

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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<b>In re:</b>	:	<b>Chapter 11</b>
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<b>SUNEDISON, INC., et al.,</b>	:	<b>Case No. 16-10992 (SMB)</b>
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<b>Debtors.<sup>1</sup></b>	:	<b>(Jointly Administered)</b>
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**DECLARATION OF HY MARTIN IN SUPPORT OF DEBTORS’  
MOTION FOR ORDER PURSUANT TO BANKRUPTCY CODE  
SECTIONS 105(a), 363(b), 363(f), 363(m), 541(a), 1107, AND 1108 AND  
BANKRUPTCY RULES 2002, 6004, 9006, AND 9019 AUTHORIZING AND  
APPROVING SALE OF EQUITY INTERESTS IN IMPERIAL VALLEY  
SOLAR 3, LLC, IMPERIAL VALLEY SOLAR 4, LLC AND SUN LAKE  
SOLAR, LLC AND GRANTING CERTAIN RELEASES IN  
CONNECTION THEREWITH**

I, Hy Martin, being duly sworn, deposes, and says:

1. I am a Director of Strategy and Mergers & Acquisitions of SunEdison, Inc. (“SUNE”) and certain of its affiliates, the debtors and debtors in possession in the above-captioned cases (collectively, the “Debtors” and, together with their non-Debtor affiliates, “SunEdison” or the “Company”).

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtors’ tax identification number are as follows: SunEdison, Inc. (5767); SunEdison DG, LLC (N/A); SUNE Wind Holdings, Inc. (2144); SUNE Hawaii Solar Holdings, LLC (0994); First Wind Solar Portfolio, LLC (5014); First Wind California Holdings, LLC (7697); SunEdison Holdings Corporation (8669); SunEdison Utility Holdings, Inc. (6443); SunEdison International, Inc. (4551); SUNE ML 1, LLC (3132); MEMC Pasadena, Inc. (5238); Solaicx (1969); SunEdison Contracting, LLC (3819); NVT, LLC (5370); NVT Licenses, LLC (5445); Team-Solar, Inc. (7782); SunEdison Canada, LLC (6287); Enflex Corporation (5515); Fotowatio Renewable Ventures, Inc. (1788); Silver Ridge Power Holdings, LLC (5886); SunEdison International, LLC (1567); Sun Edison LLC (1450); SunEdison Products Singapore Pte. Ltd. (7373); SunEdison Residential Services, LLC (5787); PVT Solar, Inc. (3308); SEV Merger Sub Inc. (N/A); Sunflower Renewable Holdings 1, LLC (6273); Blue Sky West Capital, LLC (7962); First Wind Oakfield Portfolio, LLC (3711); First Wind Panhandle Holdings III, LLC (4238); DSP Renewables, LLC (5513); Hancock Renewables Holdings, LLC (N/A). The address of the Debtors’ corporate headquarters is 13736 Riverport Dr., Maryland Heights, Missouri 63043.

2. I joined SunEdison in 2015. Prior to my current position, I was a Vice President at Nollen Group, an energy and infrastructure development and investment fund. In that role, I led project finance and principal investing activities primarily for renewable energy assets, including large-scale development projects. I have also worked at NRG Energy and the United States Department of the Treasury. I have seven years of experience in the renewable energy/infrastructure development and investment industry. I hold a BS from the University of Virginia, an MPA from Harvard Kennedy School and an MBA from Harvard Business School.

3. I submit this declaration in support of the Debtors' Motion for Order Pursuant to Bankruptcy Code Sections 105(a), 363(b), 363(f), 363(m), 541(a), 1107, and 1108 and Bankruptcy Rules 2002, 6004, 9006, and 9019 Authorizing and Approving Sale of Equity Interests In Imperial Valley Solar 3, LLC, Imperial Valley Solar 4, LLC and Sun Lake Solar, LLC and Granting Certain Releases in Connection Therewith (the "Motion").<sup>2</sup> Except as otherwise indicated, all facts set forth herein are based upon my personal knowledge or my discussions with other representatives of the Debtors and, if called as a witness, I would testify competently thereto.

4. In my capacity as Director, I have expertise with respect to the Company's development and disposition of large-scale utility renewable energy projects in North America. I am generally familiar with the Project identified in the Motion.

5. I believe that it is in the best interests of the Debtors to promptly consummate the sale of the Equity Interests to the Buyer for various reasons. First, the Company has been marketing the Equity Interests since the third quarter of 2015 and, given the various bids received to date, I believe that the sale transaction set forth in the PSA represents the highest or

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<sup>2</sup> Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Motion.

otherwise best bid received for the Equity Interests. In addition, I believe that the proposed net sale proceeds represent fair consideration in exchange for the Equity Interests, and are generally commensurate with the consideration that would be expected to be received for similarly situated assets.

6. On September 13, 2010, Imperial Valley Solar Power, LLC (“IVSP”), a non-Debtor affiliate of the Seller Parties, entered into a Joint Development Agreement (as amended, supplemented, and modified in accordance with its terms, the “JDA”) with an affiliate of 8ME, to co-develop, own, and manage utility-scale solar photovoltaic projects in the western United States, including the Project. Under the JDA and related documents, all of the assets associated with the Project, other than the interconnection rights owned by the Subsidiaries, are owned by certain affiliates of 8ME. Specifically, affiliates of SUNE (i.e., the Subsidiaries) own only the interconnection rights related to the Project, while affiliates of 8ME own all of the Project’s other assets and rights, including the power purchase agreement, land use and other rights and permits, and site control rights.

7. It is my understanding that IVSP holds an option to acquire equity interests in certain affiliates of 8ME that hold the Project rights and assets described above, but that 8ME disputes IVSP’s continuing ability to exercise that option. 8ME and its affiliates also have asserted, and are asserting, certain claims against IVSP under the JDA, including rescission claims and claims for IVSP’s failure to remit to the 8ME JDA Parties a previously negotiated payment of approximately \$11.5 million (the “JDA Dispute”). Absent a resolution of the JDA Dispute, any buyer would be stepping into the dispute, which I believe, based on conversations with potential bidders, would impair the value, if any, that the Seller Parties are able to recover from the Equity Interests. Accordingly, while I believe that these claims have no merit, the

transfer of the Equity Interests necessarily requires a resolution of the JDA Dispute in order to maximize the value that the Debtors obtain for the Equity Interests. The JDA Dispute has been pending for some time, and any resolution will require significant additional time and effort to negotiate and finalize among the prospective buyer, the Debtors, and 8ME and its affiliates.

8. Significantly, the Project currently lacks certain real property rights, mineral rights, and permits that may be required or desirable for the development, construction, and operation of the Project. Further, as of today, the project does not have sufficient capacity rights to transmit power to the grid, a deficiency that can only be remedied by significant development activities undertaken by a highly skilled and knowledgeable developer.

9. The Project is also facing severe timing pressures from various sources. First, the interconnection rights to the neighboring power grids, which are needed to satisfy the requirements of the power purchase agreement, may expire as soon as August 22, 2016. The application to renew or extend those rights must be filed by mid-July at the very latest, as the processing time to approve such an extension generally is between 45 and 60 days.

10. The interconnection renewal process is a discretionary process, and the authorities processing such renewal requests (including the California Independent System Operation Corporation and the San Diego Gas & Electric Company) may take a wide variety of factors into account in evaluating those requests. It is my understanding that unless the Equity Interests and the Subsidiaries' interconnection rights are brought under common ownership with the remainder of the Project (e.g., power purchase agreement and land options), as would result from consummation of the Sale Transaction, the interconnection agreement may not be extended, because it is possible that neither SUNE nor 8ME (or their respective affiliates) would be eligible to file an extension application before the time allowed for doing so under the tariff approved by

the Federal Energy Regulatory Commission elapses, which, as noted above, may be as soon as August 22, 2016. Given the various operational complexities presented by the divided ownership of the various Project assets (as discussed above), it is critical that the sale of the Equity Interests be consummated in a timely manner such that the buyer can submit the appropriate renewal or extension paperwork and commence the process to obtain a renewal or extension prior to the expiration date.

11. Second, certain land rights and conditional use permits associated with the Project are set to expire imminently in the absence of renewal or extension. The Debtors have been informed that some land options (which cover 950-1,000 acres of the Project's approximately 2,400 acres of total usable land) may have already expired, and additional options will expire on a rolling basis through October 2016 if not renewed. Further loss of land rights may jeopardize the Project's viability and impede its continued development and construction. The conditional use permits for the Project are also set to expire in August 2016, potentially further hindering progress on the Project's development. Absent a renewal of such key rights and permits, particularly the interconnection rights that constitute the principal assets of the Subsidiaries, the Equity Interests face a substantial risk of irreparable harm and loss in value, to the detriment of the Debtors and their stakeholders.

12. Prior to the Petition Date, in the third quarter of 2015, the Debtors engaged in a marketing process to solicit interest in a portfolio of assets including the Equity Interests, the Mililani II, Waipio and Kawaihoa solar projects in Hawaii, the Four Brothers and Three Cedars solar projects in Utah, the Mt Signal 2 solar project in California and equity interests in Deepwater Wind. At least fifteen (15) qualified bidders of recognized standing in the solar power industry executed non-disclosure agreements and conducted due diligence on the

Subsidiaries, the Equity Interests and the other projects, and the Company received nine (9) non-binding bids for the Equity Interests and Mt Signal 2.

13. Ultimately, on December 29, 2015, SUNE and certain of its affiliates entered into a purchase and sale agreement with certain affiliates of the D.E. Shaw Group, Madison Dearborn Capital Partners IV, L.P., and Northwestern University (collectively, the “D.E. Shaw Buyers”) – pursuant to which the D.E. Shaw Buyers agreed, among other things, to take project and asset transfers from SUNE in lieu of cash to satisfy \$215 million in principal amount of Exchangeable Notes (as defined in the First Day Declaration) held by D.E. Shaw Buyers (such transaction, the “D.E. Shaw Sale”).

14. Among the assets to be transferred in the D.E. Shaw Sale were the Equity Interests in the Subsidiaries, as well as Mt Signal 2. Under the terms of the D.E. Shaw Sale, the D.E. Shaw Buyers designated affiliates of D.E. Shaw and 8ME as the purchasers for Mt Signal 2 and the Equity Interests, respectively. However the Debtors commenced the Chapter 11 Cases before the D.E. Shaw Sale could be consummated by the parties.

15. Given the severe time pressures presented by the potential expiration of the Subsidiaries’ key interconnection rights, as well as the extended marketing process already undertaken by the Company, I believe that the proposed sale transaction provides the best opportunity to close the sale of the Equity Interests in a timely manner, providing certainty of execution and optimal timing for the benefit of the Debtors and their estates. It is my understanding that both the Seller Parties and the Buyer are highly motivated to proceed to an expeditious closing following entry of an order approving the Sale Transaction. I do not believe any other interested party would be able to resolve the JDA Dispute and close with sufficient time remaining to submit the interconnection renewal rights documentation, jeopardizing the

value of the Equity Interests to the detriment of the Debtors. Similarly, the requirement to conduct a further marketing and auction process would not only require the Debtors to expend additional resources on additional marketing, but would also result in significant value degradation due to the material timing issues described above.

16. In addition, I believe that the net sale proceeds associated with the PSA and the Sale Transaction are fair, reasonable, and generally commensurate with the return and proceeds received by the Debtors for the sale of similarly situated assets. Based on my experience and understanding of the Project and the Subsidiaries, I believe that the consideration received by the Company for the Equity Interests is fair and reasonable under the circumstances and the rate of return represents a competitive return for the Equity Interests.

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I declare under penalty of perjury under the laws of the United States of America  
that, to the best of my knowledge, information, and belief, and after reasonable inquiry, the  
foregoing is true and correct.

Dated: July 1, 2016

                  /s/ Hy Martin                    
By: Hy Martin