior to, the CT Unit Exchange, 130,000 of the issued and outstanding CT Units will be purchased by the Trust. Immediately following such purchase, all of the remaining outstanding CT Units will be acquired by the Trust in exchange for Units pursuant to the CT Unit Exchange. See “Prior Sales — Prior Sales of Commercial Trust Units” and “CT Unit Exchange”.

DESCRIPTION OF CAN HOLDCO

General

Can Holdco is a corporation formed under the laws of the Province of Ontario on April 2, 2012. The sole shareholder of Can Holdco is the Commercial Trust. Can Holdco was created to form, acquire and hold all of the issued and outstanding Threshold Power Shares and receive distributions on such shares, and to make distributions to the Commercial Trust, to the extent possible.

Governance

On Closing, the directors of Can Holdco will be Susan Nickey and Peter Kampian, and the executive officers of Can Holdco will be the same as the executive officers of the Administrator.

Distributions

The dividends or returns of capital of Can Holdco are amounts determined in the discretion of Can Holdco’s board of directors, subject to applicable corporate law. The board of Can Holdco intends to make quarterly cash distributions, funded by distributions received by Can Holdco from Threshold Power, to the Commercial Trust so as to facilitate the Trust’s quarterly cash distributions to Unitholders.

DESCRIPTION OF THRESHOLD POWER

General

Threshold Power is a corporation formed under the laws of the State of Delaware on April 5, 2012, and is the operating company for the Trust's U.S. business. The sole shareholder of Threshold Power is Can Holdco. Threshold Power seeks to acquire indirect interests in operational renewable energy projects located in the U.S., and, depending upon the interests acquired, seeks to maximize the value of such interests. Threshold Power owns all of the interests in Wind I, a Delaware limited liability company.

Governance

The directors of Threshold Power are Susan Nickey, Martin Crotty and Peter Kampian.

Distributions

The cash required to fund distributions to Unitholders will be funded from three sources — interest payments by Threshold Power on the Threshold Power Note that will be held by the Trust, principal payments by Threshold Power on the Threshold Power Note that will be held by the Trust, and distributions on the Threshold Power Shares held by Can Holdco which will then be distributed by Can Holdco to the Commercial Trust on the Can Holdco Shares held by the Commercial Trust. The dividends or returns of capital paid by Threshold Power to Can Holdco are amounts determined at the discretion of the Threshold Power board of directors, subject to applicable corporate law. The board of directors of Threshold Power intends to make quarterly cash distributions to Can Holdco to facilitate the Trust's quarterly cash distributions to Unitholders.

The Threshold Power Note

The following is a summary of the material attributes and characteristics of the Threshold Power Note. This summary is qualified in its entirety by reference to the provisions of the Threshold Power Note. The Threshold Power Note will be available on SEDAR at www.sedar.com.

The Threshold Power Note will be issued to Can Holdco in connection with the loan by Can Holdco of a portion of the proceeds from the Offering to Threshold Power. Immediately following the issuance of the Threshold Power Note by Threshold Power to Can Holdco, the Threshold Power Note will be distributed by Can Holdco to the Commercial Trust and by the Commercial Trust to the Trust, so that the Threshold Power Note will be held by the Trust.

Interest

Except as described below, the Threshold Power Note will bear interest at the rate of 7.5%, payable quarterly, in arrears, with such payment to be made within 20 days of the end of each month or such earlier date as the principal balance outstanding and all accrued and unpaid interest is payable by Threshold Power to the holder of the Threshold Power Note. The Threshold Power Note will mature 10 years after issuance with principal payments amortized over 10 years starting in the first year during which the Threshold Power Note is outstanding. The terms of the Threshold Power Note will also permit Threshold Power to repay all or any portion of the principal amount outstanding under the Threshold Power Note from time to time, together with accrued and unpaid interest and a make-whole amount or prepayment penalty calculated in accordance with the terms of the Threshold Power Note. The Threshold Power Note may be refinanced after 10 years for a period of an additional seven years.

Payment upon Maturity

Except as described above and as otherwise provided under the Threshold Power Note, on maturity Threshold Power will repay the Threshold Power Note by paying to the holder of the Threshold Power Note the principal amount of the outstanding Threshold Power Note which has then matured, together with accrued and unpaid interest thereon.

Additional Covenants

The Threshold Power Note will require Threshold Power to ensure that the consolidated indebtedness of Threshold Power (including amounts outstanding under the Credit Facilities) does not at any time exceed 65% of the consolidated Threshold Power's total capitalization of Borrower over two consecutive quarters. The terms of the Threshold Power Note prohibit it from being distributed to the public.

Subordination/Security

Payment of the principal amount and interest on the Threshold Power Note will be subordinated in right of payment to the prior payment in full of the principal of, accrued and unpaid interest on, and all other amounts owing in respect of all senior indebtedness, which will be defined as all indebtedness, liabilities and obligations of Threshold Power (other than trade payables) that, by the terms of the instrument creating or evidencing the same, is not expressed to rank in right of payment in subordination to or *pari passu* with the indebtedness evidenced by the Threshold Power Note, and will include the Credit Facilities. The Threshold Power Note will rank *pari passu* with Threshold Power's trade payables. The Threshold Power Note will provide that upon any distribution of the assets of Threshold Power in the event of any dissolution, liquidation, reorganization or other similar proceedings relative to Threshold Power, the holders of all such senior indebtedness will be entitled to receive payment in full before the holder of the Threshold Power Note is entitled to receive any payment.

Default

The Threshold Power Note will provide that any of the following shall constitute an event of default: (i) default in payment of the principal of the Threshold Power Note when the same becomes due and the continuation of such default for a period of 10 business days; (ii) default in payment of any interest due on the Threshold Power Note and continuation of such default for a period of 15 business days; (iii) default in the observance or performance of any other covenant or condition of the Threshold Power Note and continuance of such default for a period of 30 days after notice in writing has been given by the holder of the Threshold Power Note specifying such default and requiring the Threshold Power to rectify the same; (iv) if there occurs, with respect to any issue of indebtedness of Threshold Power having an outstanding principal amount of U.S.$10 million or more, an event of default that has caused the holder thereof to declare such indebtedness to be due and payable prior to its maturity and such indebtedness has not been discharged in full or such acceleration has not been rescinded or annulled within 30 days of such acceleration; and (v) certain events of dissolution, liquidation, reorganization or other similar proceedings relative to Threshold Power.

DESCRIPTION OF WIND I

General

Wind I is a limited liability company formed under the laws of the State of Delaware. The sole shareholder of Wind I is Threshold Power. Wind I was organized to acquire a portfolio of wind and other renewable energy assets in the U.S., including the acquisition of indirect interests in the Projects through the Portfolio Entities. The operations of the Portfolio Entities will form the entire business of Wind I.

Governance

Wind I is a member-managed limited liability company, and Threshold Power is its sole member.

Distributions

Wind I will make quarterly distributions to Threshold Power of its cash after making any required payments pursuant to the Credit Agreement. Wind I will receive cash distributions from the Portfolio Entities within two business days of them receiving cash from the Project LLCs (less any amount required to pay the costs and expenses of the Portfolio Entities).

PLAN OF DISTRIBUTION

The Offering consists of ● Units (● Units if the Over-Allotment Option is exercised in full). See "Description of the Trust" for a description of the attributes of the Units.

Pursuant to the Underwriting Agreement, the Trust has agreed to issue and sell and the Underwriters have agreed to purchase on ● , or on such other date as may be agreed upon among the parties thereto, but in any event no later than ● , the ● Units qualified for distribution under this prospectus pursuant to the Offering at a price of C$10.00 per Unit for a total consideration of C$ ● payable in cash to the Trust against delivery of certificates representing such Units.

The offering price of the Units to be issued pursuant to the Offering was determined by negotiation between the Administrator, on behalf of the Trust, and the Underwriters. The Trust has agreed to pay a fee to the Underwriters in the amount of C$0.60 per Unit issued pursuant to the Offering, being an aggregate fee of C$ ● (C$ ● if the Over-Allotment Option is exercised in full). The Underwriter's fee is payable on Closing.

The Underwriters propose to offer the Units initially at the offering price specified on the cover page of this prospectus. After the Underwriters have made a reasonable effort to sell all of the Units at the price specified on the cover page, the offering price may be decreased and may be further changed from time to time to an amount not greater than that set out on the cover page. If the offering price of the Units to be issued under the Offering is reduced, the compensation received by the Underwriters will be decreased by the amount that the aggregate price paid by purchasers for the Units is less than the gross proceeds paid by the Underwriters to the Trust for such Units. Any such reduction in price will not affect the proceeds received by the Trust.

The obligations of the Underwriters under the Underwriting Agreement are several and not joint, and may be terminated at their discretion on the basis of their assessment of the state of the financial markets and may also be terminated upon the occurrence of certain stated events. If an Underwriter fails to purchase the Units which it has agreed to purchase, the remaining Underwriter(s) may terminate their obligation to purchase their allotment of Units, or may, but are not obligated to, purchase the Units not purchased by the Underwriter or Underwriters which fail to purchase. The Underwriters are, however, obligated to take up and pay for all of the Units if any of the Units are purchased under the Underwriting Agreement. The Underwriting Agreement also provides that the Trust, the Administrator, Can Holdco and Threshold Power will jointly and severally indemnify the Underwriters, their respective affiliates and each of their respective directors, officers, employees, partners, shareholders, agents and each other person, if any, controlling an Underwriter or any of its subsidiaries and each shareholder of the Underwriter against certain liabilities, claims, actions, complaints, losses, costs, fines, penalties, taxes, interest, damages and expenses. The Administrator, as the promoter of the Trust, has provided a separate, similar indemnity as to certain matters, including to breaches by, or misrepresentations relating to, the Administrator.

The Offering is being made in each of the provinces and territories of Canada. The Units to be issued pursuant to the Offering will be offered in each of the provinces and territories of Canada through those Underwriters or their affiliates who are registered to offer such Units for sale in such provinces and territories and such other registered dealers as may be designated by the Underwriters. Subject to applicable law and the provisions of the Underwriting Agreement, the Underwriters may offer such Units outside of Canada.

In addition, the Trust has granted to the Underwriters the Over-Allotment Option to purchase up to an additional ● Units, representing up to 15% of the Offering, at a price of C$10.00 per Unit on the same terms and conditions as the Offering, exercisable in whole or in part, from time to time, not later than the 30th day following the Closing, to cover over-allotments, if any, and for market stabilization purposes. If the Over-Allotment Option is exercised in full, the total price to public, Underwriters' fee and net proceeds to the Trust in respect of the Offering (before deducting expenses of the Offering) will be C$ ● , C$ ● and C$ ● respectively. The net proceeds to be received by the Trust pursuant to the exercise of the Over-Allotment Option are expected to be provided to Threshold Power, in the same manner as the net proceeds of the Offering, and used by Threshold Power to pursue and fund additional acquisitions and for general corporate purposes, in amounts deemed appropriate by the Administrator. A purchaser who acquires Units forming part of the Underwriters' over-allotment position acquires those Units under this prospectus

regardless of whether the over-allotment position is ultimately filled through exercise of the Over-Allotment Option or secondary market purchases. This prospectus also qualifies for distribution the Over-Allotment Option and the issuance of the additional Units pursuant to the exercise of the Over-Allotment Option.

The Units offered hereby to be issued pursuant to the Offering have not been, and will not be, registered under the U.S. Securities Act, or the securities laws of any state or other U.S. jurisdiction, and may not be offered or sold within the United States absent registration or pursuant to an applicable exemption from the registration requirements of the U.S. Securities Act, and applicable securities laws of any state or other U.S. jurisdiction. Accordingly, except to the extent permitted by the Underwriting Agreement and except for offers and sales made by the Trust pursuant to an available exemption from registration requirements of the U.S. Securities Act, the Units to be issued pursuant to the Offering may not be offered or sold within the United States. Each Underwriter has agreed that it will not offer or sell Units within the United States, except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws. The Underwriting Agreement provides that the Underwriters may re-offer and re-sell the Units that they have acquired pursuant to the Underwriting Agreement in the United States to "qualified institutional buyers" (as defined by Rule 144A under the U.S. Securities Act) or to institutional "accredited investors" (as defined by Rule 501 under the U.S. Securities Act), both pursuant to Regulation D under the U.S. Securities Act. The Underwriting Agreement also provides that the Underwriters will offer and sell the Units outside of the United States in accordance with Regulation S under the U.S. Securities Act. In addition, until 25 days after the commencement of the Offering, an offer or sale of the Units within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act, unless such offer is made pursuant to an exemption from registration under the U.S. Securities Act. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any Units in the United States, or to a U.S. person (as such terms are defined in Regulation S under the U.S. Securities Act).

Prior to the Offering, there has been no public market for the Units. The sale of a substantial amount of the Units in the public market after the Offering, or the perception that such sales may occur, could adversely affect the prevailing market price of the Units.

Subscriptions for Units comprising the Offering will be received subject to rejection or allotment in whole or in part and the Underwriters reserve the right to close the subscription books at any time without notice. One or more certificates representing the Units to be sold in the Offering will be issued in registered form to CDS, or to its nominee, and deposited with CDS on the Closing Date. A purchaser of Units comprising the Offering will receive only a customer confirmation from the registered dealer from or through which the Units are purchased. The Units comprising the Offering (other than any Units transferable or issuable, as applicable, upon exercise of the Over-Allotment Option) are to be taken up by the Underwriters, if at all, on or before a date not later than 42 days after the date of the final receipt for this prospectus.

The Trust will file an undertaking with the securities regulatory authorities in each of the provinces and territories of Canada in accordance with sections 6.1 and 6.4 of National Policy 41-201 — *Income Trusts and Other Indirect Offerings* ("**NP 41-201**") pursuant to which it will agree that, among other things: (i) in complying with its reporting issuer obligations, it will treat all operating entities (as such term is used in NP 41-201) of the Trust as subsidiaries of the Trust; however, if IFRS as used by the Trust prohibits the consolidation of financial information of any of the Trust's operating entities and the Trust, then for as long as any such operating entity (including any of its significant interests) represents a significant asset of the Trust, the Trust will provide Unitholders with separate audited annual financial statements and interim financial reports prepared in accordance with the same IFRS as the Trust's financial statements, and related management's discussion and analysis, prepared in accordance with National Instrument 51-102 — *Continuous Disclosure Obligations* or its successor, for each such operating entity (including information about an of its significant business interest; and (ii) it will take appropriate measures to require each person who would be required as an insider of such operating entities or a person or company in a special relationship with such operating entities if such operating entities were a reporting issuer, to file insider reports about trades in Units (including securities which are exchangeable into Units) and to comply with statutory prohibitions against insider trading. The Trust will also agree to annually certify it has complied with such undertaking and to file such certification electronically on SEDAR at www.sedar.com, concurrent with the filing of its annual consolidated financial statements.

Price Stabilization, Short Positions and Passive Market Making

In connection with the Offering, the Underwriters may over-allocate or effect transactions which stabilize or otherwise affect the market price of the Units at levels other than those which otherwise might prevail on the open market, including: stabilizing transactions; short sales; purchases to cover positions created by short sales; imposition of penalty bids; and syndicate covering transactions.

Stabilizing transactions consist of bids or purchases made for the purpose of preventing or retarding a decline in the market price of the Units while the Offering is in progress. These transactions may also include making short sales of the Units, which involve the sale by the Underwriters of a greater number of Units than they are required to purchase in the Offering. Short sales may be “covered short sales”, which are short positions in an amount not greater than the Over-Allotment Option, or may be “naked short sales”, which are short positions in excess of that amount.

The Underwriters may close out any covered short position either by exercising the Over-Allotment Option, in whole or in part, from time to time, or by purchasing Units in the open market or as otherwise permitted by applicable law.

In making this determination, the Underwriters will consider, among other things, the price of Units available for purchase in the open market compared with the price at which they may purchase Units through the Over-Allotment Option. The Underwriters must close out any naked short position by purchasing Units in the open market or as otherwise permitted by applicable law. A naked short position is more likely to be created if the Underwriters are concerned that there may be downward pressure on the price of the Units in the open market that could adversely affect investors who purchase in the Offering. Any naked short sales will form part of the Underwriters’ over-allotment position.

In addition, in accordance with rules and policy statements of certain Canadian securities regulators, the Underwriters may not, at any time during the period of distribution, bid for or purchase Units. The foregoing restriction is, however, subject to exceptions where the bid or purchase is not made for the purpose of creating actual or apparent active trading in, or raising the price of, the Units. These exceptions include a bid or purchase permitted under the by-laws and rules of applicable regulatory authorities and the TSX, including the Universal Market Integrity Rules for Canadian Marketplaces, relating to market stabilization and passive market making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution.

As a result of these activities, the price of the Units may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the Underwriters at any time. The Underwriters may carry out these transactions on any stock exchange on which the Units are listed, in the over-the-counter market, or as otherwise permitted by applicable law.

Restrictions on the Sales of Units of the Trust

Restrictions on the Trust

Under the Underwriting Agreement, the Administrator Directors and Management have agreed not to offer or sell, contract to offer or sell, or enter into an arrangement to offer or sell any Units or other securities of the Trust, or securities convertible into, exchangeable for, or otherwise exercisable to acquire any securities of the Trust in connection with financing transactions at any time until the later of (i) 180 days following the Closing and (ii) the date of the Cash Flip Point for Cedar Creek LLC, without the prior written consent of the Lead Underwriters, which consent shall not be unreasonably withheld, conditioned or delayed.

Restrictions on Certain Unitholders

On Closing, the Underwriters will enter into Lock-up Agreements with the Locked-up Unitholders which, in the aggregate hold, 425,781 Units, representing approximately • % of the outstanding Units on a fully-diluted basis on the Closing Date. As of the date of this prospectus, Locked-up Unitholders do not hold any Units. Pursuant to the Lock-up Agreements, the Locked-up Unitholders have agreed not to offer or sell, contract or offer to sell, or enter into an arrangement to offer or sell any Units or other securities of the Trust, or

securities convertible into, exchangeable for, or otherwise exercisable to acquire any securities of the trust for the Lock-up Periods as follows without the prior written consent of the Lead Underwriters, which consent shall be unreasonable withheld, conditioned or delayed:

- 12,500 Units issued to Susan Nickey, 5,000 Units issued to Martin Crotty and all other Units issued to non-Management holders of CT Units pursuant to the CT Unit Exchange will be subject to a Lock-up Period ending on the later of (i) 180 days following the Closing, and (ii) the date of the Cash Flip Point for Cedar Creek LLC;
- the remaining Units received by members of Management pursuant to the CT Unit Exchange will be subject to a Lock-up Period which shall expire in respect of one-third of the locked-up Units on each of the first three anniversary dates of the Closing; and
- 50,000 Units to be received by Susan Nickey and Martin Crotty in connection with the successful completion of the Offering will be subject to a Lock-up Period ending on the third anniversary of the Closing.

See "Existing Unitholder Arrangements".

FIDUCIARY RESPONSIBILITY OF THE ADMINISTRATOR

The Administrator, as administrator of the Trust, will have a duty to administer the Trust in a manner beneficial to the Unitholders thereof. As well, the Administrator Directors and officers of the Administrator will have fiduciary obligations in that capacity to the Unitholders of the Trust and the directors and officers of each Trust Subsidiary will have fiduciary obligations in that capacity to such Trust Subsidiary, respectively. Situations may arise in which the interests of the Trust and its affiliates and associates may conflict with the interests of the Administrator, and the directors of the Trust Subsidiaries and the Administrator Directors will be obligated to resolve such conflicts.

PROMOTER

The Administrator may be considered to be the promoter of the Trust in that it directly took the initiative in founding and organizing the Trust and its affiliates. The Administrator will not own, directly or indirectly, any Units on the Closing Date. See Trustee, Directors and Management — The Administrator" and "Risk Factors".

The Administrator has only nominal assets, other than its rights under the Administrative Services Agreement. Pursuant to the Administrative Services Agreement, the Administrator provides administrative and support services for the Trust, for which it receives no fees. See "Administrative Services Agreement", "Administrative Services Agreement — Fees and Expenses" and "Risk Factors".

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

There is no material interest, direct or indirect, of: (i) any Administrator Director or executive officer of the Administrator; (ii) any person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the Units; or (iii) any associate or affiliate of the persons or companies referred to above in (i) or (ii), in any transaction within the three years before the date of this prospectus that has materially affected or is reasonably expected to materially affect the Trust or a subsidiary of the Trust. See "Administrative Services Agreement".

PRINCIPAL CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Bennett Jones LLP, Canadian counsel to the Trust, and Borden Ladner Gervais LLP, Canadian counsel to the Underwriters, the following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations under the Tax Act generally applicable to an individual (other than a trust) who acquires Units pursuant to this prospectus and who, for the purposes of the Tax Act and at all relevant times, is resident in Canada, deals at arm's length with and is not affiliated with the Trust, and holds the Units as capital property (in this section of the prospectus, referred to as a "**Resident Holder**"). A Unit will generally be capital property to a holder provided that the holder does not hold the Unit in the course of

carrying on a business and has not acquired the Unit in a transaction or transactions considered to be an adventure or concern in the nature of trade. Certain holders resident in Canada whose Units might not otherwise qualify as capital property may, in certain circumstances, be entitled to make the irrevocable election under subsection 39(4) of the Tax Act to have such Units and any other "Canadian security" (as defined in the Tax Act) owned by such holders in the taxation year in which the election is made, and in all subsequent taxation years, deemed to be capital property. Holders should consult their own tax advisors regarding their particular circumstances.

This summary is based on the current provisions of the Tax Act and the regulations thereunder, all specific proposals to amend the Tax Act and the regulations thereunder publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Proposed Amendments**") and counsel's understanding of the current published administrative practices and assessing policies of the Canada Revenue Agency ("**CRA**"), and relies upon advice, including in the form of a certificate, from an officer of the Administrator as to certain factual matters. This summary assumes that the Proposed Amendments will be enacted in the form proposed, although no assurance can be given that the Proposed Amendments will be enacted in the form proposed or at all. Except for the Proposed Amendments, this summary does not take into account or anticipate any changes in law or administrative practice, whether by judicial, legislative, governmental or administrative decisions or action, nor does it take into account provincial, territorial or foreign income tax legislation or considerations, which may differ significantly from the Canadian federal income tax considerations discussed herein.

This summary is of a general nature only and is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in Units. The tax consequences of acquiring, holding and disposing of Units will vary according to the status and circumstances of the particular purchaser of Units. This summary is not intended to be, nor should it be construed to be, legal or tax advice to any particular purchaser and no representations with respect to the income tax consequences to any particular purchaser of Units are made. Accordingly, prospective investors of Units should consult their own tax advisors about the tax consequences to them of acquiring, holding and disposing of Units in their own circumstances.

Status of the Trust

This summary assumes the Trust will qualify at all times as a "mutual fund trust" within the meaning of the Tax Act, and that the Trust will validly elect under the Tax Act to be a "mutual fund trust" from the date it was established. The Administrator has advised counsel that it intends to ensure that the Trust will meet the requirements necessary for it to qualify as a "mutual fund trust" no later than the Closing, and at all times thereafter, and to file the necessary election so that the Trust will qualify as a "mutual fund trust" throughout its first taxation year.

If the Trust were not to qualify as a "mutual fund trust" at all times, the income tax considerations would be materially and adversely different from those described below.

This summary also assumes that the Trust will not at any time be a "SIFT trust" (as defined in the Tax Act). Provided the Trust does not hold any "non-portfolio property" (as defined in the Tax Act), it will not be a "SIFT trust". The investment restrictions set out in the Trust Indenture, the Commercial Trust Indenture and the articles of Can Holdco preclude the Trust, the Commercial Trust and Can Holdco, respectively, from owning "non-portfolio property". If the Trust were to become a "SIFT trust", the income tax considerations would, in some respects, be materially and adversely different from those described below.

Taxation of the Trust

The Trust will be deemed to be an individual for tax purposes and will be taxable under Part I of the Tax Act on its income in the same manner as an individual, subject to specific rules in the Tax Act applicable to trusts and mutual fund trusts.

The Trust will be deemed to have a December 31st taxation year-end. In computing its income for a taxation year, the Trust will be required to include any interest on the Threshold Power Note that accrues to the Trust to the end of the year, or that becomes receivable or is received before the end of the year, except to the

extent that such interest was included in computing its income for a preceding taxation year. In addition, in computing its income for a taxation year, the Trust will be required to include such amount of the Commercial Trust's income for purposes of the Tax Act, including any net taxable capital gains of the Commercial Trust, as is paid or becomes payable to the Trust in the year in respect of its CT Units. In computing its income for a taxation year, the Trust will also be required to include any net taxable capital gains realized by the Trust in the year.

Amounts received by the Trust from the Commercial Trust as a return of capital on the CT Units will generally not be taxable to the Trust; however, the adjusted cost base to the Trust of the CT Units on which such distribution is received will be reduced by the amount of any such distribution received. To the extent the adjusted cost base of the CT Units held by the Trust would otherwise be a negative amount, the Trust will be deemed to have realized a capital gain equal to the absolute value of such negative amount at that time.

In computing its income for a taxation year, the Trust will generally be entitled to deduct reasonable administrative costs and other expenses incurred by it in the year for the purpose of earning income, to the extent such costs or expenses do not constitute outlays or expenses on account of capital. Costs incurred by the Trust in the course of issuing Units may generally be deducted by the Trust over a period of five years on a straight-line basis.

In computing its income for a taxation year, the Trust will also be entitled to deduct an amount, not exceeding the amount that would otherwise be its income for the year, that became payable in the year to Unitholders in respect of their Units. For these purposes, an amount will be considered to become payable to a Unitholder in a year if it is paid to the Unitholder in the year or if the Unitholder is entitled in that year to enforce payment of the amount. Counsel has been advised by the Administrator that the Trust intends to distribute or make payable to Unitholders, in each taxation year of the Trust, an amount equal to the income of the Trust for the year together with the taxable and non-taxable portion of any capital gains realized by the Trust in the year, which amount will be paid to Unitholders in cash and/or Reinvested Units in accordance with the Trust Indenture.

Taxation of the Commercial Trust

The Commercial Trust will be deemed to be an individual for tax purposes and will be taxable under Part I of the Tax Act on its income in the same manner as an individual, subject to specific rules in the Tax Act applicable to trusts.

The Commercial Trust will be deemed to have a December 31st taxation year-end. In computing its income for a taxation year, the Commercial Trust will be required to include any dividends received by it in the year from Can Holdco on the Can Holdco Shares and any net taxable capital gains realized by the Commercial Trust in the year.

Amounts received by the Commercial Trust from Can Holdco as a return of paid-up capital on the Can Holdco Shares will generally not be taxable to the Commercial Trust; however, the adjusted cost base to the Commercial Trust of the Can Holdco Shares on which such distribution is received will be reduced by the amount of any such distribution received. To the extent the adjusted cost base of the Can Holdco Shares held by the Commercial Trust would otherwise be a negative amount, the Commercial Trust will be deemed to have realized a capital gain equal to the absolute value of such negative amount at that time.

In computing its income for a taxation year, the Commercial Trust will generally be entitled to deduct reasonable administrative costs and other expenses incurred by it in the year for the purpose of earning income, to the extent such costs or expenses do not constitute outlays or expenses on account of capital.

In computing its income for a taxation year, the Commercial Trust will also be entitled to deduct an amount, not exceeding the amount that would otherwise be its income for the year, that became payable in the year to the Trust in respect of its CT Units. For these purposes, an amount will be considered to become payable to the Trust in a year if it is paid to the Trust in the year or if the Trust is entitled in that year to enforce payment of the amount.

Counsel has been advised by the Administrator that the Commercial Trust intends to distribute or make payable to the Trust, in each taxation year of the Commercial Trust, an amount equal to the income of the Commercial Trust for the year, together with the taxable and non-taxable portion of any capital gains realized by the Commercial Trust in the year.

Taxation of Can Holdco

Can Holdco will generally have a taxation year-end that is based on its fiscal year-end. Can Holdco's income will include dividends received by it on the Threshold Power Shares, discussed below. In computing its income for a taxation year, Can Holdco will generally be entitled to deduct reasonable administrative costs and other expenses incurred by it in the year for the purpose of earning income, to the extent such costs or expenses do not constitute outlays or expenses on account of capital.

Can Holdco will be required to include in its income for a taxation year any dividends received by it in the year on the Threshold Power Shares. Under the Proposed Amendments, since Threshold Power will be a "foreign affiliate" of Can Holdco, distributions received by Can Holdco from Threshold Power on the Threshold Power Shares will generally be deemed to be dividends (except distributions made in the course of a liquidation and dissolution of Threshold Power or on a redemption, acquisition or cancellation of Threshold Power Shares by Threshold Power).

In computing its taxable income, Can Holdco will generally be entitled to a deduction in respect of a portion or the entire amount of dividends received by it on the Threshold Power Shares. The nature and extent of the deduction will depend on whether the dividend is prescribed to have been paid out of Threshold Power's "exempt surplus", "taxable surplus" or "pre-acquisition surplus" (or, under the Proposed Amendments, "hybrid surplus") (as such terms are defined in the Tax Act and the Proposed Amendments). Can Holdco will be entitled to a deduction equal to that portion of any dividend that is prescribed to have been paid out of Threshold Power's "exempt surplus". Dividends prescribed to be paid out of Threshold Power's "taxable surplus" will be deductible to the extent of an amount based on a gross-up of the foreign tax prescribed to be applicable to any such dividend. Can Holdco will be entitled to a deduction equal to that portion of any dividend that is prescribed to have been paid out of Threshold Power's "pre-acquisition surplus", however Can Holdco will be required to reduce the adjusted cost base of its Threshold Power Shares by a corresponding amount. If the adjusted cost base to Can Holdco of its Threshold Power Shares becomes a negative amount, Can Holdco will be deemed to realize a capital gain equal to the absolute value of such negative amount at that time. Under the Proposed Amendments, Can Holdco will also generally be entitled to a deduction equal to one-half of the portion of any dividend that is prescribed to have been paid out of Threshold Power's "hybrid surplus", plus an additional deduction in respect of the other half of such dividend based on a gross-up of the foreign tax prescribed to be applicable to such dividend. The Administrator has advised counsel that, based on the activities of Threshold Power, Wind I, the Portfolio Entities and the Project LLCs, and as a consequence of the deductions described above, it anticipates that Can Holdco will not be subject to a material amount of Canadian federal income tax on dividends received by Can Holdco on the Threshold Power Shares.

To the extent Can Holdco is entitled to a deduction with respect to dividends received from Threshold Power as described above, Can Holdco will generally be entitled to designate a corresponding amount of taxable dividends paid by it to the Commercial Trust as "eligible dividends" for purposes of the Tax Act.

To the extent Threshold Power, or any other "foreign affiliate" of Can Holdco that is a "controlled foreign affiliate" (as defined in the Tax Act), earns income that constitutes "foreign accrual property income" ("**FAPI**") (as defined in the Tax Act), Can Holdco will be required to include its proportionate share of such FAPI in its income in the year it is earned by the foreign affiliate (subject to a deduction for grossed-up "foreign accrual tax" as computed in accordance with the Tax Act), whether or not such income is actually distributed to or received by Can Holdco in the year. Any amount so included will increase the adjusted cost base to Can Holdco of its shares in Threshold Power. Generally, at such time as Can Holdco receives a distribution of income that was previously treated as FAPI, that distribution will not be taxable to Can Holdco and there will be a corresponding reduction in the adjusted cost base to Can Holdco of its shares in Threshold Power.

Taxation of Threshold Power, Wind I, the Portfolio Entities and the Project LLCs

The Administrator has advised counsel that, based on the activities of Threshold Power, Wind I, the Portfolio Entities and the Project LLCs, it is not expected that Threshold Power, Wind I, the Portfolio Entities or the Project LLCs will have any Canadian source income.

Taxation of Resident Holders

Trust Distributions

The tax consequences to a Resident Holder associated with holding Units will depend, in part, on the composition for purposes of the Tax Act of distributions paid by the Trust on the Units.

A Resident Holder generally will be required to include in computing income for a particular taxation year of the Resident Holder, as income from property, that portion of the net income of the Trust, including net taxable capital gains, that is paid or becomes payable to the Resident Holder in that year including any such amount which is paid in Reinvested Units. Any loss of the Trust for purposes of the Tax Act cannot be allocated to, or treated as a loss of, a Resident Holder.

Provided that the appropriate designations are made by the Trust and the Commercial Trust, taxable dividends received by the Commercial Trust from Can Holdco and distributed to the Trust that are paid or become payable to a Resident Holder will retain their character as taxable dividends to the Resident Holder for purposes of the Tax Act. Amounts paid or payable by the Trust to a Resident Holder that are designated as taxable dividends from Can Holdco will be subject to the normal dividend gross up and tax credit rules with respect to Resident Holders. Taxable dividends in respect of which the appropriate designations are made by Can Holdco, the Commercial Trust and the Trust may benefit from the enhanced dividend tax credit available in respect of "eligible dividends" (as defined in the Tax Act). In addition, provided that the appropriate designations are made by the Trust, net taxable capital gains of the Trust (including net taxable capital gains of the Commercial Trust that are distributed to the Trust and in respect of which the Commercial Trust makes the appropriate designations) that are paid or become payable to a Resident Holder will retain their character as taxable capital gains to the Resident Holder for purposes of the Tax Act.

The non-taxable portion of any net capital gains of the Trust that is paid or becomes payable to a Resident Holder in a year will not be included in computing the Resident Holder's income for the year and will not reduce the adjusted cost base of the Units held by such Resident Holder. Any other amount in excess of the net income of the Trust that is paid or payable to a Resident Holder in a year will generally not be included in the Resident Holder's income for the year, however such an amount (other than proceeds in respect of the redemption of Units) will reduce the adjusted cost base of the Units held by such Resident Holder. To the extent the adjusted cost base of a Unit held by a Resident Holder would otherwise be a negative amount, the Resident Holder will be deemed to have realized a capital gain equal to the absolute value of such negative amount at that time.

Disposition of Units

On the disposition or deemed disposition of Units by a Resident Holder, whether on a redemption or otherwise, the Resident Holder will realize a capital gain (or a capital loss) equal to the amount by which the Resident Holder's proceeds of disposition exceed (or are less than) the aggregate of the adjusted cost base of the Units disposed of and any reasonable costs of disposition. Proceeds of disposition will not include an amount that is paid to the Resident Holder by the Trust and that the Resident Holder is otherwise required to include in the Resident Holder's income, including any capital gain or income realized by the Trust in connection with a redemption of the Resident Holder's Units that has been designated by the Trust to the Resident Holder.

The adjusted cost base of a Unit to a Resident Holder will equal the cost of the Unit to the Resident Holder, plus or minus certain adjustments as required by the Tax Act. The cost of Units to a Resident Holder will generally include all amounts paid or payable by the Resident Holder to acquire the Units. In the case of Reinvested Units received in lieu of a cash distribution of income, the cost of such Units to a Resident Holder will be the amount of income distributed by the issue of those Units. For the purpose of determining the adjusted cost base to a Resident Holder of a Unit, when a Unit is acquired the cost of the newly acquired Unit

will be averaged with the adjusted cost base of all of the Units owned by the Resident Holder as capital property immediately before that acquisition.

One-half of any capital gain (a "**taxable capital gain**") realized by a Resident Holder in a year on a disposition or deemed disposition of Units, along with the amount of any net taxable capital gains designated by the Trust in respect of the Resident Holder in the year, will be included in the Resident Holder's income as a taxable capital gain in the year.

One-half of any capital loss (an "**allowable capital loss**") realized by a Resident Holder on a disposition or deemed disposition of a Unit must generally be deducted against any taxable capital gains realized by the Resident Holder in the year of disposition, subject to the detailed rules contained in the Tax Act. Any excess of allowable capital losses over taxable capital gains realized by a Resident Holder in a particular taxation year may be carried back and deducted against net taxable capital gains in the three preceding taxation years or in any subsequent taxation year, subject to the detailed rules contained in the Tax Act.

Alternative Minimum Tax

Capital gains realized by a Resident Holder on a disposition or deemed disposition of Units may increase the Resident Holder's liability for alternative minimum tax. In addition, net income of the Trust paid or payable to a Resident Holder that is designated as a taxable dividend or taxable capital gain may increase such Resident Holder's liability for alternative minimum tax.

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS APPLICABLE TO THE TRUST, THE COMMERCIAL TRUST, CAN HOLDCO, THRESHOLD POWER, WIND I AND THE PORTFOLIO ENTITIES

Circular 230

TO COMPLY WITH U.S. TREASURY DEPARTMENT CIRCULAR 230, PROSPECTIVE INVESTORS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF U.S. FEDERAL TAX ISSUES CONTAINED OR REFERRED TO IN THIS PROSPECTUS IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, BY PROSPECTIVE INVESTORS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON THEM UNDER THE CODE; (B) SUCH DISCUSSION IS BEING USED IN CONNECTION WITH THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) PROSPECTIVE INVESTORS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

PROSPECTIVE INVESTORS SHOULD CONSULT THEIR TAX ADVISORS REGARDING THE APPLICATION OF THE U.S. FEDERAL TAX RULES TO THEIR PARTICULAR CIRCUMSTANCES AS WELL AS THE STATE, LOCAL, NON-U.S. AND OTHER TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE UNITS IN LIGHT OF SUCH INVESTORS' INDIVIDUAL CIRCUMSTANCES.

The following is a summary of certain U.S. federal income tax considerations applicable to the Trust, the Commercial Trust, Can Holdco, Threshold Power, Wind I and the Portfolio Entities that was prepared by Baker & McKenzie LLP, legal advisors to the Trust. This summary does not address any U.S. tax considerations applicable to a Unitholder. No rulings have been or will be sought from the IRS with respect to any of the U.S. federal income tax issues discussed in this summary. As a result, there can be no assurance that the IRS will not successfully challenge the conclusions reached in this summary. Any U.S. federal income tax treatment that is different from that described in this summary could negatively impact cash flows available for distribution to the Unitholders, as well as the value of the Units.

This summary is not exhaustive of all possible U.S. federal income tax considerations applicable to the Trust, the Commercial Trust, Can Holdco, Threshold Power, Wind I and the Portfolio Entities. This summary is of a general nature only and is not intended to constitute legal or tax advice to any prospective investor of Units. This summary does not address any U.S. state or local tax considerations.

This summary is based on the Code, the Treasury Regulations promulgated under the Code, IRS rulings and official pronouncements, judicial decisions and the Treaty, all as in effect on the date of this prospectus and all of which are subject to change, possibly with retroactive effect, or different interpretations, which could affect the accuracy of the statements and conclusions set forth below.

Certain U.S. Federal Income Tax Considerations Applicable to the Trust

General. The Trust is expected to be treated as a resident of Canada eligible for the benefits of the Treaty. It is anticipated that the Trust will make an entity classification election to be treated as an association taxable as a corporation for U.S. federal income tax purposes. The Trust does not expect to be engaged in a U.S. trade or business or have a permanent establishment in the U.S. for purposes of the Treaty. However, if the Trust were to engage in a U.S. trade or business through a permanent establishment in the U.S., it would be subject to regular U.S. federal corporate income tax (at a maximum rate of 35% under current law) on such net taxable income, as well as a potential additional 30% U.S. "branch profits tax" which may be reduced to 5% under the Treaty provided that the Trust qualifies for Treaty benefits. The determination of whether the Trust is eligible for Treaty benefits is a facts-and-circumstances determination and will depend on whether the Trust is a "qualifying person" for purposes of, and as defined in, the Treaty.

The Threshold Power Note will initially be issued to Can Holdco and will be assigned by Can Holdco to the Commercial Trust and by the Commercial Trust to the Trust immediately following Closing. As a result, interest and principal will be paid by Threshold Power directly to the Trust. Interest received by the Trust from Threshold Power with respect to the Threshold Power Note should be exempt from U.S. withholding tax under the Treaty provided that the Trust qualifies for benefits under the Treaty. The Trust would have no U.S. tax return reporting obligation with respect to the interest payments, but would need to provide Threshold Power with a certificate of non-U.S. status (i.e., on an IRS Form W-8BEN), which certificate would indicate whether the Trust is eligible for benefits under the Treaty.

The Trust may receive distributions from the Commercial Trust with respect to the units it owns in the Commercial Trust. Subject to the discussion below on FATCA, these distributions should not constitute U.S. source income and should not be subject to U.S. income tax or withholding tax.

FATCA. On March 18, 2010, the HIRE Act was enacted in the U.S. FATCA was created as part of the HIRE Act, and the FATCA Regulations were issued to implement FATCA. FATCA generally imposes a 30% U.S. withholding tax on "withholdable payments" (which include (i) U.S. source dividends, interest, rents and other "fixed or determinable annual or periodical income" paid after December 31, 2013 and (ii) certain U.S. source gross proceeds paid after December 31, 2016) paid to (a) "foreign financial institutions" ("**FFIs**") unless they enter into an agreement with the IRS to collect and disclose to the IRS information regarding their direct and indirect U.S. owners (an "**FFI Agreement**") and (b) "non-financial foreign entities" ("**NFFEs**") (i.e., foreign entities that are not FFIs) unless (x) an NFFE is exempt from withholding as an "excepted NFFE" or an "exempt beneficial owner" (as such terms are defined in the FATCA Regulations) or (y) an NFFE (I) provides to a withholding agent a certification that it does not have "substantial U.S. owners" (i.e. certain U.S. persons that own, directly or indirectly, more than 10% of the stock (by vote or value) of a non-U.S. corporation, or more than 10% of the profits interests or capital interests in a partnership) or (II) provides the name, address and taxpayer identification number of each substantial U.S. owner to a withholding agent and the withholding agent reports such information to the IRS. FATCA does not replace the existing U.S. withholding tax regime. However, the FATCA Regulations contain coordination provisions to avoid double withholding on U.S. source income.

The U.S. Department of Treasury is in discussions with a number of foreign governments with respect to alternative approaches to FATCA implementation, including the negotiation of intergovernmental agreements ("**IGAs**") that, for example, would require FFIs located in a foreign jurisdiction to (i) report U.S. account information to the tax authorities in such jurisdiction, which the tax authorities would in turn provide to the IRS, or (ii) register with the IRS and report U.S. account information directly to the IRS in a manner consistent with the FATCA Regulations, except as expressly modified by the relevant IGA. An FFI located in a jurisdiction that has executed an IGA with the United States as described in clause (i) above generally will not need to enter into

a separate FFI Agreement. The U.S. Department of Treasury currently is in discussions with the Canadian tax authorities to conclude and execute an IGA to implement FATCA.

The FATCA rules described above do not apply to any payments made under an obligation that is outstanding on January 1, 2014 (provided such obligation is not materially modified subsequent to such date) and any gross proceeds from the disposition of such obligation. Accordingly, the FATCA withholding tax generally should not be imposed on interest paid on the Threshold Power Note provided that such note is not materially modified.

Under FATCA, non-U.S. entities that do not enter into an FFI Agreement or that otherwise do not cooperate with certain documentation requests may be subject to a 30% U.S. withholding tax on their receipt of "passthru payments" from an FFI that does enter into an FFI Agreement (a "**Participating FFI**"). "Passthru payments" from a Participating FFI include withholdable payments or other payments to the extent attributable to withholdable payments. Passthru payments also include certain non-U.S. source payments known as "foreign passthru payments". If the Trust receives a distribution from the Commercial Trust that is treated as a foreign passthru payment under FATCA, such distribution may be subject to FATCA withholding, although it is uncertain whether an entity disregarded for U.S. federal income tax purposes (such as the Commercial Trust) could be treated as an FFI. In addition, no FATCA withholding tax should apply to a passthru payment from the Commercial Trust prior to January 1, 2017, as FATCA withholding on passthru payments will not begin until January 1, 2017 at the earliest. The IRS has announced that it will issue guidance on passthru payments, but such guidance has not yet been issued as of the date of this prospectus.

Inversion Rules under Code Section 7874. Under Code Section 7874, a corporation created or organized outside the U.S. will be treated as a U.S. corporation for U.S. federal income tax purposes when (i) the non-U.S. corporation directly or indirectly acquires substantially all of the assets held directly or indirectly by a U.S. corporation or substantially all of the properties of a U.S. partnership (including the indirect acquisition of assets by acquiring shares of the U.S. corporation or interests of the partnership); (ii) after the acquisition, at least 80% (by either vote or value) of the shares of the non-U.S. acquiring corporation are owned by the former shareholders or partners of the acquired U.S. corporation or partnership, respectively, by reason of holding shares in such corporation or partnership; and (iii) the non-U.S. corporation's expanded affiliated group does not have substantial business activities in the non-U.S. corporation's jurisdiction relative to the expanded affiliated group's worldwide activities. Solely for purposes of Code Section 7874, "expanded affiliated group" means the non-U.S. corporation and all subsidiaries in which the non-U.S. corporation, directly or indirectly, owns more than 50% of the shares by vote and value.

If 60% or more by vote or value, but less than 80%, is held by the former shareholders or partners of the acquired U.S. corporation or partnership, the transaction is respected, and the acquiring non-U.S. corporation will not be treated as a U.S. corporation. However, the acquired corporation or partnership is subject to U.S. tax on the "inversion gain" recognized in the period beginning on the date property was first acquired pursuant to the inversion acquisition and ending 10 years after the last date properties are acquired as part of the acquisition. Inversion gain is any income or gain recognized by reason of the inversion transaction (which includes gain recognized on the transfer or sale of assets to the non-U.S. corporation) and certain gain and licensing income recognized by an expatriated entity during a ten year period. The U.S. tax on the inversion gain generally may not be offset by credits, net operating losses or other tax attributes.

In applying Code Section 7874, stock (or other ownership interests) in the acquiring non-U.S. corporation that is sold in a public offering related to the inversion transaction is not taken into account. Furthermore, in determining whether Code Section 7874 applies, stock or other interests of an entity other than the acquiring non-U.S. corporation may be treated as stock of the acquiring non-U.S. corporation if such interests provide the holder distribution rights (dividend, redemption, and liquidation rights) that are substantially similar in all material respects to the distribution rights provided by stock of the acquiring non-U.S. corporation and if so treating such interests would cause the acquiring non-U.S. corporation to be treated as a U.S. corporation under Code Section 7874.

It is not expected that Code Section 7874 will apply to the Trust. The Trust will indirectly acquire and own interests in the Project LLCs through the Commercial Trust, Can Holdco, Threshold Power, Wind I and the Portfolio Entities. None of the Vendors will hold any interest in the Trust, however, and therefore the condition

in Code Section 7874 that former shareholders or partners of the acquired U.S. corporation or partnership must own shares in the acquiring non-U.S. corporation would not be satisfied. Furthermore, it is not anticipated that the Trust will initially acquire substantially all of the interests in the Project LLCs. However, if the Trust were later considered to have acquired substantially all of the interests of the Project LLCs as part of the same plan as the original acquisition, and the Vendors acquire units in the Trust, Code Section 7874 could apply back to the original acquisition date, retroactively causing the Trust to be treated as a U.S. corporation.

Even if the Trust did not acquire substantially all of the interests in the Project LLCs, the Trust could be treated as a U.S. corporation under Code Section 7874. Although the Vendors will hold no interests in the Trust, they could nevertheless be viewed as holding interests in the Trust if the distribution rights with respect to the Project LLCs are substantially similar in all material respects to the distribution rights provided by the Trust. In such event, because the other owners of the Trust that acquire Units through the Offering are not taken into account, the 80% ownership test under Code Section 7874 could be satisfied, such that the Trust may be viewed as acquiring substantially all of the interests in the Project LLCs. As the Trust is not expected to have substantial business activities in Canada, Code Section 7874 could apply to cause the Trust to be treated as a U.S. corporation.

However, in light of the fact that the Trust indirectly will hold an interest in the Project LLCs through the Commercial Trust, Can Holdco, Threshold Power, Wind I and the Portfolio Entities, the distribution rights with respect to the interests in the Project LLCs will be substantially different in material respects from the distribution rights attributable to interests in the Trust, and will in no way be determined by reference to distribution rights or other rights at the Trust level. As a partner in THLLP1 and THLLP2, with Wind I, JPM Subsidiary (a wholly-owned subsidiary of JPM and which is disregarded for U.S. federal income tax purposes) has certain rights with respect to the transfer of its interests in THLLP1 and THLLP2. For example, JPM Subsidiary generally has the right to withdraw from THLLP1 and THLLP2 for an amount determined by reference to the FMV of its interests. Furthermore, Wind I has a purchase option over JPM Subsidiary's interests in THLLP1 and THLLP2 for a purchase price equal to the greater of: (i) FMV, and (ii) the value of JPM Subsidiary's interests at that time if THLLP1 or THLLP2 were to be liquidated. The rights described above will not be determined by reference to, and will not be dependent on, any transfer or other rights at the Trust level. Furthermore, any consideration to be paid to JPM Subsidiary will not be in Trust units, and the calculation of such consideration will in no way be determined by reference to any aspect of the Trust. In light of the above, neither JPM Subsidiary nor JPM (the sole owner of JPM Subsidiary) should be deemed to hold interests in the Trust by virtue of the rule that stock or other interests of an entity other than an acquiring non-U.S. corporation may be treated as stock of such acquiring non-U.S. corporation if such interests provide the holder distribution rights (dividend, redemption, and liquidation rights) that are substantially similar in all material respects to the distribution rights provided by stock of the acquiring non-U.S. corporation. None of the other Vendors should be deemed to hold interests in the Trust as such Vendors will not receive Trust units as consideration for their respective interests in the Project LLCs.

Certain U.S. Federal Income Tax Considerations Applicable to the Commercial Trust

The Commercial Trust is expected to be treated as a resident of Canada eligible for the benefits of the Treaty. The Commercial Trust does not expect to be engaged in a U.S. trade or business or have a permanent establishment in the U.S. for purposes of the Treaty. It is anticipated that the Commercial Trust will make an entity classification election to be disregarded as an entity separate from its owner for U.S. federal income tax purposes. Accordingly, for U.S. federal income tax purposes the assets, liabilities, income, gains, losses, deductions and credits of the Commercial Trust will be treated as the assets, liabilities, income, gains, losses, deductions and credits of the Trust (i.e., the owner of the Commercial Trust).

If the Commercial Trust receives distributions from Can Holdco with respect to the shares it owns in Can Holdco, such distributions should not constitute U.S.-source income and generally should not be subject to U.S. income tax or withholding tax. However, to the extent these distributions constitute "foreign passthru payments" for FATCA purposes, it is possible that such distributions may be subject to FATCA withholding. FATCA withholding on passthru payments will not begin until January 1, 2017 at the earliest, however, and the IRS has yet to issue guidance on such payments.

Certain U.S. Federal Income Tax Considerations Applicable to Can Holdco

Generally

Can Holdco is expected to be treated as a resident of Canada eligible for benefits of the Treaty, and is expected to be treated as an association taxable as a corporation for U.S. federal income tax purposes. Can Holdco does not expect to be engaged in a U.S. trade or business or have a permanent establishment in the U.S. for purposes of the Treaty. However, if Can Holdco were to engage in a U.S. trade or business through a permanent establishment in the U.S., then Can Holdco would be subject to U.S. federal income tax with respect to its net taxable income attributable to the U.S. permanent establishment at regular U.S. federal corporate income tax rates (the current maximum rate is 35%), and may be subject to an additional 30% U.S. "branch profits tax," which may be reduced to 5% under the Treaty provided that Can Holdco qualifies for Treaty benefits. The determination of whether Can Holdco is eligible for Treaty benefits is a facts-and-circumstances determination and will depend on whether Can Holdco is a "qualifying person" for purposes of, and as defined in, the Treaty.

Distributions received by Can Holdco from Threshold Power will be treated for U.S. federal income tax purposes as follows: (i) first, as dividends to the extent of the current and accumulated earnings and profits of Threshold Power; (ii) second, as a return of capital to the extent of Can Holdco's adjusted tax basis in the shares of Threshold Power; and (iii) thereafter, as gain from the deemed sale or exchange by Can Holdco of its shares in Threshold Power. To the extent that a distribution is treated as a dividend for U.S. federal income tax purposes, such dividend will be subject to a 30% U.S. withholding tax, which may be reduced to 5% under the Treaty provided that Can Holdco qualifies for Treaty benefits. Can Holdco would have no U.S. tax return reporting obligation with respect to such dividend, but would need to provide Threshold Power with a certificate of non-U.S. status (i.e., on an IRS Form W-8BEN), which certificate would indicate whether Can Holdco is eligible for benefits under the Treaty. The taxation of the portion of any distribution from Threshold Power that is not treated as a dividend is discussed immediately below.

Distributions in Excess of Earnings and Profits — Return of Capital

Under the U.S. tax laws, a U.S. corporation is presumed to be a USRPHC unless this presumption is rebutted, for example by obtaining a certification from the U.S. corporation that it is not a USRPHC, or by obtaining a determination from the IRS. A USRPHC is defined as a U.S. corporation with respect to which the FMV of such corporation's "U.S. real property interests" equals or exceeds 50% of the FMV of such corporation's (i) U.S. real property interests, (ii) interests in real property located outside the U.S. and (iii) other assets used in a trade or business, for the 5-year period ending on the date of the disposition of the stock in such USRPHC (or for the period of such USRPHC's existence, if shorter than 5 years). For purposes of determining whether any corporation is a USRPHC, assets held by a partnership are treated as held proportionately by its partners. A "U.S. real property interest" means an interest in real property and any interest in a USRPHC.

Accordingly, Threshold Power is presumed to be a USRPHC under the U.S. tax laws. These laws also provide that if a USRPHC makes a distribution to a non-U.S. person that is not out of the earnings and profits of the USRPHC (for example a distribution that is a return of capital), such distribution is subject to a 10% U.S. withholding tax pursuant to Code Section 1445(e)(3), notwithstanding the fact that return-of-capital distributions are not subject to U.S. income tax. This means that if Threshold Power makes a distribution to Can Holdco that is in excess of Threshold Power's current and accumulated earnings and profits and is treated as a return of capital, the distribution will be subject to a 10% withholding tax. The 10% withholding tax should be refundable through the filing of a U.S. tax return by Can Holdco to claim the refund. Alternatively, an application to the IRS may be made prior to a return-of-capital distribution to request a determination, via the issuance of a withholding certificate by the IRS, that no withholding tax will be imposed on the basis that there is no U.S. income tax liability on such distribution.

Distributions in Excess of Earnings and Profits — Gain from Deemed Disposition of Threshold Power

A non-U.S. corporation that is not engaged in a trade or business in the U.S. generally is not subject to U.S. federal income tax on any gain from the disposition of the stock of a U.S. corporation. However, a non-U.S. corporation is subject to U.S. federal withholding and income tax (and U.S. filing requirements) upon

the disposition of stock in a USRPHC. To the extent that Threshold Power makes a distribution to Can Holdco that is in excess of both Threshold Power's current and accumulated earnings and profits and an amount representing a return of capital, the distribution will be treated as gain from a deemed disposition by Can Holdco of its shares in Threshold Power. As discussed above, Threshold Power is presumed to be treated as a USRPHC. If this presumption is not rebutted, Can Holdco would be subject to U.S. federal income tax (at a maximum rate of 35% under current law) on any gain from a deemed disposition of its shares in Threshold Power, as well as a 10% withholding tax as described above. This deemed disposition must be reported by Can Holdco on a U.S. tax return. The 10% withholding tax may be offset against Can Holdco's U.S. income tax liability. To the extent the tax withheld exceeds the amount of income tax due on the deemed disposition, Can Holdco can request a refund of the excess by filing a U.S. tax return.

Transfer of Threshold Power Shares

If Can Holdco were to exit its investment in Threshold Power via a transfer of its shares in Threshold Power, and assuming Threshold Power's presumed status as a USRPHC were not rebutted, any gain on the transfer will be subject to U.S. federal income tax (the maximum rate is currently 35%) and must be reported by Can Holdco on a U.S. tax return. Moreover, Can Holdco will be subject to a 10% withholding tax on the transfer, which tax is imposed on the amount realized by Can Holdco and must be remitted to the IRS by the transferee of the Threshold Power shares. The 10% withholding tax may be offset, however, against Can Holdco's U.S. federal income tax liability on the transfer. To the extent the tax withheld exceeds the amount of income tax due, Can Holdco can request a refund of the excess by filing a U.S. tax return.

FATCA

As discussed above, FATCA generally imposes a 30% U.S. withholding tax on "withholdable payments". These payments consist of (i) U.S. source dividends, interest, rents and other "fixed or determinable annual or periodical income" paid after December 31, 2013 and (ii) certain U.S.-source gross proceeds paid after December 31, 2016 to (a) FFIs unless they become Participating FFIs and (b) NFFEs unless they certify certain information regarding their direct and indirect U.S. owners, or they are excepted NFFEs or exempt beneficial owners.

If Can Holdco constitutes an FFI under FATCA, it would be subject to the 30% FATCA withholding tax with respect to withholdable payments from Threshold Power unless Can Holdco becomes a Participating FFI, or unless there is an executed IGA between the United States and Canada pursuant to which Can Holdco would make disclosures to the Canadian tax authorities and such authorities would then make disclosures to the IRS. If Can Holdco were not treated as an FFI, it would be treated as an NFFE and would be required to provide a certification regarding its substantial U.S. owners in order to comply with FATCA. Furthermore, and as discussed in the section above titled, "Certain U.S. Federal Income Tax Considerations Applicable to the Commercial Trust," if Can Holdco makes passthru payments to the Commercial Trust, it is possible that such payments may be subject to FATCA withholding. FATCA withholding on passthru payments will not begin until January 1, 2017 at the earliest, however, and the IRS has yet to issue guidance on such payments.

Certain U.S. Federal Income Tax Considerations Applicable to Wind I and Threshold Power

Generally

Threshold Power owns 100% of the interests in Wind I, a Delaware limited liability company. Wind I will in turn hold interests in the Portfolio Entities. Wind I is disregarded as an entity separate from its owner (i.e., Threshold Power) for U.S. federal income tax purposes. As a result, Wind I's assets and liabilities will be treated as the assets and liabilities of Threshold Power. Because Wind I is a disregarded entity, for U.S. federal income tax purposes Threshold Power will be treated as holding the interests in the Portfolio Entities.

Threshold Power is treated as a corporation for U.S. federal income tax purposes. Threshold Power is subject to U.S. federal income tax on its net taxable income, which will consist of Threshold Power's share of income (derived through Wind I) of the Portfolio Entities. The income of the Portfolio Entities will in turn be derived from the Project LLCs and the Projects. In computing its net taxable income, Threshold Power is

expected to deduct interest paid on the Threshold Power Note and its share (derived through Wind I) of the expenses of the Portfolio Entities relating to the Projects.

Treatment of Threshold Power Note

The Trust and Threshold Power will treat the Threshold Power Note as debt of Threshold Power for U.S. federal income tax purposes. This treatment is supported by certain interest rate and debt feasibility studies and other analyses prepared on behalf of the Trust by its advisors. Additionally, Baker & McKenzie LLP will issue an opinion to the Underwriters that the Threshold Power Note should be treated as debt for U.S. federal income tax purposes. The determination of whether the Threshold Power Note is debt for U.S. federal income tax purposes is based on an analysis of all of the relevant facts and circumstances, however, and there is no clear authority characterizing a similar arrangement as debt for U.S. federal income tax purposes. Consequently, although the Trust and Threshold Power will take the position that the Threshold Power Note is debt for U.S. federal income tax purposes, there can be no assurance that this position will not be challenged by the IRS. If such a challenge were successfully sustained by the IRS, interest payments on the Threshold Power Note would be re-characterized as non-deductible distributions by Threshold Power. In such instance, such payments may be taxed as dividends and thereby subject to U.S. withholding tax to the extent Threshold Power has earnings and profits. Such payments may also be subject to FATCA withholding tax, although there are certain coordination rules in the FATCA regulations that will prevent the payments from being subject to withholding tax under both the FATCA regime and the existing U.S. withholding tax regime. If payments on the Threshold Power Note were re-characterized as dividends, any U.S. withholding tax imposed on such dividends would reduce the amount of cash available for distribution to the Unitholders, which could negatively impact the value of the Units. See “Risk Factors”.

Assuming the Threshold Power Note is treated as debt of Threshold Power for U.S. federal income tax purposes, the deductibility of interest paid by Threshold Power to the Trust with respect to the Threshold Power Note is subject to certain rules and limitations. These rules and limitations are discussed below. Any limitation on the amount of interest deductible by Threshold Power in respect of the Threshold Power Note could increase the amount of U.S. federal income tax payable by Threshold Power. Furthermore, and as discussed above, a re-characterization of payments on the Threshold Power Note as distributions on equity could result in the imposition of U.S. federal withholding tax, which in turn would reduce the amount of cash available for distribution to the Unitholders and could negatively impact the value of the Units. See “Risk Factors”.

Arm’s-Length Rate. The interest charged on the Threshold Power Note must be at an arm’s-length rate. In this regard, the Trust’s advisors have conducted certain interest rate and debt feasibility studies in order to support the amount of interest payable by Threshold Power on the Threshold Power Note and the position that the interest charged on the Threshold Power Note is at an arm’s-length rate.

Earnings Stripping Limitation. Code Section 163(j) limits a corporation’s deductions for interest paid to related non-U.S. persons exempt from U.S. federal income tax in years that: (i) the debt-to-equity ratio of the corporation exceeds 1.5 to 1.0 and (ii) the corporation’s net interest expense (i.e., the excess of interest expense over interest income) exceeds 50% of the sum of “adjusted taxable income” plus any excess limitation carryforward. The determination of whether a non-U.S. recipient of interest payments is related to the payor of such interest is made under Code Section 267(b) or Code Section 707(b)(1). Adjusted taxable income is generally defined as taxable income before net interest expense, depreciation, depletion and amortization. Excess limitation carryforward is the amount of excess limitation arising in any of a corporation’s three prior tax years and not taken into account in any of those three years. Excess limitation is the excess of 50% of the adjusted taxable income of a corporation over the corporation’s net interest expense. An excess limitation arising in any tax year is carried over to a corporation’s first, second and third succeeding tax years to the extent it is not taken into account in any of those three succeeding years. For purposes of the above rules and the calculation of the debt-to-equity ratio of a corporation, if the corporation owns directly or indirectly an interest in a partnership, (x) the corporation’s distributive share of interest income paid or accrued to the partnership is treated as interest income paid or accrued to the corporation, (y) the corporation’s distributive share of interest paid or accrued by the partnership is treated as interest paid or accrued by the corporation and (z) the corporation’s share of the liabilities of the partnership is treated as liabilities of the corporation.

Any determination of Threshold Power's debt-to-equity ratio must take into account Threshold Power's distributive share of interest (if any) paid by the Portfolio Entities and the Project LLCs, as well as Threshold Power's share of the liabilities of the Portfolio Entities and the Project LLCs. Threshold Power's debt-to-equity ratio will initially be approximately 1.86 to 1.0, and may exceed 1.5 to 1.0 for certain future taxable years. Threshold Power and the Trust will likely be treated as related to each other given that the Trust indirectly owns 100% of Threshold Power through Can Holdco. Accordingly, the deductibility of interest payments on the Threshold Power Note may be limited under Code Section 163(j).

Deduction Upon Payment. The U.S. tax laws provide that if any debt instrument with original issue discount is held by a related non-U.S. person, the original issue discount generally is not allowable as a deduction until paid. A debt instrument will generally be treated as being issued with original issue discount if the issue price of the instrument is less than the stated redemption price at maturity. Generally, the issue price is the first price at which a substantial amount of the issue is sold to purchasers other than bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers. The stated redemption price at maturity is the total of all payments to be made under the debt instrument other than qualified stated interest (generally, stated interest that is unconditionally payable in cash or property at least annually at a single fixed rate or at certain floating rates that properly take into account the length of the interval between stated interest payments). As discussed above, it is likely that the Trust and Threshold Power will be treated as related persons. Accordingly, to the extent the Threshold Power Note has original issue discount, Threshold Power likely will not be able to claim a deduction for such original issue discount until the original issue discount is paid to the Trust.

Certain U.S. Federal Income Tax Considerations Applicable to THLLP1 and THLLP2

Each of THLLP1 and THLLP2 intends to be classified as a partnership for U.S. federal income tax purposes (and not as an association taxable as a corporation) and, therefore, each of THLLP1 and THLLP2 will not be subject to entity level U.S. federal income tax, although they will have U.S. information return filing obligations. The holders of interests in THLLP1 and THLLP2 will be treated as partners for tax purposes.

An entity that would otherwise be classified as a partnership for U.S. federal income tax purposes may nonetheless be classified as an association taxable as a corporation if it is a "publicly traded partnership". Section 7704 of the Code defines "publicly traded partnership" as any partnership if interests in such partnership are traded on an established securities market or are readily tradable on a secondary market or the substantial equivalent thereof. Section 7704 of the Code and the Treasury Regulations thereunder also provide various safe harbors that exempt a partnership from being treated as a publicly traded partnership for U.S. federal income tax purposes. Each of THLLP1 and THLLP2 intends to conduct its activities to ensure that it will not treated as a publicly traded partnership.

If either THLLP1 or THLLP2 were classified as an association taxable as a corporation, its members would not be treated as partners for tax purposes, income or loss of THLLP1 or THLLP2 (as applicable) would not be passed through to its partners, and THLLP1 or THLLP2 (as applicable) would be subject to tax on its income at the rates applicable to corporations. In addition, all or a portion of distributions made by THLLP1 or THLLP2 (as applicable) to its partners could be taxable to them as dividends (to the extent of current or accumulated earnings and profits) or capital gains, while none of those distributions would be deductible by THLLP1 or THLLP2 (as applicable) in computing its taxable income.

Each partner in THLLP1 and THLLP2 will be required to take into account its distributive share of each item of the income, gain, loss, deduction and credit of THLLP1 and THLLP2, respectively, for each taxable year of THLLP1 and THLLP2, respectively, ending with or within the partner's taxable year. Generally, each item will have the same character and the same source (either U.S. or non-U.S.), as though the partner realized the item directly. Partners must report these items regardless of the extent to which, or whether, they receive cash distributions from THLLP1 or THLLP2 (as applicable) for the taxable year. THLLP1 and THLLP2 will derive their income, gains, losses, deductions and credits by virtue of being members in the Project LLCs, which are treated as partnerships for U.S. federal income tax purposes.

Certain U.S. Federal Income Tax Considerations Applicable to TH3

TH3 is a Delaware limited liability company that will hold an interest in Blue Canyon LLC. TH3 will be wholly-owned by Wind I, a Delaware limited liability company that is wholly-owned by Threshold Power. Each of TH3 and Wind I is disregarded as an entity separate from its owner for U.S. federal income tax purposes. As a result, Threshold Power (as the owner of Wind I) will be treated for U.S. federal income tax purposes as owning the interest in Blue Canyon LLC.

RISK FACTORS

A prospective investor should carefully consider the risks described below before making an investment decision. The risks set out below are not an exhaustive description of all of the risks associated with the Trust's business, the Trust, the Wind Farm Interests, the business and operations of the Project LLCs and the Projects and renewable power markets. In addition, prospective investors should carefully review and consider all other information contained in this prospectus before making an investment decision. An investment in Units should only be made by persons who can afford a significant or total loss of their investment. Residents of the U.S. and other non-residents of Canada should have additional regard to the risk factors under the subheading "Additional Risks to Residents of the U.S. and Other Non-Residents of Canada".

Risks Relating to the Business and Operations of the Trust, the Project LLCs and the Projects

The Trust is newly established and therefore historical data cannot be used to assess the future performance of the Trust.

The Trust and the Trust Subsidiaries were formed in 2012 and 2013 to seek stable and consistent returns for Unitholders in operating renewable energy projects in the U.S. and, as such, have limited historical data that can be utilized to assess the Trust's future performance. The Trust's prospects must be considered in light of the risks and uncertainties encountered by an early stage company in evolving markets such as the renewable energy market and the markets for Tax Equity Interests and Project Principal Interests. Some of these risks relate to the Trust's potential inability to: effectively manage its business and operations; recruit and retain key personnel; successfully maintain a low-cost structure as it expands the scale of its business; manage rapid growth in personnel and operations; successfully complete future acquisitions of Tax Equity Interests and/or Project Principal Interests to complement the Wind Farm Interests; and successfully address the other risks it faces, as described throughout this prospectus. If the Trust cannot successfully address these risks, its business, future results of operations and financial condition, including distributions to Unitholders, may be materially adversely affected.

The Trust will have limited control over the operations of the Projects and the Projects may not operate as planned.

The Trust will not have control over any of the Project LLCs, which indirectly generate all of the cash distributions and Tax Attributes which the Trust will be entitled to following the Acquisitions of the Wind Farm Interests. As such, the Trust will have limited control over the operations of the Projects (with the exception of major decisions). The Managing Members of the Project LLCs may have incentives and priorities that are different than those of the Trust and may not always operate the Projects or the Project LLCs in a manner that maximizes the cash distributions or is in the best interests of Unitholders. Although the Portfolio Entities have certain rights as Tax Equity Investors in the Project LLCs (or Project Principal Interests in the case of TH3), such rights will be limited to certain decisions affecting the day-to-day operations of the Projects. As such, there is no guarantee that the Trust, through its interests in the Portfolio Entities, will be able to influence the decisions of the Managing Members. The actions of the Managing Members of the Project LLCs may materially adversely affect the Trust's business, future results of operations and financial condition, including distributions to Unitholders.

The revenue received by each Project LLC is dependent, in whole or in part, on the amount of electric energy generated by the applicable Project.

The revenue received by each Project LLC is dependent, in whole or in part, on the amount of electric energy generated by the applicable Project. As the cash distributions from the Project LLCs are primarily driven by the energy generated by the Projects, any equipment failure, more frequent and/or longer than forecasted

equipment maintenance and repair periods, force majeure events, Project disruptions or other similar events which may adversely affect the production of the Projects and the revenue of the Project LLCs may materially adversely affect the Trust's business, future results of operations and financial condition, including distributions to Unitholders.

An off-taker may curtail a Project's energy production by exercising its Curtailment Rights.

PPAs may provide an off-taker with a right to curtail energy production from a Project in certain circumstances. Although such right is typically linked to an obligation of the off-taker to provide compensation if the off-taker exercises such right, the Trust's ability to maintain cash distributions for Unitholders may be materially adversely affected upon the exercise of Curtailment Rights. Further, a lack of sufficient cash may preclude the Trust from completing otherwise attractive acquisitions or investments if the projected short-term cash flow resulting from the compensation from the off-taker is not adequate to payout distributions and fund acquisitions or investments.

Weather events and weather related damage to the assets of the Projects may adversely affect the Trust's performance.

Wind projects, including their turbines and collection systems, are exposed to the elements and are susceptible to natural disasters. Weather events like tornadoes, lightning storms, blizzards, wildfires and icing events can cause production losses and costly damage to a wind turbine, its blades or other project equipment, including the collection system. Natural events may also make it impossible for operations and maintenance crews to access disabled turbines to deliver parts and provide services. During times of unavailability, turbines will not produce energy. Although the Project LLCs have insurance for most weather related issues, there can be no guarantee that the insurance will provide coverage, that such coverage will be sufficient to account for the losses suffered by the Project LLCs, that claims will be paid on a timely basis or that claims will be made pursuant to the insurance policies given the deductibles. Any disruptions in production by the Projects may have a materially adverse effect on the Trust's business, future results of operations and financial condition, including distributions to Unitholders.

Specifically, certain Projects are located in areas that may experience a severe climate during the winter months which can disrupt or damage the Projects' operations. If an unseasonably cold winter causes sufficient damage, some of the Projects may not be able to be properly accessed or repaired and the Trust's financial condition may therefore be adversely affected. The volatility in the weather can therefore create unpredictability in activity and utilization rates, which can have a material adverse effect on the Trust's business, future results of operations and financial condition, including distributions to Unitholders.

Wind farm performance is dependent upon a number of factors, including meteorological and atmospheric conditions that fluctuate over time.

The production of electricity generated by the wind farms form the basis for a substantial portion of revenues from the Project LLCs. The wind data collected on a project site and data collected through other sources form the basis of wind resource projections for a wind farm's performance, revenue generation, operating profit, project debt capacity, project tax equity capacity and return on investment. Wind resource projections do not predict the wind at any specific period of time in the future. Therefore, even in the event where prediction of a wind farm's wind resources becomes validated over time, the wind farm will experience hours, days, months and even years that are below wind resource predictions. Wind resource projections may not predict the actual wind resources observed by the wind farm over a long period of time. Assumptions included in wind resource projections, such as the interference between turbines, effects of vegetation and land use, and terrain effects may not be accurate. Wind resources average monthly and average time of day long-term predictions may not be accurate and, therefore, the energy wind farms produce over time may have a different value than forecast. If as a result of inaccurate wind resource projections, the performance of one or more of the projects falls below projected levels, the revenues of the Project LLCs, could be materially adversely affected, which in turn may have a materially adverse affect on the Trust's business, future results of operations and financial condition, including distributions to Unitholders.

Operations and maintenance issues can adversely affect production and/or result in unplanned capital expenditures.

The process of operating and maintaining each Project's wind turbines and the balance of plant requires the availability of spare parts for defective or broken parts that may have disabled the turbine (such as gearboxes and generators), making it unavailable for production. Predicting the necessary quantity and the commercial availability of spare parts can be difficult and often falls outside of a Managing Member's control. Certain Projects are unable to have all of the required replacement blades or spare parts stored on site. Should a part or blade become damaged, a replacement may not be immediately available or may no longer be commercially produced. The result is that the turbine in need of a spare part can be unavailable for production during this waiting period. A turbine out of service can cause a loss of planned production and an adverse effect on revenues of a Project LLC. In particular, transformers are not held in stock on site at a wind farm and can take many months to receive once an order is placed. In the case that a transformer is in need of replacement, the delay could cause a production decrease and, subsequently, an adverse financial impact on the Project LLC. Reduced production and financial results of a Project LLC may result in such Project LLC reducing its cash distributions, which may have an adverse effect on the Trust's business, future results of operations and financial condition, including distributions to Unitholders.

A significant percentage of cash distributions from the Project LLCs were generated by a single project for LTM Q1 2013.

Approximately 48% of cash distributions from the Project LLCs were generated by Cedar Creek Project for LTM Q1 2013. Management expects that Cedar Creek LLC will achieve its Cash Flip Point in the second half of 2013. In the event that Cedar Creek LLC does not achieve its Cash Flip Point at this time, cash distributions from the Project LLCs will be significantly reduced and, as a result, the Trust's business, future results of operations and financial condition, including the ability of the Trust to maintain distributions to Unitholders, will be materially adversely affected.

Revenue may be reduced upon expiration or termination of PPAs.

Power generated by the Projects, in most cases, is sold under PPAs which have fixed expiry dates. Further, the PPAs may be subject to termination for, among other reasons, default by the Project LLC. When a PPA expires or is terminated, it is possible that the price received by the Project LLC for power under subsequent contracts or arrangements may be reduced significantly or be subject to spot price fluctuation, uncompensated curtailment, or increased selling costs, if sold into the merchant markets. There is no guarantee that such power price will be sufficient for a Project LLC to pay its operating expenses. If a Project LLC's cash distributions decrease as a result of the foregoing, it may have a materially adverse effect on the Trust's business, future results of operations and financial condition, including distributions to Unitholders. Upon the expiry of the Constellation PPA, CRH LLC will be eligible to sell the electrical output at the spot price, which may be lower than the price paid pursuant to the PPA. Based upon Management's expectation regarding merchant pricing in PJM for the Crescent Ridge Project, the average price per MWh sold for the first year following expiration of the PPA will be approximately 48%. If the potential reduction in revenue and any corresponding reduction in cash available for distribution to the Portfolio Entities is not sufficiently offset by additional cash distributions from other Project LLCs or the achievement of the Cash Flip Point for Cedar Creek LLC, the Trust's financial results and operations, including cash distributions to Unitholders, may be adversely affected.

The Trust is exposed to off-taker credit risk.

The revenues and cash flows of the Project LLCs may be impacted by the credit risk of the off-takers. If an off-taker defaults on payment obligations owed to a Project LLC, it may have a material adverse effect on the cash flows of the Trust and the Trust's ability to make distributions. The off-taker for SW1 LLC is rated below investment grade. If the off-taker files for bankruptcy there is a risk the Project would have to sell its production in the merchant wholesale market.

Third party contractor credit and performance issues may cause disruptions in the Project LLCs production.

Many of the functions related to operating the Projects are outsourced to service and supply contractors. If contractors do not meet the requirements of their contracts, the Project LLCs may have to enter into new

contracts with new vendors, resulting in disruptions to production and general business productivity and added cost. Any increase in disruptions may reduce cash distributions from the Project LLCs, which may adversely affect the Trust's business, future results of operations and financial condition, including distributions to Unitholders.

The Trust may face significant competition for future acquisitions and may not be able to fully execute on its business strategy or achieve the benefits of acquisitions.

The Trust needs to pursue future acquisitions in order to offset anticipated reductions in cash flow which will be occurring on the IRR Flip-Dates and the Portfolio Adjustment Dates. Upon these Flips, the Trust's cash available for distribution from the Wind Farm Interests will decrease. See "The Projects — Region and Project Descriptions". Management's strategy includes identifying, evaluating and executing future acquisitions and effectively integrating acquired interests into the Trust's business; however, the Trust may be unable to identify future acquisition opportunities. To the extent that future acquisition opportunities are identified, Management expects to encounter competition for Tax Equity Interests and Project Principal Interests, which may result in the Trust being unable to complete further acquisitions. If the Trust is unable to identify and successfully complete future acquisitions for any reason, including additional advisory fees payable by the Trust that make the Trust's acquisition offer less favourable, it may have a materially adverse effect on the Trust's business, future results of operations and financial condition, including cash distributions to Unitholders.

The price the Trust pays for the purchase of any additional Tax Equity Interests or Project Principal Interests will be based on assessments by Management of the future performance of the projects underlying such interests. These assessments will be based on certain assumptions and, consequently, revenue and cash distributions from these projects may be less than expected, which could adversely impact cash flow and distributions to Unitholders. The successful completion of future acquisitions and the integration of such acquisitions into the Trust's business may require substantial Management effort, time and resources and may divert Management's focus from other strategic opportunities and operational matters, and may also result in the disruption of the Trust's ongoing business, which may adversely affect the performance of the Trust and the cash available for distribution to Unitholders.

Operations of wind farms are subject to numerous environmental, health and safety laws and regulations.

The Project LLCs are subject to environmental, health and safety laws and regulations in each of the jurisdictions in which the Project LLCs operate. These laws and regulations may require a Project LLC to obtain and maintain permits and approvals, undergo environmental impact assessments and review processes and implement environmental, health and safety programs and procedures to control risks associated with the siting, construction, operation and decommissioning of wind energy projects. For example, to obtain permits a Project LLC may be required to undertake expensive programs to protect and maintain local endangered species. If such programs are not successful, the Project LLC could be subject to penalties or to revocation of its permits. In addition, permits frequently specify permissible sound levels.

If the Project LLCs do not comply with applicable laws, regulations or permit requirements, they may be required to pay penalties or fines or curtail or cease operations of the affected projects. Violations of environmental and other laws, regulations and permit requirements, including certain violations of laws protecting migratory birds and endangered species, may also result in criminal sanctions or injunctions.

Environmental, health and safety laws, regulations and permit requirements may change or become more stringent. Any such changes could require the Project LLCs to incur materially higher costs. The Project LLCs' costs of complying with current and future environmental, health and safety laws, regulations and permit requirements, and any liabilities, fines or other sanctions resulting from violations of them, could adversely affect their business, financial condition and results of operations, which may have a materially adverse affect on the Trust's business, future results of operations and financial conditions, including distributions to Unitholders.

Ownership and operation of real property and disposal of hazardous waste could result in a Project LLC being liable for environmental issues.

Certain environmental laws impose liability on current and previous owners and lessors of real property for the cost of removal or remediation of hazardous substances. These laws often impose liability even if the owner or lessor did not know of, or was not responsible for, the release of such hazardous substances. Environmental laws also may result in liability for persons who arrange for hazardous substances to be sent to disposal or treatment facilities when such facilities are found to be contaminated. Such persons can be responsible for cleanup costs even if they never owned or leased a contaminated facility. In addition to actions brought by governmental agencies, private plaintiffs may also bring claims arising from the presence of hazardous substances on a property or exposure to such substances. Any liability of the Project LLCs arising from past or future releases of, or exposure to, hazardous substances may adversely affect the revenues of the Project LLCs, which may have a materially adverse effect on the Trust's business, future results of operations and financial condition, including distributions to Unitholders.

The nature of the Trust's operations may evolve, which may change the risk profile for Unitholders.

The Trust's business strategy may evolve from being primarily a manager of cash generating equity interests to an owner and manager or renewable energy facilities located in the U.S. As a result, the Trust's risk profile may change along with the nature of the business.

The Trust may be unable to attract and retain key Management.

The Trust's Management team was assembled because of the unique knowledge and experience of each member and each member's ability to contribute to the strategic vision and operations of the Trust. The loss of a member of Management may cause difficulties in executing the Trust's strategy during an interim period when a replacement would need to be found. The expertise brought by Management is not easy to replace as there is great demand for people with these particular skills and a limited supply of senior leaders with experience in the renewable energy industry. A failure to recruit and retain experienced personnel with the right technical capabilities or the loss of a member of Management may adversely affect the Trust's business, future results of operations and financial condition, including distributions to Unitholders.

The Trust's level of indebtedness may reduce financial flexibility.

Pursuant to the Credit Facilities, Wind I and Threshold Power will be required to comply with certain covenants. If they do not comply with covenants under the Credit Facilities, access to capital could be restricted or repayment could be required on an accelerated basis by the lenders, and the ability to make distributions to Unitholders may be restricted. The lenders have a pledge over the membership interests in Wind I and the partnership and membership interests held by Wind I in the Portfolio Entities. If Wind I is unable to pay its debt service charges or otherwise commits an event of default that is not cured, the lenders may foreclose upon and sell the membership interests in Wind I or Wind I's partnership and membership interests in the Portfolio Entities. Amounts paid in respect of interest and principal on debt may reduce distributions. Variations in interest rates and scheduled principal repayments could result in significant changes in the amount required to be applied to debt service payable by Wind I in respect of the Credit Facilities, before payment of interest by Threshold Power to the Trust under the Threshold Power Note or distributions by Threshold Power to Can Holdco on the Threshold Power Shares. Certain covenants in the Credit Facilities may also limit distributions. For more information, see "Credit Facilities".

A high level of indebtedness increases the risk that the Trust and/or its subsidiaries may default on their debt obligations. Wind I's ability to meet its debt obligations and to reduce its level of indebtedness depends on future cash distributions it receives, which are ultimately based upon the performance of the Projects. General economic conditions, wind power prices and financial, business and other factors affect operations and future performance. Many of these factors are beyond Wind I's control. The Trust and the Trust Subsidiaries may not be able to generate sufficient cash flows to pay the interest on debt and future working capital, or to repay all or part of their indebtedness and borrowings, or equity financing may not be available to pay or refinance such debt on commercially reasonable terms. Factors that will affect the ability to raise cash through an offering of Units

or a refinancing of debt include financial market conditions, the value of assets and their performance at the time the Trust or any of Trust Subsidiary needs capital.

The occurrence of any of the events described above may have a material adverse effect on the Trust's business, future results of operations and financial condition, including distributions to Unitholders.

The seasonality of the Trust's operations may affect revenues and liquidity.

The Trust must maintain sufficient financial liquidity to absorb the impact of seasonal variations in energy production or other significant events. The Trust expects that its principal source of liquidity following the Offering will be the cash generated from the Projects, the cash retained by the Trust for working capital purposes out of the gross proceeds of the Offering, Wind I's borrowing capacity under the Credit Facility and Threshold Power's borrowing capacity under the WC Loan. The seasonality of the Projects' cumulative energy production may create increased demands on the Trust's working capital reserves and Threshold Power's borrowing capacity under the WC Loan during periods where cash generated from the Projects is lower. In the event that the Trust's working capital reserves and Threshold Power's borrowing capacity under the WC Loan are insufficient to meet financial requirements, or in the event that the restrictive covenants in the WC Facility restrict Threshold Power's access to the WC Loan, the Trust may require additional equity or debt financing to help it and its subsidiaries maintain solvency.

Financial covenants and restrictions under the Credit Facilities may make it difficult for the Trust or any of its wholly-owned subsidiaries to borrow money from other lenders.

There can be no assurance that additional equity or debt financing will be available when required, or available on commercially favourable terms or on terms that are otherwise satisfactory to the Trust or any of its wholly-owned subsidiaries, in which event the financial condition of the Trust may be materially adversely affected.

The value of the Canadian dollar against the U.S. dollar will affect the Trust's results and distributions.

Sales of electricity by the Project LLCs are in U.S. dollars and Wind I's revenues are also received in U.S. dollars. The Trust and Can Holdco will receive distributions and interest from Threshold Power in Canadian dollars and the Trust pays distributions to Unitholders in Canadian dollars. The Trust also raises funds primarily in Canada from the sale of Units in Canadian dollars and invests indirectly, through Threshold Power or special purpose entities such as Wind I, in renewable energy assets using U.S. dollars. The Trust is also exposed to exchange rate risks associated with the Credit Facility and the WC Loan, which are payable in U.S. dollars. When the Canadian dollar increases in value against the U.S. dollar, the Trust's indirect investments in renewable energy assets will be less expensive; however, distributions received by the Trust directly or indirectly from Threshold Power or Wind I will also be reduced. When the Canadian dollar decreases in value against the U.S. dollar, the Trust's indirect investments in U.S. renewable energy projects will be more expensive; however, distributions received by the Trust directly or indirectly from Threshold Power or Wind I will increase. The Trust intends to enter into a foreign currency hedging program to manage exposure to changes in foreign exchange rates and to mitigate the currency risk impact on the long-term sustainability of distributions to Unitholders, however there can be no assurance that such hedging program will eliminate future potential foreign exchange risks.

The Trust may be unable to obtain needed capital or financing on satisfactory terms for future acquisitions.

The Trust expects to pursue future acquisitions, which will be capital intensive. There can be no guarantee that the Trust will be able to obtain the capital or financing needed to complete future acquisitions, or, if obtained, that such capital or financing can be obtained on terms favourable to the Trust.

Changes in the Trust's financing needs may require it to alter its capitalization substantially through the issuance of debt or additional Units or to borrow money. Additional debt may require that a further portion of cash flows provided by the Wind Farm Interests or future interests acquired be used for the payment of principal and interest on such debt, thereby reducing the cash available to fund future acquisitions and distributions to

Unitholders. The issuance of additional Units could have a dilutive effect on the value of previously issued Units.

The Trust will incur increased costs as a result of complying with reporting requirements, rules and regulations affecting public issuers once the Trust becomes a publicly traded entity.

As a public issuer, the Trust will be subject to the reporting requirements and rules and regulations under applicable Canadian securities laws and rules of any stock exchange on which the Trust's securities may be listed from time to time. Additional or new regulatory requirements may be adopted in the future. Management expects to incur significant additional legal, accounting, financial compliance costs, reporting and other expenses as a result of the Units becoming publicly traded.

Additionally, Management anticipates incurring costs associated with corporate governance requirements, including requirements under the applicable Canadian securities laws and requirements of the TSX. Compliance with these rules and regulations will increase the legal and financial compliance costs of the Trust, and make some management and corporate governance activities more time-consuming and costly. The Trust does not know the amount of additional costs that may be incurred as a result of these requirements, or the timing of such costs, but they could be significant.

The additional demands associated with being a public company may disrupt regular operations of the Trust by diverting Management's attention away from cash generating activities to management and administrative oversight. Any of these effects could harm the business, financial condition and results of operations of the Trust.

Unforeseen events in the global economy may negatively impact the financial condition of the Trust.

Market events and conditions, including disruptions in the international credit markets and other financial systems and the deterioration of global economic conditions, caused significant volatility in commodity prices and growing the business.

If the economic climate in the U.S. or the world generally deteriorates, demand for electricity could diminish further and prices for wind power could decrease further, which could adversely impact the Trust's results of operations, liquidity and financial condition.

The Trust may have to change its trademarks or name and lose any goodwill developed, if the trademarks or trade name are found to violate the rights of others.

The Administrator has applied for trademark registrations for the word mark "Threshold Power" and the TP Design Mark in the U.S. and Canada. Management believes the failure to obtain trademark registrations for those marks should not prevent them from being used by the Trust, the Administrator, or the Trust's subsidiaries. A finding that our trademarks or name infringe on the rights of third parties could require us to stop using or to change our trademarks or company name, and could result in the loss of any goodwill we have developed therein.

If we are unable to maintain our relationship with JPM, it may be difficult to pursue potential future acquisitions of Tax Equity Interests in other renewable energy projects.

Our relationship with JPM, the largest Tax Equity Investor in U.S. wind energy projects, provides the potential for future acquisition opportunities of Tax Equity Interests in other renewable energy projects. There can be no assurance that we will be successful in maintaining our existing contractual relationship with JPM. JPM has negotiated arrangements that are short-term and may negotiate future arrangements that are short-term, non-exclusive and/or terminable at the option of JPM. There is no assurance that JPM will not end their relationship with us or negotiate with us from time to time to obtain more preferential terms than originally contracted for. Should our relationship with JPM end, it is possible that JPM may no longer sell us any additional Tax Equity Interests in any other renewable energy projects in the future.

Upon a proposed sale by JPM of Tax Equity Interests governed by the JPM ROFO Agreement, there can be no assurance that an offer to purchase Tax Equity Interests made by the Trust will be accepted by JPM. Under the JPM ROFO Agreement, JPM may in its sole discretion accept an offer made by the Trust. JPM has the right

to reject the Trust's offer and will have the right for a period of 180 days thereafter to sell the Tax Equity Interests to a third-party at a price no less than the price offered by the Trust and upon terms no less favorable in any material respect to the third-party than the terms included in the Trust's offer. There is no guarantee that the transactions contemplated by the JPM LOI will be successfully negotiated or that the regulatory approvals or exemptions or third-party consents required to consummate the transactions will be obtained. The failure to successfully negotiate and complete transactions with JPM may materially adversely affect the Trust's ability to maintain cash distributions for Unitholders.

If the FMV Option is exercised, the Trust will be required to sell its Tax Equity Interests, which may impact the Trust's ability to complete future acquisitions or make cash distributions.

Each of the Project LLC Agreements provides the holders of Project Principal Interests with the option to acquire all of the project's Tax Equity Interests at fair market value in certain circumstances. The option will be triggered upon the occurrence of (i) the IRR Flip Point, (ii) a specific anniversary of the Project LLC Agreement (typically the tenth anniversary, and no earlier than the tenth anniversary) or the IRR Flip Point (typically the fifth), and/or (iii) after the IRR Flip Point, the failure by the Managing Member(s) to obtain certain consents of the holders of Tax Equity Interests. If a Project Principal exercises the option against a Portfolio Entity and the Portfolio Entity is required to sell its Tax Equity Interests in a project at fair market value, the Trust may have to pursue additional acquisitions or investments, otherwise the Trust's ability to maintain cash distributions for Unitholders may be materially adversely affected. Further, a lack of sufficient cash may preclude the Trust from completing otherwise attractive acquisitions or investments if the projected short-term cash flow resulting from the sale is not adequate to payout distributions and fund acquisitions or investments. In determining the fair market value of the Tax Equity Interests, the Project LLC Agreements provide that the affected members shall attempt to come to an agreement. If no agreement is reached, the fair market value shall be determined by qualified appraisers. The qualified appraiser's determination of the fair market value may not be consistent with the view of the Trust.

A sale of the transmission line by the Cedar Creek LLC could trigger the occurrence of the IRR Flip Point sooner than Management currently anticipates.

The Cedar Creek LLC owns in part a 76 mile generation tie-line in Keenesburg, Colorado. See "The Projects — Cedar Creek". A sale of the transmission line may result in additional cash distributions which may trigger the occurrence of the IRR Flip Point sooner than Management currently anticipates. If the IRR Flip Point is triggered earlier than Management expects, the Trust may have to pursue additional acquisitions or investments, otherwise the Trust's ability to maintain cash distributions for Unitholders may be materially adversely affected. Further, a lack of sufficient cash may preclude the Trust from completing otherwise attractive acquisitions or investments if the projected short-term cash flow resulting from the sale is not adequate to payout distributions and fund acquisitions or investments.

The operations, performance and business strategy of Infigen may impact the business or financial condition of the Trust.

Infigen is a Managing Member of the Project LLCs. Any decline in the business or financial condition of Infigen may adversely affect Infigen's ability to manage the Projects in the best interests of the Trust. Further, Infigen's business strategy may evolve so that it becomes a competitor of the Trust for the future acquisition of Tax Equity Interests or Project Principal Interests. This may result in reduced cash distributions received by the Trust from the Project LLCs.

Warranties from suppliers of turbines, which protect against turbine non-performance, may be limited by the ability of the vendor to satisfy its obligations under the warranty.

If a Project LLC seeks warranty protection and the vendor is unable or unwilling to perform its obligations under the warranty, whether as a result of the vendor's financial condition or otherwise, or if the term of the warranty has expired, such Project LLC may suffer reduced warranty availability for the affected turbines, which could have a material adverse effect on its business, financial condition and results of operations. Also, under such warranties, the warranty payments by the vendor are typically subject to an aggregate maximum cap that is

a portion of the total purchase price of the turbines. Losses in excess of these caps would be the responsibility of the Project LLCs.

The re-negotiation of O&M agreements or arrangements may result in higher expenses than current arrangements with OEMs.

Costs and expenses incurred in connection with the O&M of the turbines may increase as existing arrangements with OEMs expire, since the existing arrangements may provide for O&M at a price less than the price which is available in the market. This is principally due to certain arrangements between Project LLCs and their turbine suppliers at the onset of the original turbine purchase agreement which resulted in significantly discounted O&M services for a fixed period of time. There is no guarantee that the Project LLCs will be able to re-negotiate the price for O&M at a price similar to their current arrangements with OEMs. Although significant competition exists among OEMs, the Trust's ability to maintain cash distributions for Unitholders may be materially adversely affected should the expenses incurred by the Project LLC for O&M significantly increase.

Risks Relating to the Trust's Structure and Ownership of Units

There is currently no public market for the Units and there can be no assurance that an active trading market for the Units will develop or be sustained.

There is currently no market through which the Units may be sold, and purchasers of Units purchased under this prospectus may not be able to resell such Units. There can be no assurance that an active trading market will develop for the Units or, if developed, that such market will be sustained. This may affect the pricing of the Units in the secondary market, the transparency and availability of trading prices, the liquidity of the Units and the extent of issuer regulation. The offering price has been determined by negotiation between the Trust and the Underwriters based on several factors and may bear no relationship to the price at which the Units will trade in the public market subsequent to the Offering. See "Plan of Distribution".

Distributions do not represent a similar "yield" to that of debt instruments, and rights of redemption have limited liquidity.

Units will have no value when the projects in which the Trust or the Trust Subsidiaries have an interest are no longer economically viable and, as a result, distributions do not represent a "yield" in the traditional sense and are not comparable to bonds or other fixed yield securities, where investors are entitled to a full return of the principal amount of debt on maturity in addition to a return on investment through interest payments. Distributions represent a blend of return of Unitholders' initial investment and a return on that investment. Unitholders have a limited right to require a repurchase of their Units, which is referred to as a redemption right. It is anticipated that the redemption right will not be the primary mechanism for Unitholders to liquidate their investment. The right to receive cash in connection with redemption is subject to material limitations. Any securities which may be distributed *in specie* to Unitholders in connection with redemption may not be listed on any stock exchange and a market may not develop for such securities and such securities may be illiquid. In addition, there may be resale restrictions imposed by law upon the recipients of the securities pursuant to the redemption right. See "Description of the Trust — Redemption at the Option of Unitholders".

The Units are not shares in a corporation and carry different risks.

The Units represent a fractional interest in the Trust. Corporate law does not govern the Trust and the rights of Unitholders. Unitholders will not have all of the statutory rights normally associated with ownership of shares of a corporation including, for example, the right to bring oppression or derivative actions. The rights of Unitholders are specifically set forth in the Trust Indenture.

The Units are not "deposits" within the meaning of the *Canada Deposit Insurance Corporation Act* (Canada) and are not insured under the provisions of that Act or any other legislation. Furthermore, the Trust is not a trust company and, accordingly, is not registered under any trust and loan company legislation and does not carry on or intend to carry on the business of a trust company.

Units may from time to time trade at a price that is less than the net asset value per Unit.

Net asset value from time to time will vary depending upon a number of factors beyond the Trust's control, including electricity prices. The trading price of the Units from time to time is determined by a number of factors, some of which are beyond the Trust's control and such trading price may be greater or less than the net asset value.

The market price for Units may be volatile, and Unitholders may not be able to sell the Units at a favourable price or at all.

Many factors could cause the market price of the Units to rise and fall, including:

- actual or anticipated variations in quarterly results of operations;
- changes in the federal or state regulatory environment;
- changes in market valuations of companies in the industry;
- fluctuations in prevailing market interest rates or foreign exchange rates;
- changes in expectations of future financial performance;
- fluctuations in stock market prices and volumes;
- publicity about the Trust or the industry;
- regulatory or other investigations into the Trust or others operating in the industry;
- issuances of dilutive Units or other securities in the future;
- the addition or departure of key personnel; and
- announcements by the Trust or its competitors of acquisitions, investments or strategic alliances.

Substantial sales of Units, or the perception that such sales might occur, could depress the market price of the Units.

Whether future issuances of the Units or resale in the open market will decrease the market price of the Units cannot be predicted. The consequence of any such issuances or resale of the Units on the market price may be increased to the extent the Units are thinly, or infrequently, traded. The exercise of any options, or the vesting of any restricted Units that may be granted to directors, executive officers and other employees in the future, the issuance of Units in connection with acquisitions and other issuances of Units may decrease the market price of the Units.

The Trust may issue additional Units diluting existing Unitholders' interests.

The Trust Indenture authorizes the Administrator to cause the Trust to issue an unlimited number of Units for such consideration and on such terms and conditions as shall be established by the Administrator without the approval of any Unitholders. The future issuance of additional Units would cause immediate, and potentially substantial, dilution to the net tangible book value of those Units that are issued and outstanding immediately prior to such transaction.

The Trust will be dependent on the Projects, Project LLCs, Portfolio Entities and Trust Subsidiaries for all cash available for distribution.

The Trust will be dependent on the operations and assets of the Projects, the Project LLCs, the Portfolio Entities and the Trust Subsidiaries. The actual amount of cash available for distribution to Unitholders depends upon numerous factors at each of the Projects, the Project LLCs, the Portfolio Entities and the Trust Subsidiaries, including profitability, changes in revenues, fluctuations in working capital, availability under existing credit facilities, capital expenditure levels, applicable laws, compliance with contracts and contractual restrictive covenants contained in any debt documentation. In addition, the Trust's level of distributions per Unit will be affected by the number of outstanding Units and other securities that may be entitled to receive cash

distributions or payments. Distributions may be increased, reduced or suspended entirely depending on the performance of the Projects, the Project LLCs, the Portfolio Entities and the Trust Subsidiaries.

The Trust's cash available for distribution is dependent on the timing of the Project LLCs' Cash Flip Points and IRR Flip Points, which may occur other than anticipated and the IRR Flip Point may not occur at all.

The actual amount of cash distributions received by the Trust through its indirect ownership of the Wind Farm Interests is dependent on the timing of the Project LLCs' Cash Flip Points and IRR Flip Points. At the time of the closing of the Acquisitions, all of the Project LLCs other than the Cedar Creek LLC will have achieved their Cash Flip Point and enter into Stage 2. Management has made certain assumptions and estimates that the Cedar Creek LLC will achieve its Cash Flip Point during the third quarter of 2013. Management has also made certain assumptions and estimates regarding the cashflow weighted average Stage 2 duration of the Project LLCs and when the IRR Flip Points of the Project LLCs will occur. These estimates are based on Management's own assumptions and analysis. The Cash Flip Point for Cedar Creek LLC may be delayed beyond the date that Management estimates, however it cannot occur any later than February 28, 2015. Further, it is possible that the IRR Flip Point for any of the Project LLCs may occur sooner or later than anticipated by Management. Should Management's assumptions or estimates be incorrect, the Trust's ability to maintain distributions to Unitholders may be materially adversely affected. Following the IRR Flip Points of the Project LLCs, the Portfolio Entitites will be entitled to between 5% and 21.8% of the cash distributions from the Project LLCs; in particular the Portfolio Entities will only be entitled to 5% of the cash distributions from Cedar Creek LLC. The actual Cash Flip Points and IRR Flip Points of the Project LLCs may occur other than anticipated, and the IRR Flip Point may not occur at all. Should the IRR Flip Points occur sooner than anticipated by Management, the ability of the Trust to continue to maintain cash distributions beyond such period may be dependant the Trust's ability to complete future acquisitions. As a result, the business and operations of the Trust may be materially adversely affected should it fail to do so.

The Trust and Wind I have provided certain indemnities in favour of JPM, its affiliates and JPM Subsidiary in connection with the Acquisitions.

As described under "The Acquisitions", the Trust and Wind I have provided certain indemnities in favour of JPM, its affiliates and JPM Subsidiary in connection with the Acquisitions. These rights of indemnity will survive the completion of the Acquisitions. In the event that JPM, an affiliate or JPM Subsidiary suffer a loss arising out of matters specified in the relevant agreements and this loss is subject to a right of indemnity, the Trust and/or Wind I may be subject to a claim for indemnity which, if successful, may have a materially adverse effect on the Trust's business, results of operations and financial condition, including cash distributions to Unitholders.

Distributions on Units are variable and may be reduced or suspended entirely.

The actual cash available for distribution to Unitholders is dependent on the amount cash distributions received by the Trust and can vary significantly from period to period for a number of reasons, including among other things: (i) the operating entities' operational and financial performance; (ii) fluctuations in the production and costs to produce electricity, including royalty burdens, and to administer and manage the Trust and its subsidiaries and associates; (iii) the amount of cash required or retained for debt service or repayment; (iv) amounts required to fund capital expenditures and working capital requirements; (v) foreign currency exchange rates and interest rates; and (vi) other obligations and liabilities such as contractual or legal liabilities and obligations. The amount of any cash distribution from the Trust is subject to the discretion of the Board, which will regularly evaluate the Trust's distribution payout with respect to anticipated cash flows, debt levels, capital expenditure plans and amounts to be retained to fund acquisitions and expenditures. In addition, the Trust's level of distributions per Unit will be affected by the number of outstanding Units and other securities that may be entitled to receive cash distributions or payments. Cash distributions may be increased, reduced or suspended entirely depending on the Trust's operations and the performance of its assets. The market value of the Units may deteriorate if the Trust is unable to meet distribution expectations in the future and such deterioration may be material.

Future distributions are not guaranteed.

Although the Trust intends to make quarterly distributions to Unitholders, the payment and amount of any distribution is subject to the discretion of the Administrator Directors. Future distributions, if any, will depend on, among other things, the results of operations, working capital requirements, financial condition, restrictive covenants, business opportunities, provisions of applicable law and other factors that the Administrator Directors may deem relevant. The Administrator Director may decrease the level of or entirely discontinue payment of dividends.

Distribution of available cash may restrict the Trust's ability to complete future acquisitions.

A payout of a significant portion or substantially all of the Trust's cash available for distribution may restrict the Trust's ability to complete future acquisitions and maintain long-term cash distributions for Unitholders. A decrease in the cash distributions received by the Trust or an increase in the Trust's costs and expenses may result in the Trust having a lack of sufficient cash to pay distributions or to pursue additional acquisitions which are required to maintain the Trust's long-term distributions to its Unitholders. A lack of sufficient cash resulting from the pay-out of distributions may result in decreased retained earnings and may restrict the Trust's ability to reinvest in acquisition opportunities or continue to fund distributions. Further, a lack of sufficient cash or financing may preclude the Trust from completing otherwise attractive acquisitions or investments if the projected short-term cash flow from the acquisitions or investments is not adequate to service the capital raised to fund the acquisitions or investments.

Risks Relating to Taxation

Income tax laws relating to mutual fund trusts or SIFT trusts may in the future be changed or interpreted in a manner that adversely affects the Trust and its Unitholders.

The Trust intends to qualify as a "mutual fund trust" for purposes of the Tax Act. There can be no assurance that Canadian federal income tax laws and the administrative policies and assessing practices of the CRA respecting mutual fund trusts will not be changed in a manner that adversely affects the Unitholders. Should the Trust cease to qualify as a mutual fund trust under the Tax Act, the income tax considerations described under the heading "Principal Canadian Federal Income Tax Considerations" could be materially and adversely different in certain respects.

The SIFT Rules apply to a trust that is a SIFT trust. If the SIFT Rules were to apply to the Trust, they could have an adverse impact on the Trust and on the distributions received by the Unitholders. The Trust will not be a SIFT trust for the purposes of these rules by virtue of not holding any "non-portfolio property" (as defined in the Tax Act), based on its investment restrictions. There can be no assurance that there will not be changes to the SIFT Rules or to the administrative policies or assessing practices which will adversely affect the Trust and its Unitholders.

Canadian tax laws could change.

The income of the Trust and the Trust Subsidiaries must be computed in accordance with Canadian laws, and the Trust, the Commercial Trust and Can Holdco are subject to Canadian tax laws. There can be no assurance that Canadian tax laws, the judicial interpretation thereof or the administrative and assessing practices and policies of the CRA and the Department of Finance (Canada) will not be changed, possibly on a retroactive basis, in a manner that adversely affects Unitholders. Any such change could increase the amount of tax payable by the Trust, the Commercial Trust or Can Holdco and adversely affect Unitholders by reducing the amount available to pay distributions. Any such changes could also adversely affect the tax treatment to Unitholders in respect of distributions received by them from the Trust.

U.S. tax laws could change.

There can be no assurance that U.S. federal income tax laws and IRS and Department of the Treasury administrative and legislative policies respecting the U.S. federal income tax consequences described herein will not be changed, possibly on a retroactive basis, in a manner that adversely affects Unitholders. In particular, any

such change could increase the amount of any U.S. federal income tax or withholding tax payable by the Trust, the Commercial Trust, Can Holdco, Threshold Power, Wind I or the Portfolio Entities, reducing the amount of distributions which the Trust would otherwise receive and thereby reducing the amount available to pay distributions to Unitholders.

Certain tax positions taken by the Trust and its subsidiaries may be challenged. A successful challenge of tax positions taken by the Trust and its subsidiaries may reduce cash available for distribution to Unitholders and adversely affect the market for the Units.

The IRS and/or CRA may challenge certain tax positions taken by the Trust, the Commercial Trust, Can Holdco, Threshold Power, Wind I, the Portfolio Entities and/or the Project LLCs, including the position that interest on the Threshold Power Note is deductible. It may be necessary to resort to administrative or court proceedings to sustain some or all of the positions taken by the Trust, the Commercial Trust, Can Holdco, Threshold Power, Wind I, the Portfolio Entities and/or the Project LLCs. A court may not agree with some or all of the positions taken. Any contest with the IRS or CRA may materially and adversely impact the cash available for distribution to Unitholders and the price at which the Units trade.

A successful IRS challenge of the Threshold Power Note as debt for U.S. federal income tax purposes would result in the treatment of payments on the Threshold Power Note as non-deductible distributions.

If the IRS successfully asserts that the Threshold Power Note should not be treated as debt for U.S. federal income tax purposes, interest payments on such note would be re-characterized as non-deductible distributions by Threshold Power. Even if the Threshold Power Note were treated as debt, the IRS could assert that amounts payable by Threshold Power under the Threshold Power Note are in excess of amounts payable at arm's length. In such event, the excess over the arm's-length amount could be re-characterized as non-deductible distributions. Such re-characterized payments may be treated as dividends and thereby subject to U.S. withholding tax to the extent Threshold Power has earnings and profits. Any denial of such interest deduction and/or the imposition of withholding taxes imposed would reduce the amount of cash available for distribution to the Unitholders and could negatively impact the value of the Units.

The deductibility of interest payments on the Threshold Power Note is subject to certain rules and limitations.

The earnings stripping rules under Code Section 163(j) limit the amount of a U.S. corporate borrower's deductions for interest paid to a non-U.S. related party, to the extent that the borrower's debt-to-equity ratio exceeds 1.5 to 1.0 and the borrower's interest expense exceeds 50% of its taxable income without regard to net interest expense or net operating losses. For purposes of Code Section 163(j), the Trust will likely be treated as related to Threshold Power given that the Trust will indirectly (i.e., through the Commercial Trust and Can Holdco) own 100% of Threshold Power. Accordingly, Code Section 163(j) may limit Threshold Power's interest deductions on the Threshold Power Note.

There can be no assurance that future changes to U.S. federal income tax provisions will not otherwise restrict or eliminate the ability of Threshold Power to claim a deduction for U.S. federal income tax purposes for interest paid on the Threshold Power Note. A restriction on, or elimination of, the ability of Threshold Power to claim deductions for interest payments could increase Threshold Power's U.S. federal income tax liability, which would reduce the amount of the distributions which the Trust would otherwise receive and thereby have an adverse effect on the amount available to pay distributions to Unitholders.

Distributions from Threshold Power to Can Holdco, from Can Holdco to the Commercial Trust, and from the Commercial Trust to the Trust may be subject to FATCA withholding tax.

On March 18, 2010, the HIRE Act was enacted in the U.S. The HIRE Act includes provisions known as FATCA. The FATCA Regulations were issued by the IRS on January 17, 2013. FATCA generally imposes a 30% U.S. withholding tax on "withholdable payments" (which include U.S.-source dividends, interest, rents and other "fixed or determinable annual or periodical income" paid after December 31, 2013 and certain U.S.-source gross proceeds paid after December 31, 2016) paid to (a) FFIs unless they enter into an FFI Agreement and (b) NFFEs (i.e. foreign entities that are not FFIs) unless (x) an NFFE is exempt from withholding as an

"excepted NFFE" or an "exempt beneficial owner" (as such terms are defined in the FATCA Regulations) or (y) an NFFE (I) provides to a withholding agent a certification that it does not have "substantial U.S. owners" (i.e., certain U.S. persons that own, directly or indirectly, more than 10% of the stock (by vote or value) of a non-U.S. corporation, or more than 10% of the profits interests or capital interests in a partnership) or (II) provides the name, address and taxpayer identification number of each substantial U.S. owner to a withholding agent and the withholding agent reports such information to the IRS. FATCA does not replace the existing U.S. withholding tax regime. However, the FATCA Regulations contain coordination provisions to avoid double withholding on U.S.-source income.

Under FATCA, non-U.S. entities that do not enter into an FFI Agreement or that otherwise do not cooperate with certain documentation requests may be subject to a 30% U.S. withholding tax on their receipt of "passthru payments" from a Participating FFI. "Passthru payments" from a Participating FFI include withholdable payments or other payments to the extent attributable to withholdable payments. Passthru payments also include certain non-U.S. source payments known as "foreign passthru payments". FATCA withholding on passthru payments will not begin until January 1, 2017 at the earliest, and the IRS has yet to issue guidance on these payments.

The U.S. Department of Treasury is in discussions with a number of foreign governments with respect to alternative approaches to FATCA implementation, including the negotiation of IGAs that, for example, would require FFIs located in a foreign jurisdiction to (i) report U.S. account information to the tax authorities in such jurisdiction, which the tax authorities would in turn provide to the IRS, or (ii) register with the IRS and report U.S. account information directly to the IRS in a manner consistent with the FATCA Regulations, except as expressly modified by the relevant IGA. An FFI located in a jurisdiction that has executed an IGA with the United States as described in clause (i) above generally will not need to enter into a separate FFI Agreement. The U.S. Department of Treasury currently is in discussions with the Canadian tax authorities to conclude and execute an IGA to implement FATCA.

The FATCA rules described above do not apply to any payments made under an obligation that is outstanding on January 1, 2014 (provided such obligation is not materially modified subsequent to such date) and any gross proceeds from the disposition of such obligation. Accordingly, the FATCA withholding tax generally should not be imposed on interest paid on the Threshold Power Note provided that such note is not materially modified.

If Can Holdco constitutes an FFI under FATCA, it would be subject to the 30% FATCA withholding tax with respect to withholdable payments from Threshold Power unless Can Holdco becomes a Participating FFI, or unless there is an executed IGA between the United States and Canada pursuant to which Can Holdco would make disclosures to the Canadian tax authorities and such authorities would then make disclosures to the IRS. If Can Holdco were not treated as an FFI, it would be treated as an NFFE and would be required to provide a certification regarding its substantial U.S. owners in order to comply with FATCA. If the Trust receives a distribution from the Commercial Trust, or the Commercial Trust receives a distribution from Can Holdco, and such distribution is treated as a foreign passthru payment under FATCA, such distribution may be subject to FATCA withholding. FATCA withholding on passthru payments will not begin until January 1, 2017 at the earliest, however, and the IRS has yet to issue guidance on these payments.

The Trust could be subject to certain United States tax rules relating to acquisitions by non-U.S. corporations.

Section 7874 of the Code provides that a non-U.S. corporation may be subject to tax in the same manner as a U.S. domestic corporation in the event the non-U.S. corporation acquires (including through the acquisition of equity interests) substantially all of the assets of a U.S. domestic corporation or substantially all of the assets constituting a trade or business of a U.S. domestic partnership and, in each case, the equity owners or former equity owners of that U.S. corporation or partnership own at least 80% of the stock in the non-U.S. corporation by reason of holding stock in the U.S. corporation or holding a capital or profits interest in the U.S. partnership. For purposes of determining whether the relevant ownership threshold is satisfied, any stock issued in a public or private offering occurring in connection with the acquisition is ignored, while interests in another entity that provide distribution rights that are substantially similar to the distribution rights provided by interests in the acquirer may be counted. A second rule under Section 7874 of the Code taxes the "inversion gain" (i.e., any

income or gain recognized by reason of the acquisition by the non-U.S. corporation) of the acquired domestic corporation or partnership if at least 60% of the shares or interests of the acquirer are owned by the former shareholders or partners of the acquired U.S. entity or entities.

It is not anticipated that any of the Vendors will acquire units of the Trust, and it is not anticipated that the Trust will initially acquire substantially all of the interests in the Project LLCs. As a result, the Trust does not believe that Section 7874 of the Code should apply to treat it as a U.S. corporation. However, if the Trust were later considered to have acquired substantially all of the interests of the Project LLCs as part of the same plan as the original acquisition, and the Vendors acquire units in the Trust, Section 7874 of the Code could apply back to the original acquisition date, retroactively causing the Trust to be treated as a U.S. corporation.

Even if the Trust does not directly or indirectly acquire substantially all of the interests of the Project LLCs, it could be treated as a U.S. corporation under Section 7874 of the Code if the distribution rights at the level of the Project LLCs are substantially similar in all material respects to the distribution rights provided by the Trust to unitholders. The Trust does not believe, however, that the distribution rights with respect to the interests in the Project LLCs will be substantially similar in all material respects to the distribution rights attributable to interests in the Trust, given that the Trust will indirectly hold interests in the Project LLCs through the Commercial Trust, Can Holdco, Threshold Power, Wind I and the Portfolio Entities, and given that the distribution rights at the level of the Project LLCs will not be determined by reference to distribution rights or other rights at the level of the Trust.

No assurance can be given that (i) the IRS would agree with the Trust and (ii) the IRS would not take a contrary position regarding the application of Section 7874 of the Code or that such position, if asserted, would not be sustained. If the Trust were treated as a U.S. corporation, it would be subject to U.S. federal income tax on their worldwide income and, as a result, it could be liable for material amounts of additional U.S. federal income tax, which would negatively impact the cash available for distribution to unitholders. The filing of tax returns in the United States by the Trust would result in increased administrative burdens and costs. Additionally, U.S. withholding taxes could be imposed on distributions paid by the Trust to non-U.S. unitholders. Further, in the event the Trust were treated as a U.S. corporation as a result of the application of Section 7874 of the Code, and classified as a USRPHC, non-U.S. Unitholders would generally be subject to U.S. federal income tax on gain realized on the disposition of Units, subject to an exemption from U.S. federal income taxation that may be available, in certain circumstances, to Unitholders that own 5% or less of a class of stock of a corporation that is regularly traded on an established securities market.

The Trust and Can Holdco may not qualify for benefits under the Treaty.

There is no assurance that the Trust will qualify for the benefits of the Treaty with respect to interest payments received from Threshold Power on the Threshold Power Note, or that Can Holdco will qualify for the benefits of the Treaty with respect to dividend payments from Threshold Power. Each of the Trust and Can Holdco will need to be a qualified resident of Canada under the Treaty, as well as satisfy the limitation on benefits provisions in the Treaty, in order to be eligible for Treaty benefits. Neither the Trust nor Can Holdco can provide assurances or guarantees that they will satisfy the relevant Treaty requirements in any given taxable year. If the Trust and/or Can Holdco do not qualify for Treaty benefits, interest received by the Trust and/or dividends received by Can Holdco would generally be subject to U.S. withholding tax at the statutory rate of 30%.

Additional Risks to Non-Residents of Canada

Persons not resident in Canada may have difficulty enforcing civil remedies.

The Trust and Can Holdco are organized under the laws of Ontario, Canada and have their principal place of business in Canada. Threshold Power is organized under the laws of the State of Delaware. The Trustee of the Trust and most of the Administrator's and the Trust Subsidiaries' directors, and the representatives of the experts who provide services to the Trust (such as its auditors) and all or a substantial portion of the assets of such persons, as well as most of the assets held directly by the Trust, are located in Canada. As a result, it may be difficult for investors in the U.S. to effect service of process within the U.S. upon such directors and representatives of experts who are not residents of the U.S. or to enforce against them judgments of the U.S. courts based upon civil liability under the U.S. federal securities laws or the securities laws of any state

within the U.S. There is doubt as to the enforceability in Canada against the Trust, the Administrator and Can Holdco or against any of the their respective directors, officers or representatives of experts (to the extent applicable) who are not residents of the U.S., in original actions or in actions for enforcement of judgments of U.S. courts of liabilities based solely upon the U.S. federal securities laws or securities laws of any state within the U.S.

The Trust may impose restrictions on the ownership of Units by Non-residents to ensure compliance with the Tax Act.

The Trust intends to comply with the requirements under the Tax Act at all relevant times such that it maintains its status of a "mutual fund trust" for purposes of the Tax Act. Under current law, a mutual fund trust may lose its status under the Tax Act as a mutual fund trust if it can reasonably be considered that the trust was established or is maintained primarily for the benefit of non-residents of Canada (including partnerships owned in whole or in part by non-residents), except in limited circumstances. Among those circumstances are that all or substantially all of the mutual fund trust's property is not "taxable Canadian property", as defined by the Tax Act. As a result of the Trust's investment restrictions, the Trust is not expected to hold any taxable Canadian property and should not be subject to the Tax Act's non-resident ownership restrictions. However, if the Trust determines that such non-resident restrictions apply, the Trustee has various powers that can be used for the purpose of monitoring and controlling the extent of ownership of the Units by Non-residents. See "Description of the Trust — Limitation on Non-Resident Ownership".

The above restrictions, to the extent they are imposed by the Trust, could limit or prevent Unitholders from selling or otherwise transferring Units to persons who are Non-residents or who the Administrator believes may be Non-residents. If restrictions on issuances of Units to Non-residents are imposed by the Trust, the ability of the Trust to raise financing for future acquisitions or operations could be negatively affected. In addition, the possibility that such restrictions may be imposed in the future could discourage certain categories of investors from purchasing Units in the open market, which could negatively affect the liquidity of the Units and the future market price for Units.

The Trust may impose restrictions on the ownership of Units by U.S. Residents to ensure compliance with U.S. securities laws.

The Trust intends to qualify as a "foreign private issuer" (as defined in the U.S. Securities Act). Accordingly, the Trust Indenture provides that at no time prior to the Trust filing a registration statement in accordance with the U.S. Securities Act or registering a class of securities under the United States Securities Exchange Act of 1934, as amended, (other than, in either case, in reliance on the Multijurisdictional Disclosure System between Canada and the U.S.) may more than 50% of the outstanding voting securities of the Trust be beneficially owned (as such term is defined in the Trust Indenture) by U.S. Residents. The Trust Indenture also provides that U.S. Residents may be restricted from owning Units or Other Trust Securities to the extent such ownership would cause the Trust to be or become an investment company (as defined under the U.S Investment Company Act) or would prevent the Trust from relying on exceptions from the definition of "investment company" and/or exemptions from registration under the U.S. Investment Company Act. The Trust Indenture grants the Administrator broad powers to ensure compliance with these U.S. residency restrictions, including refusing to issue securities to U.S. Residents or holders who the Administrator believes may be U.S. Residents, refusing to register transfers to U.S. Residents or holders who the Administrator believes may be U.S. Residents, causing U.S. Residents or holders who the Administrator believes may be U.S. Residents to sell their securities of the Trust into the secondary market within 60 days, or, in certain circumstances, selling securities of the Trust owned by U.S. Residents or holders who the Administrator believes may be U.S. Residents. See "Description of the Trust — Limitation on U.S. Resident Ownership".

The above restrictions may limit or prevent Unitholders from selling or otherwise transferring Units to persons who are U.S. Residents or who the Administrator believes may be U.S. Residents. In certain circumstances, the Administrator may also require holders who are U.S. Residents, or who the Administrator believes may be U.S. Residents, to dispose of all or a portion of their Units. If restrictions on the issuance of Units to U.S. Residents are imposed by the Trust, the ability of the Trust to raise financing for future acquisitions or operations could be negatively affected. In addition, the possibility that such restrictions may be imposed in

the future could discourage certain categories of investors from purchasing Units in the open market, which could negatively affect the liquidity of the Units and the market price for Units.

There is additional taxation applicable to Non-residents.

Net income of the Trust, other than certain net realized capital gains, distributed to Non-residents will be subject to withholding tax under the Tax Act at a 25% rate, subject to reduction under an applicable income tax treaty.

Non-resident Unitholders will be subject to additional foreign exchange risk.

The Trust's distributions are declared in Canadian dollars. Distributions paid to Non-resident Unitholders will be converted to foreign denominated currencies at the spot exchange rate at the time of payment. As a consequence, non-resident Unitholders are subject to foreign exchange risk. To the extent that the Canadian dollar strengthens with respect to their currency, the amount of the distribution will be reduced when converted to their home currency.

Risks Relating to Legal and Regulatory Matters

The Project LLCs are subject to the provisions of extensive local, state and federal regulation.

The Project LLCs are subject to regulation by FERC or the Public Utility Commission of Texas (in the case of the Projects located within the Electric Reliability Council of Texas, which includes most of Texas). FERC and the Public Utility Commission of Texas regulate the terms and conditions of wholesale services and rates, "Qualifying Facility" contracts, and the siting of such projects.

Projects outside of ERCOT are "Qualifying Facilities" and/or "Exempt Wholesale Generators" that are exempt by the FERC from most of the regulatory regime applicable to public utilities under the *Federal Power Act*. Unless a FERC authorization is obtained to make wholesale sales of capacity, energy, and ancillary services at market-based rates after the expiration of the PPA applicable to the Project, such Projects will be subject to rate regulation by FERC under the *Federal Power Act*. Projects that are subject to rate regulation are required to obtain FERC acceptance of their rate schedules for wholesale sales of energy, capacity and ancillary services. FERC may revoke or revise an entity's authorization to make wholesale sales at market-based rates if FERC subsequently determines that such entity can exercise market power in transmission or generation, create barriers to entry or engage in abusive affiliate transactions or market manipulation. In addition, Projects are subject to FERC reporting requirements that impose administrative burdens and that, if violated, can expose the company to criminal and civil penalties or other risks.

Any market-based rate authority that a Project LLC without a PPA has or will obtain may be subject to certain market behavior rules. If it is deemed to have violated these rules, it will be subject to potential disgorgement of profits associated with the violation and/or suspension or revocation of its market-based rate authority, as well as potential criminal and civil penalties. If market-based rate authority for a Project without a PPA were lost, the Project LLC would be required to obtain FERC's acceptance of a cost-based rate schedule and could become subject to, among other things, the burdensome accounting, record keeping and reporting requirements that are imposed on public utilities with cost-based rate schedules. This could have an adverse effect on the rates it charges for power and the Project LLC's cost of regulatory compliance.

For Projects with more than 75 MW of capacity, the applicable Project LLC is also subject to the reliability standards of the NERC. If it fails to comply with the mandatory reliability standards, the Project LLC could be subject to sanctions, including substantial monetary penalties.

One of the Projects, the Cedar Creek Project, is regulated as a transmission owner and transmission operator due to its partial ownership of a 76 mile generation tie-line, and is subject to the NERC reliability standards and requirements applicable other transmission owners and operators. Among other requirements, the Cedar Creek Project is required to have certified operators and managers. If the Cedar Creek Project fails to comply with the applicable standards and requirements, it could be subject to sanctions, including substantial monetary fines.

Although the sale of electric energy has been to some extent deregulated, the industry is subject to increasing regulation and even possible re-regulation. If deregulation of the electric power markets is reversed, discontinued or delayed, our business, financial condition and results of operations could be adversely affected.

The Projects require licenses, permits and approvals which can be in addition to any required environmental permits. No assurance can be provided that a Project will be able to obtain, comply with and renew, as required, all necessary licenses, permits and approvals for these facilities. If we cannot comply with and renew as required all applicable licenses, permits and approvals, our business, results of operations and financial condition could be adversely affected.

Unitholder limited liability is subject to contractual and statutory assurances which may have some enforcement risks.

The Trust Indenture provides that no Unitholder will be subject to any liability in connection with the Trust or its obligations and affairs and, in the event that a court determines Unitholders are subject to any such liabilities, the liabilities will be enforceable only against, and will be satisfied only out of, the Trust's assets. However, there remains a risk, which is considered by the Trust to be remote in the circumstances, that a Unitholder could be held personally liable, despite such statement in the Trust Indenture, for the obligations of the Trust to the extent that claims are not satisfied out of the assets of the Trust.

The Wind Farm Interests are subject to transfer restrictions.

The ability of Wind I to sell the Wind Farm Interests and the ability of the Portfolio Entities to sell their interests in the Project LLCs may be limited by partnership or other agreements. The sale, pledge, transfer, assignment or other conveyance of an interest in a Project LLC could be prohibited without the consent of other investors in the Project LLC. Rights of first offer or rights of refusal may exist in some cases when a sale of transfer of an interest held by a Portfolio Entity or Wind I is proposed. These limitations could prevent or delay any future sale of the Wind Farm Interests or to cause the Portfolio Entities to sell their interests in the Project LLCs at less than desirable prices.

If we were required to register as an investment company under the U.S. Investment Company Act, the regulatory requirements may materially adversely impact our financial condition and results of operations.

Each of THLLP1 and THLLP2 (the "**TH Partnerships**") will be an excepted investment company for purposes of the U.S. Investment Company Act. Upon the acquisition of the Wind Farm Interests, the TH Partnerships are expected to rely upon one or more U.S. Investment Company Act exclusions or exemptions from the definition of an "investment company" and the registration and compliance obligations applicable to investment companies. If the U.S. Securities and Exchange Commission or a court were to determine that our indirect general partnership interest in either of the TH Partnerships constituted an investment contract rather than a general partnership interest, or that such general partnership interest was otherwise not valid, the Trust (and each of its wholly-owned subsidiaries) could be deemed to be an investment company if a relevant exclusion or exemption was not otherwise available. If the Trust (and such subsidiaries) did not satisfy the criteria applicable to such U.S. Investment Company Act exclusions or exemptions, the Trust (and such subsidiaries) would be required to register as an investment company and the Trust (and such subsidiaries) would be subject to the substantive requirements and regulatory provisions of the U.S. Investment Company Act. Many of these rules and regulations are not compatible with our collective business. The prospective loss of our ability to rely upon exclusions or exemptions from the definition of an investment company would limit our ability and the ability of the TH Partnerships to do business with affiliated companies, which could prevent us and our affiliates from obtaining the services that are required for our business. The substantive application of the U.S. Investment Company Act likely would, among other things, require (a) significant changes to our group structure and governance, including the composition of our board of directors, (b) the adoption of compliance procedures and the appointment of a chief compliance officer, and (c) pre-clearance of personal securities transactions of directors, officers and employees. Further, the costs of registration under the U.S. Investment Company Act and compliance with the ongoing reporting requirements mandated by the U.S. Investment Company Act would materially adversely affect our consolidated financial condition and results of operations.

Additionally, if it were established that the Trust (and/or its wholly-owned subsidiaries) were an investment company required to be registered and operated in compliance with the provisions of the U.S. Investment Company Act and its rules and regulations, we would be exposed to, among other material adverse consequences, the risk that the Trust (and and/or its wholly-owned subsidiaries) could become subject to monetary penalties or injunctive relief, or both, in an action brought by the U.S. Securities and Exchange Commission, that the Trust (and and/or its wholly-owned subsidiaries) would be unable to enforce contracts with third parties or that third parties could seek to obtain rescission of transactions with us (or one of our current subsidiaries) undertaken during the period it was established that the Trust (and and/or its wholly-owned subsidiaries) were unregistered investment companies.

Risks Relating to the Acquisitions

An incorrect assessment of value of the Wind Farm Interests could adversely affect the value of the Units and distributions to Unitholders.

Over the lifetime of a Project, wind availability will vary year-to-year based on the meteorological conditions. Given that the Projects have an average operating history of approximately 7.7 years as of March 31, 2013, Management believes that it has been able to estimate future production based on a combination of the actual historical production, recent wind availability assessments for the Acquisitions, and the original wind availability assessment that was done prior to construction of each Project. While an assessment that includes actual operating history is more accurate than the pre-construction wind availability assessment, these assessments are still predictions or estimates, and the wind availability can vary from those predictions. The actual wind availability may be less than historical and predictive meteorological studies have indicated, reducing planned estimated production of energy and therefore reducing revenue. The result of errors or miscalculations made to wind availability predictions could also have negative effects on contractual obligations and other arrangements for the sale of energy by the Project LLCs. In particular, lower production by a Project could impact a Project LLC's off-take agreements with utilities or cause hedging arrangements to be negatively impacted. Lower than expected wind resources and production also creates fewer RECs, the sale of which may make up a small part of the financial model for each Project LLC.

The following is a list of considerations that may contribute to actual energy production by a Project being different, possibly materially, from the energy production estimates set out in the wind studies we have relied upon:

- the extent to which the time period of the site-specific wind data accurately reflects long-term wind speeds;
- the extent to which historical data accurately reflects the strength and consistency of the wind in the future;
- the potential impact of climatic factors;
- the accuracy of assumptions on a variety of factors, including but not limited to weather, icing and soiling of wind turbines;
- the inherent variability of wind speeds;
- the inherent uncertainty associated with the specific methodologies and related models, in particular future orientated models, used to project the wind power generation;
- natural disasters, severe weather, or an accident can affect operations, turbines, turbine blades, and the electrical interconnection;
- mechanical performances of turbines, blades and generator equipment; and
- the potential for electricity losses to occur before delivery.

The strength and consistency of wind power generation at a Project site may vary from the estimates set out in the wind study for such Project. If the actual wind power generation for a particular Project varies from the estimates in the wind study or wind data collected, it could have a material adverse effect on a particular

Project LLC and, in turn, on the business, financial position or results of operations of the Trust, including cash distributions to Unitholders, and on the value of the Units.

The ability of Wind I to make a claim for and collect damages pursuant to the indemnities provided in the Purchase Agreements and Contribution Agreements is limited and such limitations may adversely affect Unitholders.

As described under "The Acquisitions", there are limitations in the ability of Wind I to make a claim for a breach under the terms of the Contribution Agreements and the Purchase Agreements and on the amount that can be recovered for such breach. Wind I would have to prove damages caused by a breach of the Vendors' representations and warranties in a court in New York, New York. Further, each Purchase Agreement excludes consequential or indirect damages. In addition, for the KEF Acquisition, damages for a breach of a representation or warrant are generally limited to U.S.$2.5 million except for certain tax warranties, where damages are limited to U.S.$5 million, and certain title warranties, where damages are limited to the purchase price. The Purchase Agreement for the EDP Acquisition also includes certain limitations of liability, particularly with respect to EDP's role as a Managing Member of a Project LLC. Should Wind I or a purchasing Portfolio Entity (as applicable) be unable to sustain a breach of contract or misrepresentation claim, or be precluded from relying upon an indemnity in the applicable Purchase Agreement or Contribution Agreement (as the case may be), it may have a materially adverse effect on the Trust's business, results of operations and financial condition, including cash distributions to Unitholders.

The ability of purchasers of Units to collect damages from the Vendors or Managing Members and the promoter for misrepresentation in this prospectus is limited.

Purchasers of Units under this prospectus will not have any right of action against any Vendor or any Managing Member of any of the Projects. There is no remedy against the Managing Members and the sole remedy against the Vendors for any misrepresentation in the Contribution Agreements, Purchase Agreements or Portfolio Entity Agreements will be through Threshold Power exercising its rights under the Purchase Agreements and Contribution Agreements to make a claim in respect of a breach of the representations and warranties in that agreement by the Vendors. Such claim is subject to the limitations described above.

Purchasers of Units under this prospectus will have a direct statutory right of action against the Administrator, in its capacity as promoter of the Trust, for any misrepresentation in this prospectus. However, the Administrator has only nominal assets, other than its rights under the Administrative Services Agreement. As such, the ability of purchasers of Units to collect damages from the Administrator is limited and may adversely affect Unitholders.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Management is not aware of any material outstanding, contemplated threatened or pending litigation as at the date hereof by or against the Trust, the Commerical Trust, Can Holdco, Threshold Power, Wind I or the Administrator.

There have not been any penalties or sanctions imposed against the Trust by a court relating to provincial and territorial securities legislation or by a securities regulatory authority, nor have there been any other penalties or sanctions imposed by a court or regulatory body against the Trust, and the Trust has not entered into any settlement agreements before a court relating to provincial and territorial securities legislation or with a securities regulatory authority.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Trust are KPMG LLP, Chartered Accountants, 333 Bay Street, Suite 4600, Toronto, Ontario, M5H 2S5. KPMG LLP has advised they are independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

The transfer agent and registrar for the Units is Computershare, at its principal offices in Calgary, Alberta and Toronto, Ontario where transfers of securities may be recorded.

EXPERTS

Certain legal matters relating to the Offering under Canadian law will be passed upon by Bennett Jones LLP on behalf of the Trust. Certain legal matters relating to the Offering under U.S. law will be passed upon Baker & McKenzie LLP on behalf of the Trust. Certain matters relating to the Offering, on behalf of the Underwriters, will be passed upon by Borden Ladner Gervais LLP as to Canadian law. Certain legal matters relating to the Offering under U.S. law will be passed upon by Kaye Scholer LLP, on behalf of the Underwriters. As at the date hereof, the partners and associates of each of Bennett Jones LLP, Baker & McKenzie LLP, Borden Ladner Gervais LLP and Kaye Scholer LLP, as respective groups, do not beneficially own, directly or indirectly, any of the outstanding Units, and such groups respectively each own less than 1% of the outstanding securities of any associate or affiliate of the Trust.

No person or company whose profession or business gives authority to a report, valuation, statement or opinion made by such person or company and who is named in this prospectus as having prepared or certified a part of this prospectus, or a report, valuation, statement or opinion described in this prospectus, has received or shall receive a direct or indirect interest in any securities or other property of the Trust or any associate or affiliate of the Trust.

KPMG LLP has advised they are independent with respect to the Trust within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

MATERIAL CONTRACTS

Copies of the following documents, once executed, will be available for inspection during normal business hours at the Administrator's office and the Trust's offices at Bennett Jones LLP, Suite 3400 One First Canadian Place, Toronto, Ontario M5X 1A4 during the period of distribution, or at any time after Closing on SEDAR at www.sedar.com under the Trust's profile.

1. Trust Indenture. See "Description of the Trust".
2. Administrative Services Agreement. See "Administrative Services Agreement".
3. The Threshold Power Note. See "Description of Threshold Power — The Threshold Power Note".
4. Voting Agreement. See "Voting Agreement".
5. Underwriting Agreement. See "Plan of Distribution".
6. Purchase Agreements. See "The Acquisitions".
7. Portfolio Entity Agreements. See "The Acquisitions".
8. Contribution Agreements. See "The Acquisitions".
9. Credit Agreement. See "Credit Facilities".
10. Working Capital Agreement. See "Credit Facilities".
11. JPM ROFO Agreement. See "The Acquisitions — JPM LOI".
12. Contingent Unit Agreement. See "Contingent Unit Agreements".
13. ManagementCo Purchase Agreement. See "The Acquisitions — The JPM Acquisition".

RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission, or, in some jurisdictions, revisions of the price or damages, if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that such remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal advisor.

GLOSSARY

In this prospectus, unless otherwise indicated or the context otherwise requires, the following terms shall have the indicated meanings. Words importing the singular include the plural and vice versa and words importing any gender include all genders. A reference to an agreement means the agreement as it may be amended, supplemented or restated from time to time.

"**Acquisitions**" has the meaning set out on the cover page of this prospectus;

"**ACUA**" means the Atlantic County Utilities Authority;

"**adjusted contribution amounts**" has the meaning set out in "The Acquisitions — The JPM Acquisition";

"**Adjusted EBITDA**" has the meaning set out in "Notice to Investors — Non-IFRS Financial Measures";

"**Adjusted LTM Q1 2013**" has the meaning set out in "Notice of Investors";

"**Adjustment Mechanism**" has the meaning set out in "The Acquisitions — The JPM Acquisition";

"**Administrative Services Agreement**" means the administrative services agreement dated June 11, 2013 between the Trustee and the Administrator, pursuant to which the Administrator has agreed to provide administrative, advisory, operational, technical and governance services to the Trust and pursuant to which the Administrator has been delegated certain duties in connection with the governance of the Trust;

"**Administrative Services**" has the meaning set out in "Administrative Services Agreement";

"**Administrator**" has the meaning set out on the cover page of this prospectus;

"**Administrator Directors**" means the directors of the Administrator from time to time and "**Administrator Director**" means any one of them;

"**Administrator Indemnitees**" has the meaning set out in "Administrative Services Agreement — Reliance, Limitation of Liability and Indemnification";

"**Administrator Service Providers**" has the meaning set out in "Administrative Services Agreement — Reliance, Limitation of Liability and Indemnification";

"**Administrator Shareholder**" has the meaning set out in "Prospectus Summary — Structure Following Closing";

"**affiliate**" has the meaning ascribed thereto in the *Securities Act* (Ontario), as amended from time to time;

"**allowable capital loss**" has the meaning set out in "Principal Canadian Federal Income Tax Considerations — Taxation of Resident Holders";

"**associate**" has the meaning ascribed thereto in the *Securities Act* (Ontario), as amended from time to time;

"**Audited Project LLC Financial Statements**" has the meaning set out in "Summary of Cash Available for Distributions";

"**Austin Energy**" means the City of Austin, Texas' municipally owned electric utility;

"**AWEA**" means the American Wind Energy Association;

"**Basic Compensation**" has the meaning set out in "Executive Compensation — Termination of Change of Control Benefits";

"**Bear Creek Project**" means the Bear Creek wind farm;

"**Beneficial Owner**" has the meaning set out in "Description of the Trust — Book Entry Only System";

"**Beneficiary**" means a Unitholder, beneficial owner of Units, holder of Other Trust Securities or "annuitant" (as defined in Trust Indenture);

"**Bid Units**" has the meaning set out in "Description of the Trust — Take-over Bids";

"**Blue Canyon LLC**" means Blue Canyon Windpower LLC;

"**Blue Canyon Project**" means the Blue Canyon wind farm;

"**BlueScout**" means BlueScout Technologies Ltd.;

"**Board**" means all of the Administrator Directors;

"**Board of Directors**" means the board of directors of the Administrator;

"**business day**" means a day other than a Saturday, Sunday or a day on which the principal chartered banks located at Toronto, Ontario are not open for business;

"**CAGR**" means compound annual growth rate;

"**Can Holdco**" means Threshold Power Holdings Inc., a corporation formed pursuant to the laws of Ontario and a wholly-owned subsidiary of the Trust;

"**Can Holdco Shares**" means the common shares in the capital of Can Holdco;

"**Capacity Factor**" has the meaning set out in "Industry Overview — Overview of the Wind Power Industry";

"**capacity weighted average**" has the meaning set out in "Notice to Investors — About this Prospectus";

"**Caprock LLC**" means Caprock Wind LLC;

"**Caprock Project**" means the Caprock wind farm;

"**cash distribution weighted average**" has the meaning set out in "Notice to Investors — About this Prospectus";

"**Cash Flip Point**" has the meaning set out in "Industry Overview - Flip Structure";

"**CDS**" means CDS Clearing and Depository Services Inc. or its nominee;

"**CDS Participants**" has the meaning set out in "Description of the Trust — Book Entry Only System";

"**Cedar Creek LLC**" means CCWE Holdings LLC;

"**Cedar Creek Project**" means the Cedar Creek wind farm;

"**CEO**" has the meaning set out in "Executive Compensation";

"**CFO**" has the meaning set out in "Executive Compensation";

"**Claims**" has the meaning set out in "Administrative Services Agreement — Reliance, Limitation of Liability and Indemnification";

"**Closing**" has the meaning set out on the cover page of this prospectus;

"**Closing Date**" has the meaning set out on the cover page of this prospectus;

"**COD**" has the meaning set out in "Industry Overview — US Renewable Tax Equity Overview";

"**Code**" means the United States Internal Revenue Code of 1986, as amended;

"**Commercial Trust**" means Threshold Power Commercial Trust, an unincorporated open-ended limited purpose trust established under the laws of the Province of Ontario pursuant to the Commercial Trust Indenture;

"**Commercial Trust Indenture**" means the trust indenture establishing the Commercial Trust made as of February 24, 2012 between the Trustee and the Administrator and amended as of June 10, 2013, as the same may be amended, supplemented or amended and restated from time to time;

"**Computershare**" means Computershare Trust Company of Canada;

"**Contingent Units**" has the meaning set out in "Contingent Units Agreement";

"**Constellation**" means Constellation Energy Commodities Group, Inc.;

"**Contingent Units Agreement**" has the meaning set out in "Contingent Units Agreement";

"**Contribution Agreement**" means an agreement entered into between an indirect wholly-owned subsidiary of the Trust (or an affiliate of such subsidiary) and a Vendor, pursuant to which the subsidiary (or affiliate of such subsidiary) and a third party counterparty agree to contribute money or other assets to a Portfolio Entity;

"**Contribution Amount**" has the meaning set out in "The Acquisitions — The JPM Acquisition";

"**COO**" has the meaning set out in "Executive Compensation";

"**Covered Interests**" has the meaning set out in "The Acquisitions — JPM ROFO Agreement";

"**Covered Project**" has the meaning set out in "The Acquisitions — JPM ROFO Agreement";

"**CPS Energy**" means CPS Energy of San Antionio, Texas;

"**CRA**" means the Canada Revenue Agency or any successor agency thereto;

"**Credit Agreement**" has the meaning set out in "Prospectus Summary — Our Business — Opportunities for Growth";

"**Credit Facilities**" means the Credit Facility and the WC Loan;

"**Credit Facility**" has the meaning set out in "Prospectus Summary — Our Business — Opportunities for Growth";

"**CRH LLC**" means Crescent Ridge Holdings LLC;

"**Crescent Ridge Project**" means the Crescent Ridge wind farm;

"**CT Unit Exchange**" has the meaning set out in "Selected *Pro Forma* Financial Information of the Trust";

"**CT Unit Exchange Agreements**" has the meaning set out in "CT Unit Exchange";

"**CT Unitholder**" has the meaning set out in "Description of Commercial Trust — CT Units";

"**CT Units**" means the trust units of the Commercial Trust;

"**Curtailment Rights**" has the meaning set out in "Industry Overview — Mechanisms to Promote Wind and Other Renewable Energy Sources";

"**December 2012 Proposals**" has the meaning set out in "Notice to Investors — Eligibility for Investment";

"**EBITDA**" has the meaning set out in "Notice to Investors — Non-IFRS Financial Measures";

"**EDP**" means EDP Renewables North America LLC;

"**EDP Acquisition**" has the meaning set out in "Prospectus Summary — Acquisitions";

"**EIA**" means the United States Energy Information Administration;

"**EPACT 2005**" means the Energy Policy Act of 2005;

"**Equity Plan**" means the Restricted Trust Unit Plan of the Trust;

"**Equity Plan Administrator**" has the meaning set out in "Restricted Trust Unit Plan";

"**Equity Plan Insider and Independent Director Participation Restrictions**" has the meaning set out in "Restricted Trust Unit Plan";

"**ERCOT**" means the Electric Reliability Council of Texas;

"**Excluded Services**" has the meaning set out in "Trustee, Directors and Management — The Administrator";

"**Experts**" has the meaning set out in "Administrative Services Agreement — Reliance, Limitation of Liability and Indemnification";

"**FAPI**" has the meaning set out in "Principal Canadian Federal Income Tax Considerations — Taxation of Can Holdco";

"**FATCA**" means the *Foreign Account Tax Compliance Act,* as codified in sections 1471 through 1474 of the Code, and the Treasury Regulations promulgated thereunder;

"**FATCA Regulations**" means the final regulations issued by the IRS on January 17, 2013 under FATCA;

"**FERC**" means the U.S. Federal Energy Regulatory Commission;

"**FFI Agreement**" has the meaning set out in "Certain U.S. Federal Income Tax Considerations Applicable to the Trust, the Commercial Trust, Can Holdco, Threshold Power, Wind I and the Portfolio Entities — Certain U.S. Federal Income Tax Considerations Applicable to the Trust";

"**FFIs**" has the meaning set out in "Certain U.S. Federal Income Tax Considerations Applicable to the Trust, the Commercial Trust, Can Holdco, Threshold Power, Wind I and the Portfolio Entities — Certain U.S. Federal Income Tax Considerations Applicable to the Trust";

"**First Private Placement**" has the meaning set out in "Prior Sales — Prior Sales of Commercial Trust Units";

"**FIT**" has the meaning set out in "Industry Overview — Mechanisms to Promote Wind and Other Renewable Energy Sources";

"**Flips**" has the meaning set out in "Prospectus Summary — Industry Overview";

"**Flip Structure**" has the meaning set out in "Prospectus Summary — Our Business";

"**FMV**" means the fair market value;

"**FMV Options**" has the meaning set out in "Our Business — Tax Equity Interests and Project Principal Interests in the Project LLCs — Pre-Emptive Rights, Buyouts and FMV Options";

"**forward-looking statement**" has the meaning set out in "Notice to Investors — Forward-Looking Information";

"**Gamesa**" means Gamesa Wind U.S., LLC;

"**GE**" means General Electric Company;

"**Grant Date**" has the meaning set out in "Restricted Trust Unit Plan";

"**GW**" means gigawatts;

"**GWh**" means a gigawatt hour;

"**HIRE Act**" means the Hiring Incentives to Restore Employment Act of 2010;

"**HLBV**" means hypothetical liquidation at book value;

"**Horizon**" means Horizon Wind Energy LLC;

"**IFRS**" means International Financial Reporting Standards, as adopted by the Canadian Accounting Standards Board;

"**IGAs**" has the meaning set out in "Certain U.S. Federal Income Tax Considerations Applicable to the Trust, the Commercial Trust, Can Holdco, Threshold Power, Wind I and the Portfolio Entities — Certain U.S. Federal Income Tax Considerations Applicable to the Trust";

"**Imbedded ROFOs**" has the meaning set out in "The Projects — Imbedded ROFOs under the Project LLC Agreements";

"**Infigen Asset Management**" means Infigen Asset Management LLC, a Delaware limited liability company (formerly known as Bluearc Management Group LLC and Babcock & Brown Power Operating Partners LLC);

"**Infigen Energy**" means Infigen Energy Ltd. (formerly known as Babcock & Brown Wind Partners Group);

"**Initial CT Unit**" means the initial CT Unit of the Commercial Trust issued to the Administrator, as settlor of the Commercial Trust, upon the settlement of the Commercial Trust;

"**Initial Unit**" means the initial Unit of the Trust issued to the Administrator, as settlor of the Trust, upon the settlement of the Trust;

"**IPPs**" has the meaning set out in "Industry Overview — Overview of Power Industry";

"**IRR**" has the meaning set out in "Notice to Investors — Non -IFRS Financial Measures";

"**IRR Flip Point**" has the meaning set out in "Industry Overview — Flip Structure";

"**IRS**" means Internal Revenue Services";

"**ITC**" has the meaning set out in "Prospectus Summary — Industry Overview";

"**JB Wind LLC**" means JB Wind Holdings LLC;

"**Jersey-Atlantic Project**" means the Jersey-Atlantic wind farm;

"**JPM**" has the meaning set out in on the cover page of this prospectus;

"**JPM Acquisition**" has the meaning set out in "Prospectus Summary — Acquisitions";

"**JPM Contribution Agreement**" has the meaning set out in "The Acquisitions — The JPM Acquisition";

"**JPM Guaranty**" has the meaning set out in "The Acquisitions — The JPM Acquisition";

"**JPM Indemnity Agreement"** has the meaning set out in "The Acquisitions — Indemnification Agreement with JPM";

"**JPM Letter Agreement**" has the meaning set out in "The Projects — Key Relationships";

"**JPM LOI**" has the meaning set out in "Prospectus Summary — Investment Highlights";

"**JPM Purchase Agreement**" has the meaning set out in "The Acquisition — The JPM Acquisition";

"**JPM ROFO Agreement**" has the meaning set out in on the cover page of this prospectus;

"**JPM Subsidiary**" has the meaning set out in "The Acquisitions — The JPM Acquisitions";

"**JPM Tagalong Advisory Fee**" has the meaning set out in "The Acquisitions — JPM LOI";

"**KEF**" means KEF Equity Investment Corp.;

"**KEF Acquisition**" has the meaning set out in "Prospectus Summary — Acquisitions";

"**KEF Project LLCs**" has the meaning set out in "The Acquisitions — The KEF Acquisition";

"**KeyBank**" means KeyBank National Association;

"**Knowledgeable Person**" has the meaning set out in "Administrative Services Agreement — Reliance, Limitation of Liability and Indemnification";

"**KWh**" means kilowatt hour;

"**Loan**" has the meaning set out in "The Promissory Notes";

"**Lead Underwriters**" has the meaning set out on the cover page of this prospectus;

"**Lessee**" means a Tax Equity Investor who invests as a partner in an entity treated as a partnership for U.S. federal income tax purposes, under an inverted lease structure;

"**LIBOR**" means the London Interbank Offered Rate;

"**Lock-up Agreements**" means the lock-up agreements to be entered into on the Closing Date between each of the Administrator Directors, Management, the Locked-up Unitholders and the Lead Underwriters on behalf of the Underwriters;

"**Lock-up Periods**" has the meaning set out in "Offering Summary — Lock-up Agreements";

"**Locked-up Unitholders**" means, collectively, all of the Unitholders who will enter into Lock-up Agreements;

"**Luminant**" means Luminant Energy Company LLC;

"**MACRS**" has the meaning set out in "Prospectus Summary — Industry Overview";

"**ManagementCo**" has the meaning set out in "The Acquisitions — The JPM Acquisition";

"**ManagementCo Purchase Agreement**" has the meaning set out in "The Acquisitions — The JPM Acquisition";

"**Majority Decisions**" means the certain other decisions (in addition to Supermajority Decisions) requiring support from members holding a majority of the interests in a project company;

"**Management**" means the management of the Trust, being the executive officers of the Administrator and has the meaning set out in "Notice to Investors — About this Prospectus";

"**Managing Member**" has the meaning set out in "Industry Overview — Tax Equity Finance Structures";

"**Maximum Theorhetical Production**" has the meaning set out in "Industry Overview — Overview of the Wind Power Industry";

"**MD&A**" means management's discussion and analysis;

"**MHI**" means Mitsubishi Heavy Industries;

"**MW**" means megawatts;

"**MWh**" means megawatt hours;

"**Named Executive Officer**" or "**NEOs**" means the named executive officers set out in "Executive Compensation";

"**net taxable capital gains**" has the meaning ascribed thereto in subsection 104(21.3) of the Tax Act;

"**NFFEs**" has the meaning set out in "Certain U.S. Federal Income Tax Considerations Applicable to the Trust, the Commercial Trust, Can Holdco, Threshold Power, Wind I and the Portfolio Entities — Certain U.S. Federal Income Tax Considerations Applicable to the Trust";

"**Non-resident**" means any person who at the relevant time, for the purposes of the Tax Act, is not resident in Canada and is not deemed to be resident in Canada, or is a partnership that is not a "Canadian partnership" within the meaning of the Tax Act;

"**Noteholders**" means, collectively, NGEN Partners, Persimmon Tree Capital Fund, LP and Roger W. Sant Revocable Living Trust;

"**NP 41-201**" means National Policy 41-201 — *Income Trusts and Other Indirect Offerings*;

"**O&M**" has the meaning set out in "Prospectus Summary — Risk Factors";

"**OBCA**" means the *Business Corporations Act* (Ontario) and the regulations thereunder, each as amended from time to time;

"**OEM**" means original equipment manufacturer which typically provides the turbine operations and maintenance of a Project pursuant to a service contract;

"**OEM Agreement**" has the meaning set out in "The Projects — Operations and Maintenance";

"**off-taker**" has the meaning set out in "Notice to Investors — Forward Looking Information";

"**Offering**" has the meaning set out on the cover page of this prospectus;

"**Oneworld**" means Oneworld Energy Inc.;

"**Order**" has the meaning set out in "Trustee, Directors and Management — Cease Trade Orders";

"**Ordinary Resolution**" means a resolution passed by more than 50% of the votes cast by those Unitholders entitled to vote on such resolution, whether cast in person or by proxy at a meeting of Unitholders at which a quorum was present, called (at least in part) for the purpose of approving such resolution, or a resolution approved in writing, in one or more counterparts, by holders of more than 50% of the votes represented by those Units entitled to be voted on such resolution, provided that, unless such written resolution is unanimous, the Administrative Directors have unanimously approved such resolution;

"**Other Trust Securities**" means any type of securities of the Trust other than Units, including notes, options, rights, warrants or other securities convertible into or exercisable for Units or other securities of the Trust (including convertible debt securities, subscription receipts and installment receipts);

"**Over-Allotment Option**" means the option granted by the Trust to the Underwriters exercisable in whole or in part, from time to time, for a period of 30 days from Closing, to purchase up to ● additional Units from the Trust on the same terms as the Units sold under the Offering, to cover over-allotments, if any, and for market stabilization purposes;

"**Participants**" has the meaning set out in "Restricted Trust Unit Plan";

"**Participating FFI**" has the meaning set out in "Certain U.S. Federal Income Tax Considerations Applicable to the Trust, the Commercial Trust, Can Holdco, Threshold Power, Wind I and the Portfolio Entities — Certain U.S. Federal Income Tax Considerations Applicable to the Trust";

"**person**" means and includes individuals, companies, corporations, limited partnerships, general partnerships, joint stock companies, limited liability companies, joint ventures, associations, trusts, banks, trust companies, pension funds, and other organizations, whether or not legal entities, and governments and agencies and political subdivisions thereof;

"**PJM**" means PJM Interconnection LLC;

"**Portfolio Adjustment Date**" has the meaning set out in "Corporate Structure";

"**Portfolio Entities**" has the meaning set out on the cover page of this prospectus;

"**Portfolio Entity Agreements**" means the limited liability partnership agreements governing the Portfolio Entities;

"**PPA**" means power purchase agreements for the sale of electricity between the Project LLCs and off-takers;

"**PPL Energy**" means PPL Energy-Plus LLC;

"**Preferred Return**" has the meaning set out in "Notice to Investors — About this Prospectus";

"**Private Placement Investors**" means those persons who acquired CT Units pursuant to the Private Placements;

"**Private Placements**" has the meaning set out in "Prior Sales — Prior Sales of Commercial Trust Units";

"**Projects**" has the meaning set out on the cover page of this prospectus;

"**Project Administrator**" has the meaning set out in "Industry Overview — Tax Equity Finance Structures";

"**Project LLCs**" has the meaning set out on the cover page of this prospectus;

"**Project LLC Agreement**" has the meaning set out in "Notice to Investors — About this Prospectus";

"**Project Principals**" has the meaning set out in "Notice to Investors — About this Prospectus";

"**Project Principal Interests**" has the meaning set out in "Notice to Investors — About this Prospectus";

"**Promissory Notes**" has the meaning set out in "Use of Proceeds";

"**Proposed Amendments**" has the meaning set out in "Principal Canadian Federal Income Tax Considerations";

"**PSCo**" means Public Service Company of Colorado;

"**PTC**" has the meaning set out in "Prospectus Summary — Industry Overview";

"**PTC Compensation**" has the meaning set out in "Management's Discussion and Analysis for Project LLCs for the Years Ended December 31, 2010, 2011 and 2012 — Overview";

"**PUCs**" means Public Utility Commissions;

"**Purchase Agreement**" means an agreement entered into between an indirect wholly-owned subsidiary of the Trust (or an affiliate of such subsidiary) and a Vendor, pursuant to which the subsidiary (or affiliate of such subsidiary) will acquire Tax Equity Interests and/or Project Principal Interests;

“**Put Reserve**” has the meaning set out in “Credit Facilities”;

“**Qualifying Acquisition**” has the meaning set out in “Contingent Units Agreement”;

“**REC**” has the meaning set out in “Notice to Investors — Forward-Looking Information”;

“**Redemption Date**” has the meaning set out in “Description of the Trust — Redemption at the Option of Unitholders”;

“**Redemption Notes**” means subordinated unsecured promissory notes of the Trust that may be issued by the Trust in accordance with the Trust Indenture on a redemption of Units;

“**Redemption Price**” means the redemption price applicable to any redemption of Units by Unitholders as further described under “Description of the Trust — Redemption at the Option of Unitholders”;

“**Registered Plans**” means, collectively, registered retirement savings plans, registered education savings plans, registered retirement income funds, deferred profit sharing plans, registered disability savings plans and tax-free savings accounts;

“**Regulation S**” has the meaning set out on the cover page of this prospectus;

“**Reinvested Units**” means, where the Administrator determines that the Trust does not have cash in an amount sufficient to make payment of the full amount of any distribution which has been declared to be payable, payment of all or part of such distribution through the issuance of additional Units;

“**Resident Holder**” has the meaning set out in “Principal Canadian Federal Income Tax Considerations”;

“**Review Period**” has the meaning set out in “The Acquisitions — JPM ROFO Agreement”;

“**JPM ROFO Agreement**” has the meaning set out on the cover page of this prospectus;

“**RPS**” has the meaning set out in “Industry Overview — Mechanisms to Promote Wind and Other Renewable energy Sources”;

“**RRIF**” means “registered retirement income fund” as defined in the Tax Act;

“**RRSP**” means “registered retirement savings plan” as defined in the Tax Act;

“**RTU**” means a restricted trust unit of the Trust;

“**RTU Entitlement Date**” has the meaning set out in “Restricted Trust Unit Plan”;

“**SCADA**” means system control and data acquisition;

“**Second Private Placement**” has the meaning set out in “Prior Sales — Prior Sales of Commercial Trust Units”;

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval;

“**SIFT Rules**” means the provisions of the Tax Act that apply to a SIFT trust;

“**SIFT trust**” means a specified investment flow-through trust as defined in subsection 122.1(1) of the Tax Act;

“**Special Resolution**” means a resolution passed by more than 66⅔% of the votes cast by those Unitholders entitled to vote on such resolution, whether cast in person or by proxy, at a meeting of Unitholders at which a quorum was present, called (at least in part) for the purpose of approving such resolution, or a resolution approved in writing, in one or more counterparts, by holders of more than 66⅔% of the votes represented by those Units entitled to be voted on such resolution, provided that, unless such written resolution is unanimous, the Administration Directors shall have unanimously approved such resolution;

“**SPP**” means Southwest Power Pool Electric Energy Network;

“**SPSC**” means Southwestern Public Service Company;

“**subsidiary**” has the meaning ascribed to “subsidiary body corporate” in the OBCA;

"**Supermajority Decisions**" means the certain fundamental decisions under each Project LLC Agreement that require, at least prior to the IRR Flip Point, the support of a supermajority of all members of the relevant Project LLC;

"**SW1 LLC**" means Sweetwater Wind 1 LLC;

"**SW2 LLC**" means Sweetwater Wind 2 LLC;

"**SW3 LLC**" means Sweetwater Wind 3 LLC;

"**Sweetwater 1 Project**" means the Sweetwater Wind 1 wind farm;

"**Sweetwater 2 Project**" means the Sweetwater Wind 2 wind farm;

"**Sweetwater 3 Project**" means the Sweetwater Wind 3 wind farm;

"**Tax Act**" means the *Income Tax Act* (Canada) as amended from time to time;

"**Tax Attributes**" has the meaning set out in "Prospectus Summary — Industry Overview";

"**Tax Equity Interests**" has the meaning set out on the cover page of this prospectus;

"**Tax Equity Investors**" has the meaning set out on the cover page of this prospectus";

"**taxable capital gain**" has the meaning set out in "Principal Canadian Federal Income Tax Considerations — Taxation of Resident Holders";

"**Texas Reliability Entity**" has the meaning set out in "Industry Overview — U.S. Electricity Regulatory Environment";

"**TFSA**" means a tax-free savings account as defined in the Tax Act;

"**TH Partnerships**" has the meaning set out in "Risk Factors";

"**THLLP1**" has the meaning set out in on the cover page of this prospectus;

"**THLLP1 Management Committee**" has the meaning set out in "The Acquisitions — The JPM Acquisition";

"**THLLP1 Portfolio Entity Agreement**" has the meaning set out in "The Acquisitions — Indemnification Agreement with JPM";

"**THLLP2**" has the meaning set out in on the cover page of this prospectus;

"**THLLP2 Portfolio Entity Agreement**" has the meaning set out in "The Acquisitions — The KEF Acquisition";

"**TH3**" has the meaning set out in on the cover page of this prospectus;

"**TH3 Portfolio Entity Agreement**" has the meaning set out in "The Acquisitions — The EDP Acquisition";

"**Third Private Placement**" has the meaning set out in "Prior Sales — Prior Sales of Commercial Trust Units";

"**Threshold Group**" means, collectively, the Trust, the Trust Subsidiaries and the Administrator;

"**Threshold Power**" means Threshold Power Corporation, a corporation formed pursuant to the laws of Delaware and a wholly-owned subsidiary of Can Holdco;

"**Threshold Power Note**" means the subordinated unsecured promissory note to be issued by Threshold Power to Can Holdco, which will be distributed by Can Holdco to the Commercial Trust and by the Commercial Trust to the Trust;

"**TP Design mark**" has the meaning set out in "Notice to Investors — Trademarks";

"**Treaty**" means the Convention between the United States of America and Canada with Respect to Taxes on Income and on Capital, signed September 26, 1980, as amended;

"**Trust**" means Threshold Power Trust, an unincorporated open-ended limited purpose trust established under the laws of the Province of Ontario pursuant to the Trust Indenture;

"**Trust Claims**" has the meaning set out in "Administrative Services Agreement — Reliance, Limitation of Liability and Indemnification";

"**Trust Indemnitees**" has the meaning set out in "Administrative Services Agreement — Reliance, Limitation of Liability and Indemnification";

"**Trust Indenture**" has the meaning set out on the cover page of this prospectus;

"**Trust Property**" means, at any time, all of the money, properties and other assets of any nature or kind whatsoever as are, at such time, held by the Trust or by the Trustee or its delegate on behalf of the Trust;

"**Trust Subsidiaries**" means, collectively, the Commercial Trust, Can Holdco, Threshold Power and Wind I, and "**Trust Subsidiary**" means any one of them;

"**Trustee**" means the trustee of the Trust which, at the Closing, will be Computershare;

"**TSX**" means the Toronto Stock Exchange;

"**Turbine Capacity**" has the meaning set out in "Industry Overview — Overview of the Wind Power Industry";

"**Unaudited Project LLC Financial Statements**" has the meaning set out in "Summary of Cash Available for Distributions";

"**Underwriters**" has the meaning set out on the cover page of this prospectus;

"**Underwriting Agreement**" means the underwriting agreement among the Trust, the Administrator, the Trust Subsidiaries and the Underwriters dated 2013, as further described under "Plan of Distribution";

"**Underwriters' Fee**" is the amount of C$ ● per Unit paid to the Underwriters pursuant to the Offering;

"**Unitholder**" means a registered holder of Units;

"**Units**" has the meaning set out on the cover page of this prospectus;

"**U.S.**" or "**United States**" means the United States of America including its territories and possessions;

"**U.S. Investment Company Act**" means the United States Investment Company Act of 1940, as amended, including the rules and regulations thereunder;

"**U.S. Resident**" has the meaning ascribed thereto in the Trust Indenture;

"**USRPHC**" means a United States real property holding corporation as defined in Code Section 897(c)(2);

"**U.S. Securities Act**" means the Securities Act of 1933, as amended, including the rules and regulations thereunder;

"**Vendors**" has the meaning set out on the cover page of this prospectus;

"**Voting Agreement**" has the meaning set out in "Prospectus Summary — Structure Following Closing";

"**WC Loan**" has the meaning set out in "Prospectus Summary — Financing Arrangements";

"**WECC**" means Western Electric Coordinating Council;

"**West Region**" has the meaning set out in "The Projects — West Region";

"**Western Farmers**" or "**WFEC**" means Western Farmers Electric Corporation;

"**Wind Farm Interests**" has the meaning set out in "Notice to Investors — About this Prospectus";

"**Wind I**" means Threshold Wind I, LLC, a limited liability company formed pursuant to the laws of Delaware; and

"**Working Capital Agreement**" has the meaning set out in "Credit Facilities — WC Loan".

APPENDIX A

BOARD OF DIRECTORS' CHARTER

Threshold Power Administrator Inc.

GENERAL

Threshold Power Administrator Inc. (the "**Administrator**") is the administrator of Threshold Power Trust (the "**Trust**") and as such, the board of directors of the Administrator (the "**Board of Directors**") is responsible for the stewardship of the affairs of the Trust and the Trust's direct and indirect subsidiary entities (collectively, with the Administrator and the Trust, the "**Threshold Power Group**"), for the benefit of the unitholders of the Trust (the "**Unitholders**"). The fundamental responsibility of the Board of Directors is to supervise the management of the business and affairs of the Threshold Power Group.

The Board of Directors has adopted this Charter, which reflects the Threshold Power Group's commitment to high standards of corporate governance, to assist the Board of Directors in supervising the management of the business and affairs of the Threshold Power Group.

The Board of Directors believes that sound corporate governance practices are essential to the well-being of the Threshold Power Group and the promotion and protection of its unitholders' interests. The Board of Directors oversees the functioning of the Threshold Power Group's governance system, in part through the work of the Governance, Nomination & Compensation Committee.

The Board of Directors promotes fair reporting, including financial reporting, to unitholders of the Trust and other interested persons as well as ethical and legal corporate conduct through an appropriate system of corporate governance, internal controls and disclosure controls. The Board of Directors believes that the Threshold Power Group is best served by a board of directors that functions independently of management and is informed and engaged.

The Governance, Nomination & Compensation Committee will review this mandate annually, or more often if warranted, and recommend to the Board of Directors such changes as it deems necessary and appropriate in light of the Threshold Power Group's needs and legal and regulatory developments.

COMPOSITION AND OPERATION OF THE BOARD

The Board of Directors will consist of a minimum of three (3) members up to the stipulated maximum number of members as prescribed in the Administrator's articles. A majority of the members of the Board of Directors shall be residents of Canada. In addition, a majority of the members of the Board of Directors shall be "independent" as contemplated in National Instrument 58-101 — *Disclosure of Corporate Governance Practices*. An independent director is a director of the Administrator who is independent of management of the Threshold Power Group and is free from any interest, any business or other relationship which could, or could reasonably be perceived, to materially interfere with the director's ability to act with a view to the best interests of the Trust, other than interests and relationships arising from securityholdings. In determining whether a director of the Administrator is independent of management of the Threshold Power Group, the Board of Directors shall make reference to the then current legislation, rules, policies and instruments of applicable regulatory authorities.

The Board of Directors operates by delegating certain of its authorities to management and by reserving certain powers to itself. The Board of Directors retains the responsibility of managing its own affairs including selecting its chairman, nominating candidates for election to the board, constituting committees of the full Board of Directors and determining compensation for the directors. Subject to the articles and by-Laws of the Administrator and the *Business Corporations Act* (Ontario) ("**OBCA**"), the Board of Directors may constitute, seek the advice of and delegate powers, duties and responsibilities to committees of the Board of Directors.

RESPONSIBILITIES

The Board of Directors' fundamental objectives are to enhance and preserve long-term unitholder value, to ensure the Threshold Power Group meets its obligations on an ongoing basis and that the Threshold Power Group operates in a reliable and safe manner. In performing its functions, the Board of Directors should also

consider the legitimate interests that its other stakeholders such as employees, customers and communities may have in the Threshold Power Group. In broad terms, the stewardship of the Threshold Power Group involves the Board of Directors in strategic planning, financial reporting, risk management and mitigation, senior management determination, communication planning and internal control integrity.

DUTIES

The Board of Directors' specific duties, obligations and responsibilities fall into the following categories.

Legal Requirements

- The Board of Directors has the oversight responsibility for meeting the Threshold Power Group's legal requirements and for properly preparing, approving and maintaining the Threshold Power Group's documents and records.
- The Board of Directors has the statutory responsibility to:
  - manage the business and affairs of the Trust;
  - act honestly and in good faith with a view to the best interests of the Trust;
  - exercise the care, diligence and skill that responsible, prudent people would exercise in comparable circumstances; and
  - act in accordance with its obligations contained in the OBCA and the regulations thereto, the trust indenture of the Trust, the articles and by-laws of the Administrator, applicable securities laws and regulations, and other relevant legislation and regulations.
- The Board of Directors has the statutory responsibility for considering the following matters as a full Board of Directors which in law may not be delegated to management or to a committee of the Board of Directors:
  - any submission to the Unitholders of a question or matter requiring the approval of the Unitholders;
  - the filling of a vacancy among the directors;
  - the issuance of securities;
  - the declaration of distributions;
  - the purchase, redemption or any other form of acquisition of units issued by the Trust;
  - the payment of a commission to any person in consideration of his/her purchasing or agreeing to purchase units of the Trust from the Trust or from any other person, or procuring or agreeing to procure purchasers for any such units;
  - the approval of management proxy circulars; and
  - the approval of any take-over bid circular or directors' circular.

Independence

The Board of Directors shall have the responsibility to:

- implement appropriate structures and procedures to permit the Board of Directors to function independently of management;
- implement a system which enables an individual director to engage an outside advisor at the reasonable expense of the Administrator in appropriate circumstances; and
- provide an orientation and education program for newly appointed members of the Board of Directors.

Strategy Determination

The Board of Directors shall:

- adopt and annually review a strategic planning process and approve the corporate strategic plan, which takes into account, among other things, the opportunities and risks of the business; and
- annually review operating and financial performance results relative to established strategy, budgets and objectives.

Managing Risk

The Board of Directors has the responsibility to understand the principal risks of the business in which the Threshold Power Group is engaged, to achieve a proper balance between risks incurred and the potential return to Unitholders, and to confirm that systems are in place to effectively monitor and manage those risks with a view to the long-term viability of the Threshold Power Group.

Appointment, Training and Monitoring of Senior Management

The Board of Directors shall:

- appoint the Chief Executive Officer ("**CEO**") and such other senior officers as it determines to be appropriate;
- approve (upon recommendations from the Governance, Nomination & Compensation Committee) the compensation of the CEO and other senior officers;
- monitor the CEO's performance against a set of mutually agreed corporate objectives directed at maximizing Unitholder value;
- ensure that a process is established that adequately provides for succession planning, including the appointment, training and monitoring of the CEO and other senior officers; and
- establish limits of authority delegated to management of the Threshold Power Group.

Reporting and Communication

The Board of Directors has the responsibility to:

- verify that the Threshold Power Group has in place policies and programs to enable the Trust to communicate effectively with its Unitholders, other stakeholders and the public generally;
- verify that the financial performance of the Trust is reported to Unitholders, other security holders and regulators on a timely and regular basis;
- verify that the financial results are reported fairly and in accordance with generally accepted accounting standards (including International Financial Reporting Standards as applicable);
- verify the timely reporting of any other developments that may have a significant and material impact on the value of the Trust; and
- report annually to Unitholders on its stewardship of the affairs of the Threshold Power Group for the preceding year.

Monitoring and Acting

The Board of Directors has the responsibility to:

- review and approve the Trust's financial statements and oversee the Threshold Power Group's compliance with applicable audit, accounting and reporting requirements;
- verify that the Threshold Power Group operates at all times within applicable laws and regulations to the highest ethical and moral standards;

- approve and monitor compliance with significant policies and procedures by which the Threshold Power Group is operated;
- recommend to Unitholders the appointment of the Trust's external auditor, pursuant to the recommendation of the Audit & Risk Committee, and set the external auditor's compensation.
- monitor the Threshold Power Group's progress towards its goals and objectives and to revise and alter its direction through management in response to changing circumstances;
- take such action as it determines appropriate when performance falls short of its goals and objectives or when other special circumstances warrant; and
- verify that the Threshold Power Group has implemented adequate internal controls and information systems which ensure the effective discharge of its responsibilities.

Other Activities

The Board of Directors may exercise or delegate any other powers consistent with this mandate, the trust indenture of the Trust, the Administrator's articles and by-laws, the OBCA and any other governing laws, as the Board of Directors deems necessary or appropriate. The powers of the Board of Directors may be exercised by a resolution passed at a meeting of the Board of Directors at which a quorum is present or by a resolution in writing signed by all the directors entitled to vote on that resolution at a meeting. If there is a vacancy in the Board of Directors, the remaining directors may exercise all the powers of the Board of Directors so long as a quorum remains in office. The Board of Directors may perform any other activities consistent with this mandate, the trust indenture of the Trust, the by-laws of the Administrator, the OBCA and any other governing laws as the Board of Directors determines necessary or appropriate.

APPENDIX B

AUDIT AND RISK COMMITTEE CHARTER

Threshold Power Trust Administrator Inc.

Audit and Risk Committee Charter

GENERAL

Threshold Power Administrator Inc. (the "**Administrator**") is the administrator of Threshold Power Trust (the "**Trust**") and as such, the board of directors of the Administrator (the "**Board of Directors**") is responsible for the stewardship of the affairs of the Trust and the Trust's direct and indirect subsidiary entities (collectively, with the Administrator and the Trust, the "**Threshold Power Group**"), for the benefit of the unitholders of the Trust (the "**Unitholders**"). The Board of Directors has established an Audit and Risk Committee (the "**Committee**"), composed entirely of independent directors, the primary role of which is to assist the Board of Directors in fulfilling its oversight responsibilities for the Threshold Power Group's internal controls, financial reporting and risk management processes. The Committee will be provided with resources commensurate with the duties and responsibilities assigned to it by the Board of Directors, including administrative support. If determined necessary by the Committee, it will have the discretion to institute investigations of improprieties, or suspected improprieties within the scope of its responsibilities, including the standing authority to retain special counsel or experts.

COMPOSITION OF THE COMMITTEE

The Committee shall consist of at least three (3) directors of the Administrator. The Board of Directors shall appoint the members of the Committee and may seek the advice and assistance of the Governance, Nomination & Compensation Committee in identifying qualified candidates. The Board of Directors shall appoint one member of the Committee to be the chair of the Committee (the "**Chair**").

Each director appointed to the Committee by the Board of Directors shall be "independent" as contemplated in National Instrument 58-101 — *Disclosure of Corporate Governance Practices*. An independent director is a director of the Administrator who is independent of management of the Threshold Power Group and is free from any interest, any business or other relationship which could, or could reasonably be perceived, to materially interfere with the director's ability to act with a view to the best interests of the Trust, other than interests and relationships arising from the Securityholdings. In determining whether a director of the Administrator is independent of management of the Threshold Power Group, the Board of Directors shall make reference to the then current legislation, rules, policies and instruments of applicable regulatory authorities.

Each member of the Committee shall be "financially literate". In order to be financially literate, a director of the Administrator must be, at a minimum, able to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the issuer's financial statements.

A director of the Administrator appointed by the Board of Directors to the Committee shall be a member of the Committee until replaced by the Board of Directors or until his or her resignation.

MEETINGS OF THE COMMITTEE

The Committee shall convene a minimum of four times each year at such times and places as may be designated by the Chair and whenever a meeting is requested by the Board of Directors, a member of the Committee, the auditors, or a senior officer of the Administrator. Meetings of the Committee shall also correspond with the review of the quarterly financial statements and management's discussion and analysis.

Notice of each meeting of the Committee shall be given to each member of the Committee and to the auditors, who shall be entitled to attend each meeting of the Committee and shall attend whenever requested to do so by a member of the Committee.

Notice of a meeting of the Committee shall:

- be in writing;
- state the nature of the business to be transacted at the meeting in reasonable detail;
- to the extent practicable, be accompanied by copies of documentation to be considered at the meeting; and
- be given at least two business days prior to the time stipulated for the meeting or such shorter period as the members of the Committee may permit.

A quorum for the transaction of business at a meeting of the Committee shall consist of a majority of the members of the Committee. However, it shall be the practice of the Committee to require review, and, if necessary, approval of certain important matters by all members of the Committee.

A member or members of the Committee may participate in a meeting of the Committee by means of such telephonic, electronic or other communication facilities, as permits all persons participating in the meeting to communicate adequately with each other. A member participating in such a meeting by any such means is deemed to be present at the meeting.

In the absence of the Chair, the members of the Committee shall choose one of the members present to be chair of the meeting. In addition, the members of the Committee shall choose one of the persons present to be the secretary of the meeting.

The chairman of the Board of Directors, senior management of the Threshold Power Group and other parties may attend meetings of the Committee; however, the Committee (i) shall meet with the external auditors independent of management, as necessary, in the sole discretion of the Committee, but in any event, not less than quarterly; and (ii) may meet separately with management.

Minutes shall be kept of all meetings of the Committee and shall be signed by the chair and the secretary of the meeting.

COMMITTEE RESPONSIBILITIES

The Committee's primary responsibilities are to:

- identify and monitor the management of the principal risks that could impact the financial reporting of the Threshold Power Group;
- monitor the integrity of the Threshold Power Group's financial reporting process and system of internal controls regarding financial reporting and accounting compliance;
- monitor the independence and performance of the Threshold Power Group's external auditors;
- deal directly with the external auditors to approve external audit plans, other services (if any) and fees;
- directly oversee the external audit process and results;
- provide an avenue of communication among the external auditors, management and the Board of Directors; and
- ensure that an effective "whistle blowing" procedure exists to permit stakeholders to express any concerns regarding accounting or financial matters to an appropriately independent individual.

DUTIES

The Committee shall:

- review the audit plan with the Threshold Power Group's external auditors and with management;
- discuss with management of the Threshold Power Group and the external auditors any proposed changes in major accounting policies or principles, the presentation and impact of significant risks and

uncertainties and key estimates and judgments of management that may be material to financial reporting;

- review with management of the Threshold Power Group and with the external auditors significant financial reporting issues arising during the most recent fiscal period and the resolution or proposed resolution of such issues;
- review any problems experienced or concerns expressed by the external auditors in performing an audit, including any restrictions imposed by management of the Threshold Power Group or significant accounting issues on which there was a disagreement with management;
- review with senior management of the Threshold Power Group the process of identifying, monitoring and reporting the principal risks affecting financial reporting;
- review audited annual financial statements and related documents in conjunction with the report of the external auditors and obtain an explanation from management of the Threshold Power Group of all significant variances between comparative reporting periods;
- consider and review with management of the Threshold Power Group, the internal control memorandum or management letter containing the recommendations of the external auditors and management's response, if any, including an evaluation of the adequacy and effectiveness of the internal financial controls of the Threshold Power Group and subsequent follow-up to any identified weaknesses;
- review with financial management and the external auditors the quarterly unaudited financial statements and management's discussion and analysis before release to the public;
- before release, review and if appropriate, recommend for approval by the Board of Directors, all public disclosure documents containing audited or unaudited financial information, including any prospectuses, annual reports, annual information forms, management's discussion and analysis and press releases containing financial information;
- oversee any of the financial affairs of the Threshold Power Group, its subsidiaries or affiliates, and, if deemed appropriate, make recommendations to the Board of Directors, external auditors or management;
- evaluate the independence and performance of the external auditors and annually recommend to the Board of Directors the appointment of the external auditors or the discharge of the external auditors when circumstances are warranted;
- consider the recommendations of management in respect of the appointment of the external auditors;
- pre-approve all non-audit services to be provided to the Threshold Power Group by its external auditors, or the external auditors of the Threshold Power Group;
- approve the engagement letter for non-audit services to be provided by the external auditors or affiliates, together with estimated fees, and consider the potential impact of such services on the independence of the external auditors;
- when there is to be a change of external auditors, review all issues and provide documentation related to the change, including the information to be included in the Notice of Change of Auditors and documentation required pursuant to National Instrument 51-102 — Continuous Disclosure Obligations (or any successor instrument) of the Canadian Securities Administrators and the planned steps for an orderly transition period;
- establish and maintain procedures for:
  - the receipt, retention and treatment of complaints received by the Threshold Power Group regarding accounting controls, or auditing matters; and
  - the confidential, anonymous submission by employees of the Threshold Power Group of concerns regarding questionable accounting or auditing matters;

- review and approve the Threshold Power Group hiring policies regarding employees and former employees of the present and former external auditors or auditing matters;
- review all reportable events, including disagreements, unresolved issues and consultations, as defined by applicable securities policies, on a routine basis, whether or not there is to be a change of external auditors;
- review with management at least annually, the financing strategy and plans of the Threshold Power Group; and
- review all securities offering documents (including documents incorporated therein by reference) of the Trust.

The Committee has the authority to:

- inspect any and all of the books and records of the Threshold Power Group (to the extent necessary);
- discuss with the management and senior staff of the Threshold Power Group, any affected party and the external auditors, such accounts, records and other matters as any member of the Committee considers necessary and appropriate;
- engage independent counsel and other advisors as it determines necessary to carry out its duties;
- to set and pay the compensation for any advisors employed by the Committee; and
- at any meeting, request the presence of the auditor, a member of senior management or any other person who could contribute to the subject of the meeting.

The Committee shall, at the earliest opportunity after each meeting, report to the Board of Directors the results of its activities and any reviews undertaken and make recommendations to the Board of Directors as deemed appropriate.

CHAIR OF THE COMMITTEE

The Board of Directors will appoint one member who is qualified for such purpose to be Chair, to serve until the next annual election of directors of the Administrator or otherwise until his or her successor is duly appointed. If, following the election of directors of the Administrator, in any year, the Board of Directors does not appoint a Chair, the incumbent Chair will continue in office until a successor is appointed.

REMOVAL AND VACANCIES

Any member of the Committee may be removed and replaced at any time by the Board of Directors, and will automatically cease to be a member as soon as he or she resigns or ceases to meet the qualifications set out above. The Board of Directors will fill vacancies on the Committee by appointment from among qualified members of the Board of Directors on the recommendation of the Committee. If a vacancy exists on the Committee, the remaining members will exercise all of its powers so long as a quorum remains in office.

ASSESSMENT

At least annually, the Committee will assess its effectiveness in fulfilling its responsibilities and duties as set out in this Mandate and in a manner consistent with the Board of Directors mandate to be adopted by the Board of Directors.

REVIEW AND DISCLOSURE

The Committee will review this Mandate at least annually and submit it to the Board of Directors for approval with such further proposed amendments as it deems necessary and appropriate.

ACCESS TO OUTSIDE ADVISORS

The Committee may retain any outside advisor, including an executive search firm, at the expense of the Administrator at any time and has the authority to determine any such advisor's fees and other retention terms. The Committee, and any outside advisors retained by it, will have access to all records and information relating to the Threshold Power Group which it deems relevant to the performance of its duties.

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THRESHOLD POWER TRUST

INDEPENDENT AUDITORS' REPORT

To the Trustees of Threshold Power Trust:

We have audited the accompanying financial statements of Threshold Power Trust, which comprise the statement of financial position as at June 11, 2013, the statement of changes in unitholders' equity and cash flows as at and for the one-day period ended June 11, 2013 (date of formation) and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position and financial performance and cash flows of Threshold Power Trust as at June 11, 2013 (date of formation) in accordance with International Financial Reporting Standards.

Chartered Accountants, Licensed Public Accountants
Toronto, Canada
July [●], 2013

THRESHOLD POWER TRUST

STATEMENT OF FINANCIAL POSITION

All amounts are in Canadian dollars

	Note	As at the date of formation on June 11, 2013
Current assets		
Cash and cash equivalents	2	$10
Unitholders' equity		
Trust units	2,3	$10

See the accompanying notes to the financial statements

THRESHOLD POWER TRUST

STATEMENT OF CHANGES IN UNITHOLDERS' EQUITY

All amounts are in Canadian dollars

	Note	One-day period ended June 11, 2013 (date of formation)
Unit capital		
Issuance of unit on formation	3	$10
Balance at June 11, 2013		$10

See the accompanying notes to the financial statements

THRESHOLD POWER TRUST

STATEMENT OF CASH FLOWS

All amounts are in Canadian dollars

	Note	One-day period ended June 11, 2013 (date of formation)
Financing activities		
Issuance of unit		10
Increase in cash, being cash, end of period		**$10**

See the accompanying notes to the financial statements

THRESHOLD POWER TRUST

NOTES TO THE FINANCIAL STATEMENTS

One-day period ended June 11, 2013 (date of formation)

1. ORGANIZATION

Threshold Power Trust ("**Threshold**" or the "**Trust**") is an unincorporated open-ended limited purpose trust established under the laws of Ontario pursuant to a deed of trust dated June 11, 2013.

The Trust was established to indirectly invest in a portfolio of operating wind energy assets (the "**Projects**") in the United States ("**U.S.**"). The Trust has no history of operations or earnings.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

These financial statements have been authorized for issue by the trustee of the Trust on June 20, 2013.

These financial statements have been prepared on the historical cost basis and are presented in Canadian dollars which is the functional currency of the Trust.

(b) Cash and cash equivalents

Cash and cash equivalents are comprised of cash balances and other deposits with maturities of three months or less.

(c) Trust Units

Trust units ("**Units**") are redeemable at the option of the holder and, therefore, are considered puttable instruments in accordance with International Accounting Standards 32, Financial Instruments — Presentation ("**IAS 32**"). Puttable instruments are required to be accounted for as financial liabilities, except where certain conditions are met in accordance with IAS 32, in which case, the puttable instruments may be presented as equity. The Units meet the condition of IAS 32 and are, therefore, classified and accounted for as equity.

Incremental costs directly attributable to the issue of Trust units are recognized as a deduction from equity, net of any tax effects.

3. UNITHOLDERS' CAPITAL

Authorized

The Trust is authorized to issue an unlimited number of Units.

Issued

	Number of Trust Units	Consideration
Issued on initial organization on June 11, 2013	**1**	$

4. SUBSEQUENT EVENTS

Threshold Power Commercial Trust (the "**Commercial Trust**") is an unincorporated open-ended limited purpose trust established under the laws of Ontario pursuant to a deed of trust dated February 24, 2012, as amended on June 10, 2013. The Commercial Trust owns all of the issued and outstanding common shares of Threshold Power Holdings Inc. ("**Can Holdco**"), an Ontario corporation. Can Holdco owns all of the issued and outstanding shares of Threshold Power Corporation ("**Threshold Power**"), a Delaware corporation formed for the purpose of acquiring interests in operational wind energy projects located in the U.S. Threshold Power owns all of the interests in Threshold Wind I, LLC ("**Wind I**"), a Delaware limited liability company.

Threshold Power has entered into certain agreements with JPM Capital Corporation ("**JPM**"), KEF Equity Investment Corp. and EDP Renewables North America LLC (collectively, the "**Vendors**") pursuant to which Wind I will acquire interests (the "**Wind Farm Interests**") in Threshold Holdings I Limited Liability Partnership ("**THLLP1**"), Threshold Holdings II Limited Liability Partnership ("**THLLP2**") and Threshold Holdings III, LLC ("**TH3**") (collectively, the "**Portfolio Entities**"). The Wind Farm Interests will be determined by limited liability partnership agreements governing the Portfolio Entities (the "**Portfolio Entity Agreements**"). Pursuant to the Portfolio Entity Agreements, JPM and Wind I will each have certain ownership interests in THLLP1 and THLLP2, and Wind I will

4. SUBSEQUENT EVENTS (Continued)

have 100% of the interests in TH3. The Portfolio Entities will acquire tax equity interests and project principal interests held by the Vendors in eight limited liability companies ("**Project LLCs**") which own, directly or indirectly, the Projects.

On July 4, 2013, the Trust filed a preliminary prospectus to qualify the issuance of ● Units to the public at C$10.00 per Unit (the "**Offering**").

Immediately following the closing of the Offering (the "**Closing**"), the Trust will acquire all of the issued and outstanding units of the Commercial Trust from certain investors in exchange for issuing an aggregate of 425,781 Units to such investors. The Trust will then use substantially all of the net proceeds of the Offering to subscribe for additional units of the Commercial Trust. The Commercial Trust will use the proceeds received by it from the Trust to subscribe for additional shares of Can Holdco. Can Holdco will use the net proceeds received by it from the Commercial Trust to make a loan to Threshold Power and to subscribe for additional shares of Threshold Power. Threshold Power will use a portion of the net proceeds to repay certain liabilities incurred by it in connection with the Offering and will contribute the remaining proceeds to Wind I in consideration for additional membership interests in Wind I. Wind I will use the net proceeds received by it from Threshold Power to fund the aggregate purchase price of approximately U.S.$120.0 million (subject to certain closing adjustments) for the Wind Farm Interests.

THRESHOLD POWER TRUST

Unaudited *Pro forma* Consolidated Statements of Financial Position as at March 31, 2013, and Consolidated Statement of Comprehensive Loss for the year ended December 31, 2012 and the three months ended March 31, 2013

THRESHOLD POWER TRUST

UNAUDITED *PRO FORMA* CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At March 31, 2013

All amounts are in thousands of U.S. Dollars

	Threshold Power Trust	Threshold Power Commercial Trust	*Pro Forma* Adjustments	Note	Threshold Power Trust *Pro Forma* Consolidated
ASSETS					
Current assets					
Cash and cash equivalents	$—	$ 126	$ ●		$ ●
Deferred costs	—	4,680	●	4b	●
Other current assets	—	12	—		●
Total current assets	—	4,818	●		●
Non-current assets					
Deferred tax asset	—	—	●		●
Investment in associates	—	—	●	4c	●
	—	—	●		●
Total assets	—	4,874	●		●
LIABILITIES AND EQUITY					
Current liabilities					
Promissory Notes	—	251			
Accounts payable and accrued liabilities	—	3,966	●		—
	—	4,217	●		—
Total liabilities	—	4,217	●		—
Unitholders' capital	●	601	●	4a	●
Total liabilities and unitholders' capital	$ ●	$4,818	$ ●		$ ●

See the accompanying notes to the consolidated financial statements

THRESHOLD POWER TRUST

UNAUDITED *PRO FORMA* CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS

For the three months ended March 31, 2013

All amounts are in thousands of U.S. Dollars

	Threshold Power Trust	Threshold Power Commercial Trust	*Pro Forma* Adjustments	Note	Threshold Power Trust *Pro Forma* Consolidated
Revenue					
Income from investments in associates and joint ventures	$—	$—	$192	5a	$ 192
	—	—	192		192
Expenses					
General and Administrative expenses	—	467	183	5b	650
Other expenses	—	1	(1)		0
Total expenses	—	468	182		650
Net loss	—	(468)	$ 10		$(458)
Realized foreign exchange loss	—	—	—		0
Unrealized foreign exchange gain/(loss)	—	33	—		33
Net loss and comprehensive loss	$—	$(435)	$ 10		$(425)

See the accompanying notes to the consolidated financial statements

THRESHOLD POWER TRUST

UNAUDITED *PRO FORMA* CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS

For the 12-Months Ended December 31, 2012

All amounts are in thousands of U.S. Dollars

	Threshold Power Trust	Threshold Power Commercial Trust	*Pro Forma* Adjustments	Note	Threshold Power Trust *Pro Forma* Consolidated
Revenue					
Income from investments in associates and joint ventures	$—	$ —	$1,009	5a	$ 1,009
	—	—	1,009		1,009
Expenses					
General and Administrative expenses	—	1,731	869	5b	2,600
Other expenses	—	14	(14)		0
Total expenses	—	1,745	855		2,600
Net loss	—	(1,745)	$ 154		$(1,591)
Realized foreign exchange loss	—	(1)	—		(1)
Unrealized foreign exchange gain/(loss)	—	3	—		3
Net loss and comprehensive loss	$—	$(1,743)	$ 154		$(1,589)

See the accompanying notes to the consolidated financial statements

THRESHOLD POWER TRUST

NOTES TO THE *PRO FORMA* CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PRESENTATION

Threshold Power Trust (“**Threshold**” or the “**Trust**”) is an unincorporated open-ended limited purpose trust established under the laws of Ontario pursuant to a deed of trust dated June 11, 2013. Threshold Power Commercial Trust (the “**Commercial Trust**”) is an unincorporated open-ended limited purpose trust established under the laws of Ontario pursuant to a deed of trust dated February 24, 2012, as amended on June 10, 2013.

The Trust will issue units (“**Units**”) for cash pursuant to an initial public offering (the “**Offering**”). The Trust will use the net proceeds from the Offering to acquire interests (the “**Acquisitions**”) in wind energy power projects (the “**Projects**”), located in certain regions of the United States (“**U.S.**”). The Trust intends to pay cash distributions to holders of Units (“**Unitholders**”) on a quarterly basis.

The unaudited *pro forma* consolidated financial statements have also been prepared using the audited financial statements at December 31, 2012, and the unaudited interim condensed financial statements at March 31, 2013, of Blue Canyon Windpower LLC (“**Blue Canyon LLC**”), Caprock Wind LLC (“**Caprock LLC**”), CCWE Holdings LLC (“**Cedar Creek LLC**”), Crescent Ridge Holdings LLC (“**CRH LLC**”), JB Wind Holdings LLC (“**JB Wind LLC**”), Sweetwater Wind I LLC (“**SW1 LLC**”), Sweetwater Wind II LLC (“**SW2 LLC**”) and Sweetwater Wind III LLC (“**SW3 LLC**”), collectively the “**Project LLCs**”.

The unaudited *pro forma* consolidated financial statements have been prepared based on the Commercial Trust’s audited consolidated financial statements at December 31, 2012, the Commercial Trust’s unaudited interim condensed consolidated financial statements at March 31, 2013, and the audited opening statement of financial position of the Trust, included in this prospectus.

The unaudited *pro forma* consolidated financial statements are presented in thousands of U.S. dollars, which is the Trust’s reporting and functional currency. The unaudited *pro forma* consolidated statement of financial position gives effect to the adjustments in note 4 as if they had occurred on March 31, 2013.

The *pro forma* consolidated statement of comprehensive income for the three months ended March 31, 2013, and the 12-months ended December 31, 2012, gives effect to the adjustments in note 5 as if they had occurred on January 1, 2012.

The *pro forma* consolidated financial statements are not necessarily indicative of the financial position and results of operations that would have occurred had the transactions taken place at the dates indicated nor are they necessarily indicative of future operating results or the financial position of the Trust. The unaudited *pro forma* financial statements are not a forecast or projection of future results. The actual financial position and results of operations of the Trust for any period following the closing of the transactions contemplated by this prospectus will likely vary from the amounts set forth in the audited *pro forma* consolidated financial statements and such variation may be material.

2. THE ACQUISITION

The unaudited *pro forma* financial statements have been prepared to reflect the following transactions that have occurred or will occur in connection with the Offering and the Acquisitions:

1. Immediately following the closing of the Offering (the “**Closing**”), the Trust will acquire all of the issued and outstanding units of the Commercial Trust from certain investors in exchange for the issuance of an aggregate of 425,781 Units to such investors (the “**CT Unit Exchange**”). The Commercial Trust owns all of the issued and outstanding common shares of Threshold Power Holdings Inc. (“**Can Holdco**”), an Ontario corporation. Can Holdco owns all of the issued and outstanding shares of Threshold Power Corporation (“**Threshold Power**”), a Delaware corporation formed for the purpose of acquiring interests in wind energy projects located in the U.S. Threshold Power owns all of the interests in Threshold Wind I, LLC (“**Wind I**”), a Delaware limited liability company.

2. Threshold Power has entered into certain agreements with JPM Capital Corporation (“**JPM**”), KEF Equity Investment Corp. and EDP Renewables North America LLC (collectively, the “**Vendors**”) pursuant to which Wind I will acquire interests (the “**Wind Farm Interests**”) in Threshold Holdings I Limited Liability Partnership (“**THLLP1**”), Threshold Holdings II Limited Liability Partnership (“**THLLP2**”) and Threshold Holdings III, LLC (“**TH3**”) (collectively, the “**Portfolio Entities**”). The Wind Farm Interests will be determined by limited liability partnership agreements governing the Portfolio Entities (the “**Portfolio Entity Agreements**”). Pursuant to the Portfolio Entity Agreements, JPM and Wind I will each have certain ownership interests in THLLP1 and THLLP2, and Wind I will have 100% of the interests in TH3. The Portfolio Entities will acquire tax equity interests and project principal interests held by the Vendors in eight limited liability companies (“**Project LLCs**”) which own, directly or indirectly, the Projects.

3. The Trust is assumed to complete the issue of Units to the public pursuant to the Offering for gross proceeds of U.S.$ ● (C$ ●) through the issuance of ● Units at C$10.00 per Unit. After deducting fees payable to the Underwriters and estimated expenses of the Offering, total Unitholders’ equity will be approximately U.S.$ ● (C$ ●).

4. The Trust will retain C$ ● of the net proceeds of the Offering to finance general and administrative expenses. Following the CT Unit Exchange, the Trust will use the balance of the net proceeds of the Offering to subscribe for additional units of the

2. THE ACQUISITION (Continued)

Commercial Trust. The Commercial Trust will use the proceeds received by it from the Trust to subscribe for additional shares of Can Holdco. Can Holdco will use C$78.0 million of the net proceeds received by it from the Commercial Trust to make a loan to Threshold Power in consideration for a promissory note (the "**Threshold Power Note**") and will use the balance of the net proceeds to subscribe for additional shares of Threshold Power. Can Holdco will distribute the Threshold Power Note to the Commercial Trust, which will in turn distribute the Threshold Power Note to the Trust. Threshold Power will retain approximately U.S.$ ● of the net proceeds to repay liabilities incurred by it in connection with the Offering and the Acquisitions and to finance general and administrative expenses. Threshold Power will contribute the remaining U.S.$ ● of the net proceeds to Wind I in consideration for additional membership interests in Wind I. Wind I will use the net proceeds received by it from Threshold Power to fund the aggregate purchase price of approximately U.S.$120.0 million (subject to certain closing adjustments) for the Wind Farm Interests. See "Transactions in Connection with the Offering".

5. Threshold Power will use U.S.$ ● of the funds retained by it to repay indebtedness owing by Threshold Power to the Commercial Trust. The Commercial Trust will in turn use approximately U.S.$ ● of the funds received by it from Threshold Power to repay the debt owing to NGEN Partners, Persimmon Tree Capital Fund, LP and Roger W. Sant Revocable Living Trust (each a "**Noteholder**") pursuant to three unsecured notes issued in connection with a loan made by the Noteholders to the Commercial Trust to assist the Commercial Trust with funding expenses relating to the Offering. Following such repayment, the Commercial Trust will have no further obligations owing under such notes. See "Promissory Notes".

6. The Trust has granted an over-allotment option (the "**Over-Allotment Option**") to the underwriters of the Offering. The unaudited *pro forma* financial information is based on the Over-Allotment Option not being exercised, and does not include the impact of the Over-Allotment Option. If the Over-Allotment Option is exercised in full, the net proceeds to the Trust from the Offering will be approximately C$ ● million, after deducting the fees payable to the underwriters of approximately C$ ● million and the expenses of the Offering estimated to be approximately C$ ● million. The net proceeds to be received by the Trust pursuant to the exercise of the Over-Allotment Option are expected to be provided by the Trust indirectly to Threshold Power in the same manner as the net proceeds of the Offering, and used by Threshold Power to pursue future acquisitions and for general corporate purposes.

3. SIGNIFICANT ACCOUNTING POLICIES

The *pro forma* financial statements have been prepared in accordance with the significant accounting policies set out below. These policies are expected to be used to prepare the Trust's consolidated financial statements and are consistent with the information and measurement principles of International Financial Reporting Standards ("**IFRS**").

(a) Consolidation

These *pro forma* financial statements consolidate the results of the Trust and its subsidiaries. Subsidiaries are those entities which are controlled by the Commercial Trust and will be controlled by the Trust following the CT Unit Exchange, meaning that the Trust will have the power to govern their financial and operating policies. Intercompany transactions, balances, income and expenses are eliminated. The Trust will have 100% ownership of its subsidiaries which will include the Commercial Trust, Can Holdco, Threshold Power, Wind I and TH3.

(b) Foreign Currency transactions

The functional and presentation currency of the Trust and its subsidiaries is the U.S. dollar.

Transactions in currencies other than the U.S. dollar are translated at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into U.S. dollars at the exchange rate at that date.

For purposes of the *pro forma* consolidated condensed financial statements transactions in currencies other than the U.S. dollar are translated at an assumed Canadian dollar/U.S. dollar exchange rate of $1.0523.

(c) Deferred costs

Deferred costs include registration and other regulatory fees and amounts paid to lawyers, accountants, and other professional advisors. These costs are directly attributable to (i) the issuance of Units as part of the Trust's initial public offering (IPO) on the Toronto Stock Exchange; (ii) the acquisition of interests in the Projects; or (iii) establishing a U.S.$100 million credit facility with Union Bank N.A. and KeyBank National Association (the "**Credit Facility**"). Upon the successful completion of the proposed transaction, these costs will be accounted for as a deduction from equity or capitalized to the cost of the investment or debt, as appropriate.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Investments in Associates

Associates are those entities in which the Trust will have, upon the completion of the Acquisitions, significant influence, but not control or joint control, over the financial and operating policies. Significant influence is presumed to exist when the Trust holds between 20 percent and 50 percent of the voting power of another entity. Jointly controlled entities are those entities over whose activities the Trust has joint control, established by contractual agreement and requiring unanimous consent for strategic financial operating decisions. Investments in associates also include those entities that are jointly controlled. Entities deemed to be jointly controlled are jointly controlled by contractual arrangements.

Investments in associates and jointly controlled entities are accounted for under the equity method and initially recognized at cost, including transaction costs, in the statement of financial position.

The Trust will apply the Hypothetical Liquidation at Book Value (HLBV) method to allocate the Project LLC income to the Portfolio Entities in accordance with the equity method of accounting. HLBV is a balance sheet approach that estimates the members' share of ownership interests in the investee at any point in time. The increase or decrease in the book value of the underlying ownership interests are used to determine the equity income from the investee. This is appropriate for the capital structure of the Project LLCs, which provide for differing allocations of income and expense, cash flows from operations and cash flows from liquidation, as it can be difficult to accurately determine the Company's equity income by simply applying a specific percentage to the net income of the investee.

(e) Income Tax

The Trust intends to qualify at all times as a "mutual fund trust" within the meaning of the *Income Tax Act* (Canada) (the "**Tax Act**"), and to elect under the Tax Act to be a "mutual fund trust" from the beginning of its first taxation year. The Trust intends to distribute or make payable to Unitholders, in each taxation year of the Trust, an amount equal to the income of the Trust for the year, together with the taxable and non-taxable portion of any capital gains realized by the Trust in the year, and which amount will be payable to Unitholders in cash or as re-invested units. Accordingly, no provision has been made for Canadian income taxes.

The Trust recognizes current and deferred income taxes in the consolidated statement of income except to the extent that they relate to items recognized directly in equity, in which case the income tax is also recognized directly in equity. Current income tax is the expected amount payable on the taxable income for the year, using tax rates enacted, or substantively enacted, at the reporting period, and any adjustments to income tax payable or recoveries in respect of previous years.

The Trust recognizes deferred income tax in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying values in the consolidated financial statements. Deferred income tax is determined on a non-discounted basis using income tax rates and laws that have been enacted or substantively enacted as at the date of the consolidated statement of financial position and are expected to apply when the deferred income tax asset or liability is settled.

(f) Trust Units

The Units are redeemable at the option of the holder and, therefore, are considered puttable instruments in accordance with International Accounting Standards 32, Financial Instruments — Presentation ("**IAS 32**"). Puttable instruments are required to be accounted for as financial liabilities, except where certain conditions are met in accordance with IAS 32, in which case, the puttable instruments may be presented as equity. The Units meet the condition of IAS 32 and are, therefore, classified and accounted for as equity.

4. *PRO FORMA* ADJUSTMENTS TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(a) Issuance of Equity

The Trust will issue ● Units pursuant to the Offering for net proceeds of $ ● (C$ ●) after deducting estimated expenses of the Offering and the underwriters' fee of $ ● .

In U.S.$ millions unless otherwise noted	
Proceeds from Offering	C$ ●
Issuance costs	C$ ●
Net proceeds	C$ ●
Converted to U.S. dollars	$ ●
Repayment of Noteholders	$ ●
Cash used for Acquisition of Wind Farm Interests	$ ●
Remaining cash for working capital and future acquisitions	$ ●

This is before giving effect to the Over-Allotment Option. If the Over-Allotment Option is exercised in full, the Unit capitalization is expected to be $[●] (C$[●]).

(b) Deferred costs

At March 31, 2013, the Trust had deferred costs for the Offering and the Acquisition. Following the date of Closing (the "**Closing Date**"), $[●] will be capitalized to the cost of the Acquisitions and $[●] will be charged to equity. Deferred costs attributable to the Credit Facility will remain as deferred costs since the Credit Facility will not be drawn on closing (see note 6).

(c) Investment in associates

The Portfolio Entities will account for the Project LLCs as investments in associates and will apply the equity method of accounting. The investments will be recorded at cost in the respective portfolio consolidated statement of financial position, with the Portfolio Entities share of profit or loss recognized in the respective portfolio statement of comprehensive income and the cost of the investments reduced by any cash distributions received.

THLLP1 and THLLP2 are governed by certain contracts where unanimous agreement is required and accordingly are jointly controlled entities. Wind I will apply the equity method of accounting for THLLP1 and THLLP2. TH3 is a wholly owned subsidiary and will be consolidated.

The cost of the Acquisitions is $ ● (subject to certain closing adjustments), including acquisition costs of $ ● million.

5. *PRO FORMA* ADJUSTMENTS TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS

(a) Income from investments in associates

The Portfolio Entities will apply the equity method to account for the Project LLC interests. The Portfolio Entities will record equity accounted income in the statement of comprehensive income and adjust the carrying value of the investment for the equity accounted income and any cash distributions received.

Wind I will account for its investment in THLLP1 and THLLP2 by the equity method and will consolidate the results of TH3.

5. *PRO FORMA* ADJUSTMENTS TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS (Continued)

The table below notes the Tax Equity Interests and Project Principal Interests held by the Portfolio Entities in each of the Project LLCs as at the Closing Date. Wind I is entitled to cash distributions and tax attributes from these Portfolio Entities as detailed in the table below.

	THLLP1		THLLP1		TH3		TOTAL	
Project LLC	**Tax Equity**	**Project Principal**	**Tax Equity**	**Project Principal**	**Tax Equity**	**Project Principal**	**Tax Equity**	**Project Principal**
Blue Canyon LLC	46.0%	0.0%	16.0%	0.0%	0.0%	25.0%	62.0%	25.0%
Cedar Creek LLC	28.0%	0.0%	0.0%	0.0%	0.0%	0.0%	28.0%	0.0%
Caprock LLC	31.0%	0.0%	19.0%	0.0%	0.0%	0.0%	50.0%	0.0%
CRH LLC	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%
JB Wind LLC	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%
SW1 LLC	66.7%	0.0%	33.3%	0.0%	0.0%	0.0%	100.0%	0.0%
SW2 LLC	30.0%	0.0%	21.0%	0.0%	0.0%	0.0%	51.0%	0.0%
SW 3 LLC	23.0%	0.0%	0.0%	0.0%	0.0%	0.0%	23.0%	0.0%
Wind I right to Tax Attributes/Cash Distributions from the Portfolio Entity	1%/95%		1%/95%		100%/100%			

The *pro forma* adjustment for the Trust's consolidated financial statement of comprehensive loss includes equity accounted income and cash distributions for the three months ended March 31, 2013 and the year ended December 31, 2012.

For the three months ended March 31, 2013

	THLLP1		THLLP1		TH3		TOTAL	
In U.S.$ thousands	**Income**	**Cash**	**Income**	**Cash**	**Income**	**Cash**	**Income**	**Cash**
Blue Canyon LLC	$ (807)	$ 287	$ (281)	$100	$356	$—	$ (732)	$ 386
Cedar Creek LLC	(1,427)	—	—	—	—	—	(1,427)	—
Caprock LLC	(511)	248	(313)	152	—	—	(824)	401
CRH LLC	(861)	2,270	—	—	—	—	(861)	2,270
JB Wind LLC	(177)	4	—	—	—	—	(177)	4
SW1 LLC	(454)	353	(227)	177	—	—	(680)	530
SW2 LLC	(406)	—	(284)	—	—	—	(689)	—
SW 3 LLC	(413)	297	—	—	—	—	(413)	297
General and administrative costs of the Portfolio Entities	(11)	(11)	(9)	(9)	(9)	—	(29)	(29)
Total Portfolio Entity	(5,067)	(3,448)	(1,113)	420	347	(9)	(5,833)	3,859
Wind I interest	$ (51)	$(3,275)	$ (11)	$399	$347	$ (9)	$ 286	$3,666

5. *PRO FORMA* ADJUSTMENTS TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS (Continued)

For the 12-Months Ended December 31, 2012

	THLLP1		THLLP1		TH3		TOTAL	
In U.S.$ thousands	**Income**	**Cash**	**Income**	**Cash**	**Income**	**Cash**	**Income**	**Cash**
Blue Canyon LLC	$ (2,821)	$ 1,602	$ (981)	$ 557	$1,227	$—	$ (2,575)	$ 2,159
Cedar Creek LLC	(2,907)	—	—	—	—	—	(2,907)	—
Caprock LLC	(1,802)	2,042	(1,105)	1,252	—	—	(2,907)	3,294
CRH LLC	(2,469)	7,613	—	—	—	—	(2,469)	7,613
JB Wind LLC	(83)	10	—	—	—	—	(83)	10
SW1 LLC	(1,694)	647	(847)	324	—	—	(2,541)	971
SW2 LLC	(1,343)	285	(940)	200	—	—	(2,283)	485
SW 3 LLC	(1,232)	239	—	—	—	—	(1,232)	239
General and administrative costs of the Portfolio Entities	*(45)*	*(45)*	*(35)*	*(35)*	*(35)*	*(35)*	*(115)*	*(115)*
Total Portfolio Entity	(14,396)	12,393	(3,908)	2,297	1,192	(35)	(17,112)	14,655
Wind I interest	**$ (144)**	**$11,773**	**$ (38)**	**$2,182**	**$1,192**	**$(35)**	**$ 1,009**	**$13,920**

(b) *General and Administrative expenses*

General and administrative expenses have been adjusted to reflect the estimated increase in costs that will be incurred in operating the Trust and its subsidiaries. Costs include expenses and fees associated with operating the Trust and being a public reporting entity.

6. OTHER

(a) *Credit Facilities*

On Closing, Wind I, as the borrower, expects to enter into a Credit Agreement to establish a senior limited-recourse Credit Facility, with a committed amount of U.S.$100,000,000. The Credit Facility is expected to be a seven year term loan, with a commitment period for drawdowns of up to six months from Closing. The actual amount of the commitment under the Credit Facility will vary depending on the extent of Wind I's indirect membership interests in the Projects. Wind I intends to use the Credit Facility to fund additional acquisitions, including other Tax Equity Interests and Project Principal Interests in the Projects.

Threshold will draw on the Credit Facility following the Closing to pay costs associated with the Credit Facility, including legal fees and commitment fees.

On Closing, Threshold Power expects to enter into a loan agreement with KeyBank in which KeyBank will provide the WC Loan to Threshold Power. The WC Loan is a revolving facility which Threshold Power can draw on, repay and re-borrow any amount, during the term of the facility for any corporate working capital needs (provided the amount outstanding at any time does not exceed the maximum amount of U.S.$5.0 million). The WC Loan facility has a term of 364 days and is secured by the assets of Threshold Power (including all of its bank accounts and a pledge of its stocks). Threshold Power will pay LIBOR plus a margin of 6.0% for any drawn amount and a commitment fee of 0.75% on the balance of any undrawn amount.

The unaudited *pro forma* financial statements do not include any adjustment for the Credit Facility or the WC Loan facility as no amount will be drawn in connection with the Offering and the Acquisitions. Following the Offering and the Acquisitions, the Trust expects to draw $ ● million on the Credit Facility to fund the legal fees and other fees incurred to establish the Credit Facility.

THRESHOLD POWER COMMERCIAL TRUST

Consolidated Financial Statements
From the date of formation on February 24, 2012 until December 31, 2012

INDEPENDENT AUDITORS' REPORT

To the trustee of Threshold Power Commercial Trust:

We have audited the accompanying consolidated financial statements of Threshold Power Commercial Trust, which comprise the consolidated statement of financial position as at December 31, 2012 and the consolidated statements of comprehensive loss, changes in unitholders' equity and cash flows for the period of establishment on February 24, 2012 to December 31, 2012 and notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Threshold Power Commercial Trust as at December 31, 2012 and its consolidated financial performance and its consolidated cash flows for the period of establishment on February 24, 2012 to December 31, 2012 in accordance with International Financial Reporting Standards.

Chartered Accountants, Licensed Public Accountants
Toronto, Canada
July [●], 2013

THRESHOLD POWER COMMERCIAL TRUST

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Expressed in thousands of U.S. Dollars)

	Note	As at December 31, 2012
Current assets		
Cash and cash equivalents		$ 532
Deferred costs	**3**	3,653
Prepaid assets		15
Total current assets		4,200
Total assets		**4,200**
Current liabilities		
Accounts payable and accrued liabilities		3,481
Total current liabilities		3,481
Total liabilities		3,481
Unitholders' equity	**2,6**	719
Total liabilities and unitholders' equity		**$4,200**

See the accompanying notes to the consolidated financial statements

THRESHOLD POWER COMMERCIAL TRUST

CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS

(Expressed in thousands of U.S. Dollars)

	Note	For the period from establishment on February 24, 2012 to December 31, 2012
Expenses		
General and administrative		$ 1,461
Legal and other service provider fees		270
Other expenses		14
Total expenses		1,745
Foreign exchange gain/(loss)		(2)
Net loss and comprehensive loss for the period		**$(1,743)**

See the accompanying notes to the consolidated financial statements

THRESHOLD POWER COMMERCIAL TRUST

CONSOLIDATED STATEMENT OF CHANGES IN UNIT HOLDERS' EQUITY

(Expressed in thousands of U.S. Dollars)

	Note	
Unit capital		
Balance at date of formation on February 24, 2012		$ —
Proceeds from private placements		2,515
Private placement issuance costs	**2**	(53)
Balance at December 31, 2012	**6**	2,462
Deficit		
Balance at date of formation on February 24, 2012		—
Net loss for the period		(1,743)
Balance at December 31, 2012		(1,743)
Total unitholders' equity at December 31, 2012		**$ 719**

See the accompanying notes to the consolidated financial statements

THRESHOLD POWER COMMERCIAL TRUST

CONSOLIDATED STATEMENT OF CASH FLOWS

(Expressed in thousands of U.S. Dollars)

	Note	For the period from establishment on February 24, 2012 to December 31, 2012
Operating activities		
Net loss for the period		$(1,743)
Change in non-cash working capital	**4**	3,466
Net cash flows provided by operating activities		1,723
Financing activities		
Change in deferred costs		(3,653)
Proceeds from private placement, net of issuance costs		2,462
Net cash flows used in financing activities		(1,191)
Net change in cash and cash equivalents		532
Cash and cash equivalents at the beginning of the period		—
Cash and cash equivalents at December 31, 2012		**$ 532**

See the accompanying notes to the consolidated financial statements

THRESHOLD POWER COMMERCIAL TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in thousands of U.S. Dollars; except unit amounts)

1. ORGANIZATION

Threshold Power Commercial Trust ("**Threshold**" or the "**Commercial Trust**") is an unincorporated open-ended limited purpose trust established under the laws of Ontario pursuant to a deed of trust dated February 24, 2012, as amended on June 10, 2013.

The Commercial Trust was established to indirectly invest in a portfolio of operating wind energy assets in the United States ("**U.S.**"). Neither the Commercial Trust nor any other relevant party is a reporting issuer or the equivalent thereof in any jurisdiction or in default of the securities legislation of any jurisdiction.

The Commercial Trust's objective is to create stable, consistent returns for investors through the acquisition of interests in wind energy power projects (the "**Projects**") located in certain regions of the U.S., and to pay cash distributions to holders of its trust units ("**Unitholders**") on a quarterly basis.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The consolidated financial statements ("**financial statements**") have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The consolidated financial statements were authorized for issue by the Administrator of the Trust on June 20, 2013.

These financial statements have been prepared on the historical cost basis and are presented in U.S. dollars, rounded to the nearest thousand except when otherwise indicated.

(b) Consolidation

The financial statements consolidate the accounts of the Commercial Trust and its subsidiaries. Subsidiaries are those entities which the Commercial Trust controls by having the power to govern the financial and operating policies. Intercompany transactions, balances, income and expenses are eliminated. The Commercial Trust has 100% ownership of its subsidiaries Threshold Power Holdings Inc. ("**Can Holdco**") and Threshold Power Corporation ("**Threshold Power**").

(c) Investments in associates and jointly controlled entities (equity accounted investees)

Associates are those entities in which the Commercial Trust has significant influence, but not control or joint control, over the financial and operating policies. Significant influence is presumed to exist when the Commercial Trust holds between 20 percent and 50 percent of the voting power of another entity. Jointly controlled entities are those entities over whose activities the Commercial Trust has joint control, established by contractual agreement and requiring unanimous consent for strategic financial operating decisions. Investments in associates also include those entities that are jointly controlled. Entities deemed to be jointly controlled are jointly controlled by contractual arrangements.

Investments in associates and jointly controlled entities are accounted for under the equity method and initially recognized at cost, including transaction costs, in the consolidated statement of financial position.

The Commercial Trust will apply the Hypothetical Liquidation at Book Value ("**HLBV**") method to allocate the Project LLC income to the Portfolio Entities in accordance with the equity method of accounting. HLBV is a balance sheet approach that estimates the members' share of ownership interests in the investee at any point in time. The increase or decrease in the book value of the underlying ownership interests are used to determine the equity income from the investee. This is appropriate for the capital structure of the Project LLCs that provide for differing allocations of income and expense, cash flows from operations and cash flows from liquidation, as it can be difficult to accurately determine the Company's equity income by simply applying a specific percentage to the net income of the investee.

(d) Foreign currency transactions

The consolidated financial statements are presented in U.S. dollars, which is the Commercial Trust's functional currency since the Commercial Trust intends to indirectly acquire interests in wind farm projects (the "**Projects**") located in the United States.

Any assets or liabilities which are not held in U.S. dollars are presented at the closing rate at the date of the statement of financial position and any income and expenses items not denominated in U.S. dollars are valued in the statement of comprehensive income at the rate on the day that the revenue was earned or the expense was incurred.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Cash and cash equivalents

Cash and cash equivalents are comprised of cash balances and other deposits with maturities of three months or less.

(f) Deferred costs

Deferred costs include registration and other regulatory fees, and amounts paid to lawyers, accountants and other professional advisors. These costs are directly attributable to the acquisition of interests in the Projects or establishing an external debt financing facility. Upon the successful completion of the proposed transaction, these costs will be capitalized to the cost of the investment or debt, as appropriate. These costs will be expensed in the event that the proposed transaction does not succeed.

(g) Financial Instruments

Financial instruments are classified into one of the following four categories: loans and receivables, fair value through profit or loss, held-to-maturity and available for sale.

Financial Assets

The Commercial Trust initially recognizes loans and receivables and deposits on the date that they are originated. Financial assets are derecognized when the contractual rights to the cash flows from the asset expire or when the Commercial Trust has transferred its rights to receive cash flows from the asset.

The cash balances of the Commercial Trust are a non-derivative financial asset which has been classified as loans and receivables. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognized at fair value plus transaction costs and subsequently measured at amortized cost using the effective interest rate method less any impairment losses.

The Commercial Trust does not have any financial assets at fair value through profit or loss, held-to-maturity investments or available-for-sale financial assets.

Financial Liabilities

Financial liabilities are recognized initially on the trade date at which the Commercial Trust becomes a party to the contractual provisions of the instrument. Financial liabilities are derecognized when its contractual obligations are discharged, cancelled or expire.

The Commercial Trust has the following non-derivative financial liabilities which have been classified as other financial liabilities: accounts payable and accrued liabilities.

Financial liabilities, other than financial liabilities classified as fair value through profit or loss, are measured in subsequent periods at amortized cost using the effective interest rate method. The Commercial Trust does not have any financial liabilities at fair value through profit or loss.

Unitholders' Capital

Unitholders' capital is adjusted for any contributions or distributions which have occurred during the period.

(h) Contingent Liabilities

The Commercial Trust will incur additional expenses which are dependent on the acquisition of the Projects taking place. These fees are a contingent liability as they are a possible obligation dependent on an uncertain future event.

(i) Taxes

The Commercial Trust and its subsidiaries are newly formed entities with no history of earnings and approximately $1.7 million of losses carried forward at December 31, 2012. Management has assessed the probability of future taxable profits as undeterminable at December 31, 2012, and therefore no deferred tax asset has been recognized in these financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Commercial Trust Units

The Commercial Trust is authorized to issue an unlimited number of units ("**Units**") and classifies these Units as equity in the balance sheet. The Units are redeemable at the option of the holder and, therefore, are considered puttable instruments in accordance with International Accounting Standards 32, Financial Instruments — Presentation ("**IAS 32**"). Puttable instruments are required to be accounted for as financial liabilities, except where certain conditions are met in accordance with IAS 32, in which case, the puttable instruments may be presented as equity. The Units meet the condition of IAS 32 and are, therefore, classified and accounted for as equity.

(k) Use of estimates

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from those estimates.

The Commercial Trust was formed on February 24, 2012, and as at December 31, 2012, had not acquired any operational assets. Accordingly, management has not identified any estimation uncertainties.

Following the acquisition of operational assets, information about critical judgements in applying accounting policies that will have the most significant effect on the amounts recognized in the consolidated financial statements will be included in the notes to the consolidated financial statements.

(l) New Standards and Interpretations Not Yet Adopted

A number of new standards and amendments to standards and interpretations have not been applied in preparing these consolidated financial statements. Threshold has not completed an analysis of these changes so the extent of the impact has not yet been determined.

The following are amended or new IFRSs that may impact the Commercial Trust:

1. IFRS 9, *Financial Instruments* (effective for annual periods beginning on or after January 1, 2013). This standard addresses the classification, measurement and recognition of financial assets and liabilities, replacing parts of IAS 39, *Financial Instruments: Recognition and Measurement.*

2. IFRS 10: *Consolidated Financial Statements* (effective for annual periods beginning on or after January 1, 2013). This standard builds on the existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company.

3. IFRS 12, *Disclosure of Interests in Other Entities* (effective for annual periods beginning on or after January 1, 2013). This standard includes all of the disclosures that were previously in IAS 27, *Consolidated Financial Statements* related to consolidated financial statements and a number of new disclosures.

4. IFRS 13: *Fair Value Measurement* (effective for annual periods beginning on or after January 1, 2013). This standard aims to improve consistency and reduce complexity by providing precise definitions of fair value, a single source of fair value measurement and disclosure requirements for use across all IFRS. IFRS 13 does not extend the use of fair value accounting, but provides guidance on how it should be applied where its use is already required or permitted by other standards within IFRS.

3. CHANGE IN NON-CASH WORKING CAPITAL

The change in non-cash working capital is comprised as follows:

	Year ended December 31, 2012
Increase in prepaid assets	$ (15)
Increase in accounts payable and accrued liabilities	$3,481
Total change in non-cash working capital	**$3,466**

4. UNITHOLDERS' CAPITAL

Authorized

At December 31, 2012, the Commercial Trust was authorized to issue an unlimited number of Units. Each Unit represents an equal undivided beneficial interest in the Commercial Trust.

Issued

On establishment of the Commercial Trust on February 24, 2012, an initial trust Unit was issued for consideration of C$0.01.

During the period from February 24, 2012 to June 12, 2012, the Commercial Trust issued an aggregate of 1,466,667 Units by private placements at a price of C$0.01 per Unit, resulting in aggregate proceeds to the Commercial Trust of approximately C$15.

In June 2012, the Commercial Trust issued an additional 2,500,000 Units by private placement at a price of C$1.0275 per Unit for gross proceeds to the Commercial Trust of C$2,569.

The proceeds from these Units issued pursuant to the private placements have been used to fund acquisition and capital raising costs as well as operating expenses of the Commercial Trust and its subsidiaries.

Number of trust units outstanding	December 31, 2012
Issued on initial organization on February 24, 2012	1
Additional Units issued throughout period	3,966,667
Outstanding at the end of the period	3,966,668

5. COMMITMENTS AND CONTINGENCIES

The Commercial Trust has a contingent liability for legal fees relating to the indirect acquisition of the Project interests. If the acquisition is completed, the Commercial Trust will be liable for additional legal fees in the amount of $469 that will be capitalized to the balance sheet. In the event that the transaction does not proceed for commercially reasonable reasons, the Commercial Trust has no additional payment obligations.

6. CAPITAL MANAGEMENT

The Commercial Trust's primary objective when managing capital is to ensure that it has sufficient cash resources to maintain its ongoing operations. The capital structure of the Commercial Trust currently consists of cash and Unitholders' capital. The Commercial Trust manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. As of December 31, 2012, the Commercial Trust is not subject to externally imposed capital requirements.

7. RELATED PARTY TRANSACTIONS

Certain administration functions are currently provided by Threshold Power Administrator Inc. (the "**Administrator**") pursuant to an Administrative Services Agreement dated January 9, 2013. The Administrator has agreed to perform or procure all administrative, operational and investment services as may be required to administer the operations of the Commercial Trust. Under the agreement, the Administrator will receive no fees in consideration of the services it provides but will be entitled to the reimbursement of all costs and expenses reasonably incurred in carrying out its obligations and duties.

8. SUBSEQUENT EVENTS

On January 10, 2013, the Commercial Trust issued an additional 307,228 Units to certain investors at a price of C$1.0275 per Unit for gross proceeds to the Commercial Trust of C$316.

On March 4, 2013 and March 25, 2013, the Commercial Trust received an advance from certain Unitholders of U.S.$51.0 and U.S.$200.0, respectively (the "**Loan**") to assist the Commercial Trust with working capital requirements, including certain expenses related to the initial public offering of units of Threshold Power Trust (the "**Offering**"), and to provide funds for general business purposes. In return for receiving the Loan, the Commercial Trust issued a promissory note to each lender in an amount corresponding to the proportion of the Loan advanced (each such note being a "**Promissory Note**"). Each Promissory Note requires that the principal amount, plus interest accruing at a rate equal to 1% per annum, must be repaid on the earlier of: (i) August 30, 2013, (ii) the closing of the Offering, and (iii) any default by the Commercial Trust of its obligations under the Promissory Note.

8. SUBSEQUENT EVENTS (Continued)

On July 4, 2013, Threshold Power Trust filed a preliminary prospectus for the issuance of • units to the public at C$10.00 per unit.

Immediately following the closing of the Offering, the Units issued and outstanding will be transferred to Threshold Power Trust in exchange for the issuance of 425,781 trust units of Threshold Power Trust.

THRESHOLD POWER COMMERCIAL TRUST

Interim Condensed Consolidated Financial Statements
As at March 31, 2013
(Unaudited)

THRESHOLD POWER COMMERCIAL TRUST

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Unaudited; expressed in thousands of U.S. Dollars)

	Note	As at March 31, 2013	As at December 31, 2012
Current assets			
Cash and cash equivalents		$ 126	$ 532
Deferred costs		4,680	3,653
Prepaid assets		12	15
Total current assets		4,818	4200
Total assets		4,818	4,200
Current liabilities			
Promissory notes	**4**	251	—
Accounts payable and accrued liabilities		3,966	3,481
Total current liabilities		4,217	3,481
Total liabilities		4,217	3,481
Unitholders' equity		601	719
Total liabilities and unitholders' equity		$4,818	$4,200

See the accompanying notes to the consolidated financial statements

THRESHOLD POWER COMMERCIAL TRUST

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(Unaudited; expressed in thousands of U.S. Dollars)

	For the three months ended March 31 2013	For the period from establishment on February 24, 2012 to March 31 2012
Expenses		
General and Administrative	$ 470	$ 39
Legal and other service provider fees	(3)	124
Other expenses	1	—
Total expenses	468	163
Foreign exchange gain	33	—
Net loss and comprehensive loss for the period	$(435)	$(163)

See the accompanying notes to the consolidated financial statements

THRESHOLD POWER COMMERCIAL TRUST

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN UNITHOLDERS' EQUITY

(Unaudited; expressed in thousands of U.S. Dollars)

	Note	
Unit capital		
Opening balance as at February 24, 2012		$ —
Proceeds from private placements		15
Balance at March 31, 2012		15
Deficit		
Opening balance as at February 24, 2012		$ —
Net loss for the period		(163)
Balance at March 31, 2012		(163)
Total unitholders' equity at March 31, 2012		**$ (148)**
Unit capital		
Balance at December 31, 2012		$ 2,462
Proceeds from private placements		321
Private placement issuance costs		(4)
Balance at March 31, 2013	**6**	$ 2,779
Deficit		
Balance at December 31, 2012		(1,743)
Net loss for the period		(435)
Balance at March 31, 2013		(2,178)
Total unitholders' equity at March 31, 2013		**$ 601**

See the accompanying notes to the consolidated financial statements

THRESHOLD POWER COMMERCIAL TRUST

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited; expressed in thousands of U.S. Dollars)

	Note	For the three months ended March 31, 2013	For the period from establishment on February 24, 2012 to March 31, 2012
Operating activities			
Net loss for the period		$ (435)	$(163)
Change in non-cash working capital		488	263
Net cash flows provided by operating activities		53	100
Financing activities			
Change in deferred costs		(1,027)	—
Proceeds from promissory notes		251	—
Proceeds from private placement, net of issuance costs		317	15
Net cash flows provided by/(used in) financing activities		(459)	15
Net change in cash and cash equivalents		(406)	115
Cash and cash equivalents at the beginning of the period		532	
Cash and cash equivalents at the end of the period		$ 126	$ 115

See the accompanying notes to the consolidated financial statements

1. ORGANIZATION

Threshold Power Commercial Trust ("**Threshold**" or the "**Commercial Trust**") is an unincorporated open-ended limited purpose trust established under the laws of Ontario pursuant to a deed of trust dated February 24, 2012, as amended on June 10, 2013.

The Commercial Trust was established to indirectly invest in a portfolio of operating wind energy assets in the United States ("**U.S.**"). Neither the Commercial Trust nor any other relevant party is a reporting issuer or the equivalent thereof in any jurisdiction or in default of the securities legislation of any jurisdiction.

The Commercial Trust's objective is to create stable, consistent returns for investors through the acquisition of interests in operational wind energy power projects (the "**Projects**") located in certain regions of the U.S., and to pay cash distributions to holders of its trust units ("**Unitholders**") on a quarterly basis.

2. BASIS OF PRESENTATION

The unaudited interim condensed consolidated financial statements (the "**Interim Financial Statements**") have been prepared in accordance with IAS 34 "Interim Financial Reporting" ("**IAS 34**") under International Financial Reporting Standards ("**IFRS**").

These Interim Financial Statements do not include all disclosures required by IFRS for annual audited consolidated financial statements and accordingly should be read in conjunction with the Commercial Trust's audited consolidated financial statements for the year ended December 31, 2012.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) New Standards and Interpretations Not Yet Adopted

The accounting policies applied in the interim financial statements are consistent with those used in the annual consolidated financial statements for the year ended December 31, 2012, except for the adoption of the following new standards issued by the International Accounting Standards Board that were effective as of January 1, 2013.

(i) The following are amended or new IFRSs that are effective at January 1, 2013:

1. IFRS 10: *Consolidated Financial Statements* (effective for annual periods beginning on or after January 1, 2013). This standard builds on the existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company.

2. IFRS 12, *Disclosure of Interests in Other Entities* (effective for annual periods beginning on or after January 1, 2013). This standard includes all of the disclosures that were previously in IAS 27, *Consolidated Financial Statements* related to consolidated financial statements and a number of new disclosures.

3. IFRS 13: *Fair Value Measurement* (effective for annual periods beginning on or after January 1, 2013). This standard aims to improve consistency and reduce complexity by providing precise definitions of fair value, a single source of fair value measurement and disclosure requirements for use across all IFRS. IFRS 13 does not extend the use of fair value accounting, but provides guidance on how it should be applied where its use is already required or permitted by other standards within IFRS.

There was no impact on the Commercial Trust's interim financial statements upon adoption of IFRS 10, IFRS 12 and IFRS 13 on January 1, 2013.

(b) Financial Instruments

In the three months ending March 31, 2013, the Commercial Trust has entered into a loan payable to certain unitholders (see note 4). The loan is classified as a financial liability and is measured at amortized cost.

4. LOAN FUNDING

On March 14, 2013 and March 25, 2013, the Commercial Trust received an advance of U.S.$51 and U.S.$200, respectively, (the "**Loan**") to assist the Commercial Trust with working capital requirements, including certain expenses related to the initial public offering of units of Threshold Power Trust (the "**Offering**"). In return for receiving the Loan, the Commercial Trust issued a promissory note to each lender in an amount corresponding to the proportion of the Loan advanced (each such note being a "**Promissory Note**"). Each Promissory Note requires that the principal amount, plus interest accruing at a rate equal to 1% per annum, must be repaid on the earlier of: (i) August 30, 2013, (ii) the closing of the Offering, and (iii) any default by the Commercial Trust of its obligations under the Promissory Note.

5. CHANGE IN NON-CASH WORKING CAPITAL

The change in non-cash working capital is comprised as follows:

	Three months ended	
	March 31, 2013	March 31, 2012
Decrease in prepaid assets	$ 3	$ (4)
Increase in accounts payable and accrued liabilities	$485	$267
Total change in non-cash working capital	**$488**	**$263**

6. UNITHOLDERS' CAPITAL

Authorized

At March 31, 2013, the Commercial Trust was authorized to issue an unlimited number of units ("**Units**"). Each Unit represents an equal undivided beneficial interest in the Commercial Trust.

Issued

The Commercial Trust has issued 4,273,895 Units pursuant to private placements. The proceeds have been used to fund acquisition and capital raising costs as well as operating expenses of the Commercial Trust and its subsidiaries.

Number of trust units outstanding	March 31, 2013
Units outstanding at January 1, 2013	3,966,668
Additional units issued throughout period	307,228
Outstanding at the end of the period	**4,273,896**

7. COMMITMENTS AND CONTINGENCIES

The Commercial Trust has a contingent liability for legal fees relating to the indirect acquisition of the Project interests. If the acquisition is completed, the Commercial Trust will be liable for additional legal fees in the amount of $614 that will be capitalized to the balance sheet. In the event that the transaction does not proceed for commercially reasonable reasons, the Commercial Trust has no additional payment obligations.

8. RELATED PARTY TRANSACTIONS

Certain administration functions are currently provided by Threshold Power Administrator Inc. (the "**Administrator**") pursuant to an Administrative Services Agreement. The Administrator has agreed to perform or procure all administrative, operational and investment services as may be required to administer the operations of the Commercial Trust. Under the agreement, the Administrator will receive no fees in consideration of the services it provides but will be entitled to the reimbursement of all costs and expenses reasonably incurred in carrying out its obligations and duties.

9. SUBSEQUENT EVENTS

On July 4, 2013, Threshold Power Trust filed a preliminary prospectus for the issuance of ● units to the public at C$10.00 per unit.

PROJECT LLC

Financial Statements

BLUE CANYON WINDPOWER LLC

INDEPENDENT AUDITORS' REPORT

To the Trustees of Threshold Power Trust:

We have audited the accompanying financial statements of Blue Canyon Windpower LLC, which comprise the statements of financial position as at December 31, 2012, 2011 and 2010, the statements of comprehensive loss, changes in members' capital and cash flows for the years ended December 31, 2012, 2011 and 2010, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management of Threshold Power Trust is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Blue Canyon Windpower LLC as at December 31, 2012, 2011 and 2010 and its financial performance and its cash flows for the years ended December 31, 2012, 2011 and 2010, in accordance with International Financial Reporting Standards.

Chartered Accountants, Licensed Public Accountants
July [●], 2013
Toronto, Canada

BLUE CANYON WINDPOWER LLC

STATEMENTS OF FINANCIAL POSITION

(Expressed in thousands of U.S. dollars)

	Note	As at December 31 2012	2011	2010
Assets				
Current assets				
Cash and cash equivalents		$ 17	$ 795	$ 141
Utility receivable		1,081	1,176	1,047
Prepaid and other assets		352	21	421
		1,450	1,992	1,609
Non-current assets				
Property, plant and equipment	**6**	45,858	50,028	54,126
		45,858	50,028	54,126
Total assets		**47,308**	**52,020**	**55,735**
Liabilities and Members' Capital				
Current liabilities				
Trade payables		—	3	—
Accrued and other liabilities		396	448	527
		396	451	527
Noncurrent liabilities				
Decommissioning Liability	**7**	1,717	1,622	1,532
		1,717	1,622	1,532
Total liabilities		2,113	2,073	2,059
Members' capital		45,195	49,947	53,676
Total liabilities and members' capital		**$47,308**	**$52,020**	**$55,735**

Commitments and Contingencies (note 8)

See accompanying notes to the financial statements

BLUE CANYON WINDPOWER LLC

STATEMENTS OF COMPREHENSIVE LOSS

(Expressed in thousands of U.S. dollars)

	Note	For the 12-Months Ended December 31		
		2012	2011	2010
Revenue	**5**	$ 6,469	$6,556	$ 5,787
Expenses				
Operating expenses		2,582	2,188	1,874
Administrative expenses		881	817	1,029
Depreciation and amortization		4,181	4,180	4,168
Accretion expense		95	90	85
		7,739	7,275	7,156
Net loss and comprehensive loss		$(1,270)	$ (719)	$(1,369)

See accompanying notes to the financial statements

BLUE CANYON WINDPOWER LLC

STATEMENTS OF CHANGES IN MEMBERS' CAPITAL

(Expressed in thousands of U.S. dollars)

Balance at January 1, 2010	$57,497
Capital distributions	(2,452)
Net loss and comprehensive loss	(1,369)
Balance at December 31, 2010	53,676
Capital distributions	(3,010)
Net loss and comprehensive loss	(719)
Balance at December 31, 2011	49,947
Capital distributions	(3,482)
Net loss and comprehensive loss	(1,270)
Balance at December 31, 2012	$45,195

See accompanying notes to the financial statements

BLUE CANYON WINDPOWER LLC

STATEMENTS OF CASH FLOWS

(Expressed in thousands of U.S. dollars)

	For the 12-Months Ended December 31		
	2012	**2011**	**2010**
Operating activities			
Net loss and comprehensive loss	$(1,270)	$ (719)	$(1,369)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation and amortization	4,181	4,180	4,168
Accretion of decommissioning liability	95	90	85
Changes in operating assets and liabilities			
Utility receivable	95	(129)	(479)
Prepaid expenses and other assets	(331)	400	(162)
Trade payables	(3)	3	—
Accrued and other liabilities	(52)	(79)	3
Net cash provided by operating activities	2,715	3,746	2,246
Investing activities			
Investment in property, plant and equipment	(11)	(164)	(4)
Disposal of property plant and equipment	—	82	74
Net cash provided by/(used in) investing activities	(11)	(82)	70
Financing activities			
Members' capital distributions	(3,482)	(3,010)	(2,452)
Net cash used in financing activities	(3,482)	(3,010)	(2,452)
Net increase/(decrease) in cash and cash equivalents	(778)	654	(136)
Cash and cash equivalents at the beginning of the year	795	141	277
Cash and cash equivalents at the end of the year	**$ 17**	**$ 795**	**$ 141**

See accompanying notes to the financial statements

1. ORGANIZATION

Blue Canyon Windpower LLC ("**Blue Canyon LLC**" or the "**Company**"), is a limited liability company that was formed on May 16, 2001, to construct and operate a wind farm in Comanche and Caddo Counties, Oklahoma (the "**Wind Farm**"). The latest date upon which the Company will be dissolved is May 15, 2051.

Earnings or losses are allocated to members in accordance with the Amended and Restated Limited Liability Company Agreement based on their respective interests. The Company calculates the allocation of earnings or losses by measuring the distribution amounts that would be due to the members in a hypothetical liquidation of the entity at the net book value of the underlying assets at the period end. This method is referred to Hypothetical Liquidation of Book Value ("**HLBV**").

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as required by Canadian securities regulations. These regulations require financial statements to be included in an initial public offering ("**IPO**") prospectus to be prepared in accordance with IFRS. These financial statements have been prepared for inclusion in Threshold Power Trust's ("**Threshold**") IPO document and will be filed in all provinces and territories of Canada. The Company will continue to provide members with financial statements prepared in accordance with U.S. generally accepted accounting principles.

The financial statements were authorized for inclusion in the IPO prospectus by the management of Threshold on June 20, 2013.

(a) Basis of Measurement

These financial statements have been prepared on the historical cost basis.

(b) Functional and Presentation Currency

These financial statements are presented in thousands of U.S. dollars, which is the functional currency of the Company.

(c) Use of Estimates and Judgments

The preparation of IFRS-basis financial statements requires management to make certain estimates and assumptions that affect the reported amounts and disclosures in the financial statements and the reported amounts of assets and liabilities, and to disclose contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying assumptions that have the most significant effect on the amounts recognized in the financial statements includes the assumptions used to estimate the Company's decommissioning liability (note 7).

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Cash and Cash Equivalents

Cash and cash equivalents consist of cash in banks and highly liquid investments with original maturities of three months or less.

(b) Financial Instruments

Financial instruments are classified into one of the following four categories: loans and receivables, fair value through profit or loss, held-to-maturity and available for sale.

Financial Assets

The Company initially recognizes loans and receivables and deposits on the date that they are originated. Financial assets are derecognized when the contractual rights to the cash flows from the asset expire or when the Company has transferred its rights to receive cash flows from the asset.

The Company has the following non-derivative financial assets which have been classified as loans and receivables: cash and cash equivalents and utility receivable.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognized at fair value plus transaction costs and subsequently measured at amortized cost using the effective interest rate method less any impairment losses.

The Company does not have any financial assets at fair value through profit or loss, held-to-maturity investments or available-for-sale financial assets.

Financial Liabilities

Financial liabilities are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities are derecognized when its contractual obligations are discharged, cancelled or expire.

The Company has the following non-derivative financial liabilities which have been classified as other financial liabilities: trade payables, accrued and other liabilities.

Financial liabilities, other than financial liabilities classified as fair value through profit or loss, are measured in subsequent periods at amortized cost using the effective interest rate method.

The Company does not have any financial liabilities at fair value through profit or loss.

Members' Capital

Class A and Class B member interests are classified as members' capital and adjusted for any contributions or distributions which have occurred during the period.

(c) Property, Plant and Equipment

Property, plant and equipment include the wind power plant and associated decommissioning liability.

The wind power plant and the decommissioning liability are recorded at cost and depreciated using the straight-line method over the 20 year life of the assets. The assets have been assessed to identify components with differing patterns of benefits that are significant relative to the total cost of the item. There are no such components or subsequent expenditures that require componentization.

Subsequent expenditure that does not require componentization and that can be capitalized is recorded at cost and depreciated using the straight-line method over the estimated remaining useful life of the asset. Repairs and maintenance costs are expensed as incurred.

(d) Impairment

Financial assets

Financial assets are assessed at each reporting date to determine if they are impaired through considering if one or more events occurring after the initial recognition has negatively impacted estimated future cash flows.

Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount is the greater of the asset's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discounted rate that reflects current market assessments of the time value of money and the risks specific to that asset.

If the carrying amount of an asset is deemed not to be recoverable, an impairment provision is recorded equal to the difference between the asset's carrying value and its recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

No impairment losses were recorded for the years ended December 31, 2012, 2011 and 2010.

(e) Revenue Recognition

In 2003, Blue Canyon LLC entered into a 20 year contract with a single utility company to purchase the entire Wind Farm's produced energy. Revenue is recognized based on the product of the agreed rate per megawatt-hour (MWH) and the actual energy delivered to, and metered at, the utility interconnection. The power purchase and sale agreement contains certain minimum performance provisions.

In accordance with IFRIC-4 *Determining whether an Arrangement contains Lease* revenue earned under the power purchase and sale agreement is classified as lease income. (note 5)

(f) Expenses

Operating expenses

Operating expenses include wind plant operations and maintenance and land and building rent expense.

Administrative expenses

Administrative expenses include insurance, professional fees, property taxes and fees charged by a related party for the provision of administrative and project management services to the Company.

Depreciation and accretion

Depreciation and accretion charges are for the wind power plant and the decommissioning liability.

(g) Income Taxes

As the Company is subject to flow through taxation, the Company's income, gains, losses, and tax credits are allocated to the owners who individually report their share of those items in their income tax returns. Accordingly, in order to reflect the ongoing expenses of the Company, no provision has been made for income taxes within the financial statements.

The Company filed tax returns as prescribed by the tax laws of the jurisdictions in which it operates. In the normal course of business, the Company is subject to examination by federal, state, local, and foreign jurisdictions, where applicable. As of December 31, 2012, the tax years that remain subject to examination by the major tax jurisdictions (U.S. federal and state) under the statute of limitations are from the year 2006 forward (with limited exceptions). The Company recognizes interest and penalties, if any, related to unrecognized tax benefits as income tax expense in the statements of comprehensive income. During the period, the Company did not accrue any interest or penalties.

Income and losses for tax purposes may differ from the financial statement amounts and may be allocated to the Members on a different basis for tax purposes than for financial statement purposes.

Members' capital reflected in the accompanying financial statements does not necessarily represent the Members' tax basis of their respective interests.

(h) New Standards and Interpretations Not Yet Adopted

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended December 31, 2012, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Company however the extent of the impact has not yet been determined.

The following are amended or new IFRSs that may impact the Company:

1. IFRS 13: *Fair Value Measurements* (effective for annual periods beginning on or after January 1, 2013)
2. IFRS 9: *Financial Instruments* (effective for annual periods beginning on or after January 1, 2015)

4. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Risk Management

Liquidity Risk

Liquidity risk is the risk that the Company has insufficient cash or other resources to meet its obligations as they come due. The Company does not have any debt therefore the only liquidity risk relates to accounts payable and accrued liabilities. The Company has sufficient working capital in excess of accounts payable and accrued liabilities to mitigate this risk.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to honor a financial obligation. Financial instruments that potentially subject Blue Canyon LLC to concentrations of credit risk consist of cash and cash equivalents and receivables. Blue Canyon LLC places its cash and cash equivalents with high-quality institutions. Blue Canyon LLC sells 100% of the power it generates to a single customer. Management performs ongoing credit evaluations of its customer and may require its customer to provide security deposits or other forms of collateral.

At December 31, 2012, the maximum exposure with respect to receivables from Blue Canyon LLC's customer was $1,081 (December 31, 2011, $1,176 and December 31, 2010, $1,047) and there were no amounts overdue.

Financial Instruments

The Company's financial instruments are recognized at fair value which is equal to their carrying value at the reporting date and no fair value gain or loss has been recorded.

5. REVENUE

	Years ended December 31		
	2012	2011	2010
Revenue			
Lease of plant and equipment	$6,407	$6,456	$5,682
Other Income	62	100	105
	$6,469	$6,556	$5,787

6. PROPERTY, PLANT AND EQUIPMENT

The wind power plant consists of forty-five 1.65-megawatt wind turbines. The aggregate cost and accumulated depreciation as of December 31, 2012, 2011, and 2010, are detailed in the table below:

	Wind Power Plant	Decommissioning liability	Other	Total
Opening balance at January 1, 2010	$57,373	$835	$156	$58,364
Additions	4	—	—	4
Disposals	—	—	(74)	(74)
Depreciation	(4,105)	(63)	—	(4,168)
As at December 31, 2010	53,272	772	82	54,126
Additions	164	—	—	164
Disposals	—	—	(82)	(82)
Depreciation	(4,117)	(63)	—	(4,180)
As at December 31, 2011	49,319	709	—	50,028
Additions	—	—	11	11
Disposals	—	—	—	—
Depreciation	(4,118)	(63)	—	(4,181)
As at December 31, 2012	$45,201	$646	$ 11	$45,858

7. DECOMMISSIONING LIABILITY

The Company's decommissioning liability is the estimated cost of decommissioning the turbines, removing above-ground installations, and restoring the site at a date that is 20 years from the commencement of commercial operations.

The estimated cost to decommission the site at the reporting date is adjusted for a current market-based discount rate and reviewed annually by the Company for any material changes.

Activity in this liability account through December 31, 2012, 2011 and 2010, was as follows:

Decommissioning liability at January 1, 2010	$1,447
Accretion expense	85
Decommissioning liability at December 31, 2010	1,532
Accretion expense	90
Decommissioning liability at December 31, 2011	1,622
Accretion expense	95
Decommissioning liability at December 31, 2012	$1,717

8. COMMITMENTS AND CONTINGENCIES

Leases

Blue Canyon LLC leases land under long-term lease agreements expiring in May 2023. The Company pays monthly minimum rent or royalties for these leases based on energy production. The Company also leases an operations and maintenance building from EDP Renewables North America LLC ("**EDP**") (a member of the Company) for a term ending in May 2023.

The future minimum lease payments required for all leases are as follows:

Less than 1 year	$ 93
Between l and 5 years	373
More than 5 years	505
	$971

Land and rent expense during the periods ended December 31, 2012, 2011 and 2010, was $254, $252 and $222, respectively. Building rent expense paid to EDP was $24 per year for the periods ended December 31, 2012, 2011 and 2010.

Availability Warranty

As part of its turbine purchase, Blue Canyon LLC entered into a warranty agreement with the turbine manufacturer. Pursuant to that agreement, if Blue Canyon LLC operates below a minimum availability threshold, the turbine manufacturer is obligated to pay Blue Canyon LLC certain performance payments.

Performance payments of $103 were paid to the Company in August, 2011 for the period of January through December, 2010. No amounts were paid to the Company for the periods ended December 31, 2012 and 2011.

Maintenance Agreement

On December 19, 2008, Blue Canyon LLC entered a renewal agreement with the turbine supplier to provide for turbine warranties plus operations and maintenance services. For the period ended December 31, 2010, the Company paid $1,318, for turbine maintenance services under this agreement. These amounts are included in operating expenses on the statement of comprehensive income.

In April of 2011, Blue Canyon LLC entered into a new maintenance agreement with the turbine supplier for a term of ten years. For the period ended December 31, 2012 and December 31, 2011, Company paid $2,146 and $1,814, respectively, for turbine maintenance services. These amounts are included in operating expenses on the statement of comprehensive income.

9. CAPITAL MANAGEMENT

The Company's primary objective when managing capital is to ensure that it has sufficient cash resources to maintain its ongoing operations. The capital structure of the Company currently consists of cash and members' capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. As of December 31, 2012, the Company is not subject to externally imposed capital requirements.

10. RELATED-PARTY TRANSACTIONS

Fiscal Administration Services

Blue Canyon LLC entered into a Fiscal Administration Services Agreement with Infigen Asset Management ("**Infigen**"), an affiliate of one of the members of the Company, whereby Infigen will provide fiscal project management services to the Wind Farm. Blue Canyon LLC's agreement with Infigen expires in December, 2023.

For the period ended December 31, 2012, 2011 and 2010, the Company paid Infigen $55, $63 and $57, respectively. These amounts are included in administrative expenses in the accompanying statement of comprehensive income.

Project Administration Services

Blue Canyon LLC is party to a Project Administration Services Agreement with EDP whereby EDP will provide operational project management services to the Wind Farm. Blue Canyon LLC's agreement with EDP expires in December, 2023.

For the periods ended December 31, 2012, 2011 and 2010, the Company paid EDP $93, $93 and $91, respectively. These amounts are classified as administrative expenses in the accompanying statement of comprehensive income.

Included in accrued and other liabilities at December 21, 2012, is $7 of unpaid monthly fiscal project management fees owed to Infigen.

BLUE CANYON WINDPOWER LLC

Interim Condensed Financial Statements
For the three months ended March 31, 2013 and March 31, 2012

BLUE CANYON WINDPOWER LLC

INTERIM CONDENSED FINANCIAL STATEMENTS

INTERIM CONDENSED STATEMENTS OF FINANCIAL POSITION

(Unaudited: expressed in thousands of U.S. dollars)

	Note	As at March 31, 2013	As at December 31, 2012
Assets			
Current assets			
Cash and cash equivalents		$ 40	$ 17
Utility receivable		1,036	1,081
Prepaid and other assets		389	352
		1,465	1,450
Non-current assets			
Property, plant and equipment		44,813	45,858
		44,813	45,858
Total assets		**$46,278**	**$47,308**
Liabilities and Members' Capital			
Current liabilities			
Trade payables		—	—
Accrued and other liabilities		295	396
		295	396
Noncurrent liabilities			
Decommissioning Liability	**4**	1,742	1,717
		1,742	1,717
Total liabilities		$ 2,037	$ 2,113
Members' capital		44,241	45,195
Total liabilities and members' capital		**$46,278**	**$47,308**

See accompanying notes to the interim condensed financial statements

BLUE CANYON WINDPOWER LLC

INTERIM CONDENSED FINANCIAL STATEMENTS

INTERIM CONDENSED STATEMENTS OF COMPREHENSIVE LOSS

(Unaudited: expressed in thousands of U.S. dollars)

	Note	For the three months ended March 31, 2013	For the three months ended March 31, 2012
Revenue	**3**	$1,556	$1,927
Expenses			
Operating expenses		614	593
Administrative expenses		203	207
Depreciation and amortization		1,045	1,045
Accretion expense		25	24
		1,887	1,869
Net income (loss) and comprehensive income (loss)		$ (331)	$ 58

See accompanying notes to the interim condensed financial statements

BLUE CANYON WINDPOWER LLC

INTERIM CONDENSED FINANCIAL STATEMENTS

INTERIM CONDENSED STATEMENTS OF CHANGES IN MEMBERS' CAPITAL

(Unaudited: expressed in thousands of U.S. dollars)

Balance at January 1, 2012	$49,947
Capital distributions	(1,789)
Net income and comprehensive income	58
Balance at March 31, 2012	48,216
Balance at January 1, 2013	45,195
Capital distributions	(623)
Net loss and comprehensive loss	(331)
Balance at March 31, 2013	$44,241

See accompanying notes to the interim condensed financial statements

BLUE CANYON WINDPOWER LLC

INTERIM CONDENSED FINANCIAL STATEMENTS

INTERIM CONDENSED STATEMENTS OF CASH FLOWS

(Unaudited: expressed in thousands of U.S. dollars)

	For the three months ended March 31, 2013	For the three months ended March 31, 2012
Operating activities		
Net income (loss) and comprehensive income (loss)	$ (331)	$ 58
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	1,045	1,045
Accretion of decommissioning liability	25	24
Changes in operating assets and liabilities		
Utility receivable	45	26
Prepaid expenses and other assets	(37)	—
Trade payables	—	3
Accrued and other liabilities	(101)	(97)
Net cash provided by operating activities	646	1,059
Financing activities		
Members' capital distributions	(623)	(1,789)
Net cash used in financing activities	(623)	(1,789)
Net increase/(decrease) in cash and cash equivalents	23	(730)
Cash and cash equivalents at the beginning of the year	17	795
Cash and cash equivalents at the end of the year	**$ 40**	**$ 65**

See accompanying notes to the interim condensed financial statements

1. ORGANIZATION

Blue Canyon Windpower LLC ("**Blue Canyon**" or the "**Company**"), is a limited liability company that was formed on May 16, 2001, to construct and operate a wind farm in Comanche and Caddo Counties, Oklahoma (the "Wind Farm"). The latest date upon which the Company will be dissolved is May 15, 2051.

Earnings or losses are allocated to members in accordance with the Amended and Restated Limited Liability Company Agreement based on their respective interests. The Company calculates the allocation of earnings or losses by measuring the distribution amounts that would be due to the members in a hypothetical liquidation of the entity at the net book value of the underlying assets at the period end. This method is referred to Hypothetical Liquidation of Book Value ("**HLBV**").

2. BASIS OF PREPARATION

These condensed interim financial statements ("**financial statements**") have been prepared in accordance with IAS 34 *Interim Financial Reporting* and International Financial Reporting Standards ("**IFRS**") as required by Canadian securities regulations. These regulations require financial statements to be included in an initial public offering ("**IPO**") prospectus to be prepared in accordance with IFRS. These condensed interim financial statements have been prepared for inclusion in Threshold Power Trust's IPO document and will be filed in all provinces and territories of Canada. The Company will continue to provide its members financial statements prepared in accordance with U.S. generally accepted accounting principles.

Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the company since the last annual financial statements as at and for the year ended December 31, 2012. These condensed interim financial statements do not include all the full information required for full annual financial statements prepared in accordance with IFRS.

The financial statements were authorized for inclusion in the IPO prospectus by the management of Threshold on June 20, 2013.

(a) Basis of Measurement

These financial statements have been prepared on the historical cost basis.

(b) Functional and Presentation Currency

These financial statements are presented in thousands of U.S. dollars, which is the functional currency of the Company.

(c) Use of Estimates and Judgments

The preparation of IFRS-basis financial statements requires management to make certain estimates and assumptions that affect the reported amounts and disclosures in the financial statements and the reported amounts of assets and liabilities, and to disclose contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying assumptions that have the most significant effect on the amounts recognized in the financial statements includes the assumptions used to estimate the Company's decommissioning liability (note 4).

(d) New Standards and Interpretations Not Yet Adopted

The accounting policies applied in the interim financial statements are consistent with those used in the annual financial statements for the year ended December 31, 2012, except for the adoption of the following new standards issued by the International Accounting Standards Board that were effective as of January 1, 2013.

1. IFRS 10: Consolidated Financial Statements (effective for annual periods beginning on or after January 1, 2013). This standard builds on the existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company.

2. IFRS 13: Fair Value Measurement (effective for annual periods beginning on or after January 1, 2013). This standard aims to improve consistency and reduce complexity by providing precise definitions of fair value, a single source of fair value measurement and disclosure requirements for use across all IFRS. IFRS 13 does not extend the use of fair value accounting,

2. BASIS OF PREPARATION (Continued)

but provides guidance on how it should be applied where its use is already required or permitted by other standards within IFRS.

There was no impact on the Company's interim financial statements upon adoption of IFRS 10 and IFRS 13 on January 1, 2013.

3. REVENUE

In accordance with IFRIC-4 *Determining whether an Arrangement contains Lease* revenue earned under the power purchase and sale agreement is classified as lease income.

	For the three months ended March 31, 2013	For the three months ended March 31, 2012
Revenue		
Lease of plant and equipment	$1,556	$1,859
Other Income	—	68
	$1,556	$1,927

4. DECOMMISSIONING LIABILITY

The Company's decommissioning liability is the estimated cost of decommissioning the turbines, removing above-ground installations, and restoring the site at a date that is 20 years from the commencement of commercial operations.

The estimated cost to decommission the site at the reporting date is adjusted for a current market-based discount rate and reviewed annually by the Company for any material changes.

Activity in this liability account through March 31, 2013, was as follows:

Decommissioning liability at January 1, 2013	$1,717
Accretion expense	25
Decommissioning liability at March 31, 2013	$1,742

5. CAPITAL MANAGEMENT

The Company's primary objective when managing capital is to ensure that it has sufficient cash resources to maintain its ongoing operations. The capital structure of the Company currently consists of cash and members' capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. As of March 31, 2013, the Company is not subject to externally imposed capital requirements.

6. RELATED-PARTY TRANSACTIONS

Fiscal Administration Services

Blue Canyon entered into a Fiscal Administration Services Agreement with Infigen Asset Management ("**Infigen**"), an affiliate of one of the members of the Company, whereby Infigen will provide fiscal project management services to the Wind Farm. Blue Canyon's agreement with Infigen expires on December 23, 2023.

For the three months ended March 31, 2013 and 2012, the Company paid Infigen $15 and $10, respectively. These amounts are included in administrative expenses in the accompanying statement of comprehensive income.

Project Administration Services

Blue Canyon is party to a Project Administration Services Agreement with EDP whereby EDP will provide operational project management services to the Wind Farm. Blue Canyon's agreement with EDP expires on December 23, 2023.

For the three months ended March 31, 2013 and 2012, the Company paid EDP $24 and $23, respectively. These amounts are classified as administrative expenses in the accompanying statement of comprehensive income.

CAPROCK WIND LLC

INDEPENDENT AUDITORS' REPORT

To the Trustees of Threshold Power Trust:

We have audited the accompanying consolidated financial statements of Caprock Wind LLC, which comprise the consolidated statements of financial position as at December 31, 2012, 2011 and 2010, the consolidated statements of comprehensive income, changes in members' capital and cash flows for the years ended December 31, 2012, 2011 and 2010, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management of Threshold Power Trust is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Caprock Wind LLC as at December 31, 2012, 2011 and 2010 and its consolidated financial performance and its consolidated cash flows for the years ended December 31, 2012, 2011 and 2010, in accordance with International Financial Reporting Standards.

Chartered Accountants, Licensed Public Accountants
July [●], 2013
Toronto, Canada

CAPROCK WIND LLC

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in thousands of U.S. dollars)

	Note	As at December 31 2012	2011	2010
Assets				
Current assets				
Cash and cash equivalents		$ 275	$ 3,107	$ 1,113
Utility receivable		881	598	857
Spare parts		552	337	—
Prepaid and other assets		1,024	229	2,313
		2,732	4,271	4,283
Non-current assets				
Property, plant and equipment	**6**	61,279	66,313	71,372
		61,279	66,313	71,372
Total assets		**$64,011**	**$70,584**	**$75,655**
Liabilities and Members' Capital				
Current liabilities				
Trade payables		680	26	—
Accrued and other liabilities		262	1,662	2,468
		942	1,688	2,468
Noncurrent liabilities				
Decommissioning Liability	**7**	2,317	2,173	2,038
		2,317	2,173	2,038
Total liabilities		$ 3,259	$ 3,861	$ 4,506
Members' capital		60,752	66,723	71,149
Total liabilities and members' capital		**$64,011**	**$70,584**	**$75,655**

Commitments and Contingencies (note 8)

See the accompanying notes to the consolidated financial statements

CAPROCK WIND LLC

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(Expressed in thousands of U.S. dollars)

	Note	For the 12-Months Ended December 31		
		2012	2011	2010
Revenue	5	$10,762	$ 8,723	$ 8,870
Expenses				
Operating expenses		3,661	4,107	3,643
Administrative expenses		1,118	1,367	1,161
Depreciation and amortization		5,087	5,085	5,085
Accretion expense		144	135	127
Other expenses		136	44	293
		10,146	10,738	10,309
Net income (loss) and comprehensive income (loss)		**$ 616**	**$(2,015)**	**$(1,439)**

See the accompanying notes to the consolidated financial statements

CAPROCK WIND LLC

CONSOLIDATED STATEMENTS OF CHANGES IN MEMBERS' CAPITAL

(Expressed in thousands of U.S. dollars)

Balance at January 1, 2010	$76,275
Capital distributions	(3,687)
Net loss and comprehensive loss	(1,439)
Balance at December 31, 2010	71,149
Capital distributions	(2,411)
Net loss and comprehensive loss	(2,015)
Balance at December 31, 2011	66,723
Capital distributions	(6,587)
Net income and comprehensive income	616
Balance at December 31, 2012	$60,752

See the accompanying notes to the consolidated financial statements

CAPROCK WIND LLC

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in thousands of U.S. dollars)

	For the 12-Months Ended December 31		
	2012	**2011**	**2010**
Operating activities			
Net income (loss) and comprehensive income (loss)	$ 616	($2,015)	($1,439)
Adjustments to reconcile net income (loss) to net cash provided by operating activities			
Depreciation and amortization	5,087	5,085	5,085
Accretion of decommissioning liability	144	135	127
Changes in operating assets and liabilities			
Utility receivable	(283)	259	(292)
Prepaid and other assets	(795)	2,084	394
Spare parts	(215)	(337)	—
Trade payables	654	26	2
Accrued and other liabilities	(1,400)	(806)	(121)
Net cash provided by operating activities	3,808	4,431	3,756
Investing activities			
Investment in property, plant and equipment	(68)	(26)	(21)
Disposal of property plant and equipment	15	—	186
Net cash provided by/(used in) investing activities	(53)	(26)	165
Financing activities			
Members' capital distributions	(6,587)	(2,411)	(3,687)
Net cash used in financing activities	(6,587)	(2,411)	(3,687)
Net increase/(decrease) in cash and cash equivalents	(2,832)	1,994	234
Cash and cash equivalents at the beginning of the year	3,107	1,113	879
Cash and cash equivalents at the end of the year	**$ 275**	**$ 3,107**	**$ 1,113**

See the accompanying notes to the consolidated financial statements

1. ORGANIZATION

Caprock Wind LLC ("**Caprock**" or the "**Company**"), a Delaware limited liability company, was formed on August 9, 2004, to acquire, construct and operate a wind farm in Quay County, New Mexico ("**Caprock Wind LLC**" or the "**Wind Farm**"). The latest date upon which the Company will be dissolved is December 31, 2055.

Earnings or losses are allocated to members based on their interests. The Company calculates the allocation of earnings or losses by measuring the distribution amounts that would be due to the members in a hypothetical liquidation of the entity at the net book value of the underlying assets at the period end. This method is referred to Hypothetical Liquidation of Book Value ("**HLBV**").

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as required by Canadian securities regulations. These regulations require financial statements to be included in an initial public offering ("**IPO**") prospectus to be prepared in accordance with IFRS. These consolidated financial statements have been prepared for inclusion in Threshold Power Trust's IPO document and will be filed in all provinces and territories of Canada. The Company will continue to provide its members with financial statements prepared in accordance with U.S. generally accepted accounting principles.

The financial statements were authorized for inclusion in the IPO prospectus by the management of Threshold on June 20, 2013.

(a) Basis of Measurement

These consolidated financial statements have been prepared on the historical cost basis.

(b) Functional and Presentation Currency

These consolidated financial statements are presented in thousands of U.S. dollars, which is the functional currency of the Company.

(c) Use of Estimates and Judgments

The preparation of IFRS-basis financial statements requires management to make certain estimates and assumptions that affect the reported amounts and disclosures in the financial statements and the reported amounts of assets and liabilities, and to disclose contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying assumptions that have the most significant effect on the amounts recognized in the financial statements includes the assumptions used to estimate the Company's asset decommissioning liability (note 7).

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Consolidation

The accompanying consolidated financial statements include the accounts of Caprock Wind LLC and its wholly owned subsidiary, Caprock Wind Investment LLC. All significant intercompany balances have been eliminated in consolidation. The stand-alone financial statements of Caprock Wind Investment LLC are composed of investment balances in Caprock Wind Investment LLC that eliminate in consolidation, and relatively *de minimus* amounts of administrative expenses.

(b) Cash and Cash Equivalents

Cash and cash equivalents consist of cash in banks and highly liquid investments with original maturities of three months or less.

(c) Financial Instruments

Financial instruments are classified into one of the following four categories: loans and receivables, fair value through profit or loss, held-to-maturity and available for sale.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial assets

The Company initially recognizes loans and receivables and deposits on the date that they are originated. Financial assets are derecognized when the contractual rights to the cash flows from the asset expire or when the Company has transferred its rights to receive cash flows from the asset.

The Company has the following non-derivative financial assets which have been classified as loans and receivables: cash and cash equivalents and utility receivable.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognized at fair value plus transaction costs and subsequently measured at amortized cost using the effective interest rate method less any impairment losses.

The Company does not have any financial assets at fair value through profit or loss, held-to-maturity investments or available-for-sale financial assets.

Financial liabilities

Financial liabilities are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities are derecognized when its contractual obligations are discharged, cancelled or expire.

The Company has the following non-derivative financial liabilities which have been classified as other financial liabilities: trade payables, accrued and other liabilities.

Financial liabilities, other than financial liabilities classified as fair value through profit or loss, are measured in subsequent periods at amortized cost using the effective interest rate method.

The Company does not have any financial liabilities at fair value through profit or loss.

Members' Capital

Class A and Class B member interests are classified as members' capital and adjusted for any contributions or distributions which have occurred during the period.

(d) Property, Plant and Equipment

Property, plant and equipment include the wind power plant and associated decommissioning liability.

The wind power plant and the decommissioning liability are recorded at cost. Depreciation is computed using the straight-line method over the 20 year life of the asset. Subsequent expenditure that can be capitalized is recorded at cost and depreciated using the straight-line method over the estimated remaining useful life of the asset. Repairs and maintenance costs are expensed as incurred.

(e) Impairment

Financial assets

Financial assets are assessed at each reporting date to determine if they are impaired through considering if one or more events occurring after the initial recognition has negatively impacted estimated future cash flows.

Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount is the greater of the asset's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discounted rate that reflects current market assessments of the time value of money and the risks specific to that asset. If the carrying amount of an asset is deemed not to be recoverable, an impairment provision is recorded equal to the difference between the asset's carrying value and its recoverable amount. Impairment losses are recognized in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

No impairment losses were recorded for the years ended December 31, 2012, 2011 and 2010.

(f) Revenue Recognition

In 2003, the Company entered into a 20 year contract with a single utility to purchase all of the Company's produced energy at a price per megawatt hour (MWH) determined by the Power Purchase Agreement ("**PPA**"). Revenue is recognized based on the product of the rate per MWH and the actual energy delivered to, and metered at, the utility interconnection. The PPA contains certain minimum performance provisions.

In accordance with IFRIC-4 *Determining whether an Arrangement contains Lease* revenue earned under the PPA is classified as lease income.

Interest income includes interest earned on restricted cash. Interest is recognized as income when earned.

(g) Expenses

Operating expenses

Operating expenses include wind plant operations and maintenance, land rent expense and project management fees charged by a related party for the operation of the project.

Administrative expenses

Administrative expenses include insurance, professional fees, property taxes and fees charged by a related party for the provision of administrative services to the Company.

Depreciation and accretion

Depreciation and accretion charges are for the property, plant and equipment and the decommissioning liability.

Other expenses

Other expenses include production tax credit compensation paid to Class A Members.

(h) Income Taxes

As the Company is subject to flow through taxation, the Company's income, gains, losses, and tax credits are allocated to the owners who individually report their share of those items in their income tax returns. Accordingly, in order to reflect the ongoing expenses of the Company, no provision has been made for income taxes within the financial statements.

The Company filed tax returns as prescribed by the tax laws of the jurisdictions in which it operates. In the normal course of business, the Company is subject to examination by federal, state, local, and foreign jurisdictions, where applicable. As of December 31, 2012, the tax years that remain subject to examination by the major tax jurisdictions (U.S. federal and state) under the statute of limitations are from the year 2006 forward (with limited exceptions). The Company recognizes interest and penalties, if any, related to unrecognized tax benefits as income tax expense in the statements of operations. During the period, the Company did not accrue any interest or penalties.

Income and losses for tax purposes may differ from the financial statement amounts and may be allocated to the Members on a different basis for tax purposes than for financial statement purposes.

Members' capital reflected in the accompanying consolidated financial statements does not necessarily represent the Members' tax basis of their respective interests.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) New Standards and Interpretations Not Yet Adopted

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended December 31, 2012, and have not been applied in preparing these consolidated financial statements. None of these are expected to have a significant effect on these consolidated financial statements of the Company however the extent of the impact has not yet been determined.

The following are amended or new IFRSs that may impact the Company:

1. IFRS 10: *Consolidated Financial Statements* (effective for annual periods beginning on or after January 1, 2013)
2. IFRS 13: *Fair Value Measurements* (effective for annual periods beginning on or after January 1, 2013)
3. IFRS 9: *Financial Instruments* (effective for annual periods beginning on or after January 1, 2015)

4. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Risk Management

Liquidity Risk

Liquidity risk is the risk that the Company has insufficient cash or other resources to meet obligations as they come due. The Company does not have any debt therefore the only liquidity risk relates to accounts payable and accrued liabilities. The Company has cash and liquid assets in excess of accounts payable and liabilities which mitigates this risk.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to honor a financial obligation. Financial instruments that potentially subject Caprock to concentrations of credit risk consist of cash and cash equivalents and receivables. Caprock places its cash and cash equivalents with high-quality institutions. Caprock sells 100% of the power it generates to a single customer. Management performs ongoing credit evaluations of its customer and may require its customer to provide security deposits or other forms of collateral.

At December 31, 2012, the maximum exposure with respect to receivables from Caprock's customer was $881 (December 31, 2011, $598 and December 31, 2010, $857) and there were no amounts overdue.

Financial Instruments

The Company's financial instruments are recognized at fair value which is equal to their carrying value at the reporting date and no fair value gain or loss has been recorded.

5. REVENUE

	For the 12-Months Ended December 31		
	2012	**2011**	**2010**
Revenue			
Lease of plant and equipment	$ 8,992	$8,722	$8,812
Other Income	1,770	1	58
	$10,762	$8,723	$8,870

6. PROPERTY, PLANT AND EQUIPMENT

The wind power plant consists of eighty 1.0-megawatt wind turbines. The aggregate cost and accumulated depreciation as of December 31, 2012, 2011 and 2010, are detailed in the table below:

	Wind Power Plant	Decommissioning liability	Other	Total
Opening balance at January 1, 2010	$75,067	$1,263	$292	$76,622
Additions	21	—	—	21
Disposals	—	—	(186)	(186)
Depreciation	(5,001)	(84)	—	(5,085)
As at December 31, 2010	70,087	1,179	106	71,372
Additions	10	—	16	26
Disposals	—	—	—	—
Depreciation	(5,000)	(84)	(1)	(5,085)
As at December 31, 2011	65,097	1,095	121	66,313
Additions	—	—	68	68
Disposals	—	—	(15)	(15)
Depreciation	(5,003)	(84)	—	(5,087)
As at December 31, 2012	$60,094	$1,011	$174	$61,279

7. DECOMMISSIONING LIABILITY

The Company's decommissioning liability is the estimated cost of decommissioning the turbines, removing above-ground installations, and restoring the site at a date that is 20 years from the commencement of commercial operations.

The estimated cost to decommission the site at the reporting date is adjusted for a current market-based discount rate and reviewed annually by the Company for any material changes.

Activity in this liability account through December 31, 2012, 2011 and 2010, was as follows:

Decommissioning liability at January 1, 2010	$1,911
Accretion expense	127
Decommissioning liability at January 1, 2011	2,038
Accretion expense	135
Decommissioning liability at December 31, 2011	2,173
Accretion expense	144
Decommissioning liability at December 31, 2012	$2,317

8. COMMITMENTS AND CONTINGENCIES

Leases

The Company leases land under long-term lease agreements that begin to expire in 2014. The Company pays monthly minimum rent plus royalties based on energy production.

The non-cancellable operating lease rentals are payable as follows:

Less than 1 year	$ 355
Between 1 and 5 years	1,406
More than 5 years	4,511
	$6,272

8. COMMITMENTS AND CONTINGENCIES (Continued)

Land and rent expense during the years ended December 31, 2012, 2011 and 2010, was $563, $549 and $552, respectively. These amounts are classified as operating expenses in the consolidated statement of comprehensive income.

Availability Warranty

As part of its turbine purchase, Caprock entered into a warranty agreement with the turbine manufacturer. Pursuant to that agreement, if Caprock operates below a minimum availability threshold, the turbine manufacturer is obligated to pay Caprock certain performance payments.

Reimbursed Lost Production

During 2010, Caprock reduced the estimated performance payments incurred during the period May 2008 through December 2009, pursuant to the terms of the warranty agreement by $579. This consisted of $876 for lost energy and $1,086 for the tax-adjusted value of lost production tax credits ("**PTC**s"), which was paid to the Class A Members.

Turbine Maintenance and Service Agreement

Wind turbine maintenance and servicing for Caprock is performed by the turbine supplier. The current agreement represents an extension of earlier warranty, service and maintenance agreements between Caprock and Mitsubishi which have been extended until March of 2017.

For the years ended December 31, 2012, 2011 and 2010, the Company paid fees for the turbine maintenance and service agreement of $1,333, $3,072 and $1,762, respectively. These amounts are classified as operating expenses in the consolidated statement of comprehensive income.

9. CAPITAL MANAGEMENT

The Company's primary objective when managing capital is to ensure that it has sufficient cash resources to maintain its ongoing operations. The capital structure of the Company currently consists of cash and members' capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. As of December 31, 2012, the Company is not subject to externally imposed capital requirements.

10. RELATED-PARTY TRANSACTIONS

Caprock Wind entered into a Project Administration Services Agreement with Infigen Asset Management ("**Infigen**"), an affiliate of one of the members of the Company, whereby Infigen will provide operational project management services to the Wind Farm. Caprock Wind's agreement with Infigen expires on December 31, 2024.

For the years ended December 31, 2012, 2011 and 2010, the Company paid Infigen $294, $290 and $282, respectively. These amounts are classified as administrative expenses in the accompanying consolidated statement of comprehensive income.

For the year ended December 31, 2012, the Company paid Infigen $444 for maintenance services incurred under an interim agreement, while negotiating a permanent agreement with Infigen. This amount is classified as operating expenses in the accompanying consolidated statement of comprehensive income.

Included in accrued and other liabilities at December 31, 2012, is $26 in unpaid project management and maintenance fees.

CAPROCK WIND LLC

Interim Condensed Consolidated Financial Statements
For the three months ended March 31, 2013 and March 31, 2012

CAPROCK WIND LLC

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Interim Condensed Consolidated Statements of Financial Position

(Unaudited: expressed in thousands of U.S. dollars)

	Note	As at March 31, 2013	As at December 31, 2012
Assets			
Current assets			
Cash and cash equivalents		$ 227	$ 275
Utility receivable		800	881
Spare parts		611	552
Prepaid and other assets		544	1,024
		2,182	2,732
Non-current assets			
Property, plant and equipment		60,057	61,279
		60,057	61,279
Total assets		**$62,239**	**$64,011**
Liabilities and Members' Capital			
Current liabilities			
Trade payables		—	680
Accrued and other liabilities		201	262
		201	942
Noncurrent liabilities			
Decommissioning Liability	**4**	2,356	2,317
		2,356	2,317
Total liabilities		$ 2,557	$ 3,259
Members' capital		59,682	60,752
Total liabilities and members' capital		**$62,239**	**$64,011**

Commitments and Contingencies (note 8)

See the accompanying notes to the interim condensed consolidated financial statements

CAPROCK WIND LLC

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Interim Condensed Consolidated Statements of Comprehensive Loss

(Unaudited: expressed in thousands of U.S. dollars)

	Note	For the three months ended March 31, 2013	For the three months ended March 31, 2012
Revenue	**3**	$2,278	$2,551
Expenses			
Operating expenses		1,006	1,317
Administrative expenses		222	299
Depreciation and amortization		1,272	1,273
Accretion expense		39	36
Other expenses		7	21
		2,546	2,946
Net loss and comprehensive loss		**$ (268)**	**$ (395)**

See the accompanying notes to the interim condensed consolidated financial statements

CAPROCK WIND LLC

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Interim Condensed Consolidated Statements of Changes in Members' Capital

(Unaudited: expressed in thousands of U.S. dollars)

Balance at January 1, 2012	$66,723
Capital distributions	(2,844)
Net loss and comprehensive loss	(395)
Balance at March 31, 2012	$63,484
Balance at January 1, 2013	60,752
Capital distributions	(802)
Net loss and comprehensive loss	(268)
Balance at March 31, 2013	$59,682

See the accompanying notes to the interim condensed consolidated financial statements

CAPROCK WIND LLC

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Interim Condensed Consolidated Statements of Cash Flows

(Unaudited: expressed in thousands of U.S. dollars)

	For the three months ended March 31, 2013	For the three months ended March 31, 2012
Operating activities		
Net loss and comprehensive loss	$ (268)	$ (395)
Adjustments to reconcile net loss to net cash provided by operating activities		
Depreciation and amortization	1,272	1,273
Accretion of decommissioning liability	39	36
Changes in operating assets and liabilities		
Utility receivable	81	(175)
Prepaid and other assets	480	(260)
Spare parts	(58)	(20)
Trade payables	(680)	163
Accrued and other liabilities	(61)	712
Net cash provided by operating activities	805	1,334
Investing activities		
Investment in property, plant and equipment	(51)	—
Net cash used in investing activities	(51)	—
Financing activities		
Members' capital distributions	(802)	(2,844)
Net cash used in financing activities	(802)	(2,844)
Net decrease in cash and cash equivalents	(48)	(1,510)
Cash and cash equivalents at the beginning of the period	275	3,107
Cash and cash equivalents at the end of the year	**$ 227**	**$ 1,597**

See the accompanying notes to the interim condensed consolidated financial statements

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited: expressed in thousands of U.S. dollars)

1. ORGANIZATION

Caprock Wind LLC ("**Caprock**" or the "**Company**"), a Delaware limited liability company, was formed on August 9, 2004, to acquire, construct and operate a wind farm in Quay County, New Mexico ("**Caprock Wind LLC**" or the "**Wind Farm**"). The latest date upon which the Company will be dissolved is December 31, 2055.

Earnings or losses are allocated to members based on their interests. The Company calculates the allocation of earnings or losses by measuring the distribution amounts that would be due to the members in a hypothetical liquidation of the entity at the net book value of the underlying assets at the period end. This method is referred to Hypothetical Liquidation of Book Value ("**HLBV**").

2. BASIS OF PREPARATION

These interim condensed consolidated financial statements ("**financial statements**") have been prepared in accordance with IAS 34 *Interim Financial Reporting* and International Financial Reporting Standards ("**IFRS**") as required by Canadian securities regulations. These regulations require financial statements to be included in an initial public offering ("**IPO**") prospectus to be prepared in accordance with IFRS. These condensed interim financial statements have been prepared for inclusion in Threshold Power Trust's IPO document and will be filed in all provinces and territories of Canada. The Company will continue to provide its members financial statements prepared in accordance with U.S. generally accepted accounting principles.

Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the company since the last annual consolidated financial statements as at and for the year ended December 31, 2012. These condensed interim financial statements do not include all the full information required for full annual financial statements prepared in accordance with IFRS.

The financial statements were authorized for inclusion in the IPO prospectus by the management of Threshold on June 20, 2013.

(a) Basis of Measurement

These financial statements have been prepared on the historical cost basis.

(b) Functional and Presentation Currency

These financial statements are presented in thousands of U.S. dollars, which is the functional currency of the Company.

(c) Use of Estimates and Judgments

The preparation of IFRS-basis financial statements requires management to make certain estimates and assumptions that affect the reported amounts and disclosures in the financial statements and the reported amounts of assets and liabilities, and to disclose contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying assumptions that have the most significant effect on the amounts recognized in the financial statements includes the assumptions used to estimate the Company's asset decommissioning liability (note 4).

(d) New Standards and Interpretations Not Yet Adopted

The accounting policies applied in the interim financial statements are consistent with those used in the annual consolidated financial statements for the year ended December 31, 2012, except for the adoption of the following new standards issued by the International Accounting Standards Board that were effective as of January 1, 2013.

1. IFRS 10: Consolidated Financial Statements (effective for annual periods beginning on or after January 1, 2013). This standard builds on the existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company.

2. IFRS 12, Disclosure of Interests in Other Entities (effective for annual periods beginning on or after January 1, 2013). This standard includes all of the disclosures that were previously in IAS 27, Consolidated Financial Statements related to consolidated financial statements and a number of new disclosures.

2. BASIS OF PREPARATION (Continued)

3. IFRS 13: Fair Value Measurement (effective for annual periods beginning on or after January 1, 2013). This standard aims to improve consistency and reduce complexity by providing precise definitions of fair value, a single source of fair value measurement and disclosure requirements for use across all IFRS. IFRS 13 does not extend the use of fair value accounting, but provides guidance on how it should be applied where its use is already required or permitted by other standards within IFRS.

There was no impact on the Company's interim financial statements upon adoption of IFRS 10, IFRS 12 and IFRS 13 on January 1, 2013.

3. REVENUE

In accordance with IFRIC-4 *Determining whether an Arrangement contains Lease* revenue earned under the PPA is classified as lease income.

	For the three months ended March 31, 2013	For the three months ended March 31, 2012
Revenue		
Lease of plant and equipment	$2,204	$2,358
Other Income	74	193
	$2,278	$2,551

4. DECOMMISSIONING LIABILITY

The Company's decommissioning liability is the estimated cost of decommissioning the turbines, removing above-ground installations, and restoring the site at a date that is 20 years from the commencement of commercial operations.

The estimated cost to decommission the site at the reporting date is adjusted for a current market-based discount rate and reviewed annually by the Company for any material changes.

Activity in this liability account through March 31, 2013, was as follows:

Decommissioning liability at January 1, 2013	$2,317
Accretion expense	39
Decommissioning liability at March 31, 2013	$2,356

5. CAPITAL MANAGEMENT

The Company's primary objective when managing capital is to ensure that it has sufficient cash resources to maintain its ongoing operations. The capital structure of the Company currently consists of cash and members' capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. As of March 31, 2013, the Company is not subject to externally imposed capital requirements.

6. RELATED-PARTY TRANSACTIONS

Caprock entered into a Project Administration Services Agreement with Infigen Asset Management ("**Infigen**"), an affiliate of one of the members of the Company, whereby Infigen will provide operational project management services to the Wind Farm. Caprock Wind's agreement with Infigen expires in December, 2024.

For the three months ended March 31, 2013 and 2012, the Company paid Infigen $76 and $75, respectively. These amounts are classified as administrative expenses in the accompanying consolidated statement of comprehensive income.

For the three months ended March 31, 2013, Caprock paid Infigen $105 for maintenance services. This amount is included in operating expenses in the accompanying consolidated statement of comprehensive income.

CCWE HOLDINGS LLC

INDEPENDENT AUDITORS' REPORT

To the Trustees of Threshold Power Trust:

We have audited the accompanying consolidated financial statements of CCWE Holdings LLC, which comprise the consolidated statements of financial position as at December 31, 2012, 2011 and 2010, the consolidated statements of comprehensive income, changes in members' capital and cash flows for the years ended December 31, 2012, 2011 and 2010, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management of Threshold Power Trust is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of CCWE Holdings LLC as at December 31, 2012, 2011 and 2010 and its consolidated financial performance and its cash flows for the years ended December 31, 2012, 2011 and 2010, in accordance with International Financial Reporting Standards.

Chartered Accountants, Licensed Public Accountants
July [●], 2013
Toronto, Canada

CCWE HOLDINGS LLC

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in thousands of U.S. dollars)

	Note	As at December 31		
		2012	2011	2010
Assets				
Current assets				
Cash and cash equivalents		$ 3	$ 865	$ 2,014
Restricted cash	3(c)	116	116	116
Utility receivable		4,255	4,217	3,829
Spare parts		588	1,087	1,071
Prepaid and other assets		1,984	248	672
		6,946	6,533	7,703
Non-current assets				
Property, plant and equipment	6	383,382	408,302	434,015
		383,382	408,302	434,015
Total assets		**390,328**	**414,835**	**441,717**
Liabilities and Members' Capital				
Current liabilities				
Trade payables		1,962	18	27
Construction reserve liability		—	—	705
Deferred income — current		343	343	—
Accrued and other liabilities		1,090	1,273	1,165
		3,395	1,634	1,897
Noncurrent liabilities				
Deferred income — non current		4,773	5,116	—
Decommissioning liability	7	8,742	8,259	7,803
		13,515	13,375	7,803
Total liabilities		16,910	15,009	9,700
Members' capital		373,418	399,826	432,017
Total liabilities and members' capital		$390,328	$414,835	$441,717

Commitments and Contingencies (note 8)

See the accompanying notes to the consolidated financial statements

CCWE HOLDINGS LLC

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Expressed in thousands of U.S. dollars)

	Note	For the 12-Months Ended December 31		
		2012	**2011**	**2010**
Revenue	**5**	$41,608	$46,442	$41,375
Expenses				
Operating expenses		10,870	8,268	7,225
Administration expense		3,304	2,823	2,527
Depreciation and amortization		25,713	25,713	25,512
Accretion expense		483	456	431
Other expense		31	1,172	224
		40,401	38,432	35,919
Net income and comprehensive income		$ 1,207	$ 8,010	$ 5,456

See the accompanying notes to the consolidated financial statements

CCWE HOLDINGS LLC

CONSOLIDATED STATEMENTS OF CHANGES IN MEMBERS' CAPITAL

(Expressed in thousands of U.S. dollars)

Balance at January 1, 2010	$458,575
Capital distributions	(32,014)
Net income and comprehensive income	5,456
Balance at December 31, 2010	432,017
Capital distributions	(40,201)
Net income and comprehensive income	8,010
Balance at December 31, 2011	399,826
Capital distributions	(27,615)
Net income and comprehensive income	1,207
Balance at December 31, 2012	$373,418

See the accompanying notes to the consolidated financial statements

CCWE HOLDINGS LLC

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in thousands of U.S. dollars)

	For the 12-Months Ended December 31		
	2012	**2011**	**2010**
Operating activities			
Net income and comprehensive income	$ 1,207	$ 8,010	$ 5,456
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation and amortization	25,713	25,713	25,512
Accretion of decommissioning liability	483	456	431
Changes in operating assets and liabilities			
Utility receivable	(38)	(388)	259
Prepaid and other assets	(1,736)	424	(378)
Spare parts inventory	499	(16)	(3)
Trade payables	1,944	(9)	27
Construction reserve liability	—	(705)	(2,119)
Accrued and other liabilities	(183)	108	(481)
Deferred income	(343)	5,459	—
Net cash provided by operating activities	27,546	39,052	28,704
Investing activities			
Investment in property, plant and equipment	(793)	—	—
Disposal of property plant and equipment	—	—	1,900
Net cash provided by/(used in) investing activities	(793)	—	1,900
Financing activities			
Members' capital distributions	(27,615)	(40,201)	(32,014)
Net cash used in financing activities	(27,615)	(40,201)	(32,014)
Net decrease in cash and cash equivalents	(862)	(1,149)	(1,410)
Cash and cash equivalents at the beginning of the year	981	2,130	3,540
Cash and cash equivalents at the end of the year	**$ 119**	**$ 981**	**$ 2,130**

See the accompanying notes to the consolidated financial statements

1. ORGANIZATION

CCWE Holdings LLC ("**Cedar Creek**" or the "**Company**"), a Delaware limited liability company, was formed on April 17, 2007, to acquire Cedar Creek Wind Energy, LLC, which owns and operates a wind farm in Weld County, Colorado (the "**Wind Farm**"). The latest date upon which the Company will be dissolved is April 17, 2057.

Earnings or losses are allocated to members in accordance with the Amended and Restated Limited Liability Company Agreement based on their respective interests. The Company calculates the allocation of earnings or losses by measuring the distribution amounts that would be due to the members in a hypothetical liquidation of the entity at the net book value of the underlying assets at the period end. This method is referred to Hypothetical Liquidation of Book Value ("**HLBV**").

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as required by Canadian securities regulations. These regulations require financial statements to be included in an initial public offering ("**IPO**") prospectus to be prepared in accordance with IFRS. These financial statements have been prepared for inclusion in Threshold Power Trust's IPO document and will be filed in all provinces and territories of Canada. The Company will continue to provide its members with financial statements prepared in accordance with U.S. generally accepted accounting principles.

The consolidated financial statements were authorized for inclusion in the IPO prospectus by the management of Threshold on June 20, 2013.

(a) Basis of Measurement

These consolidated financial statements have been prepared on the historical cost basis.

(b) Functional and Presentation Currency

These consolidated financial statements are presented in thousands of U.S. dollars, which is the functional currency of the Company.

(c) Use of Estimates and Judgments

The preparation of IFRS-basis financial statements requires management to make certain estimates and assumptions that affect the reported amounts and disclosures in the financial statements and the reported amounts of assets and liabilities, and to disclose contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying assumptions that have the most significant effect on the amounts recognized in the financial statements includes the assumptions used to estimate the Company's decommissioning liability (note 7).

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Consolidation

The accompanying consolidated financial statements include the accounts of CCWE Holdings LLC and its wholly owned subsidiary, Cedar Creek Wind Energy, LLC. All significant intercompany balances have been eliminated in consolidation. The stand-alone financial statements of CCWE Holdings LLC are composed of investment balances in the Wind Farm that eliminate on consolidation and relatively de minims amounts of cash and holding company-level administrative expenses.

(b) Cash and Cash Equivalents

Cash and cash equivalents consist of cash in banks and highly liquid investments with original maturities of three months or less.

(c) Restricted Cash

The restricted cash balance of $116 represents funds placed in escrow to guarantee the restoration of the land leased from the state of Colorado to its original condition.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Financial Instruments

Financial instruments are classified into one of the following four categories: loans and receivables, fair value through profit or loss, held-to-maturity and available for sale.

Financial Assets

The Company initially recognizes loans and receivables and deposits on the date that they are originated. Financial assets are derecognized when the contractual rights to the cash flows from the asset expire or when the Company has transferred its rights to receive cash flows from the asset.

The Company has the following non-derivative financial assets which have been classified as loans and receivables: cash and cash equivalents, restricted cash and utility receivable.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognized at fair value plus transaction costs and subsequently measured at amortized cost using the effective interest rate method less any impairment losses.

The Company does not have any financial assets at fair value through profit or loss, held-to-maturity investments or available-for-sale financial assets.

Financial Liabilities

Financial liabilities are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities are derecognized when its contractual obligations are discharged, cancelled or expire.

The Company has the following non-derivative financial liabilities which have been classified as other financial liabilities: trade payables, accrued and other liabilities.

Financial liabilities, other than financial liabilities classified as fair value through profit or loss, are measured in subsequent periods at amortized cost using the effective interest rate method.

The Company does not have any financial liabilities at fair value through profit or loss.

Members' Capital

Class A and Class B member interests are classified as members' capital and adjusted for any contributions or distributions which have occurred during the period.

(e) Property, Plant and Equipment

Property, plant and equipment include the wind power plant and associated decommissioning liability.

The wind power plant and the decommissioning liability are recorded at cost. Depreciation is computed using the straight-line method over the 20 year life of the asset. Subsequent expenditure that can be capitalized is recorded at cost and depreciated using the straight-line method over the estimated remaining useful life of the asset. Repairs and maintenance costs are expensed as incurred.

(f) Impairment

Financial assets

Financial assets are assessed at each reporting date to determine if they are impaired through considering if one or more events occurring after the initial recognition date that has negatively impacted estimated future cash flows.

Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

The recoverable amount is the greater of the asset's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discounted rate that reflects current market assessments of the time value of money and the risks specific to that asset. If the carrying amount of an asset is deemed not to be recoverable, an impairment provision is recorded equal to the difference between the asset's carrying value and its recoverable amount. Impairment losses are recognized in profit or loss.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

No impairment losses were recorded for the years ended December 31, 2012, 2011 and 2010.

(g) Revenue Recognition

In 2006, Cedar Creek Wind Energy, LLC entered into a 20 year contract with a single utility company to sell all of the Wind Farm's produced energy at a price per megawatt hour (MWH) determined by the Power Purchase Agreement ("**PPA**"). Revenue is recognized based on the product of the fixed rate price per MWH and the actual energy delivered to, and metered by, the interconnection administrator. The PPA contains certain minimum performance provisions.

In accordance with IFRIC-4 *Determining whether an Arrangement contains a Lease*, revenue earned under the PPA is classified as lease income.

(h) Expenses

Operating expenses

Operating expenses include wind plant operations and maintenance, land rent expense and project management fees charged by a related party for the operation of the project.

Administrative expenses

Administrative expenses include insurance, professional fees, property taxes and fees charged by a related party for the provision of administrative services to the Company.

Depreciation and accretion

Depreciation and accretion charges are for the property, plant and equipment and the decommissioning liability.

Other expenses

Other expenses include production tax credit compensation paid to Class A Members.

(i) Income Taxes

As the Company is subject to flow through taxation, the Company's income, gains, losses, and tax credits are allocated to the owners who individually report their share of those items in their income tax returns. Accordingly, in order to reflect the ongoing expenses of the Company, no provision has been made for income taxes within the financial statements.

The Company filed tax returns as prescribed by the tax laws of the jurisdictions in which it operates. In the normal course of business, the Company is subject to examination by federal, state, local, and foreign jurisdictions, where applicable. As of December 31, 2012, the tax years that remain subject to examination by the major tax jurisdictions (U.S. federal and state) under the statute of limitations are from the year 2006 forward (with limited exceptions). The Company recognizes interest and penalties, if any, related to unrecognized tax benefits as income tax expense in the statements of operations. During the period, the Company did not accrue any interest or penalties.

Income and losses for tax purposes may differ from the financial statement amounts and may be allocated to the Members on a different basis for tax purposes than for financial statement purposes.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Members' capital reflected in the accompanying financial statements does not necessarily represent the Members' tax basis of their respective interests.

(j) New Standards and Interpretations Not Yet Adopted

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended December 31, 2012, and have not been applied in preparing these consolidated financial statements. None of these are expected to have a significant effect on the consolidated financial statements of the Company however the extent of the impact has not yet been determined.

The following are amended or new IFRSs that may impact the Company:

1. IFRS 10: *Consolidated Financial Statements* (effective for annual periods beginning on or after January 1, 2013)
2. IFRS 13: *Fair Value Measurements* (effective for annual periods beginning on or after January 1, 2013)
3. IFRS 9: *Financial Instruments* (effective for annual periods beginning on or after January 1, 2015)

4. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Risk Management

Liquidity Risk

Liquidity risk is the risk that the Company has insufficient cash or other resources to meet obligations as they come due. The Company does not have any debt therefore the only liquidity risk relates to accounts payable and accrued liabilities. The Company has a working capital in excess of accounts payable and liabilities which mitigates this risk.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to honor a financial obligation. Financial instruments that potentially subject Cedar Creek to concentrations of credit risk consist primarily of cash and cash equivalents and receivables. Cedar Creek places its cash and cash equivalents with high-quality institutions. Cedar Creek sells 100% of the power it generates to a single customer. Management performs ongoing credit evaluations of its customer and may require its customer to provide security deposits or other forms of collateral.

At December 31, 2012, the maximum exposure with respect to receivables from Cedar Creek's customer was $4,255 (December 31, 2011 $4,217 and December 31, 2010 $3,829) and there were no amounts overdue.

Financial Instruments

The Company's financial instruments are recognized at fair value which is equal to their carrying value at the reporting date and no fair value gain or loss has been recorded.

5. REVENUE

	For the 12-Months Ended December 31		
	2012	**2011**	**2010**
Revenue			
Lease of plant and equipment	$40,822	$43,470	$40,745
Other Income	786	2,972	630
	$41,608	$46,442	$41,375

6. PROPERTY, PLANT AND EQUIPMENT

The wind power plant consists of 221 1.0-megawatt and 53 1.5-megawatt turbines. The aggregate cost and accumulated depreciation as of December 31, 2012, 2011 and 2010, are detailed in the table below:

	Wind Power Plant	Decommissioning liability	Other	Total
Opening balance at January 1, 2010	$455,439	$5,909	$ 79	$461,427
Additions	—	—	—	—
Disposals	(1,894)	—	(6)	(1,900)
Depreciation	(25,164)	(330)	(18)	(25,512)
As at December 31, 2010	428,381	5,579	55	434,015
Additions	—	—	—	—
Disposals	—	—	—	—
Depreciation	(25,365)	(330)	(18)	(25,713)
As at December 31, 2011	403,016	5,249	37	408,302
Additions	8	—	785	793
Disposals	—	—	—	—
Depreciation	(25,365)	(330)	(18)	(25,713)
As at December 31, 2012	$377,659	$4,919	$804	$383,382

7. DECOMMISSIONING LIABILITY

The Company's decommissioning liability is the estimated cost of decommissioning the turbines, removing above-ground installations, and restoring the site at a date that is 20 years from the commencement of commercial operations.

The estimated cost to decommission the site at the reporting date is adjusted for a current market-based discount rate and reviewed annually by the Company for any material changes.

Activity in this liability account through December 31, 2012, 2011 and 2010, was as follows:

Decommissioning liability at January 1, 2010	$7,372
Accretion expense	431
Decommissioning liability at December 31, 2010	7,803
Accretion expense	456
Decommissioning liability at December 31, 2011	8,259
Accretion expense	483
Decommissioning liability at December 31, 2012	$8,742

8. COMMITMENTS AND CONTINGENCIES

Leases

Cedar Creek leases land under long-term lease agreements that begin to expire in October 2043. The Company pays monthly minimum rent plus royalties based on energy production.

The non-cancellable operating lease rentals payments are payable as follows:

Less than 1 year	$ 281
Between 1 and 5 years	1,126
More than 5 years	7,571
	$8,978

8. COMMITMENTS AND CONTINGENCIES (Continued)

Land rent and royalties expense during the years ended December 31, 2012, 2011 and 2010, was $872, $973 and $825, respectively. These amounts are classified as operating expenses in the consolidated statement of comprehensive income.

Maintenance Service Agreement

In 2007, Cedar Creek entered into a five year operations and maintenance agreement with the turbine supplier for the Mitsubishi Heavy Industries, Ltd. ("**MHI**") turbines. This agreement was renewed in 2012 for another five years. In 2007, Cedar Creek also entered 10 year operations and maintenance agreement with Infigen Asset Management ("**Infigen**"), an affiliate of one of the members of the Company, for the General Electric ("**GE**") turbines. See related party note 10.

In the year to December 31, 2012, 2011 and 2010, the total expense recorded for turbine maintenance and the O&M service fees was $8,918, $6,543 and $5,667, respectively. These amounts are classified as operating expenses in the consolidated statement of comprehensive income.

Availability Warranty

Wind turbine maintenance and servicing for Cedar Creek is performed by Mitsubishi. The current arrangements represent an extension of earlier warranty, service and maintenance agreements between an affiliate of Cedar Creek and Mitsubishi, which have been extended until March 2017. Under one of these agreements, if Cedar Creek operates below a minimum availability threshold, Mitsubishi is obligated to pay certain performance payments.

In the year to December 31, 2012, 2011 and 2010, the revenue recorded for buyer-requested power production curtailments was $46, $1,610 and $312, respectively. The associated tax adjusted value of lost production tax credits was $31, $1,172 and $224, respectively. These amounts are recorded as other income in the consolidated statement of comprehensive income.

9. CAPITAL MANAGEMENT

The Company's primary objective when managing capital is to ensure that it has sufficient cash resources to maintain its ongoing operations. The capital structure of the Company currently consists of cash and members' capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. As of December 31, 2012, the Company is not subject to externally imposed capital requirements.

10. RELATED-PARTY TRANSACTIONS

Project Administration Services

Cedar Creek entered into a Project Administration Services Agreement with Infigen whereby Infigen will provide operational project management services to the Company. Cedar Creek's agreement with Infigen expires in November, 2027.

For the years ended December 31, 2012, 2011 and 2010, the Company paid Infigen $280, $274 and $264, respectively. These amounts are classified as administrative expenses in the accompanying consolidated statement comprehensive income.

Operations and Maintenance Agreement

Cedar Creek entered into an Operation and Maintenance Management Agreement with Infigen whereby Infigen will manage, operate, maintain, and administer the project. The agreement with Infigen expires in July 2017.

For the years ended December 31, 2012, 2011 and 2010, the Company paid Infigen $385, $374 and $369, respectively. These amounts are classified as operating expenses in the accompanying consolidated statement of comprehensive income.

Included in current liabilities at December 31, 2012, is $214 of unpaid monthly maintenance and administrative fees owed to Infigen.

CCWE HOLDINGS LLC

Interim Condensed Consolidated Financial Statements
For the three months ended March 31, 2013 and March 31, 2012

CCWE HOLDINGS LLC

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Interim Condensed Consolidated Statements of Financial Position

(Unaudited: expressed in thousands of U.S. dollars)

	Note	As at March 31, 2013	As at December 31, 2012
Assets			
Current assets			
Cash and cash equivalents		$ 420	$ 3
Restricted cash		116	116
Utility receivable		4,034	4,255
Spare parts		587	588
Prepaid and other assets		260	1,984
		5,417	6,946
Non-current assets			
Property, plant and equipment		377,395	383,382
		377,395	383,382
Total assets		**382,812**	**390,328**
Liabilities and Members' Capital			
Current liabilities			
Trade payables		87	1,962
Deferred income — current		343	343
Accrued and other liabilities		1,730	1,090
		2,160	3,395
Noncurrent liabilities			
Deferred income — non current		4,678	4,773
Decommissioning liability	**4**	8,870	8,742
		13,548	13,515
Total liabilities		15,708	16,910
Members' capital		367,104	373,418
Total liabilities and members' capital		$382,812	$390,328

See the accompanying notes to the interim condensed consolidated financial statements

CCWE HOLDINGS LLC

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Interim Condensed Consolidated Statements of Comprehensive Income

(Unaudited: expressed in thousands of U.S. dollars)

	Note	For the three months ended March 31, 2013	For the three months ended March 31, 2012
Revenue	**3**	$13,563	$13,635
Expenses			
Operating expenses		2,785	1,906
Administration expense		384	588
Depreciation and amortization		6,428	6,428
Accretion expense		128	121
Other expense		22	2
		9,747	9,045
Net income and comprehensive income		$ 3,816	$ 4,590

See the accompanying notes to the interim condensed consolidated financial statements

CCWE HOLDINGS LLC

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Interim Condensed Consolidated Statements of Changes in Members' Capital

(Unaudited: expressed in thousands of U.S. dollars)

Balance at January 1, 2012	$399,826
Capital distributions	(11,110)
Net income and comprehensive income	4,590
Balance at March 31, 2012	393,306
Balance at January 1, 2013	373,418
Capital distributions	(10,130)
Net income and comprehensive income	3,816
Balance at March 31, 2013	$367,104

See the accompanying notes to the interim condensed consolidated financial statements

CCWE HOLDINGS LLC

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Interim Condensed Consolidated Statements of Cash Flows

(Unaudited: expressed in thousands of U.S. dollars)

	For the three months ended March 31, 2013	For the three months ended March 31, 2012
Operating activities		
Net income and comprehensive income	$ 3,816	$ 4,590
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	6,428	6,428
Accretion of decommissioning liability	128	121
Changes in operating assets and liabilities		
Utility receivable	221	76
Prepaid and other assets	1,724	34
Spare parts inventory	1	3
Trade payables	(1,875)	(11)
Accrued and other liabilities	640	(213)
Deferred income	(95)	(94)
Net cash provided by operating activities	10,988	10,934
Investing activities		
Investment in property, plant and equipment	(441)	—
Net cash used in investing activities	(441)	—
Financing activities		
Members' capital distributions	(10,130)	(11,110)
Net cash provided by/(used in) financing activities	(10,130)	(11,110)
Net increase/(decrease) in cash and cash equivalents	417	(176)
Cash and cash equivalents at the beginning of the year	119	981
Cash and cash equivalents at the end of the year	**$ 536**	**$ 805**

See the accompanying notes to the interim condensed consolidated financial statements

1. ORGANIZATION

CCWE Holdings LLC ("**Cedar Creek**" or the "**Company**"), a Delaware limited liability company, was formed on April 17, 2007, to acquire Cedar Creek Wind Energy, LLC, which owns and operates a wind farm in Weld County, Colorado (the "**Wind Farm**"). The latest date upon which the Company will be dissolved is April 17, 2057.

Earnings or losses are allocated to members in accordance with the Amended and Restated Limited Liability Company Agreement based on their respective interests. The Company calculates the allocation of earnings or losses by measuring the distribution amounts that would be due to the members in a hypothetical liquidation of the entity at the net book value of the underlying assets at the period end. This method is referred to Hypothetical Liquidation of Book Value ("**HLBV**").

2. BASIS OF PREPARATION

These interim condensed consolidated financial statements ("financial statements") have been prepared in accordance with IAS 34 *Interim Financial Reporting* and International Financial Reporting Standards ("**IFRS**") as required by Canadian securities regulations. These regulations require financial statements to be included in an initial public offering ("**IPO**") prospectus to be prepared in accordance with IFRS. These interim condensed consolidated financial statements have been prepared for inclusion in Threshold Power Trust's IPO document and will be filed in all provinces and territories of Canada. The Company will continue to provide its members financial statements prepared in accordance with U.S. generally accepted accounting principles.

Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the company since the last annual financial statements as at and for the year ended December 31, 2012. These interim condensed consolidated financial statements do not include all the full information required for full annual financial statements prepared in accordance with IFRS.

The financial statements were authorized for inclusion in the IPO prospectus by the management of Threshold on June 20, 2013.

(a) Basis of Measurement

These consolidated financial statements have been prepared on the historical cost basis.

(b) Functional and Presentation Currency

These consolidated financial statements are presented in thousands of U.S. dollars, which is the functional currency of the Company.

(c) Use of Estimates and Judgments

The preparation of IFRS-basis financial statements requires management to make certain estimates and assumptions that affect the reported amounts and disclosures in the financial statements and the reported amounts of assets and liabilities, and to disclose contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying assumptions that have the most significant effect on the amounts recognized in the financial statements includes the assumptions used to estimate the Company's decommissioning liability (note 4).

(d) New Standards and Interpretations Not Yet Adopted

The accounting policies applied in the interim financial statements are consistent with those used in the annual consolidated financial statements for the year ended December 31, 2012, except for the adoption of the following new standards issued by the International Accounting Standards Board that were effective as of January 1, 2013.

1. IFRS 10: Consolidated Financial Statements (effective for annual periods beginning on or after January 1, 2013). This standard builds on the existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company.

2. BASIS OF PREPARATION (Continued)

2. IFRS 12, Disclosure of Interests in Other Entities (effective for annual periods beginning on or after January 1, 2013). This standard includes all of the disclosures that were previously in IAS 27, Consolidated Financial Statements related to consolidated financial statements and a number of new disclosures.

3. IFRS 13: Fair Value Measurement (effective for annual periods beginning on or after January 1, 2013). This standard aims to improve consistency and reduce complexity by providing precise definitions of fair value, a single source of fair value measurement and disclosure requirements for use across all IFRS. IFRS 13 does not extend the use of fair value accounting, but provides guidance on how it should be applied where its use is already required or permitted by other standards within IFRS.

There was no impact on the Company's interim financial statements upon adoption of IFRS 10, IFRS 12 and IFRS 13 on January 1, 2013.

3. REVENUE

In accordance with IFRIC-4 *Determining whether an Arrangement contains a Lease*, revenue earned under the PPA is classified as lease income.

	Three months ended March 31, 2013	Three months ended March 31, 2012
Revenue		
Lease of plant and equipment	$13,077	$13,355
Other Income	486	280
	$13,563	$13,635

4. DECOMMISSIONING LIABILITY

The Company's decommissioning liability is the estimated cost of decommissioning the turbines, removing above-ground installations, and restoring the site at a date that is 20 years from the commencement of commercial operations.

The estimated cost to decommission the site at the reporting date is adjusted for a current market-based discount rate and reviewed annually by the Company for any material changes.

Activity in this liability account through March 31, 2013, was as follows:

Decommissioning liability at December 31, 2012	$8,742
Accretion expense	128
Decommissioning liability at March 31, 2013	$8,870

5. CAPITAL MANAGEMENT

The Company's primary objective when managing capital is to ensure that it has sufficient cash resources to maintain its ongoing operations. The capital structure of the Company currently consists of cash and members' capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. As of March 31, 2013, the Company is not subject to externally imposed capital requirements.

6. RELATED-PARTY TRANSACTIONS

Project Administration Services

Cedar Creek entered into a Project Administration Services Agreement with Infigen Asset Management ("**Infigen**") whereby Infigen will provide operational project management services to the Company. Cedar Creek's agreement with Infigen expires in November, 2027.

6. RELATED-PARTY TRANSACTIONS (Continued)

For the three months ended March 31, 2013 and 2012, the Company paid Infigen $75 and $76, respectively. These amounts are classified as administrative expenses in the accompanying consolidated statement comprehensive income.

Operations and Maintenance Agreement

Cedar Creek entered into an Operation and Maintenance Management Agreement with Infigen whereby Infigen will manage, operate, maintain, and administer the project. The agreement with Infigen expires in July 2017.

For the three months ended March 31, 2013 and 2012, the Company paid Infigen $97 and $96, respectively. These amounts are classified as operating expenses in the accompanying consolidated statement of comprehensive income.

CRESCENT RIDGE HOLDINGS LLC

INDEPENDENT AUDITORS' REPORT

To the Trustees of Threshold Power Trust:

We have audited the accompanying consolidated financial statements of Crescent Ridge Holdings LLC, which comprise the statements of the consolidated financial position as at December 31, 2012, 2011 and 2010, the consolidated statements of comprehensive income, changes in members' capital and cash flows for the years ended December 31, 2012, 2011 and 2010, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management of Threshold Power Trust is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Crescent Ridge Holdings LLC as at December 31, 2012, 2011 and 2010 and its consolidated financial performance and its consolidated cash flows for the years ended December 31, 2012, 2011 and 2010, in accordance with International Financial Reporting Standards.

Chartered Accountants, Licensed Public Accountants
July [●], 2013
Toronto, Canada

CRESCENT RIDGE HOLDINGS LLC

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in thousands of U.S. dollars)

	Note	As at December 31		
		2012	2011	2010
Assets				
Current assets				
Cash and cash equivalents		$ 752	$ 459	$ 812
Restricted cash	3(c)	956	1,982	1,980
Utility receivable		1,033	1,152	1,171
Prepaid and other assets		256	213	207
		2,997	3,806	4,170
Non-current assets				
Property, plant and equipment	5	59,746	64,095	68,515
		59,747	64,095	68,515
Total assets		**62,743**	**67,901**	**72,685**
Current liabilities				
Trade payables		123	—	1
Accrued and other liabilities		2,302	2,283	2,545
		2,425	2,283	2,546
Noncurrent liabilities				
Decommissioning liability	6	1,607	1,519	1,434
		1,607	1,519	1,434
Total liabilities		**4,032**	**3,802**	**3,980**
Members' capital		58,711	64,099	68,705
Total liabilities and members' capital		**$62,743**	**$67,901**	**$72,685**

Commitments and Contingencies (note 7)

See the accompanying notes to the consolidated financial statements

CRESCENT RIDGE HOLDINGS LLC

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Expressed in thousands of U.S. dollars)

	For the 12-Months Ended December 31		
	2012	**2011**	**2010**
Income			
Power revenue	$10,483	$10,320	$10,065
Other income	167	323	140
	10,650	10,643	10,205
Expenses			
Operating expenses	2,562	1,905	1,569
Administrative expenses	1,034	897	929
Depreciation and amortization	4,423	4,420	4,421
Accretion expense	88	85	77
Other expenses	56	267	—
	8,163	7,574	6,996
Net income and comprehensive income	$ 2,487	$ 3,069	$ 3,209

See the accompanying notes to the consolidated financial statements

CRESCENT RIDGE HOLDINGS LLC

CONSOLIDATED STATEMENTS OF CHANGES IN MEMBERS' CAPITAL

(Expressed in thousands of U.S. dollars)

Balance at January 1, 2010	$73,416
Capital distributions	(7,920)
Net income and comprehensive income	3,209
Balance at December 31, 2010	68,705
Capital distributions	(7,675)
Net income and comprehensive income	3,069
Balance at December 31, 2011	64,099
Capital distributions	(7,875)
Net income and comprehensive income	2,487
Balance at December 31, 2012	$58,711

See the accompanying notes to the consolidated financial statements

CRESCENT RIDGE HOLDINGS LLC

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in thousands of U.S. dollars)

	For the 12-Months Ended December 31		
	2012	**2011**	**2010**
Operating activities			
Net income and comprehensive income	$ 2,487	$ 3,069	$ 3,209
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation and amortization	4,423	4,420	4,421
Accretion of decommissioning liability	88	85	77
Changes in operating assets and liabilities			
Utility receivable	119	19	99
Prepaid and other assets	(43)	(6)	746
Trade payables	123	(1)	1
Accrued and other liabilities	19	(262)	(1,585)
Net cash provided by operating activities	7,216	7,324	6,968
Investing activities			
Investment in property, plant and equipment	(74)	—	—
Disposal of property plant and equipment	—	—	4
Net cash provided by/(used in) investing activities	(74)	—	4
Financing activities			
Members' capital distributions	(7,875)	(7,675)	(7,920)
Net cash used in financing activities	(7,875)	(7,675)	(7,920)
Net decrease in cash and cash equivalents	(733)	(351)	(948)
Cash and cash equivalents at the beginning of the year	2,441	2,792	3,740
Cash and cash equivalents at the end of the year	**$ 1,708**	**$ 2,441**	**$ 2,792**

See the accompanying notes to the consolidated financial statements

1. ORGANIZATION

Crescent Ridge Holdings LLC ("**Crescent Ridge**" or the "**Company**"), a Delaware limited liability company, was formed on June 30, 2006, to acquire CRH LLC, which owns and operates a wind farm in Bureau County, Illinois (the "**Wind Farm**"). The latest date that Crescent Ridge Holdings LLC will be dissolved is June 30, 2056.

Earnings or losses are allocated in accordance with the Amended and Restated Limited Liability Company Agreement to members based on their respective interests. The Company calculates the allocation of earnings or losses by measuring the distribution amounts that would be due to the members in a hypothetical liquidation of the entity at the net book value of the underlying assets at the period end. This method is referred to Hypothetical Liquidation of Book Value ("**HLBV**").

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as required by Canadian securities regulations. These regulations require financial statements to be included in an initial public offering ("**IPO**") prospectus to be prepared in accordance with IFRS. These financial statements have been prepared for inclusion in Threshold Power Trust's IPO document to be filed in all provinces and territories of Canada. The Company will continue to provide its members financial statements prepared in accordance with U.S. generally accepted accounting principles.

The financial statements were authorized for inclusion in the IPO prospectus by the management of Threshold on June 20, 2013.

(a) Basis of Measurement

These consolidated financial statements have been prepared on the historical cost basis.

(b) Functional and Presentation Currency

These consolidated financial statements are presented in thousands of U.S. dollars, which is the functional currency of the Company.

(c) Use of Estimates and Judgments

The preparation of IFRS-basis financial statements requires management to make certain estimates and assumptions that affect the reported amounts and disclosures in the financial statements and the reported amounts of assets and liabilities, and to disclose contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying assumptions that have the most significant effect on the amounts recognized in the financial statements includes the assumptions used to estimate the Company's decommissioning liability (note 6).

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Consolidation

The accompanying consolidated financial statements include the accounts of Crescent Ridge Holdings LLC and its wholly owned subsidiary, CRH LLC. All significant intercompany balances have been eliminated in consolidation. The stand-alone financial statements of Crescent Ridge Holdings LLC are composed of investment balances in the Wind Farm that eliminate on consolidation and relatively de minimus amounts of cash and holding company level administrative expenses.

(b) Cash and Cash Equivalents

Cash and cash equivalents consist of cash in banks and highly liquid investments with original maturities of three months or less.

(c) Restricted Cash

Restricted cash at December 31, 2012, consists of $956, which has been segregated in a separate bank account to fund site decommissioning. At December 31, 2011, and December 31, 2010, restricted cash also included an amount funding a letter of credit required by the Power Purchase and Sale Agreement signed in 2008.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Financial Instruments

Financial instruments are classified into one of the following four categories: loans and receivables, fair value through profit or loss, held-to-maturity and available for sale.

Financial Assets

The Company initially recognizes loans and receivables and deposits on the date that they are originated. Financial assets are derecognized when the contractual rights to the cash flows from the asset expire or when the Company has transferred its rights to receive cash flows from the asset.

The Company has the following non-derivative financial assets which have been classified as loans and receivables: cash and cash equivalents and utility receivable.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognized at fair value plus transaction costs and subsequently measured at amortized cost using the effective interest rate method less any impairment losses.

The Company does not have any financial assets at fair value through profit or loss, held-to-maturity investments or available-for-sale financial assets.

Financial Liabilities

Financial liabilities are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities are derecognized when its contractual obligations are discharged, cancelled or expire.

The Company has the following non-derivative financial liabilities which have been classified as other financial liabilities: trade payables and other liabilities.

Financial liabilities, other than financial liabilities classified as fair value through profit or loss, are measured in subsequent periods at amortized cost using the effective interest rate method.

The Company does not have any financial liabilities at fair value through profit or loss.

Members' Capital

Class A and Class B member interests are classified as members' capital and adjusted for any contributions or distributions which have occurred during the period.

(e) Property, Plant and Equipment

Property, plant and equipment include the wind power plant and associated decommissioning liability, land, motor vehicles and construction in progress.

The wind power plant consists of 33 1.65 MW turbines. The wind power plant and the decommissioning liability are recorded at cost and depreciated using the straight-line method over the 20 year life of the assets. The assets have been assessed to identify different components with differing patterns of benefits that are significant relative to the total cost of the item. The backup generator purchased in 2009 was determined to have a useful life of 5 years and is componentized and depreciated over this useful life.

Subsequent expenditure that does not require componentization and that can be capitalized is recorded at cost and depreciated using the straight-line method over the estimated remaining useful life of the asset. Repairs and maintenance costs are expensed as incurred.

Motor Vehicles are recorded at cost and depreciated using the straight-line method over a useful life of 4 years.

Land and construction in progress are recorded at cost and are not depreciated.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Impairment

Financial assets

Financial assets are assessed at each reporting date to determine if they are impaired through considering if one or more events occurring after the initial recognition has negatively impacted estimated future cash flows.

Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount is the greater of the asset's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discounted rate that reflects current market assessments of the time value of money and the risks specific to that asset. If the carrying amount of an asset is deemed not to be recoverable, an impairment provision is recorded equal to the difference between the asset's carrying value and its recoverable amount. Impairment losses are recognized in profit or loss.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

No impairment losses were recorded for the years ended December 31, 2012, 2011 and 2010.

(g) Revenue Recognition

In 2008, the Company entered a Power Purchase and Sale Agreement ("**PPA**") with a single utility company that buys all of the Company's produced energy at a contracted rate. Accordingly, revenue is recognized based on the product of the price per megawatt hour (MWh) determined by the PPA and the actual energy delivered to, and metered at, the utility interconnection. The PPA contains certain minimum performance provisions.

(h) Expenses

Operating expenses

Operating expenses include wind plant operations and maintenance and land rent expense.

Administrative expenses

Administrative expenses include insurance, professional fees, property taxes and fees charged by a related party for the provision of administrative and project management services to the Company.

Depreciation and accretion

Depreciation and accretion charges are for the wind power plant and the decommissioning liability.

Other expenses

Other expenses include production tax credit ("**PTC**") compensation paid to Class a Members.

(i) Income Taxes

As the Company is subject to flow through taxation, the Company's income, gains, losses, and tax credits are allocated to the owners who individually report their share of those items in their income tax returns. Accordingly, in order to reflect the ongoing expenses of the Company, no provision has been made for income taxes within the financial statements.

The Company filed tax returns as prescribed by the tax laws of the jurisdictions in which it operates. In the normal course of business, the Company is subject to examination by federal, state, local, and foreign jurisdictions, where applicable. As of December 31, 2012, the tax years that remain subject to examination by the major tax jurisdictions (U.S. federal and state) under

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

the statute of limitations are from the year 2006 forward (with limited exceptions). The Company recognizes interest and penalties, if any, related to unrecognized tax benefits as income tax expense in the statements of comprehensive income. During the period, the Company did not accrue any interest or penalties.

Income and losses for tax purposes may differ from the financial statement amounts and may be allocated to the Members on a different basis for tax purposes than for financial statement purposes.

Members' capital reflected in the accompanying financial statements does not necessarily represent the Members' tax basis of their respective interests.

(j) New Standards and Interpretations Not Yet Adopted

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended December 31, 2012, and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Company however the extent of the impact has not yet been determined.

The following are amended or new IFRSs that may impact the Company:

1. IFRS 10: *Consolidated Financial Statements* (effective for annual periods beginning on or after January 1, 2013)
2. IFRS 13: *Fair Value Measurements* (effective for annual periods beginning on or after January 1, 2013)
3. IFRS 9: *Financial Instruments* (effective for annual periods beginning on or after January 1, 2015)

4. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Risk Management

Liquidity Risk

Liquidity risk is the risk that the Company has insufficient cash or other resources to meet its obligations as they come due. The Company does not have any debt therefore the only liquidity risk relates to accounts payable and accrued liabilities. The Company has sufficient working capital in excess of accounts payable and accrued liabilities to mitigate this risk.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to honor a financial obligation. Financial instruments that potentially subject Crescent Ridge to concentrations of credit risk consist primarily of cash and cash equivalents and receivables. Crescent Ridge places its cash and cash equivalents with high-quality institutions. Crescent Ridge sells 100% of the power it generates to a single customer. Management performs ongoing credit evaluations of its customer and may require its customer to provide security deposits or other forms of collateral.

At December 31, 2012, the maximum exposure with respect to receivables from Crescent Ridge's customer was $1,033 (December 31, 2011 $1,152 and December 31, 2010 $1,171) and there were no amounts overdue.

Financial Instruments

The Company's financial instruments are recognized at fair value which is equal to their carrying value at the reporting date and no fair value gain or loss has been recorded.

5. PROPERTY, PLANT AND EQUIPMENT

The aggregate cost and accumulated depreciation as of December 31, 2012, 2011, and 2010 are detailed in the table below:

	Wind Power Plant	Decommissioning liability	Other	Total
Opening balance at January 1, 2010	$71,905	$1,006	$29	$72,940
Additions	—	—	—	—
Disposals	—	—	(4)	(4)
Depreciation	(4,360)	(61)	—	(4,421)
As at December 31, 2010	67,545	945	25	68,515
Additions	—	—	—	—
Disposals	—	—	—	—
Depreciation	(4,360)	(60)	—	(4,420)
As at December 31, 2011	63,185	885	25	64,095
Additions	—	—	74	74
Disposals	—	—	—	—
Depreciation	(4,359)	(61)	(3)	(4,423)
As at December 31, 2012	$58,826	$ 824	$96	$59,746

6. DECOMMISSIONING LIABILITY

The Company's decommissioning liability is the estimated cost of decommissioning the turbines, removing above-ground installations, and restoring the site at a date that is 20 years from the commencement of commercial operations.

The estimated cost to decommission the site at the reporting date is adjusted for a current market-based discount rate and reviewed annually by the Company for any material changes.

Activity in this liability account through December 31, 2012, 2011 and 2010 was as follows:

Decommissioning liability at January 1, 2010	$1,357
Accretion expense	77
Decommissioning liability at December 31, 2010	1,434
Accretion expense	85
Decommissioning liability at December 31, 2011	1,519
Accretion expense	88
Decommissioning liability at December 31, 2012	$1,607

7. COMMITMENTS AND CONTINGENCIES

Leases

Crescent Ridge leases land under long-term lease agreements which expire by December, 2025. The Company pays monthly minimum rent plus royalties based on energy production.

The non-cancellable operating lease rentals are payable as follows:

Less than 1 year	$ 196
Between land 5 years	784
More than 5 years	1,552
	$2,532

7. COMMITMENTS AND CONTINGENCIES (Continued)

Land and rent expense during the years ended December 31, 2012, 2011 and 2010, was $316, $312 and $315, respectively. These amounts are classified as operating expenses in the consolidated statement of comprehensive income.

Availability Warranty

Crescent Ridge is party to a maintenance agreement that includes an availability guaranty. Pursuant to that agreement, if Crescent Ridge operates below a minimum availability threshold the turbine manufacturer is obligated to pay Crescent Ridge certain performance payments.

Maintenance Agreement

In May 2011, Crescent Ridge entered into an agreement with a turbine maintenance provider to perform various scheduled and unscheduled maintenance services on the wind turbines at Crescent Ridge for a term of five years.

For the years ended December 31, 2012, 2011 and 2010, the Company paid $1,770, $1,144 and $919, respectively, for turbine maintenance. These amounts are included in operating expenses in the accompanying consolidated statement of comprehensive income.

8. CAPITAL MANAGEMENT

The Company's primary objective when managing capital is to ensure that it has sufficient cash resources to maintain its ongoing operations. The capital structure of the Company currently consists of cash and members' capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. As of December 31, 2012, the Company is not subject to externally imposed capital requirements.

9. RELATED-PARTY TRANSACTIONS

Crescent Ridge entered into a Project Administration Services Agreement with Infigen Asset Management LLC ("**Infigen**"), an affiliate of one of the members of the Company, whereby Infigen will provide operational project management services to Crescent Ridge. The agreement with Infigen expires in June, 2026.

For the years ended December 31, 2012, 2011 and 2010, the Company paid Infigen $286, $278 and $276, respectively. These amounts are classified administrative expenses in the accompanying consolidated statement of comprehensive income.

During 2011, Crescent Ridge paid $350 to Infigen for Balance of Plant Operations and Maintenance Services under an interim agreement to provide for maintenance services, pending completion of negotiations and execution of a written agreement for these services. Effective July 2012 the Company executed a management and operations agreement with Infigen which expires in July of 2013. For the year ended December 31, 2012, the Company paid Infigen $269 for management and operations services. These amounts are classified as operating expenses in the accompanying consolidated statement of comprehensive income.

Included in accounts payable and accrued liabilities at December 31, 2012, is $156 of unpaid fees owed to Infigen.

CRESCENT RIDGE HOLDINGS LLC

Interim Condensed Consolidated Financial Statements
For the three months ended March 31, 2013 and March 31, 2012

CRESCENT RIDGE HOLDINGS LLC

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Unaudited: expressed in thousands of U.S. dollars)

	Note	As at March 31, 2013	As at December 31, 2012
Assets			
Current assets			
Cash and cash equivalents		$ 585	$ 752
Restricted cash		957	956
Utility receivable		1,065	1,033
Prepaid and other assets		326	256
		2,933	2,997
Non-current assets			
Property, plant and equipment		58,642	59,746
		58,642	59,746
Total assets		**61,575**	**62,743**
Current liabilities			
Trade payables		1	123
Accrued and other liabilities		2,326	2,302
		2,327	2,425
Noncurrent liabilities			
Decommissioning liability	**3**	1,630	1,607
		1,630	1,607
Total liabilities		**3,957**	**4,032**
Members' capital		57,618	58,711
Total liabilities and members' capital		**$61,575**	**$62,743**

See the accompanying notes to the interim condensed consolidated financial statements

CRESCENT RIDGE HOLDINGS LLC

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Unaudited: expressed in thousands of U.S. dollars)

	For the three months ended March 31, 2013	For the three months ended March 31, 2012
Income		
Power revenue	$3,197	$3,991
Other income	—	166
	3,197	4,157
Expenses		
Operating expenses	647	665
Administrative expenses	243	329
Depreciation and amortization	1,107	1,105
Accretion expense	23	22
Other expenses	—	57
	2,020	2,178
Net income and comprehensive income	$1,177	$1,979

See the accompanying notes to the interim condensed consolidated financial statements

CRESCENT RIDGE HOLDINGS LLC

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN MEMBERS' CAPITAL

(Unaudited: expressed in thousands of U.S. dollars)

Balance at January 1, 2012	$64,098
Capital distributions	(3,140)
Net income and comprehensive income	1,979
Balance at March 31, 2012	$62,937
Balance at January 1, 2013	58,711
Capital distributions	(2,270)
Net income and comprehensive income	1,177
Balance at March 31, 2013	$57,618

See the accompanying notes to the interim condensed consolidated financial statements

CRESCENT RIDGE HOLDINGS LLC

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited: expressed in thousands of U.S. dollars)

	For the three months ended March 31, 2013	For the three months ended March 31, 2012
Operating activities		
Net income and comprehensive income	$ 1,177	$ 1,979
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	1,107	1,105
Accretion of decommissioning liability	23	22
Changes in operating assets and liabilities		
Utility receivable	(32)	(378)
Prepaid and other assets	(70)	(100)
Spare parts	—	(2)
Trade payables	(122)	8
Accrued and other liabilities	24	204
Net cash provided by operating activities	2,107	2,838
Investing activities		
Investment in property, plant and equipment	(3)	—
Net cash used in investing activities	(3)	—
Financing activities		
Members' capital distributions	(2,270)	(3,140)
Net cash used in financing activities	(2,270)	(3,140)
Net increase decrease in cash and cash equivalents	(166)	(302)
Cash and cash equivalents at the beginning of the year	1,708	2,439
Cash and cash equivalents at the end of the year	**$ 1,542**	**$ 2,137**

See the accompanying notes to the interim condensed consolidated financial statements

1. ORGANIZATION

Crescent Ridge Holdings LLC ("**Crescent Ridge**" or the "**Company**"), a Delaware limited liability company, was formed on June 30, 2006, to acquire CRH LLC, which owns and operates a wind farm in Bureau County, Illinois (the "**Wind Farm**"). The latest date that Crescent Ridge Holdings LLC will be dissolved is June 30, 2056.

Earnings or losses are allocated in accordance with the Amended and Restated Limited Liability Company Agreement to members based on their respective interests. The Company calculates the allocation of earnings or losses by measuring the distribution amounts that would be due to the members in a hypothetical liquidation of the entity at the net book value of the underlying assets at the period end. This method is referred to Hypothetical Liquidation of Book Value ("**HLBV**").

2. BASIS OF PREPARATION

These interim condensed consolidated financial statements ("financial statements") have been prepared in accordance with IAS 34 *Interim Financial Reporting* and International Financial Reporting Standards ("**IFRS**") as required by Canadian securities regulations. These regulations require financial statements to be included in an initial public offering ("**IPO**") prospectus to be prepared in accordance with IFRS. These interim condensed consolidated financial statements have been prepared for inclusion in Threshold Power Trust's IPO document and will be filed in all provinces and territories of Canada. The Company will continue to provide its members financial statements prepared in accordance with U.S. generally accepted accounting principles.

Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the company since the last annual financial statements as at and for the year ended December 31, 2012. These interim condensed consolidated financial statements do not include all the full information required for full annual financial statements prepared in accordance with IFRS.

The financial statements were authorized for inclusion in the IPO prospectus by the management of Threshold on June 20, 2013.

(a) Basis of Measurement

These financial statements have been prepared on the historical cost basis.

(b) Functional and Presentation Currency

These financial statements are presented in thousands of U.S. dollars, which is the functional currency of the Company.

(c) Use of Estimates and Judgments

The preparation of IFRS-basis financial statements requires management to make certain estimates and assumptions that affect the reported amounts and disclosures in the financial statements and the reported amounts of assets and liabilities, and to disclose contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying assumptions that have the most significant effect on the amounts recognized in the financial statements includes the assumptions used to estimate the Company's decommissioning liability (note 3).

(d) New Standards and Interpretations Not Yet Adopted

The accounting policies applied in the interim financial statements are consistent with those used in the annual consolidated financial statements for the year ended December 31, 2012, except for the adoption of the following new standards issued by the International Accounting Standards Board that were effective as of January 1, 2013.

1. IFRS 10: Consolidated Financial Statements (effective for annual periods beginning on or after January 1, 2013). This standard builds on the existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company.
2. IFRS 12, Disclosure of Interests in Other Entities (effective for annual periods beginning on or after January 1, 2013). This standard includes all of the disclosures that were previously in IAS 27, Consolidated Financial Statements related to consolidated financial statements and a number of new disclosures.

2. BASIS OF PREPARATION (Continued)

3. IFRS 13: Fair Value Measurement (effective for annual periods beginning on or after January 1, 2013). This standard aims to improve consistency and reduce complexity by providing precise definitions of fair value, a single source of fair value measurement and disclosure requirements for use across all IFRS. IFRS 13 does not extend the use of fair value accounting, but provides guidance on how it should be applied where its use is already required or permitted by other standards within IFRS.

There was no impact on the Company's interim financial statements upon adoption of IFRS 10, IFRS 12 and IFRS 13 on January 1, 2013.

3. DECOMMISSIONING LIABILITY

The Company's decommissioning liability is the estimated cost of decommissioning the turbines, removing above-ground installations, and restoring the site at a date that is 20 years from the commencement of commercial operations.

The estimated cost to decommission the site at the reporting date is adjusted for a current market-based discount rate and reviewed annually by the Company for any material changes.

Activity in this liability account through March 31, 2013, was as follows:

Decommissioning liability at January 1, 2013	$1,607
Accretion expense	23
Decommissioning liability at March 31, 2013	$1,630

4. CAPITAL MANAGEMENT

The Company's primary objective when managing capital is to ensure that it has sufficient cash resources to maintain its ongoing operations. The capital structure of the Company currently consists of cash and members' capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. As of March 31, 2013, the Company is not subject to externally imposed capital requirements.

5. RELATED-PARTY TRANSACTIONS

Crescent Ridge entered into a Project Administration Services Agreement with Infigen Asset Management LLC ("**Infigen**"), an affiliate of one of the members of the Company, whereby Infigen will provide operational project management services to Crescent Ridge. The agreement with Infigen expires in June, 2026.

For each of the three months ended March 31, 2013 and 2012, the Company paid Infigen $71. These amounts are classified administrative expenses in the accompanying consolidated statement of comprehensive income.

Crescent Ridge paid Infigen for the balance of plant operations and maintenance services under an interim agreement until the formal agreement was signed in July of 2012. For the three months ended March 31, 2013 and 2012, the Company paid Infigen $38 and $119, respectively. These amounts are classified as operating expenses in the accompanying consolidated statement of comprehensive income.

JB WIND HOLDINGS LLC

INDEPENDENT AUDITORS' REPORT

To the Trustees of Threshold Power Trust:

We have audited the accompanying consolidated financial statements of JB Wind Holdings LLC, which comprise the consolidated statements of financial position as at December 31, 2012, 2011 and 2010, the consolidated statements of comprehensive income/(loss), changes in members' capital and cash flows for the years ended December 31, 2012, 2011 and 2010, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management of Threshold Power Trust is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of JB Wind Holdings LLC as at December 31, 2012, 2011 and 2010 and its consolidated financial performance and its consolidated cash flows for the years ended December 31, 2012, 2011 and 2010, in accordance with International Financial Reporting Standards.

Chartered Accountants, Licensed Public Accountants
July [●], 2013
Toronto, Canada

JB WIND HOLDINGS LLC

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in thousands of U.S. dollars)

	Note	As at December 31		
		2012	2011	2010
Assets				
Current assets				
Cash and cash equivalents		$ 616	$ 415	$ 964
Restricted cash	3(c)	36	36	336
Utility receivable		525	467	645
Spare parts		297	321	106
Prepaid and other assets		524	474	625
		1,998	1,713	2,676
Non-current assets				
Property, plant and equipment	6	34,674	37,208	39,848
		34,674	37,208	39,848
Total assets		**$36,672**	**$38,921**	**$42,524**
Liabilities and Members' Capital				
Current liabilities				
Trade payables		101	51	—
Construction reserve liability		—	—	59
Accrued and other liabilities		240	353	832
		341	404	892
Noncurrent liabilities				
Decommissioning liability	7	1,102	1,039	980
		1,102	1,039	980
Total liabilities		**1,443**	**1,443**	**1,871**
Members' capital		35,229	37,478	40,653
Total liabilities and members' capital		**$36,672**	**$38,921**	**$42,524**

Commitments and Contingencies (note 8)

See accompanying notes to the consolidated financial statements

JB WIND HOLDINGS LLC

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(Expressed in thousands of U.S. dollars)

	Note	For the 12-Months Ended December 31		
		2012	2011	2010
Revenue	5	$ 3,920	$4,711	$5,392
Expenses				
Operating expenses		2,184	1,697	1,418
Administrative expenses		891	717	818
Depreciation and amortization		2,625	2,621	2,621
Accretion expense		63	59	55
Other expenses		14	1	537
		5,777	5,095	5,449
Net loss and comprehensive loss		**$(1,857)**	**$ (384)**	**$ (57)**

See accompanying notes to the consolidated financial statements

JB WIND HOLDINGS LLC

CONSOLIDATED STATEMENTS OF CHANGES IN MEMBERS' CAPITAL

(Expressed in thousands of U.S. dollars)

Balance at January 1, 2010	$42,698
Capital distributions	(1,988)
Net loss and comprehensive loss	(57)
Balance at December 31, 2010	40,653
Capital distributions	(2,791)
Net loss and comprehensive loss	(384)
Balance at December 31, 2011	37,478
Capital distributions	(392)
Net loss and comprehensive loss	(1,857)
Balance at December 31, 2012	$35,229

See accompanying notes to the consolidated financial statements

JB WIND HOLDINGS LLC

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in thousands of U.S. dollars)

	For the 12-Months Ended December 31		
	2012	**2011**	**2010**
Operating activities			
Net loss and comprehensive loss	$(1,857)	$ (384)	$ (57)
Adjustments to reconcile net loss to net cash provided by operating activities			
Depreciation and amortization	2,625	2,621	2,621
Accretion of decommissioning liability	63	59	55
Changes in operating assets and liabilities			
Utility receivable	(58)	178	109
Prepaid and other assets	(50)	151	(185)
Spare parts	24	(215)	(24)
Trade payables	50	51	—
Construction reserve liability	—	(59)	(81)
Accrued and other liabilities	(113)	(479)	63
Net cash provided by operating activities	684	1,923	2,501
Investing activities			
Investment in property, plant and equipment	(40)	(40)	(35)
Disposal of property plant and equipment	(51)	59	21
Net cash provided by/(used in) investing activities	(91)	19	(14)
Financing activities			
Members' capital distributions	(392)	(2,791)	(1,988)
Net cash (used in) financing activities	(392)	(2,791)	(1,988)
Net increase/(decrease) in cash and cash equivalents	201	(849)	499
Cash and cash equivalents			
Cash and cash equivalents at the beginning of the year	451	1300	801
Cash and cash equivalents at the end of the year	$ 652	$ 451	$ 1,300

See accompanying notes to the consolidated financial statements

JB WIND HOLDINGS LLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in thousands of U.S. dollars)

1. ORGANIZATION

JB Wind Holdings LLC ("**JB Wind**" or the "**Company**"), a Delaware limited liability company, was formed on March 14, 2006, to acquire and operate wind farms in Luzerne County, Pennsylvania and Atlantic County, New Jersey (the "**Wind Farms**" or "**Bear Creek**" and "**Jersey-Atlantic**", respectively). The latest date upon which the Company will be dissolved is March 14, 2056.

Earnings or losses are allocated to members in accordance with the Amended and Restated Limited Liability Agreement based on their respective interests. The Company calculates the allocation of earnings or losses by measuring the distribution amounts that would be due to the members in a hypothetical liquidation of the entity at the net book value of the underlying assets at the period end. This method is referred to Hypothetical Liquidation of Book Value ("**HLBV**").

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as required by Canadian securities regulations. These regulations require financial statements to be included in an initial public offering ("**IPO**") prospectus to be prepared in accordance with IFRS. These financial statements have been prepared for inclusion in Threshold Power Trust's IPO document and will be filed in all provinces and territories of Canada. The Company will continue to provide its members financial statements prepared in accordance with U.S. generally accepted accounting principles.

The financial statements were authorized for inclusion in the IPO prospectus by the management of Threshold on June 20, 2013.

(a) Basis of Measurement

These consolidated financial statements have been prepared on the historical cost basis.

(b) Functional and Presentation Currency

These consolidated financial statements are presented in thousands of U.S. dollars, which is the functional currency of the Company.

(c) Use of Estimates and Judgments

The preparation of IFRS-basis financial statements requires management to make certain estimates and assumptions that affect the reported amounts and disclosures in the financial statements and the reported amounts of assets and liabilities, and to disclose contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying assumptions that have the most significant effect on the amounts recognized in the financial statements includes the assumptions used to estimate the Company's decommissioning liability (note 7).

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Principles of Consolidation

The accompanying consolidated financial statements include the accounts of JB Wind and its wholly owned subsidiaries, Jersey-Atlantic Wind LLC and Wind Park Bear Creek LLC. All significant intercompany balances have been eliminated.

(b) Cash and Cash Equivalents

Cash and cash equivalents consist of cash in banks and highly liquid investments with original maturities of three months or less.

(c) Restricted Cash

Restricted cash relates to funds escrowed under terms of an agreement with the Audubon Society avian study.

(d) Financial Instruments

Financial instruments are classified into one of the following four categories: loans and receivables, fair value through profit or loss, held-to-maturity and available for sale.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Assets

The Company initially recognizes loans and receivables and deposits on the date that they are originated. Financial assets are derecognized when the contractual rights to the cash flows from the asset expire or when the Company has transferred its rights to receive cash flows from the asset.

The Company has the following non-derivative financial assets which have been classified as loans and receivables: cash and cash equivalents and utility receivable.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognized at fair value plus transaction costs and subsequently measured at amortized cost using the effective interest rate method less any impairment losses.

The Company does not have any financial assets at fair value through profit or loss, held-to-maturity investments or available-for-sale financial assets.

Financial Liabilities

Financial liabilities are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities are derecognized when its contractual obligations are discharged, cancelled or expire.

The Company has the following non-derivative financial liabilities which have been classified as other financial liabilities: trade payables, construction reserve liability and accrued and other liabilities.

Financial liabilities, other than financial liabilities classified as fair value through profit or loss, are measured in subsequent periods at amortized cost using the effective interest rate method.

The Company does not have any financial liabilities at fair value through profit or loss.

Members' Capital

Class A and Class B member interests are classified as members' capital and adjusted for any contributions or distributions which have occurred during the period.

(e) Property, Plant and Equipment

Property, plant and equipment include the wind power plant and associated decommissioning liability.

The wind power plant and the decommissioning liability are recorded at cost and depreciated using the straight-line method over the 20 year life of the assets. The assets have been assessed to identify components with differing patterns of benefits that are significant relative to the total cost of the item. There are no such components or subsequent expenditures that require componentization.

Subsequent expenditure that does not require componentization and that can be capitalized is recorded at cost and depreciated using the straight-line method over the estimated remaining useful life of the asset. Repairs and maintenance costs are expensed as incurred.

(f) Impairment

Financial assets

Financial assets are assessed at each reporting date to determine if they are impaired through considering if one or more events occurring after the initial recognition have negatively impacted expected cash flows.

Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

The recoverable amount is the greater of the asset's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discounted rate that reflects current market assessments of the time value of money and the risks specific to that asset. If the carrying amount of an asset is deemed not to be recoverable, an impairment provision is recorded equal to the difference between the asset's carrying value and its recoverable amount. Impairment losses are recognized in profit or loss.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

No impairment losses were recorded for the years ended December 31, 2012, 2011 and 2010.

(g) Revenue Recognition

In 2006, JB Wind entered into 20 year contracts with two separate utilities to purchase most of the Wind Farms' produced energy. A portion of the energy from one of the wind farms owned by JB Wind is sold in part under one of such agreements with the remaining energy sold into the wholesale market. Revenue is recognized based on the product of a rate per megawatt hour (MWH) and the actual energy delivered to, and metered at, the utility interconnection. The power purchase agreement ("**PPA**") contains certain minimum performance provisions.

In accordance with IFRIC-4 *Determining whether an Arrangement contains a Lease*, revenue earned under the PPA is classified as lease income.

In 2003, Jersey Atlantic also entered agreements (subsequently amended in 2005) to sell Renewable Energy Credits. Revenue is recognized based on the contracted rate and quantity delivered.

(h) Expenses

Operating expenses

Operating expenses include wind plant operations and maintenance and land and building rent expense.

Administrative expenses

Administrative expenses include insurance, professional fees, property taxes and fees charged by a related party for the provision of administrative and project management services to the Company.

Depreciation and accretion

Depreciation and accretion charges are for the wind power plant and the decommissioning liability.

Other expenses

Other expenses include production tax credit ("**PTC**") compensation paid to Class A Members.

(i) Income Taxes

As the Company is subject to flow through taxation, the Company's income, gains, losses, and tax credits are allocated to the owners who individually report their share of those items in their income tax returns. Accordingly, in order to reflect the ongoing expenses of the Company, no provision has been made for income taxes within the financial statements.

The Company filed tax returns as prescribed by the tax laws of the jurisdictions in which it operates. In the normal course of business, the Company is subject to examination by federal, state, local, and foreign jurisdictions, where applicable. As of December 31, 2012, the tax years that remain subject to examination by the major tax jurisdictions (U.S. federal and state) under the statute of limitations are from the year 2006 forward (with limited exceptions). The Company recognizes interest and penalties, if any, related to unrecognized tax benefits as income tax expense in the statements of comprehensive income. During the period, the Company did not accrue any interest or penalties.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income and losses for tax purposes may differ from the financial statement amounts and may be allocated to the Members on a different basis for tax purposes than for financial statement purposes.

Members' capital reflected in the accompanying financial statements does not necessarily represent the Members' tax basis of their respective interests.

(j) New Standards and Interpretations Not Yet Adopted

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended December 31, 2012, and have not been applied in preparing these consolidated financial statements. None of these are expected to have a significant effect on the consolidated financial statements of the Company however the extent of the impact has not yet been determined.

The following are amended or new IFRSs that may impact the Company:

1. IFRS 10: *Consolidated Financial Statements* (effective for annual periods beginning on or after January 1, 2013)
2. IFRS 13: *Fair Value Measurements* (effective for annual periods beginning on or after January 1, 2013)
3. IFRS 9: *Financial Instruments* (effective for annual periods beginning on or after January 1, 2015)

4. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Risk Management

Liquidity Risk

Liquidity risk is the risk that the Company has insufficient cash or other resources to meet its obligations as they come due. The Company does not have any debt therefore the only liquidity risk relates to accounts payable and accrued liabilities. The Company has sufficient working capital in excess of accounts payable and accrued liabilities to mitigate this risk.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to honor a financial obligation. Financial instruments that potentially subject JB Wind to concentrations of credit risk consist primarily of cash and cash equivalents and receivables. JB Wind places its cash and cash equivalents with high-quality institutions.

JB Wind sells 100% of the power it generates to a single customer. Management performs ongoing credit evaluations of its customer and may require its customer to provide security deposits or other forms of collateral.

At December 31, 2012, the maximum exposure with respect to receivables from JB Wind's customer was $525 ($467 at December 31, 2011 and $645 at December 31, 2010) and there were no amounts overdue.

Pursuant to the terms of the Renewable Energy and Renewable Energy Credits Purchase Agreement (the "**REC Agreement**"), Bear Creek's utility customer provided a $15 million guaranty to Bear Creek during the first ten years of the Agreement and a $13 million guaranty during the second ten years of the REC Agreement. If Bear Creek fails to produce the minimum required Renewable Energy Credits required under the REC Agreement, the shortfall will be funded by the utility customer using this guarantee.

Financial Instruments

The Company's financial instruments are recognized at fair value which is equal to their carrying value at the reporting date and no fair value gain or loss has been recorded.

5. REVENUE

	For the 12-Months Ended December 31		
	2012	2011	2010
Lease of plant and equipment	$2,577	$3,115	$3,500
Power revenue	1,180	1,258	1,342
Other income	163	338	550
Total revenue	**$3,920**	**$4,711**	**$5,392**

6. PROPERTY, PLANT AND EQUIPMENT

The wind power plant consists of forty-five 1.65-megawatt wind turbines. As of December 31, 2012, 2011 and 2010, the aggregate cost and accumulated depreciation were as follows:

	Wind Power Plant	Decommissioning liability	Other	Total
Opening balance at January 1, 2010	$41,742	$692	$ 21	$42,455
Additions	35	—	—	35
Disposals	—	—	(21)	(21)
Depreciation	(2,578)	(43)	—	(2,621)
As at December 31, 2010	39,199	649	—	39,848
Additions	—	—	40	40
Disposals	(59)	—	—	(59)
Depreciation	(2,578)	(43)	—	(2,621)
As at December 31, 2011	36,562	606	40	37,208
Additions	40	—	—	40
Disposals	—	—	51	51
Depreciation	(2,582)	(43)	—	(2,625)
As at December 31, 2012	$34,020	$563	$ 91	$34,674

7. DECOMMISSIONING LIABILITY

The Company's decommissioning liability is the estimated cost of decommissioning the turbines, removing above-ground installations, and restoring the site at a date that is 20 years from the commencement of commercial operations.

The estimated cost to decommission the site at the reporting date is adjusted for a current market-based discount rate and reviewed annually by the Company for any material changes.

Activity in this liability account through December 31, 2012, 2011 and 2010 was as follows:

Decommissioning liability at January 1, 2010	$ 925
Accretion expense	55
Decommissioning liability at December 31, 2010	980
Accretion expense	59
Decommissioning liability at December 31, 2011	1,039
Accretion expense	63
Decommissioning liability at December 31, 2012	$1,102

8. COMMITMENTS AND CONTINGENCIES

Leases

JB Wind leases land and buildings under long-term lease agreements, with expiration dates beginning in March 2026 and continuing through March 2035. The Company pays monthly minimum rents plus royalties based on energy production.

The non-cancellable operating lease rentals are payable as follows:

Less than 1 year	$ 43
Between 1 and 5 years	$149
More than 5 years	$541
	$733

Land and building rent expense during the years ended December 31, 2012, 2011 and 2010, was $39, $48 and $48, respectively. These amounts are classified as operating expenses in the consolidated statement of comprehensive income.

Turbine Warranty Agreement

JB Wind had four separate agreements with turbine suppliers to provide various services and warranties. Four of these agreements expired in 2011 and were replaced by an agreement with a third party to provide turbine maintenance at Jersey-Atlantic Wind, and by an agreement with Infigen Asset Management ("**Infigen**"), an affiliate of the Company, for turbine maintenance at Wind Park Bear Creek, and other maintenance services at both Jersey-Atlantic Wind and Wind Park Bear Creek, as described in Related Party Note 10, below.

In June 2013, Wind Park Bear Creek and Gamesa entered into a 15-year warranty and maintenance agreement pursuant to which Gamesa will provide warranties, turbine maintenance services and replacement components for the turbines at Wind Park Bear Creek. The agreement with Gamesa means that Infigen will cease to provide turbine maintenance services for Wind Park Bear Creek, but will continue to operate the wind farm and provide a balance of plant service and maintenance.

For the years ending December 31, 2012, 2011 and 2010, turbine maintenance fees were $1,679, $1,279 and $1,016, respectively.

Availability Warranty

As part of its turbine purchase, JB Wind entered into a warranty agreement with the turbine manufacturer. Pursuant to that agreement, if JB Wind operates below a minimum availability threshold, the turbine manufacturer is obligated to pay to JB Wind certain performance payments.

For the years ending December 31, 2012, 2011 and 2010, performance payments in the amount of $21, nil, and $197, respectively, were recorded as income.

For the years ending December 31, 2012, 2011 and 2010, there were additional reimbursements of $13, $0.9 and $124, respectively, for the tax adjusted value of PTCs, which was paid to Class A Members.

9. CAPITAL MANAGEMENT

The Company's primary objective when managing capital is to ensure that it has sufficient cash resources to maintain its ongoing operations. The capital structure of the Company currently consists of cash and members' capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. As of December 31, 2012, the Company is not subject to externally imposed capital requirements.

10. RELATED-PARTY TRANSACTIONS

Project Administration Services Agreement

The Wind Farms entered into Project Administration Services Agreements with Infigen whereby Infigen will provide operational project management services to the Wind Farms. The agreements with Infigen expire on March 10, 2026.

For the years ended December 31, 2012, 2011 and 2010, the Wind Farms paid Infigen $207, $196 and $193, respectively. These amounts are classified as administrative expenses in the accompanying consolidated statement of comprehensive income.

10. RELATED-PARTY TRANSACTIONS (Continued)

Operations and Maintenance Services Agreement

The Wind Farms entered into agreements with Infigen whereby Infigen will provide maintenance services to the Wind Farms. As described in Note 8 above, in June 2013, Wind Park Bear Creek and Gamesa entered into a warranty and maintenance agreement that means Infigen will cease to provide turbine maintenance services for Wind Park Bear Creek. However, Infigen will continue to operate the wind farm and provide a balance of plant service and maintenance.

For the years ended December 31, 2012 and 2011 the Wind Farms paid Infigen $515 and $1,117, respectively, for operations and maintenance services. These amounts are included in operating expenses on the accompanying consolidated statement of comprehensive income.

Included in current liabilities at December 31, 2012, is $17 in unpaid fees owed to Infigen.

JB WIND HOLDINGS LLC

Interim Condensed Consolidated Financial Statements
For the three months ended March 31, 2013 and March 31, 2012

JB WIND HOLDINGS LLC

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Unaudited: expressed in thousands of U.S. dollars)

	Note	As at March 31, 2013	As at December 31, 2012
Assets			
Current assets			
Cash and cash equivalents		$ 1,242	$ 616
Restricted cash		36	36
Utility receivable		520	525
Spare parts		313	297
Prepaid and other assets		451	524
		2,562	1,998
Non-current assets			
Property, plant and equipment		34,021	34,674
		34,021	34,674
Total assets		**$36,583**	**$36,672**
Liabilities and Members' Capital			
Current liabilities			
Trade payables		—	101
Accrued and other liabilities		190	240
		190	341
Noncurrent liabilities			
Decommissioning liability	**4**	1,118	1,102
		1,118	1,102
Total liabilities		**1,308**	**1,443**
Members' capital		35,275	35,229
Total liabilities and members' capital		**$36,583**	**$36,672**

See accompanying notes to the interim condensed consolidated financial statements

JB WIND HOLDINGS LLC

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Unaudited: expressed in thousands of U.S. dollars)

	Note	For the three months ended March 31, 2013	For the three months ended March 31, 2012
Revenue	**3**	$1,252	$1,380
Expenses			
Operating expenses		321	737
Administrative expenses		209	276
Depreciation and amortization		656	655
Accretion expense		16	16
Other expenses		—	14
		1,202	1,698
Net income (loss) and comprehensive income (loss)		**$ 50**	**$ (318)**

See accompanying notes to the interim condensed consolidated financial statements

JB WIND HOLDINGS LLC

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN MEMBERS' CAPITAL

(Unaudited: expressed in thousands of U.S. dollars)

Balance at January 1, 2012	$37,478
Capital distributions	(117)
Net loss and comprehensive loss	(318)
Balance at March 31, 2012	$37,043
Balance at January 1, 2013	$35,229
Capital distributions	(4)
Net income and comprehensive income	50
Balance at March 31, 2013	$35,275

See accompanying notes to the interim condensed consolidated financial statements

JB WIND HOLDINGS LLC

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited; expressed in thousands of U.S. dollars)

	For the three months ended March 31, 2013	For the three months ended March 31, 2012
Operating activities		
Net income (loss) and comprehensive income (loss)	$ 50	$(318)
Adjustments to reconcile net income (loss) to net cash provided by operating activities		
Depreciation and amortization	656	655
Accretion of decommissioning liability	16	16
Changes in operating assets and liabilities		
Utility receivable	5	(46)
Prepaid and other assets	73	3
Spare parts	(16)	30
Trade payables	(101)	36
Accrued and other liabilities	(50)	188
Net cash provided by operating activities	633	564
Investing activities		
Investment in property, plant and equipment	(3)	—
Net cash provided by/(used in) investing activities	(3)	—
Financing activities		
Members' capital distributions	(4)	(117)
Net cash used in financing activities	(4)	(117)
Net decrease in cash and cash equivalents	626	447
Cash and cash equivalents		
Cash and cash equivalents at the beginning of the year	616	415
Cash and cash equivalents at the end of the year	$1,242	$ 862

See accompanying notes to the interim condensed consolidated financial statements

1. ORGANIZATION

JB Wind Holdings LLC ("**JB Wind**" or the "**Company**"), a Delaware limited liability company, was formed on March 14, 2006, to acquire and operate wind farms in Luzerne County, Pennsylvania and Atlantic County, New Jersey (the "**Wind Farms**" or "**Bear Creek**" and "**Jersey-Atlantic**", respectively). The latest date upon which the Company will be dissolved is March 14, 2056.

Earnings or losses are allocated to members in accordance with the Amended and Restated Limited Liability Agreement based on their respective interests. The Company calculates the allocation of earnings or losses by measuring the distribution amounts that would be due to the members in a hypothetical liquidation of the entity at the net book value of the underlying assets at the period end. This method is referred to Hypothetical Liquidation of Book Value ("**HLBV**").

2. BASIS OF PREPARATION

These interim condensed consolidated financial statements ("**financial statements**") have been prepared in accordance with IAS 34 *Interim Financial Reporting* and International Financial Reporting Standards ("**IFRS**") as required by Canadian securities regulations. These regulations require financial statements to be included in an initial public offering ("**IPO**") prospectus to be prepared in accordance with IFRS. These interim condensed consolidated financial statements have been prepared for inclusion in Threshold Power Trust's IPO document and will be filed in all provinces and territories of Canada. The Company will continue to provide its members financial statements prepared in accordance with U.S. generally accepted accounting principles.

Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the company since the last annual financial statements as at and for the year ended December 31, 2012. These interim condensed consolidated financial statements do not include all the full information required for full annual financial statements prepared in accordance with IFRS.

The financial statements were authorized for inclusion in the IPO prospectus by the management of Threshold on June 20, 2013.

(a) Basis of Measurement

These financial statements have been prepared on the historical cost basis.

(b) Functional and Presentation Currency

These financial statements are presented in US dollars, which is the functional currency of the Company.

(c) Use of Estimates and Judgments

The preparation of IFRS-basis financial statements requires management to make certain estimates and assumptions that affect the reported amounts and disclosures in the financial statements and the reported amounts of assets and liabilities, and to disclose contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying assumptions that have the most significant effect on the amounts recognized in the financial statements includes the assumptions used to estimate the Company's decommissioning liability (note 4).

(d) New Standards and Interpretations Not Yet Adopted

The accounting policies applied in the interim financial statements are consistent with those used in the annual consolidated financial statements for the year ended December 31, 2012, except for the adoption of the following new standards issued by the International Accounting Standards Board that were effective as of January 1, 2013.

1. IFRS 10: Consolidated Financial Statements (effective for annual periods beginning on or after January 1, 2013). This standard builds on the existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company.

2. BASIS OF PREPARATION (Continued)

2. IFRS 12, Disclosure of Interests in Other Entities (effective for annual periods beginning on or after January 1, 2013). This standard includes all of the disclosures that were previously in IAS 27, Consolidated Financial Statements related to consolidated financial statements and a number of new disclosures.

3. IFRS 13: Fair Value Measurement (effective for annual periods beginning on or after January 1, 2013). This standard aims to improve consistency and reduce complexity by providing precise definitions of fair value, a single source of fair value measurement and disclosure requirements for use across all IFRS. IFRS 13 does not extend the use of fair value accounting, but provides guidance on how it should be applied where its use is already required or permitted by other standards within IFRS.

There was no impact on the Company's interim financial statements upon adoption of IFRS 10, IFRS 12 and IFRS 13 on January 1, 2013.

3. REVENUE

In accordance with IFRIC-4 *Determining whether an Arrangement contains a Lease*, revenue earned under the PPA is classified as lease income.

	For the three months ended March 31, 2013	For the three months ended March 31, 2012
Revenue		
Lease of plant and equipment	$ 928	$ 877
Power revenue	304	488
Other income	20	15
	$1,252	$1,380

4. DECOMMISSIONING LIABILITY

The Company's decommissioning liability is the estimated cost of decommissioning the turbines, removing above-ground installations, and restoring the site at a date that is 20 years from the commencement of commercial operations.

The estimated cost to decommission the site at the reporting date is adjusted for a current market-based discount rate and reviewed annually by the Company for any material changes.

Activity in this liability account through March 31, 2013, was as follows:

Decommissioning liability at January 1, 2013	$1,102
Accretion expense	16
Decommissioning liability at March 31, 2013	$1,118

5. CAPITAL MANAGEMENT

The Company's primary objective when managing capital is to ensure that it has sufficient cash resources to maintain its ongoing operations. The capital structure of the Company currently consists of cash and members' capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. As of March 31, 2013, the Company is not subject to externally imposed capital requirements.

6. RELATED-PARTY TRANSACTIONS

Project Administration Services Agreement

The Wind Farms entered into Project Administration Services Agreements with Infigen Asset Management LLC ("**Infigen**") whereby Infigen will provide operational project management services to the Wind Farms. The agreements with Infigen expire on March 10, 2026.

6. RELATED-PARTY TRANSACTIONS (Continued)

For the three months ended March 31, 2013 and 2012, the Wind Farms paid Infigen $52 and $50, respectively. These amounts are classified as administrative expenses in the accompanying consolidated statement of comprehensive income.

Operations and Maintenance Services Agreement

The Wind Farms entered into agreements with Infigen whereby Infigen will provide maintenance services to the Wind Farms.

For the three months ended March 31, 2013 and 2012, the Wind Farms paid Infigen $414 and $190, respectively, for operations and maintenance services. These amounts are included in operating expenses on the accompanying consolidated statement of comprehensive income.

SWEETWATER WIND 1 LLC

INDEPENDENT AUDITORS' REPORT

To the Trustees of Threshold Power Trust:

We have audited the accompanying financial statements of Sweetwater Wind 1 LLC, which comprise the statements of financial position as at December 31, 2012, 2011 and 2010, the statements of comprehensive income, changes in members' capital and cash flows for the years ended December 31, 2012, 2011 and 2010, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management of Threshold Power Trust is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Sweetwater Wind 1 LLC as at December 31, 2012, 2011 and 2010 and its financial performance and its cash flows for the years ended December 31, 2012, 2011, and 2010, in accordance with International Financial Reporting Standards.

Chartered Accountants, Licensed Public Accountants
July [●], 2013
Toronto, Canada

SWEETWATER WIND 1 LLC

STATEMENTS OF FINANCIAL POSITION

(Expressed in thousands of U.S. dollars)

	Note	As at December 31 2012	2011	2010
Assets				
Current assets				
Cash and cash equivalents		$ 258	$ 496	$ 743
Utility receivable		405	303	357
Spare parts		—	—	419
Prepaid and other assets		197	284	45
		860	1,083	1,564
Non-current assets				
Property, plant and equipment	**6**	26,765	29,046	31,468
		26,765	29,046	31,468
Total assets		**27,625**	**30,129**	**33,032**
Liabilities and Members' Capital				
Current liabilities				
Trade payables		3	1	1
Accrued and other liabilities		257	425	304
		260	426	305
Noncurrent liabilities				
Decommissioning liability	**7**	1,466	1,383	1,309
		1,466	1,383	1,309
Total liabilities		1,726	1,809	1,614
Members' capital		25,899	28,320	31,418
Total liabilities and members' capital		**$27,625**	**$30,129**	**$33,032**

Commitments and Contingencies (note 9)

See accompanying notes to the consolidated financial statements

SWEETWATER WIND 1 LLC

STATEMENTS OF COMPREHENSIVE LOSS

(Expressed in thousands of U.S. dollars)

	Note	For the 12-Months Ended December 31		
		2012	2011	2010
Revenue	5	$4,219	$3,914	$3,509
Expenses				
Operating expenses		1,709	1,657	1,320
Administrative expenses		537	533	521
Depreciation and amortization		2,423	2,427	2,425
Accretion expense		83	74	72
Other expenses		19	25	(75)
		4,771	4,716	4,263
Net loss and comprehensive loss		$ (552)	$ (802)	$ (754)

See accompanying notes to the consolidated financial statements

SWEETWATER WIND 1 LLC

STATEMENTS OF CHANGES IN MEMBERS' CAPITAL

(Expressed in thousands of U.S. dollars)

Balance at January 1, 2010	$34,188
Capital distributions	(2,016)
Net loss and comprehensive loss	(754)
Balance at December 31, 2010	31,418
Capital distributions	(2,296)
Net loss and comprehensive loss	(802)
Balance at December 31, 2011	28,320
Capital distributions	(1,869)
Net loss and comprehensive loss	(552)
Balance at December 31, 2012	$25,899

See accompanying notes to the consolidated financial statements

SWEETWATER WIND 1 LLC

STATEMENTS OF CASH FLOWS

(Expressed in thousands of U.S. dollars)

	For the 12-Months Ended December 31		
	2012	**2011**	**2010**
Operating activities			
Net loss and comprehensive loss	$ (552)	$ (802)	$ (754)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation and amortization	2,423	2,427	2,425
Accretion of decommissioning liability	83	74	72
Changes in operating assets and liabilities			
Utility and other receivables	(102)	54	(136)
Prepaid and other assets	87	(239)	195
Spare parts	—	419	134
Trade payables	2	—	1
Accrued and other liabilities	(168)	121	(127)
Net cash provided by/(used in) operating activities	1,773	2,054	1,810
Investing activities			
Investment in property, plant and equipment	(145)	(5)	—
Disposal of property plant and equipment	3	—	3
Net cash provided by/(used in) investing activities	(142)	(5)	3
Financing activities			
Members' capital distributions	(1,869)	(2,296)	(2,016)
Net cash used in financing activities	(1,869)	(2,296)	(2,016)
Net increase/(decrease) in cash and cash equivalents	(238)	(247)	(203)
Cash and cash equivalents at the beginning of the year	496	743	946
Cash and cash equivalents at the end of the year	**$ 258**	**$ 496**	**$ 743**

See accompanying notes to the consolidated financial statements

1. ORGANIZATION

Sweetwater Wind 1 LLC (“**Sweetwater**” or the “**Company**”), a Delaware limited liability company, was formed on June 24, 2003 to lease or acquire and operate a wind farm in Nolan County, Texas (the “**Wind Farm**”). The latest date upon which the Company will be dissolved is June 23, 2053.

Earnings or losses are allocated in accordance with the Amended and Restated Limited Liability Company Agreement to members based on their respective interests. The Company calculates the allocation of earnings or losses by measuring the distribution amounts that would be due to the members in a hypothetical liquidation of the entity at the net book value of the underlying assets at the period end. This method is referred to Hypothetical Liquidation of Book Value (“**HLBV**”).

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”) as required by Canadian securities regulations. These regulations require financial statements to be included in an initial public offering (“**IPO**”) prospectus to be prepared in accordance with IFRS. These financial statements have been prepared for inclusion in Threshold Power Trust’s IPO document and will be filed in all provinces and territories of Canada. The Company will continue to provide its members financial statements prepared in accordance with U.S. generally accepted accounting principles.

The financial statements were authorized for inclusion in the IPO prospectus by the management of Threshold on June 20, 2013.

(a) Basis of Measurement

These financial statements have been prepared on the historical cost basis.

(b) Functional and Presentation Currency

These financial statements are presented in thousands of U.S. dollars, which is the functional currency of the Company.

(c) Use of Estimates and Judgments

The preparation of IFRS-basis financial statements requires management to make certain estimates and assumptions that affect the reported amounts and disclosures in the financial statements and the reported amounts of assets and liabilities, and to disclose contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying assumptions that have the most significant effect on the amounts recognized in the financial statements includes the assumptions used to estimate the Company’s decommissioning liability (note 7).

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Cash and Cash Equivalents

Cash and cash equivalents consist of cash in banks and highly liquid investments with original maturities of three months or less.

(b) Financial Instruments

Financial instruments are classified into one of the following four categories: loans and receivables, fair value through profit or loss, held-to-maturity and available for sale.

Financial Assets

The Company initially recognizes loans and receivables and deposits on the date that they are originated. Financial assets are derecognized when the contractual rights to the cash flows from the asset expire or when the Company has transferred its rights to receive cash flows from the asset.

The Company has the following non-derivative financial assets which have been classified as loans and receivables: cash and cash equivalents and utility receivable.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognized at fair value plus transaction costs and subsequently measured at amortized cost using the effective interest rate method less any impairment losses.

The Company does not have any financial assets at fair value through profit or loss, held-to-maturity investments or available-for-sale financial assets.

Financial Liabilities

Financial liabilities are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities are derecognized when its contractual obligations are discharged, cancelled or expire.

The Company has the following non-derivative financial liabilities which have been classified as other financial liabilities: trade payables, accrued and other liabilities.

Financial liabilities, other than financial liabilities classified as fair value through profit or loss, are measured in subsequent periods at amortized cost using the effective interest rate method.

The Company does not have any financial liabilities at fair value through profit or loss.

Members' Capital

Class A and Class B member interests are classified as members' capital and adjusted for any contributions or distributions which have occurred during the period.

(c) Property, Plant and Equipment

Property, plant and equipment include the wind power plant and associated decommissioning liability.

The wind power plant and the decommissioning liability are recorded at cost and depreciated using the straight-line method over the 20 year life of the assets. The assets have been assessed to identify components with differing patterns of benefits that are significant relative to the total cost of the item. There are no such components or subsequent expenditures that require componentization.

Subsequent expenditure that does not require componentization and that can be capitalized is recorded at cost and depreciated using the straight-line method over the estimated remaining useful life of the asset. Repairs and maintenance costs are expensed as incurred.

(d) Impairment

Financial assets

Financial assets are assessed at each reporting date to determine if they are impaired through considering if one or more events occurring after the initial recognition has negatively impacted estimated future cash flows.

Non-financial assets

The carrying amounts of the Company's long-lived assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount is the greater of the asset's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discounted rate that reflects current market assessments of the time value of money and the risks specific to that asset. If the carrying amount of an asset is deemed not to be recoverable, an impairment provision is recorded equal to the difference between the asset's carrying value and its recoverable amount. Impairment losses are recognized in profit or loss.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

No impairment losses were recorded for years ended December 31, 2012, 2011 and 2010.

(e) Revenue Recognition

In 2003, Sweetwater entered into a 20 year contract with a single utility to purchase all of the Company's produced energy at a contracted price per megawatt hour (MWH). Revenue is recognized based on the product of the fixed rate per MWH and the actual energy delivered to, and metered at, the utility interconnection. The power purchase and sale agreement contains certain minimum performance provisions.

In accordance with IFRIC-4 *Determining whether an Arrangement contains a Lease*, revenue earned under the power purchase and sale agreement is classified as lease income.

(f) Expenses

Operating expenses

Operating expenses include wind plant operations and maintenance and land and building rent expense.

Administrative expenses

Administrative expenses include insurance, professional fees, property taxes and fees charged by a related party for the provision of administrative project management services to the Company.

Depreciation and accretion

Depreciation and accretion charges are for the wind power plant and the decommissioning liability.

Other expenses

Other expenses include production tax credit compensation paid to Class A Members.

(g) Income Taxes

As the Company is subject to flow through taxation, the Company's income, gains, losses, and tax credits are allocated to the owners who individually report their share of those items in their income tax returns. Accordingly, in order to reflect the ongoing expenses of the Company, no provision has been made for income taxes within the financial statements.

The Company filed tax returns as prescribed by the tax laws of the jurisdictions in which it operates. In the normal course of business, the Company is subject to examination by federal, state, local, and foreign jurisdictions, where applicable. As of December 31, 2012, the tax years that remain subject to examination by the major tax jurisdictions (U.S. federal and state) under the statute of limitations are from the year 2006 forward (with limited exceptions).

The Company recognizes interest and penalties, if any, related to unrecognized tax benefits as income tax expense in the statements of comprehensive income. During the period, the Company did not accrue any interest or penalties. Income and losses for tax purposes may differ from the financial statement amounts and may be allocated to the Members on a different basis for tax purposes than for financial statement purposes.

Members' capital reflected in the accompanying financial statements does not necessarily represent the Members' tax basis of their respective interests.

(h) New Standards and Interpretations Not Yet Adopted

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended December 31, 2012, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Company however the extent of the impact has not yet been determined.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

The following are amended or new IFRSs that may impact the Company:

1. IFRS 13: *Fair Value Measurements* (effective for annual periods beginning on or after January 1, 2013)
2. IFRS 9: *Financial Instruments* (effective for annual periods beginning on or after January 1, 2015)

4. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Risk Management

Liquidity Risk

Liquidity risk is the risk that the Company has insufficient cash or other resources to meet its obligations as they come due. The Company does not have any debt therefore the only liquidity risk relates to accounts payable and accrued liabilities. The Company has sufficient working capital in excess of accounts payable and accrued liabilities to mitigate this risk.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to honor a financial obligation. Financial instruments that potentially subject Sweetwater to concentrations of credit risk consist primarily of cash and cash equivalents and receivables. Sweetwater Wind 1 places its cash and cash equivalents with high-quality institutions.

Sweetwater Wind 1 sells 100% of the power it generates to a single customer. Management performs ongoing credit evaluations of its customer and may require its customer to provide security deposits or other forms of collateral.

At December 31, 2012, the maximum exposure with respect to receivables from Sweetwater's customer was $405 (December 31, 2011, $303 and December 31, 2010, $357) and there were no amounts overdue.

Financial Instruments

The Company's financial instruments are recognized at fair value which is equal to their carrying value at the reporting date and no fair value gain or loss has been recorded.

5. REVENUE

	For the 12-Months Ended December 31		
	2012	2011	2010
Revenue			
Lease of plant and equipment	$4,181	$3,867	$3,578
Other Income	38	47	(69)
	$4,219	$3,914	$3,509

6. PROPERTY, PLANT AND EQUIPMENT

The wind power plant consists of forty-five 1.65-megawatt wind turbines. The aggregate cost and accumulated depreciation as of December 31, 2012, 2011 and 2010, are detailed in the table below:

	Wind Power Plant	Decommissioning liability	Other	Total
Opening balance at January 1, 2010	$33,056	$837	$ 3	$33,896
Additions	—	—	—	—
Disposals	—	—	(3)	(3)
Depreciation	(2,365)	(60)	—	(2,425)
As at December 31, 2010	30,691	777	—	31,468
Additions	—	—	5	5
Disposals	—	—	—	—
Depreciation	(2,366)	(60)	—	(2,427)
As at December 31, 2011	28,324	717	5	29,046
Additions	—	—	145	145
Disposals	—	—	(3)	(3)
Depreciation	(2,363)	(60)	—	(2,423)
As at December 31, 2012	$25,961	$657	$147	$26,765

7. DECOMMISSIONING LIABILITY

The Company's decommissioning liability is the estimated cost of decommissioning the turbines, removing above-ground installations, and restoring the site at a date that is 20 years from the commencement of commercial operations.

The estimated cost to decommission the site at the reporting date is adjusted for a current market-based discount rate and reviewed annually by the Company for any material changes.

Activity in this liability account through December 31, 2012, 2011 and 2010 was as follows:

Decommissioning liability at January 1, 2010	$1,237
Accretion expense	72
Decommissioning liability at December 31, 2010	1,309
Accretion expense	74
Decommissioning liability at December 31, 2011	1,383
Accretion expense	83
Decommissioning liability at December 31, 2012	$1,466

8. REIMBURSED LOST PRODUCTION

Revenue was recorded for multiple instances of Electric Reliability Council of Texas (ERCOT) requested power production curtailments. Sweetwater recorded revenues associated with these curtailments of $18, $21 and $5 for the years ended December 31, 2012, 2011 and 2010, respectively.

9. COMMITMENTS AND CONTINGENCIES

Leases

Sweetwater leases land under long-term lease agreements that expire at various dates from December 2033 through December 2043. The Company pays minimum rent plus royalties based on production.

Land and building rent expense during the years ended December 31, 2012, 2011 and 2010, was $153, $157 and $141, respectively. These amounts are classified as operating expenses in the consolidated statement of comprehensive income.

9. COMMITMENTS AND CONTINGENCIES (Continued)

The future minimum lease payments required for all leases are as follows:

Less than 1 year	$ 37
Between 1 and 5 years	148
More than 5 years	789
	$974

10. CAPITAL MANAGEMENT

The Company's primary objective when managing capital is to ensure that it has sufficient cash resources to maintain its ongoing operations. The capital structure of the Company currently consists of cash and members' capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. As of December 31, 2012, the Company is not subject to externally imposed capital requirements.

11. RELATED-PARTY TRANSACTIONS

Project Administration Services Agreement

Sweetwater entered into a Project Administration Services Agreement with Infigen Asset Management ("**Infigen**"), an affiliate of one of the members of the Company, whereby Infigen will provide operational project management services to the project. The agreement with Infigen expires on December 23, 2023.

For the years ended December 31, 2012, 2011 and 2010, the Company paid Infigen $120, $120 and $118, respectively. This amount is including in administrative expenses in the accompanying statement of comprehensive income.

Management and Operations Agreement

Effective November 2009, Sweetwater entered a Management, Operations and Maintenance Agreement with Infigen. This agreement expires in November 2014; however, the agreement contains a provision for an undetermined number of five year extensions.

For the years ended December 31, 2012, 2011 and 2010, the Company paid Infigen $509, $557 and $435, respectively. This amount is included in operating expenses in the accompanying statement of comprehensive income.

Related party accounts receivable

For the years ended December 31, 2012 and 2011, included in prepaid and other assets is $65 and $156, respectively, in receivables which are due by Sweetwater II LLC, a related party wind farm which operates adjacent to Sweetwater I LLC and has common members. The receivables arise from the transfer at cost of spare parts inventory from Sweetwater I LLC to Sweetwater II LLC.

For the year ended December 31, 2011, included in prepaid and other assets is $53 due by Sweetwater III LLC, a related party wind farm which operates adjacent to Sweetwater I LLC and has common members. The receivables arise from the transfer at cost of spare parts inventory from Sweetwater I LLC to Sweetwater III LLC.

Included in current liabilities at December 31, 2012, is $16 owed to Infigen for unpaid fees.

SWEETWATER WIND 1 LLC

Interim Condensed Financial Statements
For the three months ended March 31, 2013 and March 31, 2012

SWEETWATER WIND 1 LLC

INTERIM CONDENSED FINANCIAL STATEMENTS

INTERIM CONDENSED STATEMENTS OF FINANCIAL POSITION

(Unaudited; expressed in thousands of U.S. Dollars)

	Note	As at March 31, 2013	As at December 31, 2012
Assets			
Current assets			
Cash and cash equivalents		$ 147	$ 258
Utility receivable		389	405
Prepaid and other assets		43	197
		579	860
Non-current assets			
Property, plant and equipment		26,274	26,765
		26,274	26,765
Total assets		**26,853**	**27,625**
Liabilities and Members' Capital			
Current liabilities			
Trade payables		144	3
Accrued and other liabilities		118	257
		262	260
Noncurrent liabilities			
Decommissioning liability	**4**	1,487	1,466
		1,487	1,466
Total liabilities		1,749	1,726
Members' capital		25,104	25,899
Total liabilities and members' capital		**$26,853**	**$27,625**

See accompanying notes to the interim consolidated financial statements

SWEETWATER WIND 1 LLC

INTERIM CONDENSED FINANCIAL STATEMENTS

INTERIM CONDENSED STATEMENTS OF COMPREHENSIVE LOSS

(Unaudited; expressed in thousands of U.S. Dollars)

	Note	For the three months ended March 31, 2013	For the three months ended March 31, 2012
Revenue	**3**	$ 995	$1,208
Expenses			
Operating expenses		503	801
Administrative expenses		130	147
Depreciation and amortization		606	607
Accretion expense		21	20
		1,260	1,575
Net loss and comprehensive loss		$ (265)	$ (367)

See accompanying notes to the interim consolidated financial statements

SWEETWATER WIND 1 LLC

INTERIM CONDENSED FINANCIAL STATEMENTS

INTERIM CONDENSED STATEMENTS OF CHANGES IN MEMBERS' CAPITAL

(Unaudited; expressed in thousands of U.S. Dollars)

Balance at January 1, 2012	$28,318
Capital distributions	337
Net loss and comprehensive loss	(367)
Balance at March 31, 2012	$28,288
Balance at January 1, 2013	25,899
Capital distributions	(530)
Net loss and comprehensive loss	(265)
Balance at March 31, 2013	$25,104

See accompanying notes to the interim consolidated financial statements

SWEETWATER WIND 1 LLC

INTERIM CONDENSED FINANCIAL STATEMENTS

INTERIM CONDENSED STATEMENTS OF CASH FLOWS

(Unaudited: expressed in thousands of U.S. Dollars)

	For the year ended March 31, 2013	For the year ended March 31, 2012
Operating activities		
Net loss and comprehensive loss	$(265)	$(367)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	606	607
Accretion of decommissioning liability	21	20
Changes in operating assets and liabilities		
Utility receivable	16	(99)
Prepaid and other assets	154	23
Trade payables	141	232
Accrued and other liabilities	(139)	(162)
Net cash provided by operating activities	534	254
Investing activities		
Investment in property, plant and equipment	(115)	(9)
Net cash provided by/(used in) investing activities	(115)	(9)
Financing activities		
Members' capital distributions	(530)	(337)
Net cash used in financing activities	(530)	(337)
Net increase/(decrease) in cash and cash equivalents	(111)	(92)
Cash and cash equivalents at the beginning of the period	258	496
Cash and cash equivalents at the end of the period	**$ 147**	**$ 404**

See accompanying notes to the interim consolidated financial statements

1. ORGANIZATION

Sweetwater Wind 1 LLC ("**Sweetwater**" or the "**Company**"), a Delaware limited liability company, was formed on June 24, 2003 to lease or acquire and operate a wind farm in Nolan County, Texas (the "**Wind Farm**"). The latest date upon which the Company will be dissolved is June 23, 2053.

Earnings or losses are allocated in accordance with the Amended and Restated Limited Liability Company Agreement to members based on their respective interests. The Company calculates the allocation of earnings or losses by measuring the distribution amounts that would be due to the members in a hypothetical liquidation of the entity at the net book value of the underlying assets at the period end. This method is referred to Hypothetical Liquidation of Book Value ("**HLBV**").

2. BASIS OF PREPARATION

These condensed interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* and International Financial Reporting Standards ("**IFRS**") as required by Canadian securities regulations. These regulations require financial statements to be included in an initial public offering ("**IPO**") prospectus to be prepared in accordance with IFRS. These condensed interim financial statements have been prepared for inclusion in Threshold Power Trust's IPO document and will be filed in all provinces and territories of Canada. The Company will continue to provide its members financial statements prepared in accordance with U.S. generally accepted accounting principles.

Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the company since the last annual financial statements as at and for the year ended December 31, 2012. These condensed interim financial statements do not include all the full information required for full annual financial statements prepared in accordance with IFRS.

The financial statements were authorized for inclusion in the IPO prospectus by the management of Threshold on June 20, 2013.

(a) Basis of Measurement

These financial statements have been prepared on the historical cost basis.

(b) Functional and Presentation Currency

These financial statements are presented in thousands of U.S. dollars, which is the functional currency of the Company.

(c) Use of Estimates and Judgments

The preparation of IFRS-basis financial statements requires management to make certain estimates and assumptions that affect the reported amounts and disclosures in the financial statements and the reported amounts of assets and liabilities, and to disclose contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying assumptions that have the most significant effect on the amounts recognized in the financial statements includes the assumptions used to estimate the Company's decommissioning liability (note 4).

(d) New Standards and Interpretations Not Yet Adopted

The accounting policies applied in the interim financial statements are consistent with those used in the annual financial statements for the year ended December 31, 2012, except for the adoption of the following new standards issued by the International Accounting Standards Board that were effective as of January 1, 2013.

1. IFRS 10: Consolidated Financial Statements (effective for annual periods beginning on or after January 1, 2013). This standard builds on the existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company.
2. IFRS 13: Fair Value Measurement (effective for annual periods beginning on or after January 1, 2013). This standard aims to improve consistency and reduce complexity by providing precise definitions of fair value, a single source of fair value

2. BASIS OF PREPARATION (Continued)

measurement and disclosure requirements for use across all IFRS. IFRS 13 does not extend the use of fair value accounting, but provides guidance on how it should be applied where its use is already required or permitted by other standards within IFRS.

There was no impact on the Company's interim financial statements upon adoption of IFRS 10 and IFRS 13 on January 1, 2013.

3. REVENUE

In accordance with IFRIC-4 *Determining whether an Arrangement contains a Lease*, revenue earned under the power purchase and sale agreement is classified as lease income.

	For the three months ended March 31, 2013	For the three months ended March 31, 2012
Revenue		
Lease of plant and equipment	$995	$1,208
Other Income	—	—
	$995	$1,208

4. DECOMMISSIONING LIABILITY

The Company's decommissioning liability is the estimated cost of decommissioning the turbines, removing above-ground installations, and restoring the site at a date that is 20 years from the commencement of commercial operations.

The estimated cost to decommission the site at the reporting date is adjusted for a current market-based discount rate and reviewed annually by the Company for any material changes.

Activity in this liability account through March 31, 2013, was as follows:

Decommissioning liability at January 1, 2013	$1,466
Accretion expense	21
Decommissioning liability at March 31, 2013	$1,487

5. CAPITAL MANAGEMENT

The Company's primary objective when managing capital is to ensure that it has sufficient cash resources to maintain its ongoing operations. The capital structure of the Company currently consists of cash and members' capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. As of March 31, 2013, the Company is not subject to externally imposed capital requirements.

6. RELATED-PARTY TRANSACTIONS

Project Administration Services Agreement

Sweetwater entered into a Project Administration Services Agreement with Infigen Asset Management ("**Infigen**"), an affiliate of one of the members of the Company, whereby Infigen will provide operational project management services to the project. The agreement with Infigen expires in December, 2023.

For the three months ended March 31, 2013 and 2012, the Company paid Infigen $31 and $30, respectively. This amount is including in administrative expenses in the accompanying statement of comprehensive income.

Management and Operations Agreement

Effective November 3, 2009, Sweetwater entered a Management, Operations and Maintenance Agreement with Infigen. This agreement expires in November, 2014; however, the agreement contains a provision for an undetermined number of five year extensions.

For the three months ended March 31, 2013 and 2012, the Company paid Infigen $119 and $164, respectively. This amount is included in operating expenses in the accompanying statement of comprehensive income.

SWEETWATER WIND 2 LLC

INDEPENDENT AUDITORS' REPORT

To the Trustees of Threshold Power Trust:

We have audited the accompanying financial statements of Sweetwater Wind 2 LLC, which comprise the statements of financial position as at December 31, 2012, 2011 and 2010, the statements of comprehensive income, changes in members' capital and cash flows for the years ended December 31, 2012, 2011 and 2010, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management of Threshold Power Trust is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Sweetwater Wind 2 LLC as at December 31, 2012, 2011 and 2010 and its financial performance and its cash flows for the years ended December 31, 2012, 2011 and 2010, in accordance with International Financial Reporting Standards.

Chartered Accountants, Licensed Public Accountants
July [●], 2013
Toronto, Canada

SWEETWATER WIND 2 LLC

STATEMENTS OF FINANCIAL POSITION

(Expressed in thousands of U.S. dollars)

	Note	As at December 31		
		2012	**2011**	**2010**
Assets				
Current assets				
Cash and cash equivalents		$ 299	$ 775	$ 1,313
Utility receivable		823	340	780
Spare parts		785	1,544	465
Prepaid and other assets		320	638	119
		2,227	3,297	2,677
Non-current assets				
Property, plant and equipment	**5**	73,843	79,032	84,873
		73,843	79,032	84,873
Total assets		**$76,070**	**$82,329**	**$87,550**
Liabilities and Members' capital				
Current liabilities				
Trade payables		30	282	30
Accrued and other liabilities		1,133	1,787	700
		1,163	2,069	730
Decommissioning liability	**6**	3,437	3,246	3,067
		3,437	3,246	3,067
Total liabilities		**4,600**	**5,315**	**3,797**
Members' capital		71,470	77,014	83,753
Total liabilities and members' capital		**$76,070**	**$82,329**	**$87,550**

Commitments and Contingencies (note 8)

See accompanying notes to the consolidated financial statements

SWEETWATER WIND 2 LLC

STATEMENTS OF COMPREHENSIVE LOSS

(Expressed in thousands of U.S. dollars)

	For the year ended December 31		
	2012	**2011**	**2010**
Income			
Power revenue	$ 8,591	$ 8,583	$ 8,066
Other income	1,081	183	277
	9,672	8,766	8,343
Expenses			
Operations and maintenance expense	5,017	4,577	3,653
Administrative expenses	1,169	1,251	1,200
Depreciation and amortization	6,013	6,007	6,005
Accretion expense	191	179	172
Other expenses	66	42	(4)
Total expenses	12,456	12,056	11,026
Net loss and comprehensive loss	$ (2,784)	$ (3,290)	$ (2,683)

See accompanying notes to the consolidated financial statements

SWEETWATER WIND 2 LLC

STATEMENTS OF CHANGES IN MEMBERS' CAPITAL

(Expressed in thousands of U.S. dollars)

Balance at January 1, 2010	$89,142
Capital distributions	(2,706)
Net loss and comprehensive loss	(2,683)
Balance at December 31, 2010	83,753
Capital distributions	(3,449)
Net loss and comprehensive loss	(3,290)
Balance at December 31, 2011	77,014
Capital distributions	(2,760)
Net loss and comprehensive loss	(2,784)
Balance at December 31, 2012	$71,470

See accompanying notes to the consolidated financial statements

SWEETWATER WIND 2 LLC

STATEMENTS OF CASH FLOWS

(Expressed in thousands of U.S. dollars)

	For the year ended December 31		
	2012	2011	2010
Operating activities			
Net loss and comprehensive loss	$(2,784)	$(3,290)	$(2,683)
Adjustments to reconcile net loss to net cash provided by operating activities			
Depreciation and amortization	6,013	6,007	6,005
Accretion of decommissioning liability	191	179	172
Changes in operating assets and liabilities			
Utility receivable	(483)	440	(250)
Prepaid and other assets	318	(519)	414
Spare parts	759	(1,079)	(173)
Trade payables	(252)	252	30
Accrued and other liabilities	(654)	1,087	(504)
Net cash provided by operating activities	3,108	3,077	3,011
Investing activities			
Investment in property, plant and equipment	(824)	(166)	(19)
Disposal of property plant and equipment	—	—	—
Net cash used in investing activities	(824)	(166)	(19)
Financing activities			
Members' capital distributions	(2,760)	(3,449)	(2,706)
Net cash used in financing activities	(2,760)	(3,449)	(2,706)
Net increase/(decrease) in cash and cash equivalents	(476)	(538)	286
Cash and cash equivalents at the beginning of the year	775	1,313	1,027
Cash and cash equivalents at the end of the year	**$ 299**	**$ 775**	**$ 1,313**

See accompanying notes to the consolidated financial statements

SWEETWATER WIND 2 LLC
NOTES TO THE FINANCIAL STATEMENTS
(Expressed in thousands of U.S. dollars)

1. ORGANIZATION

Sweetwater Wind 2 LLC ("**Sweetwater**" or the "**Company**"), a Delaware limited liability company, was formed on April 19, 2004, to construct and operate a wind farm in Nolan County, Texas (the "**Wind Farm**"). The latest date upon which the Company will be dissolved is April 19, 2054.

Earnings or losses are allocated in accordance with the Amended and Restated Limited Liability Agreement to members based on their respective interests. The Company calculates the allocation of earnings or losses by measuring the distribution amounts that would be due to the members in a hypothetical liquidation of the entity at the net book value of the underlying assets at the period end. This method is referred to Hypothetical Liquidation of Book Value ("**HLBV**").

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as required by Canadian securities regulations. These regulations require financial statements to be included in an initial public offering ("**IPO**") prospectus to be prepared in accordance with IFRS. These financial statements have been prepared for inclusion in Threshold Power Trust's IPO document and will be filed in all provinces and territories of Canada. The Company will continue to provide its members financial statements prepared in accordance with U.S. generally accepted accounting principles.

The financial statements were authorized for inclusion in the IPO prospectus by the management of Threshold on June 20, 2013.

(a) Basis of Measurement

These financial statements have been prepared on the historical cost basis.

(b) Functional and Presentation Currency

These financial statements are presented in thousands of U.S. dollars, which is the functional currency of the Company.

(c) Use of Estimates and Judgments

The preparation of IFRS-basis financial statements requires management to make certain estimates and assumptions that affect the reported amounts and disclosures in the financial statements and the reported amounts of assets and liabilities, and to disclose contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying assumptions that have the most significant effect on the amounts recognized in the financial statements includes the assumptions used to estimate the Company's decommissioning liability (note 6).

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Cash and Cash Equivalents

Cash and cash equivalents consist of cash in banks and highly liquid investments with original maturities of three months or less.

(b) Financial Instruments

Financial instruments are classified into one of the following four categories: loans and receivables, fair value through profit or loss, held-to-maturity and available for sale.

Financial Assets

The Company initially recognizes loans and receivables and deposits on the date that they are originated. Financial assets are derecognized when the contractual rights to the cash flows from the asset expire or when the Company has transferred its rights to receive cash flows from the asset.

The Company has the following non-derivative financial assets which have been classified as loans and receivables: cash and cash equivalents and utility receivable.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognized at fair value plus transaction costs and subsequently measured at amortized cost using the effective interest rate method less any impairment losses.

The Company does not have any financial assets at fair value through profit or loss, held-to-maturity investments or available-for-sale financial assets.

Financial Liabilities

Financial liabilities are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities are derecognized when its contractual obligations are discharged, cancelled or expire.

The Company has the following non-derivative financial liabilities which have been classified as other financial liabilities: trade payables, accrued and other liabilities.

Financial liabilities, other than financial liabilities classified as fair value through profit or loss, are measured in subsequent periods at amortized cost using the effective interest rate method.

The Company does not have any financial liabilities at fair value through profit or loss.

Members' Capital

Class A and Class B member interests are classified as members' capital and adjusted for any contributions or distributions which have occurred during the period.

(c) Property, Plant and Equipment

Property, plant and equipment include the wind power plant and associated decommissioning liability.

The wind power plant and the decommissioning liability are recorded at cost and depreciated using the straight-line method over the 20 year life of the assets. The assets have been assessed to identify components with differing patterns of benefits that are significant relative to the total cost of the item. There are no such components or subsequent expenditures that require componentization.

Subsequent expenditure that does not require componentization and that can be capitalized is recorded at cost and depreciated using the straight-line method over the estimated remaining useful life of the asset. Repairs and maintenance costs are expensed as incurred.

(d) Impairment

Financial assets
Financial assets are assessed at each reporting date to determine if they are impaired through considering if one or more events occurring after the initial recognition has negatively impacted estimated future cash flows.

Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount is the greater of the asset's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discounted rate that reflects current market assessments of the time value of money and the risks specific to that asset.

If the carrying amount of an asset is deemed not to be recoverable, an impairment provision is recorded equal to the difference between the asset's carrying value and its recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

No impairment losses were recorded for the years ended December 31, 2012, 2011 and 2010.

(e) Revenue Recognition

In 2004, the Company entered into a 12 year contract, ending March 31, 2017, with a single utility to purchase all of the Wind Farm's produced energy at a contracted price per megawatt hour (MWH). Revenue is recognized based on the product of the fixed rate per MWH and the actual energy delivered to, and metered at, the utility interconnection. The power purchase and sale agreement contains certain minimum performance provisions.

(f) Expenses

Operating expenses

Operating expenses include wind plant operations and maintenance and land and building rent expense.

Administrative expenses

Administrative expenses include insurance, professional fees, property taxes and fees charged by a related party for the provision of administrative and project management services to the Company.

Depreciation and accretion

Depreciation and accretion charges are for the wind power plant and the decommissioning liability.

Other expenses

Other expenses include production tax credit compensation paid to Class A Members.

(g) Income Taxes

As the Company is subject to flow through taxation, the Company's income, gains, losses, and tax credits are allocated to the owners who individually report their share of those items in their income tax returns. Accordingly, in order to reflect the ongoing expenses of the Company, no provision has been made for income taxes within the financial statements.

The Company filed tax returns as prescribed by the tax laws of the jurisdictions in which it operates. In the normal course of business, the Company is subject to examination by federal, state, local, and foreign jurisdictions, where applicable. As of December 31, 2012, the tax years that remain subject to examination by the major tax jurisdictions (U.S. federal and state) under the statute of limitations are from the year 2006 forward (with limited exceptions). The Company recognizes interest and penalties, if any, related to unrecognized tax benefits as income tax expense in the statements of comprehensive income. During the period, the Company did not accrue any interest or penalties.

Income and losses for tax purposes may differ from the financial statement amounts and may be allocated to the Members on a different basis for tax purposes than for financial statement purposes.

Members' capital reflected in the accompanying financial statements does not necessarily represent the Members' tax basis of their respective interests.

(h) New Standards and Interpretations Not Yet Adopted

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended December 31, 2012, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Company however the extent of the impact has not yet been determined.

The following are amended or new IFRSs that may impact the Company:

1. IFRS 13: *Fair Value Measurements* (effective for annual periods beginning on or after January 1, 2013)

2. IFRS 9: *Financial Instruments* (effective for annual periods beginning on or after January 1, 2015)

4. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Risk Management

Liquidity Risk

Liquidity risk is the risk that the Company has insufficient cash or other resources to meet its obligations as they come due. The Company does not have any debt therefore the only liquidity risk relates to accounts payable and accrued liabilities. The Company has sufficient working capital in excess of accounts payable and accrued liabilities to mitigate this risk.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to honor a financial obligation. Financial instruments that potentially subject Sweetwater Wind 2 to concentrations of credit risk consist primarily of cash and cash equivalents and receivables. Sweetwater Wind 1 places its cash and cash equivalents with high-quality institutions.

Sweetwater Wind 2 sells 100% of the power it generates to a single customer. Management performs ongoing credit evaluations of its customer and may require its customer to provide security deposits or other forms of collateral.

At December 31, 2012, the maximum exposure with respect to receivables from Sweetwater Wind 2's customer was $823 ($340 at December 31, 2011 and $780 at December 31, 2010) and there were no amounts overdue.

Financial Instruments

The Company's financial instruments are recognized at fair value which is equal to their carrying value at the reporting date and no fair value gain or loss has been recorded.

5. PROPERTY, PLANT AND EQUIPMENT

The wind power plant consists of 61 1.5MW turbines. The aggregate cost and accumulated depreciation as of December 31, 2012, 2011 and 2010, are detailed in the table below:

	Wind Power Plant	Decommissioning liability	Other	Total
Opening balance at January 1, 2010	$88,778	$2,081	—	$90,859
Additions	—	—	19	19
Disposals	—	—	—	—
Depreciation	(5,867)	(138)	—	(6,005)
As at December 31, 2010	82,911	1,943	19	84,873
Additions	56	—	110	166
Disposals	—	—	—	—
Depreciation	(5,869)	(138)	—	(6,007)
As at December 31, 2011	77,098	1,805	129	79,032
Additions	—	—	824	824
Disposals	—	—	—	—
Depreciation	(5,875)	(138)	—	(6,013)
As at December 31, 2012	$71,222	$1,667	$953	$73,843

6. DECOMMISSIONING LIABILITY

The Company's decommissioning liability is the estimated cost of decommissioning the turbines, removing above-ground installations, and restoring the site at a date that is 20 years from the commencement of commercial operations.

The estimated cost to decommission the site at the reporting date is adjusted for a current market-based discount rate and reviewed annually by the Company for any material changes.

6. DECOMMISSIONING LIABILITY (Continued)

Activity in this liability account through December 31, 2012, 2011 and 2010 was as follows:

Decommissioning liability at January 1, 2010	$2,895
Accretion expense	172
Decommissioning liability at December 31, 2010	3,067
Accretion expense	179
Decommissioning liability at December 31, 2011	3,246
Accretion expense	191
Decommissioning liability at December 31, 2012	3,437

7. REIMBURSED LOST PRODUCTION

During the periods, revenue was recorded for multiple instances of Electric Reliability Council of Texas (ERCOT) requested power production curtailments. Sweetwater recorded revenues associated with these curtailments of $54, $34 and $184 for the years ended December 31, 2012, 2011 and 2010, respectively.

8. COMMITMENTS AND CONTINGENCIES

Leases

Sweetwater leases land under long-term lease agreements that expire on various dates from December 2035 through December 2045. The Company pays minimum rent plus royalties based on energy production.

The future minimum lease payments required for all leases are as follows:

Less than 1 year	$ 48
Between 1 and 5 years	193
More than 5 years	1,310
	$1,551

Land rent expense during the years ended December 31, 2012, December 31, 2011 and December 31, 2010, was $203, $279 and $248, respectively. These amounts are classified as operating expenses in the consolidated statement of comprehensive income.

9. CAPITAL MANAGEMENT

The Company's primary objective when managing capital is to ensure that it has sufficient cash resources to maintain its ongoing operations. The capital structure of the Company currently consists of cash and members' capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. As of December 31, 2012, the Company is not subject to externally imposed capital requirements.

10. RELATED-PARTY TRANSACTIONS

Project Administration Services Agreement

Sweetwater entered into a Project Administration Services Agreement with Infigen Asset Management ("**Infigen**"), an affiliate of one of the members of the Company, whereby Infigen will provide project management services to the project. The agreement with Infigen expires in 2024.

For the years ended December 31, 2012, 2011 and 2010, the Company paid Infigen $244, $233 and $227, respectively. These amounts are classified administrative expenses in the accompanying statement of comprehensive income.

10. RELATED-PARTY TRANSACTIONS (Continued)

Management, Operations and Maintenance Agreement

Sweetwater entered into a Management, Operations and Maintenance Agreement with Infigen in 2009 whereby Infigen will manage, operate, maintain and administer the wind farm. The agreement with Infigen expires in 2014; however, the agreement contains a provision for an undetermined number of five year extensions.

For the periods ended December 31, 2012, 2011 and 2010, the Company paid Infigen $1,087, $1,200 and $923, respectively. These amounts are included in operating expenses in the accompanying statement of comprehensive income.

Related party accounts receivable

For the year ended December 31, 2012, included in accrued and other liabilities is $65 payable to Sweetwater I LLC, a related party wind farm which operates adjacent to Sweetwater II LLC and has common members. For the year ended December 31, 2011, included in prepaid and other assets is $65 due by Sweetwater I LLC.

For the years ended December 31, 2012 and 2011, included in prepaid and other assets is $42 and $139, respectively, due by Sweetwater III LLC, a related party wind farm which operates adjacent to Sweetwater II LLC and has common members.

Also included in current liabilities at December 31, 2012, is $208 of fees owed to Infigen.

SWEETWATER WIND 2 LLC

Interim Condensed Financial Statements
For the three months ended March 31, 2013 and March 31, 2012

SWEETWATER WIND 2 LLC

INTERIM CONDENSED FINANCIAL STATEMENTS

INTERIM CONDENSED STATEMENTS OF FINANCIAL POSITION

(Unaudited: expressed in thousands of U.S. Dollars)

	Note	As at March 31, 2013	As at December 31, 2012
Assets			
Current assets			
Cash and cash equivalents		$ 216	$ 299
Utility receivable		904	823
Spare parts		953	785
Prepaid and other assets		213	320
		2,286	2,227
Non-current assets			
Property, plant and equipment		72,795	73,843
		72,795	73,843
Total assets		**$75,081**	**$76,070**
Liabilities and Members' capital			
Current liabilities			
Trade payables		336	30
Accrued and other liabilities		540	1,133
		876	1,163
Decommissioning liability	**3**	3,488	3,437
		3,488	3,437
Total liabilities		**4,364**	**4,600**
Members' capital		70,717	71,470
Total liabilities and members' capital		**$75,081**	**$76,070**

See accompanying notes to the interim condensed financial statements

SWEETWATER WIND 2 LLC

INTERIM CONDENSED FINANCIAL STATEMENTS

INTERIM CONDENSED STATEMENTS OF COMPREHENSIVE INCOME/(LOSS)

(Unaudited: expressed in thousands of U.S. Dollars)

	For the three months ended March 31, 2013	For the three months ended March 31, 2012
Income		
Power revenue	$2,149	$2,589
Other income	93	989
	2,242	3,578
Expenses		
Operations and maintenance expense	1,103	1,291
Administrative expenses	291	317
Depreciation and amortization	1,502	1,502
Accretion expense	51	48
Other expenses	48	29
Total expenses	2,995	3,187
Net income (loss) and comprehensive income (loss)	$ (753)	$ 391

See accompanying notes to the interim condensed financial statements

SWEETWATER WIND 2 LLC

INTERIM CONDENSED FINANCIAL STATEMENTS

INTERIM CONDENSED STATEMENTS OF CHANGES IN MEMBERS' CAPITAL

(Unaudited; expressed in thousands of U.S. Dollars)

Balance at January 1, 2012	$77,014
Capital distributions	(87)
Net income and comprehensive income	391
Balance at March 31, 2012	77,318
Balance at January 1, 2013	71,470
Capital distributions	—
Net loss and comprehensive loss	(753)
Balance at March 31, 2013	$70,717

See accompanying notes to the interim condensed financial statements

SWEETWATER WIND 2 LLC

INTERIM CONDENSED FINANCIAL STATEMENTS

STATEMENTS OF CASH FLOWS

(Unaudited: expressed in thousands of U.S. Dollars)

	For the three months ended March 31, 2013	For the three months ended March 31, 2012
Operating activities		
Net income (loss) and comprehensive income (loss)	$ (753)	$ 391
Adjustments to reconcile net income (loss) to net cash provided by operating activities		
Depreciation and amortization	1,502	1,502
Accretion of decommissioning liability	51	48
Changes in operating assets and liabilities		
Utility and other receivables	(81)	(607)
Prepaid and other assets	107	160
Spare parts	(168)	(245)
Trade payables	306	106
Accrued and other liabilities	(593)	(843)
Net cash provided by operating activities	371	512
Investing activities		
Investment in property, plant and equipment	(454)	(68)
Net cash used in investing activities	(454)	(68)
Financing activities		
Members' capital distributions	—	(87)
Net cash used in financing activities	—	(87)
Net increase/(decrease) in cash and cash equivalents	(83)	357
Cash and cash equivalents at the beginning of the year	299	775
Cash and cash equivalents at the end of the year	**$ 216**	**$1,132**

See accompanying notes to the interim condensed financial statements

1. ORGANIZATION

Sweetwater Wind 2 LLC ("**Sweetwater**" or the "**Company**"), a Delaware limited liability company, was formed on April 19, 2004, to construct and operate a wind farm in Nolan County, Texas (the "**Wind Farm**"). The latest date upon which the Company will be dissolved is April 19, 2054.

Earnings or losses are allocated in accordance with the Amended and Restated Limited Liability Agreement to members based on their respective interests. The Company calculates the allocation of earnings or losses by measuring the distribution amounts that would be due to the members in a hypothetical liquidation of the entity at the net book value of the underlying assets at the period end. This method is referred to Hypothetical Liquidation of Book Value ("**HLBV**").

2. BASIS OF PREPARATION

These condensed interim financial statements ("**financial statements**") have been prepared in accordance with IAS 34 *Interim Financial Reporting* and International Financial Reporting Standards ("**IFRS**") as required by Canadian securities regulations. These regulations require financial statements to be included in an initial public offering ("**IPO**") prospectus to be prepared in accordance with IFRS. These condensed interim financial statements have been prepared for inclusion in Threshold Power Trust's IPO document and will be filed in all provinces and territories of Canada. The Company will continue to provide its members financial statements prepared in accordance with U.S. generally accepted accounting principles.

Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the company since the last annual financial statements as at and for the year ended December 31, 2012. These condensed interim financial statements do not include all the full information required for full annual financial statements prepared in accordance with IFRS.

The financial statements were authorized for inclusion in the IPO prospectus by the management of Threshold on June 20, 2013.

(a) Basis of Measurement

These financial statements have been prepared on the historical cost basis.

(b) Functional and Presentation Currency

These financial statements are presented in thousands of U.S. dollars, which is the functional currency of the Company.

(c) Use of Estimates and Judgments

The preparation of IFRS-basis financial statements requires management to make certain estimates and assumptions that affect the reported amounts and disclosures in the financial statements and the reported amounts of assets and liabilities, and to disclose contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying assumptions that have the most significant effect on the amounts recognized in the financial statements includes the assumptions used to estimate the Company's decommissioning liability (note 3).

(d) New Standards and Interpretations Not Yet Adopted

The accounting policies applied in the interim financial statements are consistent with those used in the annual financial statements for the year ended December 31, 2012, except for the adoption of the following new standards issued by the International Accounting Standards Board that were effective as of January 1, 2013.

1. IFRS 10: Consolidated Financial Statements (effective for annual periods beginning on or after January 1, 2013). This standard builds on the existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company.

2. IFRS 13: Fair Value Measurement (effective for annual periods beginning on or after January 1, 2013). This standard aims to improve consistency and reduce complexity by providing precise definitions of fair value, a single source of fair value

2. BASIS OF PREPARATION (Continued)

measurement and disclosure requirements for use across all IFRS. IFRS 13 does not extend the use of fair value accounting, but provides guidance on how it should be applied where its use is already required or permitted by other standards within IFRS.

There was no impact on the Company's interim financial statements upon adoption of IFRS 10 and IFRS 13 on January 1, 2013.

3. DECOMMISSIONING LIABILITY

The Company's decommissioning liability is the estimated cost of decommissioning the turbines, removing above-ground installations, and restoring the site at a date that is 20 years from the commencement of commercial operations.

The estimated cost to decommission the site at the reporting date is adjusted for a current market-based discount rate and reviewed annually by the Company for any material changes.

Activity in this liability account through March 31, 2013, was as follows:

Decommissioning liability at January 1, 2013	$3,437
Accretion expense	51
Decommissioning liability at March 31, 2013	$3,488

4. CAPITAL MANAGEMENT

The Company's primary objective when managing capital is to ensure that it has sufficient cash resources to maintain its ongoing operations. The capital structure of the Company currently consists of cash and members' capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. As of March 31, 2013, the Company is not subject to externally imposed capital requirements.

5. RELATED-PARTY TRANSACTIONS

Project Administration Services Agreement

Sweetwater entered into a Project Administration Services Agreement with Infigen Asset Management ("**Infigen**"), an affiliate of one of the members of the Company, whereby Infigen will provide project management services to the project. The agreement with Infigen expires in 2024.

For each of the three months ended March 31, 2013 and 2012, the Company paid Infigen $61. These amounts are classified administrative expenses in the accompanying statement of comprehensive income.

Management, Operations and Maintenance Agreement

Sweetwater entered into a Management, Operations and Maintenance Agreement with Infigen in 2009 whereby Infigen will manage, operate, maintain and administer the wind farm. The agreement with Infigen expires in 2014; however, the agreement contains a provision for an undetermined number of five year extensions.

For the three months ended March 31, 2013 and 2012, the Company paid Infigen $252, and $244, respectively. These amounts are included in operating expenses in the accompanying statement of comprehensive income.

SWEETWATER WIND 3 LLC

INDEPENDENT AUDITORS' REPORT

To the Trustees of Threshold Power Trust:

We have audited the accompanying financial statements of Sweetwater Wind 3 LLC, which comprise the statements of financial position as at December 31, 2012, December 31, 2011 and December 31, 2010, the statements of comprehensive income, changes in members' capital and cash flows for the years ended December 31, 2012, 2011 and 2010, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management of Threshold Power Trust is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Sweetwater Wind 3 LLC as at December 31, 2012, 2011 and 2010 and its financial performance and its cash flows for the years ended December 31, 2012, 2011 and 2010, in accordance with International Financial Reporting Standards.

Chartered Accountants, Licensed Public Accountants
July [●], 2013
Toronto, Canada

SWEETWATER WIND 3 LLC

STATEMENTS OF FINANCIAL POSITION

(Expressed in thousands of U.S. dollars)

	Note	As at December 31 2012	2011	2010
Assets				
Current assets				
Cash and cash equivalents		$ 180	$ 1,658	$ 3,423
Utility receivable		1,326	1,087	1,128
Spare parts		—	—	321
Prepaid and other assets		598	509	251
		2,104	3,254	5,123
Non-current assets				
Property, plant and equipment	**5**	122,645	131,455	140,518
		122,645	131,455	140,518
Total assets		**124,749**	**134,709**	**145,641**
Liabilities and Members' Capital				
Current liabilities				
Distribution payable		310	—	—
Trade payables		73	28	5
Accrued and other liabilities		1,240	1,950	1,730
		1,623	1,978	1,735
Noncurrent liabilities				
Decommissioning liability	**6**	4,160	3,931	3,707
		4,160	3,931	3,707
Total liabilities		5,783	5,909	5,442
Members' capital		118,966	128,800	140,199
Total liabilities and members' capital		**$124,749**	**$134,709**	**$145,641**

Commitments and Contingencies (note 8)

See accompanying notes to the consolidated financial statements

SWEETWATER WIND 3 LLC

STATEMENTS OF COMPREHENSIVE LOSS

(Expressed in thousands of U.S. dollars)

	For the year ended December 31		
	2012	**2011**	**2010**
Income			
Power revenue	$13,247	$12,762	$12,606
Other income	162	4	796
	13,409	12,766	13,402
Expenses			
Operating expenses	4,933	4,511	3,413
Administrative expenses	1,619	1,733	1,725
Depreciation and amortization	9,373	9,373	9,373
Accretion expense	229	224	197
Other expenses	84	—	(6)
	16,238	15,841	14,702
Net loss and comprehensive loss	$(2,829)	$(3,075)	$(1,300)

See accompanying notes to the consolidated financial statements

SWEETWATER WIND 3 LLC

STATEMENTS OF CHANGES IN MEMBERS' CAPITAL

(Expressed in thousands of U.S. dollars)

Balance at January 1, 2010	$148,651
Capital distributions	(7,152)
Net loss and comprehensive loss	(1,300)
Balance at December 31, 2010	140,199
Capital distributions	(8,324)
Net loss and comprehensive loss	(3,075)
Balance at December 31, 2011	128,800
Capital distributions	(7,005)
Net loss and comprehensive loss	(2,829)
Balance at December 31, 2012	$118,966

See accompanying notes to the consolidated financial statements

SWEETWATER WIND 3 LLC

STATEMENTS OF CASH FLOWS

(Expressed in thousands of U.S. dollars)

	For the year ended December 31		
	2012	2011	2010
Operating activities			
Net loss and comprehensive loss	$(2,829)	$(3,075)	$(1,300)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation and amortization	9,373	9,373	9,373
Accretion of decommissioning liability	229	224	197
Changes in operating assets and liabilities			
Utility and other receivables	(239)	41	(305)
Prepaid and other assets	(89)	(258)	680
Spare parts inventory	—	321	(223)
Trade payables	45	22	5
Accrued and other liabilities	(710)	220	(252)
Net cash provided by operating activities	5,780	6,869	8,175
Investing activities			
Investment in property, plant and equipment	(563)	(310)	—
Disposal of property, plant and equipment	—	—	—
Net cash provided by/(used in) investing activities	(563)	(310)	—
Financing activities			
Members' capital distributions	(6,695)	(8,324)	(7,152)
Net cash provided by/(used in) financing activities	(6,695)	(8,324)	(7,152)
Net increase/(decrease) in cash and cash equivalents	(1,478)	(1,765)	1,023
Cash and cash equivalents at the beginning of the year	1,658	3,423	2,400
Cash and cash equivalents at the end of the year	$ 180	$ 1,658	$ 3,423

See accompanying notes to the consolidated financial statements

1. ORGANIZATION

Sweetwater Wind 3 LLC (“**Sweetwater**” or the “**Company**”), a Delaware limited liability company, was formed on April 29, 2004 to construct and operate a wind farm in Nolan County, Texas (the “**Wind Farm**”). The latest date upon which the Company will be dissolved is April 29, 2054.

Earnings or losses are allocated in accordance with the Amended and Restated Limited Liability Agreement to members based on their respective interests. The Company calculates the allocation of earnings or losses by measuring the distribution amounts that would be due to the members in a hypothetical liquidation of the entity at the net book value of the underlying assets at the period end. This method is referred to Hypothetical Liquidation of Book Value (“**HLBV**”).

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”) as required by Canadian securities regulations. These regulations require financial statements to be included in an initial public offering (“**IPO**”) prospectus to be prepared in accordance with IFRS. These financial statements have been prepared for inclusion in Threshold Power Trust’s IPO document and will be filed in all provinces and territories of Canada. The Company will continue to provide its members financial statements prepared in accordance with U.S. generally accepted accounting principles.

The financial statements were authorized for inclusion in the IPO prospectus by the management of Threshold on June 20, 2013.

(a) Basis of Measurement

These financial statements have been prepared on the historical cost basis.

(b) Functional and Presentation Currency

These financial statements are presented in thousands of U.S. dollars, which is the functional currency of the Company.

(c) Use of Estimates and Judgments

The preparation of IFRS-basis financial statements requires management to make certain estimates and assumptions that affect the reported amounts and disclosures in the financial statements and the reported amounts of assets and liabilities, and to disclose contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying assumptions that have the most significant effect on the amounts recognized in the financial statements includes the assumptions used to estimate the Company’s decommissioning liability (note 6).

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Cash and Cash Equivalents

Cash and cash equivalents consist of cash in banks and highly liquid investments with original maturities of three months or less.

(b) Financial Instruments

Financial instruments are classified into one of the following four categories: loans and receivables, fair value through profit or loss, held-to-maturity and available for sale.

Financial Assets

The Company initially recognizes loans and receivables and deposits on the date that they are originated. Financial assets are derecognized when the contractual rights to the cash flows from the asset expire or when the Company has transferred its rights to receive cash flows from the asset.

The Company has the following non-derivative financial assets which have been classified as loans and receivables: cash and cash equivalents and utility receivable.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognized at fair value plus transaction costs and subsequently measured at amortized cost using the effective interest rate method less any impairment losses.

The Company does not have any financial assets at fair value through profit or loss, held-to-maturity investments or available-for-sale financial assets.

Financial Liabilities

Financial liabilities are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities are derecognized when its contractual obligations are discharged, cancelled or expire.

The Company has the following non-derivative financial liabilities which have been classified as other financial liabilities: trade payables, accrued and other liabilities.

Financial liabilities, other than financial liabilities classified as fair value through profit or loss, are measured in subsequent periods at amortized cost using the effective interest rate method.

The Company does not have any financial liabilities at fair value through profit or loss.

Members' Capital

Class A and Class B member interests are classified as members' capital and adjusted for any contributions or distributions which have occurred during the period.

(c) Property, Plant and Equipment

Property, plant and equipment include the wind power plant and associated decommissioning liability.

The wind power plant and the decommissioning liability are recorded at cost and depreciated using the straight-line method over the 20 year life of the assets. The assets have been assessed to identify components with differing patterns of benefits that are significant relative to the total cost of the item. There are no such components or subsequent expenditures that require componentization.

Subsequent expenditure that does not require componentization and that can be capitalized is recorded at cost and depreciated using the straight-line method over the estimated remaining useful life of the asset. Repairs and maintenance costs are expensed as incurred.

(d) Impairment

Financial assets

Financial assets are assessed at each reporting date to determine if they are impaired through considering if one or more events occurring after the initial recognition has negatively impacted estimated future cash flows.

Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount is the greater of the asset's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discounted rate that reflects current market assessments of the time value of money and the risks specific to that asset.

If the carrying amount of an asset is deemed not to be recoverable, an impairment provision is recorded equal to the difference between the asset's carrying value and its recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

No impairment losses were recorded for the years ended December 31, 2012, 2011 and 2010.

(e) Revenue Recognition

In 2004 the Company entered into two separate contracts with two separate utilities to purchase all of the Wind Farm's produced energy. The 12 year and 20 year contracts are at contracted prices per megawatt-hour ("**MWh**") for the life of the contract. Revenue is recognized based on the product of the fixed rate per MWh and the actual energy delivered to, and metered at, the utility interconnection. One of the power purchase and sale agreements contains certain minimum performance provisions.

(f) Expenses

Operating expenses

Operating expenses include wind plant operations and maintenance and land and building rent expense.

Administrative expenses

Administrative expenses include insurance, professional fees, property taxes and fees charged by a related party for the provision of administrative and project management services to the Company.

Depreciation and accretion

Depreciation and accretion charges are for the wind power plant and the decommissioning liability.

Other expenses

Other expenses include production tax credit ("**PTC**") compensation paid to Class A Members.

(g) Income Taxes

As the Company is subject to flow through taxation, the Company's income, gains, losses, and tax credits are allocated to the owners who individually report their share of those items in their income tax returns. Accordingly, in order to reflect the ongoing expenses of the Company, no provision has been made for income taxes within the financial statements.

The Company filed tax returns as prescribed by the tax laws of the jurisdictions in which it operates. In the normal course of business, the Company is subject to examination by federal, state, local, and foreign jurisdictions, where applicable. As of December 31, 2012, the tax years that remain subject to examination by the major tax jurisdictions (U.S. federal and state) under the statute of limitations are from the year 2006 forward (with limited exceptions). The Company recognizes interest and penalties, if any, related to unrecognized tax benefits as income tax expense in the statements of comprehensive income. During the period, the Company did not accrue any interest or penalties.

Income and losses for tax purposes may differ from the financial statement amounts and may be allocated to the Members on a different basis for tax purposes than for financial statement purposes.

Members' capital reflected in the accompanying financial statements does not necessarily represent the Members' tax basis of their respective interests.

(h) New Standards and Interpretations Not Yet Adopted

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended December 31, 2012, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Company however the extent of the impact has not yet been determined.

The following are amended or new IFRSs that may impact the Company:

1. IFRS 13: *Fair Value Measurements* (effective for annual periods beginning on or after January 1, 2013)
2. IFRS 9: *Financial Instruments* (effective for annual periods beginning on or after January 1, 2015)

4. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Risk Management

Liquidity Risk

Liquidity risk is the risk that the Company has insufficient cash or other resources to meet its obligations as they come due. The Company does not have any debt therefore the only liquidity risk relates to accounts payable and accrued liabilities. The Company has sufficient working capital in excess of accounts payable and accrued liabilities to mitigate this risk.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to honor a financial obligation. Financial instruments that potentially subject Sweetwater Wind 3 to concentrations of credit risk consist primarily of cash and cash equivalents and receivables. Sweetwater Wind 3 places its cash and cash equivalents with high-quality institutions.

Sweetwater Wind 3 sells 100% of the power it generates to two customers. Management performs ongoing credit evaluations of its customer and may require its customer to provide security deposits or other forms of collateral.

At December 31, 2012, the maximum exposure with respect to receivables from Sweetwater Wind 3's two customers was $1,326 ($1,087 at December 31, 2011 and $1,128 at December 31, 2010) and there were no amounts overdue.

Financial Instruments

The Company's financial instruments are recognized at fair value which is equal to their carrying value at the reporting date and no fair value gain or loss has been recorded.

5. PROPERTY, PLANT AND EQUIPMENT

The wind power plant consists of ninety 1.5 megawatt turbines. As of December 31, 2012, 2011 and 2010, the aggregate cost and accumulated depreciation were as follows:

	Wind Power Plant	Decommissioning liability	Other	Total
Opening balance at January 1, 2010	$147,383	$2,508	—	$149,891
Additions	—	—	—	—
Disposals	—	—	—	—
Depreciation	(9,215)	(158)	—	(9,373)
As at December 31, 2010	138,168	2,350	—	140,518
Additions	—	—	310	310
Disposals	—	—	—	—
Depreciation	(9,215)	(158)	—	(9,373)
As at December 31, 2011	128,953	2,192	310	131,455
Additions	—	—	563	563
Disposals	—	—	—	—
Depreciation	(9,215)	(158)	—	(9,373)
As at December 31, 2012	$119,738	$2,034	$873	$122,645

6. DECOMMISSIONING LIABILITY

The Company's decommissioning liability is the estimated cost of decommissioning the turbines, removing above-ground installations, and restoring the site at a date that is 20 years from the commencement of commercial operations.

The estimated cost to decommission the site at the reporting date is adjusted for a current market-based discount rate and reviewed annually by the Company for any material changes.

6. DECOMMISSIONING LIABILITY (Continued)

Activity in this liability account through December 31, 2012, 2011 and 2010 was as follows:

Decommissioning liability at January 1, 2010	$3,510
Accretion expense	197
Decommissioning liability at December 31, 2010	3,707
Accretion expense	224
Decommissioning liability at December 31, 2011	3,931
Accretion expense	229
Decommissioning liability at December 31, 2012	$4,160

7. REIMBURSED LOST PRODUCTION

During the periods, revenue was recorded for multiple instances of Electric Reliability Council of Texas ("**ERCOT**") requested power production curtailments. Sweetwater recorded revenues associated with these curtailments of $76, $3 and $512 for the years ended December 31, 2012, 2011 and 2010, respectively.

8. COMMITMENTS AND CONTINGENCIES

Leases

Sweetwater leases land and a building under long-term lease agreements beginning to expire in 2032. The Company pays monthly minimum rent plus royalties based on energy production.

The non-cancellable operating lease rentals are payable as follows:

Less than 1 year	$ 202
Between 1 and 5 years	808
More than 5 years	3,644
	$4,654

Land and building rent expense during the years ended December 31, 2012, 2011, and 2010, was $537, $437 and $460, respectively. These amounts are classified as operating expenses in the consolidated statement of comprehensive income.

9. CAPITAL MANAGEMENT

The Company's primary objective when managing capital is to ensure that it has sufficient cash resources to maintain its ongoing operations. The capital structure of the Company currently consists of cash and members' capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. As of December 31, 2012, the Company is not subject to externally imposed capital requirements.

10. RELATED-PARTY TRANSACTIONS

Project Administration Services Agreement

Sweetwater entered into a Project Administration Services Agreement with Infigen Asset Management ("**Infigen**"), an affiliate of one of the members of the Company, whereby Infigen will provide project management services to the wind farm. The agreement with Infigen expires in 2025.

For the years ended December 31, 2012, 2011 and 2010, the Company paid Infigen $232, $ 228 and $220, respectively. These amounts are classified as administrative expenses in the accompanying statement of comprehensive income.

Management, Operations and Maintenance Agreement

Sweetwater entered into a Management, Operations and Maintenance Agreement with Infigen in 2009 where Infigen will manage, operate, maintain and administer the project. The agreement with Infigen expires in 2014 however the agreement contains a provision for an undetermined number of five year extensions.

10. RELATED-PARTY TRANSACTIONS (Continued)

For the years ended December 31, 2012, 2011 and 2010, the Company paid Infigen $1,292, $1,426 and $1,062. These amounts are included in operating expenses in the accompanying statement of comprehensive income.

Related party accounts receivable

For the year ended December 31, 2011, included in prepaid and other assets is $8 due by Sweetwater I LLC, a related party wind farm which operates adjacent to Sweetwater III LLC and has common members.

For the year ended December 31, 2012, included in accrued and other liabilities is $42 due to Sweetwater II LLC, a related party wind farm which operates adjacent to Sweetwater III LLC and has common members. For the year ended December 31, 2011, included in prepaid and other assets is $268 due by Sweetwater II LLC.

Also included in current liabilities is $36 owed to Infigen and $309 in unpaid distributions owed to members. Included in current assets is $59 owed from a member as a result of overpayment of distributions.

SWEETWATER WIND 3 LLC

Interim Condensed Financial Statements
For the three months ended March 31, 2013 and March 31, 2012

SWEETWATER WIND 3 LLC

INTERIM CONDENSED FINANCIAL STATEMENTS

INTERIM CONDENSED STATEMENTS OF FINANCIAL POSITION

(Unaudited; expressed in thousands of U.S. Dollars)

	Note	As at March 31, 2013	As at December 31, 2012
Assets			
Current assets			
Cash and cash equivalents		$ 246	$ 180
Utility receivable		1,387	1,326
Prepaid and other assets		195	598
		1,828	2,104
Non-current assets			
Property, plant and equipment		120,669	122,645
		120,669	122,645
Total assets		**122,497**	**124,749**
Liabilities and Members' Capital			
Current liabilities			
Trade payables		222	383
Accrued and other liabilities		677	1,240
		899	1,623
Noncurrent liabilities			
Decommissioning liability	3	4,220	4,160
		4,220	4,160
Total liabilities		5,119	5,783
Members' capital		117,378	118,966
Total liabilities and members' capital		**$122,497**	**$124,749**

See accompanying notes to the interim condensed financial statements

SWEETWATER WIND 3 LLC

INTERIM CONDENSED FINANCIAL STATEMENTS

INTERIM CONDENSED STATEMENTS OF COMPREHENSIVE LOSS

(Unaudited; expressed in thousands of U.S. Dollars)

	For the three months ended March 31, 2013	For the three months ended March 31, 2012
Income		
Power revenue	$3,572	$3,862
Other income	—	29
	3,572	3,891
Expenses		
Operating expenses	1,061	1,760
Administrative expenses	408	488
Depreciation and amortization	2,343	2,343
Accretion expense	60	57
Other expenses	—	15
	3,872	4,663
Net loss and comprehensive loss	$ (300)	$ (772)

See accompanying notes to the interim condensed financial statements

SWEETWATER WIND 3 LLC

INTERIM CONDENSED FINANCIAL STATEMENTS

INTERIM CONDENSED STATEMENTS OF CHANGES IN MEMBERS' CAPITAL

(Unaudited; expressed in thousands of U.S. Dollars)

Balance at January 1, 2012	$128,802
Capital distributions	(1,870)
Net loss and comprehensive loss	(772)
Balance at March 31, 2012	126,160
Balance at January 1, 2013	118,968
Capital distributions	(1,290)
Net loss and comprehensive loss	(300)
Balance at March 31, 2013	$117,378

See accompanying notes to the interim condensed financial statements

SWEETWATER WIND 3 LLC

INTERIM CONDENSED FINANCIAL STATEMENTS

INTERIM CONDENSED STATEMENTS OF CASH FLOWS

(Unaudited; expressed in thousands of U.S. Dollars)

	For the three months ended March 31, 2013	For the three months ended March 31, 2012
Operating activities		
Net loss and comprehensive loss	$ (300)	$ (772)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	2,343	2,343
Accretion of decommissioning liability	60	57
Changes in operating assets and liabilities		
Utility and other receivables	(61)	(375)
Prepaid and other assets	403	67
Trade payables	(161)	202
Accrued and other liabilities	(563)	(738)
Net cash provided by operating activities	1,721	784
Investing activities		
Investment in property, plant and equipment	(365)	61
Disposal of property, plant and equipment	—	—
Net cash provided by/(used in) investing activities	(365)	61
Financing activities		
Members' capital distributions	(1,290)	(1,870)
Net cash used in financing activities	(1,290)	(1,870)
Net increase/(decrease) in cash and cash equivalents	66	(1,025)
Cash and cash equivalents at the beginning of the year	180	1,658
Cash and cash equivalents at the end of the year	**$ 246**	**$ 633**

See accompanying notes to the interim condensed financial statements

SWEETWATER WIND 3 LLC

INTERIM CONDENSED FINANCIAL STATEMENTS

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

(Unaudited: expressed in thousands of U.S. Dollars)

1. ORGANIZATION

Sweetwater Wind 3 LLC ("**Sweetwater**" or the "**Company**"), a Delaware limited liability company, was formed on April 29, 2004 to construct and operate a wind farm in Nolan County, Texas (the Wind Farm). The latest date upon which the Company will be dissolved is April 29, 2054.

Earnings or losses are allocated in accordance with the Amended and Restated Limited Liability Agreement to members based on their respective interests. The Company calculates the allocation of earnings or losses by measuring the distribution amounts that would be due to the members in a hypothetical liquidation of the entity at the net book value of the underlying assets at the period end. This method is referred to Hypothetical Liquidation of Book Value ("**HLBV**").

2. BASIS OF PREPARATION

These interim condensed financial statements ("**financial statements**") have been prepared in accordance with IAS 34 *Interim Financial Reporting* and International Financial Reporting Standards ("**IFRS**") as required by Canadian securities regulations. These regulations require financial statements to be included in an initial public offering ("**IPO**") prospectus to be prepared in accordance with IFRS. These interim condensed financial statements have been prepared for inclusion in Threshold Power Trust's IPO document and will be filed in all provinces and territories of Canada. The Company will continue to provide its members financial statements prepared in accordance with U.S. generally accepted accounting principles.

Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the company since the last annual financial statements as at and for the year ended December 31, 2012. These condensed interim financial statements do not include all the full information required for full annual financial statements prepared in accordance with IFRS.

The financial statements were authorized for inclusion in the IPO prospectus by the management of Threshold on June 20, 2013.

(a) Basis of Measurement

These financial statements have been prepared on the historical cost basis.

(b) Functional and Presentation Currency

These financial statements are presented in thousands of U.S. dollars, which is the functional currency of the Company.

(c) Use of Estimates and Judgments

The preparation of IFRS-basis financial statements requires management to make certain estimates and assumptions that affect the reported amounts and disclosures in the financial statements and the reported amounts of assets and liabilities, and to disclose contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying assumptions that have the most significant effect on the amounts recognized in the financial statements includes the assumptions used to estimate the Company's decommissioning liability (note 3).

(d) New Standards and Interpretations Not Yet Adopted

The accounting policies applied in the interim financial statements are consistent with those used in the annual financial statements for the year ended December 31, 2012, except for the adoption of the following new standards issued by the International Accounting Standards Board that were effective as of January 1, 2013.

1. IFRS 10: Consolidated Financial Statements (effective for annual periods beginning on or after January 1, 2013). This standard builds on the existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company.
2. IFRS 13: Fair Value Measurement (effective for annual periods beginning on or after January 1, 2013). This standard aims to improve consistency and reduce complexity by providing precise definitions of fair value, a single source of fair value

2. BASIS OF PREPARATION (Continued)

measurement and disclosure requirements for use across all IFRS. IFRS 13 does not extend the use of fair value accounting, but provides guidance on how it should be applied where its use is already required or permitted by other standards within IFRS.

There was no impact on the Company's interim financial statements upon adoption of IFRS 10 and IFRS 13 on January 1, 2013.

3. DECOMMISSIONING LIABILITY

The Company's decommissioning liability is the estimated cost of decommissioning the turbines, removing above-ground installations, and restoring the site at a date that is 20 years from the commencement of commercial operations.

The estimated cost to decommission the site at the reporting date is adjusted for a current market-based discount rate and reviewed annually by the Company for any material changes.

Activity in this liability account through March 31, 2013, was as follows:

Decommissioning liability at January 1, 2013	$4,160
Accretion expense	60
Decommissioning liability at March 31, 2013	$4,220

4. CAPITAL MANAGEMENT

The Company's primary objective when managing capital is to ensure that it has sufficient cash resources to maintain its ongoing operations. The capital structure of the Company currently consists of cash and members' capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. As of March 31, 2013, the Company is not subject to externally imposed capital requirements.

5. RELATED-PARTY TRANSACTIONS

Project Administration Services Agreement

Sweetwater entered into a Project Administration Services Agreement with Infigen Asset Management ("**Infigen**"), an affiliate of one of the members of the Company, whereby Infigen will provide project management services to the wind farm. The agreement with Infigen expires in 2025.

For the three months ended March 31, 2013 and 2012, the Company paid Infigen $62 and $42, respectively. These amounts are classified as administrative expenses in the accompanying statement of comprehensive income.

Management, Operations and Maintenance Agreement

Sweetwater entered into a Management, Operations and Maintenance Agreement with Infigen in 2009 where Infigen will manage, operate, maintain and administer the project. The agreement with Infigen expires in 2014 however the agreement contains a provision for an undetermined number of five year extensions.

For the three months ended March 31, 2013 and 2012, the Company paid Infigen $287 and $281, respectively. These amounts are included in operating expenses in the accompanying statement of comprehensive income.

CERTIFICATE OF THE TRUST AND THE PROMOTER

Dated: July 4, 2013

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of each of the provinces and territories of Canada.

THRESHOLD POWER TRUST
By: Threshold Power Administrator Inc., as Administrator of the Trust

BY: "*SUSAN D. NICKEY*"
CHIEF EXECUTIVE OFFICER

BY: "*PETER KAMPIAN*"
CHIEF FINANCIAL OFFICER

On behalf of the Board of Directors of Threshold Power Administrator Inc., the Administrator of Threshold Power Trust

BY: "*L. RITA THEIL*"
DIRECTOR

BY: "*DAVID KERR*"
DIRECTOR

BY THE PROMOTER
Threshold Power Administrator Inc.

BY: "*SUSAN D. NICKEY*"
CHIEF EXECUTIVE OFFICER

CERTIFICATE OF THE UNDERWRITERS

Dated: July 4, 2013

To the best of our knowledge, information and belief, this prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of each of the provinces and territories of Canada.

CIBC WORLD MARKETS INC.	**SCOTIA CAPITAL INC.**	**NATIONAL BANK FINANCIAL INC.**
By: "*DAVID H. WILLIAMS*" Managing Director	By: "*STUART LOCHRAY*" Director	By: "*IAIN WATSON*" Managing Director

STIFEL NICOLAUS CANADA INC.

By: "*DANIEL PHAURE*"
Managing Director

CANACCORD GENUITY CORP.

By: "*STEVEN WINOKUR*"
Managing Director

DESJARDINS SECURITIES INC.	**GMP SECURITIES L.P.**	**RAYMOND JAMES LTD.**
By: "*KEN MANGET*" Managing Director	By: "*ALFRED AVANESSY*" Senior Vice-President	By: "*JIMMY LEUNG*" Managing Director

Threshold Power

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