Juhl Wind, Inc. (OTCBB: JUHL)

June 12, 2012

Price	$0.69
52-Week Range	$0.41 - $1.14
Market Capitalization ($M)	$15.4
Enterprise Value ($M)	$25.1
Basic Shares Outstanding (M)	22.3
Float (Shares, M)	5.3
Insider Ownership (%)	69.3%
Institutional Ownership (%)	7.7%
Daily Volume (3-Month Avg.)	9,498
Industry	Renewable Energy/Utility
Corporate Headquarters	Pipestone, MN

Condensed Income Statements (000s)

FY Dec	Revs	Net Inc	EPS	P/E	Rev Grw
2010 A	$ 6,268	$ (2,174)	$ (0.10)	nm	-46%
2011 A	$ 15,578	$ 2,617	$ 0.12	8.2x	149%
2012 E	$ 12,757	$ (1,278)	$ (0.06)	nm	-18%
2013 E	$ 18,436	$ (548)	$ (0.03)	nm	45%

Source: Company reports, Stonegate estimates

Condensed Balance Sheet (3/31/12)

	(000s)		(000s)
Cash & Cash Equivs	$4,759	Working Capital	$3,893
Cash/Share	$0.21	Current Ratio	1.9x
Equity (book value)	$8,483	Total Debt/Equity	171%
Equity/Share	$0.38	Total Debt/Capital	85%

Company Description

Juhl Wind, Inc. is a renewable energy company focused on community wind power, renewable energy products and services, and engineering services. The Company handles all aspects of wind farm development which include: full development and ownership of wind farms, general consultation on wind projects, construction management of wind farm projects, and systems operations and management for completed wind farms. Additionally, Juhl Wind provides small scale wind turbine and solar products and services, and engineering services to the power industry, renewable sector, heavy industry and building systems markets.

Initiation of Coverage: Juhl Wind: Niche Focused Enabler of Wind Farms

- **Wind power is an expanding section of the U.S. renewable energy infrastructure** – According to the U.S. Energy Information Administration (EIA), in 2010 the U.S. generated ~ 4125.1 GW of electricity, of which 10% was generated from renewable energy. Additionally, EIA's 2012 Annual Energy Outlook projects renewable energy to increase its share to 16% in 2035. Importantly, renewable energy's projected growth is driven by wind and biomass, where wind power is expected to double over this period.
- **The Company is a leader in a niche market –** Juhl Wind has a long track record of completed projects that far exceeds direct competitors' records. Juhl Wind has 21 operational wind farm projects that are generating 195MW of energy. The number of projects completed and the level of electricity generated far exceeds most competitors in the community wind farm market place.
- **Barriers exists that help insulate competition -** Juhl Wind has a learning curve advantage that makes it difficult for other small competitors to initially compete. This is primarily driven by the complex financing arrangements that are necessary and the intricacies of properly structuring interconnection agreements and power purchase agreements with utilities. Additionally, larger competitors are not attracted to the community wind market because the economics of the wind farms are too small for a larger competitor to cover its fixed cost structure.
- **Improved cash position -** Due to multiple completed projects in 2011, the Company's cash position increased substantially. At the end of Q112, Juhl Wind had ~$5.3M in cash and short-term investments. This compares to cash and short-term investments at Q410 of ~$1.3M. This improved financial position should provide the Company with more flexibility to continue to build and execute its pipeline of opportunities and seek out acquisitions.
- **Valuation -** Juhl Wind is positioning itself as a leader in the community wind farm market and seeks growth via the expansion of its balance sheet with the ownership of wind farm assets and acquiring related businesses. Based on our FY12 estimates, Juhl Wind is trading at a EV/S ratio of 2.0x vs. comparable industry participants at 5.0x.

Investment Factors

Juhl Wind, Inc. is a renewable energy company focused on community wind power, renewable energy products and services, and engineering services. Juhl Wind engages in the development, construction, management and ownership of community wind farm projects in the U.S. and Canada. The Company also provides engineering services to the power industry, renewable sector, heavy industry and building systems markets.

The Company is positioning itself as a leader in the community wind farm market and seeks growth via the expansion of its balance sheet with the ownership of wind farm assets and acquiring related businesses. Below we outline important investment points to consider.

Investment Positives

Wind Power is an expanding section of the U.S. renewable energy infrastructure - According to the U.S. Energy Information Administration (EIA), in 2011 the U.S. generated ~ 4,125.1 GW of electricity, of which ~10% was generated from renewable energy. Additionally, EIA's 2012 Annual Energy Outlook projects renewable energy to increase its share to 16% in 2035. Importantly, renewable energy's projected growth is driven by wind and biomass. Specifically, according to the U.S. EIA Energy Outlook, 2011, wind power generation is expected to nearly double its share of total U.S. electricity generation during this time period.

The Company is a leader in a niche part of the wind market - Community wind is a niche market of the overall wind farm market. These wind farms are jointly owned by local communities, farm owners, investors, and a developer (in this case Juhl Wind). This differs from larger wind farm developments in which land owners lease their land to developers, and the developers would subsequently sell the energy to utilities and retain the majority of profits generated by the wind project. Juhl Wind has a long track record of completed projects that far exceeds direct competitors' records. As of December 2011, Juhl Wind had completed 21 wind farm projects generating ~195MW of energy, which far exceeds the majority of its competitors in the community wind farm market.

Barriers exists that help insulate competition – Two barriers exist that help insulate the Company from competition. First, while there are many competitors that claim to compete in the community wind farm market, few have an actual track record. Juhl Wind has a learning curve advantage that makes it difficult for other small competitors to compete. This is primarily driven by the complex financing arrangements that are necessary (traditional financing is not necessarily available) and the intricacies of properly structuring interconnection agreements and power purchase agreements with utilities. Secondly, larger competitors are not attracted to the community wind market because the economics of the wind farms are too small for a larger competitor to cover its fixed cost structure.

Improved cash position – Due to multiple completed projects in 2011, the Company's cash position increased substantially. At the end of Q112, Juhl Wind had ~$5.3M in cash and short-term investments. This compares to cash and short-term investments at Q410 of ~$1.3M. This improved financial position should provide the Company with more flexibility to continue to build and execute its pipeline of opportunities and seek out acquisitions.

Expansion in strategy should improve revenue predictability – The Company has choppy results given its business model contains revenues from the development and construction of wind farms. Additionally, a long life cycle in regard to the completion of wind farms (2 – 2 ½ years from start to finish) also contributes to variability in results. However, given the improved financial position of the firm, the Company has expanded its business strategy to acquire existing wind farms that are in production. This will allow the Company to sell electricity to utilities and provide a more stable revenue stream. Additionally, the Company is looking for other acquisitions along the value chain that can provide more stable revenue flows such as its acquisition of Power Engineers Collaborative in May 2012 that entered Juhl Wind into the engineering services market.

Investment Challenges / Risks

Dependent on government subsidies – Renewable energy, in general, is dependent on government support and stimulus. One specific government regulation that is positive to wind energy is the Production Tax Credit (PTC) which provides a $0.022/kWh investment tax credit benefit for the 1st 10 years of a renewable energy facility's life. This legislation has been in force since 1992 and has had six extensions since then. Importantly, the legislation was allowed to lapse three times, at which point it was subsequently extended after a period of time (ranged from 3 – 9 months). As it stands today, the PTC is up for renewal again at the end of 2012. Historically, when the legislation was allowed to sunset, growth in the wind farm market has been negatively impacted. In December 2011, Navigant Consulting stated in a report for AWEA (American Wind Energy Association) that if the PTC lapses, wind investment projects would decline by 2/3rds. If the PTC lapses again, Juhl Wind's operating results will be negatively affected.

Unpredictable revenue model – The Company's historical revenues have largely been driven by development and construction revenues. Given the timing of completing wind farms or hitting milestones, coupled with GAAP revenue recognition guidelines, results are choppy to say the least. This variability makes predicting future quarterly results very difficult. Consequently, reported results could be dramatically different on a quarter to quarter basis vs. our estimates.

Business model is partially based on acquisitions – Part of Juhl Wind's business strategy is to attain more predictable revenue streams. This evolving strategy entails acquiring currently producing wind farms and other entities that are along the wind farm value chain that could add steady revenues. For modeling purposes, attempting to time acquisition dates and the level and/or make-up of revenues is futile. Additionally, integrating acquisitions carry its own risks that could negatively impact the firm's results.

Wind farm projects are reliant on financing to complete - Wind farm development projects are dependent on the ability of Juhl Wind to obtain financing to fund development costs, construction costs, and purchase turbines. Any difficulty in obtaining the appropriate financing could delay projects and negatively impact financial results. Additionally, if financing markets become less willing to extend money, the Company's financial results could be negatively impacted.

Off balance sheet arrangements and complex capital structure – With regard to the acquisition of the Valley View wind farm in December 2012, Juhl Wind provided membership interests that carry a put option for its members. The put option allows the respective members to request redemption of the membership interest after two years (one member is after 10 years). The members contributed ~ $2.5M. The Company has no control over the put. Additionally, to fund the Company's acquisition of wind farm assets, Juhl Wind has created cumulative preferred stock that is sold from the Juhl Renewable Assets, Inc. (JRA) subsidiary of Juhl Wind. JRA plans on selling more shares to help fund the acquisition of wind farm assets. These newly issued preferred shares are in addition to the current preferred A and preferred B stock the Company sold in 2008 and 2009. Lastly, the Company relies on many non-traditional lending institutions, as well as traditional bank financing. Many of these debt instruments underlie construction projects whose balances and/or terms change often as milestones are met.

Valuation Summary

Juhl Wind, Inc. is a renewable energy company focused on community wind power, renewable energy products and services, and engineering services. The Company is positioning itself as a leader in the community wind farm market and seeks growth via the expansion of its balance sheet with the ownership of wind farm assets and acquiring related businesses.

Comparison Analysis

With the Company's niche focus, finding close competitors is difficult. Compounding this problem is the fact that many US based competitors are segments of utility companies and/or are very small and not generating significant financial results. Nonetheless, we have gathered a wide range of peers that span market cap, geographic location and revenues but all operate at some level, in the wind farm market.

Comparative Analysis

Juhl Wind, Inc. (OTCBB: JUHL)
(all figures in $M expect per share information)

						EV/S (2)			EBITDA (2)			P/E (2)		
Name	**Ticker**	**Price (1)**	**Sh**	**Mrkt Cap**	**EV**	**TTM**	**2012 E**	**2013 E**	**TTM**	**2012 E**	**2013 E**	**TTM**	**2012 E**	**2013 E**
EDP Renováveis	ENXTLS:EDPR	$ 3.43	872.31	$ 2,994.9	$ 8,050.6	6.0x	5.2x	4.8x	8.8x	7.2x	6.5x	22.4x	16.9x	14.2x
Infigen Energy	ASX:IFN	$ 0.21	762.27	$ 162.6	$ 1,288.2	3.6x	4.8x	4.4x	5.4x	9.1x	7.9x	nm	nm	nm
Arise Windpower AB	OM:AWP	$ 4.34	33.43	$ 145.1	$ 310.9	7.4x	6.4x	3.7x	10.5x	9.8x	5.0x	21.8x	44.5x	12.8x
Theolia	ENXTPA:TEO	$ 0.95	127.41	$ 120.8	$ 424.5	4.8x	4.1x	4.0x	13.9x	10.3x	10.3x	nm	14.9x	18.6x
Western Wind Energy Corp.	TSXV:WND	$ 1.33	62.73	$ 83.7	$ 399.5	52.4x	8.8x	7.0x	nm	12.9x	10.5x	nm	7.4x	nm
PNE Wind AG	XTRA:PNE3	$ 1.96	45.78	$ 89.7	$ 165.1	2.7x	1.3x	1.2x	208.2x	3.4x	4.1x	nm	2.9x	4.4x
Renewable Energy Generation Ltd.	AIM:WIND	$ 0.74	103.25	$ 76.3	$ 101.8	5.5x	5.0x	4.0x	23.1x	21.6x	27.0x	nm	nm	0.8x
Sprott Power Corp.	TSX:SPZ	$ 0.91	68.20	$ 61.8	$ 139.3	12.5x	7.6x	6.4x	29.6x	13.7x	11.0x	nm	nm	93.2x
Wind Works Power Corp.	WWPW	$ 0.06	58.39	$ 3.5	$ 16.4	127.8x	nm	nm	nm	nm	nm	nm	nm	nm
Nacel Energy Corporation	NCEN	$ 0.02	69.74	$ 1.3	$ 1.6	nm	nm	nm	nm	nm	nm	nm	nm	nm
Wind Energy America Inc.	WNEA	$ 0.01	61.16	$ 0.3	$ -	0.0x	nm	nm	nm	nm	nm	nm	nm	nm
Crownbutte Wind Power, Inc.	CBWP	$ 0.01	38.11	$ 0.5	$ 1.1	nm	nm	nm	nm	nm	nm	nm	nm	nm
					Average	**24.1x**	**5.4x**	**4.4x**	**48.5x**	**11.5x**	**10.9x**	**21.8x**	**17.4x**	**26.0x**
					Median	**5.5x**	**5.0x**	**4.0x**	**18.5x**	**10.3x**	**10.3x**	**21.8x**	**11.1x**	**12.8x**
Juhl Wind, Inc.	**JUHL**	**$ 0.69**	**22.3**	**$ 15.4**	**$ 25.1**	**2.5x**	**2.0x**	**1.4x**	**65.8x**	**22.4x**	**10.9x**	**nm**	**nm**	**nm**

(1) Previous day's closing price
(2) Estimates are from ThomsonReuters except for JUHL which are Stonegate estimates
Source: Company reports, CapitalIQ, Stonegate Securities

Based on our FY12 estimate, Juhl Wind trades at a 2.0x EV/S multiple, while industry comparable companies trade at a median EV/S multiple of 5.0x.

We note that part of the Company's strategy is to grow via acquisitions. We are modeling the acquisition of other wind farms, but not other companies. While modeling the wind farm acquisitions are difficult, we believe it is close to impossible to model other company acquisitions given the many variables at play such as the size of the revenues acquired and the timing. Consequently, up-side to our model comes via any future announced acquisition.

We see the following important catalysts for the stock:

- Renewal of the PTC …..……..... 2H12
- Additional wind farm acquisitions.……..... 2012/2013
- Wind farm development contracts announcements/updates …..……..……20122013
- Additional acquisitions of other related businesses ……..…. 2012/2013

Company Overview

Company Background

Juhl Wind, Inc. is a renewable energy company focused on community wind power, renewable energy products and services, and engineering services. The Company is a niche wind farm builder and operator focused on community wind farms in the 5MW to 80MW range in the U.S. and Canada. The Company handles all aspects of wind farm development which include: full development and ownership of wind farms, general consultation on wind projects, construction management of wind farm projects, and systems operations and management for completed wind farms. The Company also sells renewable energy products to consumers that include solar energy systems and small scale wind turbines.

In May 2012, the Company started providing engineering services to the power industry, renewable sector, heavy industry, and building systems markets via its acquisition of Power Engineers Collaborative, LLC. Juhl Wind went public in June 2008 via a reverse merger and is headquartered in Pipestone, MN.

Services Overview

Juhl Wind organizes itself into five separate divisions that focus on the various aspects of its services.

Exhibit 1: Juhl Operating Divisions

Juhl Energy Development (JEDI) Development & construction of wind farms	**Juhl Energy Services (JESI)** Wind farm operations & maintenance services
Juhl Renewable Assets (JRA) Wind farm ownership	**Juhl Renewable Energy Systems (JRES)** Small scale renewable system sales & services
Engineering Services (1) Acquisition of Power Engineers	

(1) As the acquisition was completed in May, we belive the entity will be its own division

Source: Company Reports; Stonegate Securities, Inc.

Community Wind

So what is community wind power? As its name implies, it is simply a community-owned asset. More specifically, community wind farms are jointly owned by local communities, farm owners, investors, and a developer (in this case Juhl Wind). This structure allows land owners and/or a community the ability to own an equity portion of the wind farm project that is built on their land. This differs from larger wind farm developments in which land owners lease their land to developers, and the developers subsequently sell the wind energy to utilities and retain the majority of profits generated by the wind project.

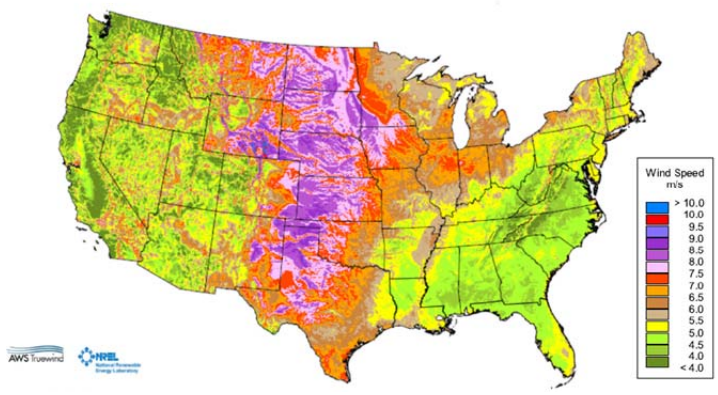
The JRES division is focused on the individual consumer and sells smaller scale wind turbines (40kw range) and solar energy systems. JEDI, JESI, and JRA are focused on Juhl's community wind farms. These divisions provide all related services for the community wind farm from the initial feasibility study and project design, to construction, and to management and even ownership.

Importantly, Juhl is targeting wind farms with three important elements, (1) a C-BED initiative, (2) the geography is conducive to wind power, and (3) the wind farm has suitable transmission interconnection.

C-BED (community based renewable energy development) initiatives are legislative initiatives that are designed to enable local ownership of renewable energy projects. These initiatives also intend to make it easier for community wind farms to be successful without placing an excessive burden on utilities through a mechanism of front-loading prices in the 1st half of the project's lifespan.

Geography is very important to wind farms for obvious reasons. Consequently, the map below shows the average annual wind speeds at 80 meters above the ground in the U.S. As the map illustrates, the Midwest is the most conducive area to harness wind power.

Exhibit 2: Geography is Important



Source: Company Reports; Stonegate Securities, Inc.

Lastly, wind power has had difficulty with transmission interconnection to utilities given that many prime wind farm sites are located in remote areas and are miles away from a local utility. To circumvent this issue, Juhl Wind focuses on projects that already have existing transmission access.

Completed Projects

Juhl Wind has completed a total of 21 projects for a total of approximately 195MW of wind power.

Exhibit 3: Juhl Wind Completed Projects

Project	County/Location	MW	Completed
15 others completed	Upper Midwest	118.05	1999 to date
Grant County Wind	Hoffman, MN	20.00	2010
Adams Wind	Meeker County, MN	20.00	2011
Danielson Wind Farm	Meeker County, MN	20.00	2011
Winona County Wind	Winona County, MN	1.50	2011
Valley View	Chandler, MN	10.00	2011
GL Wind	Winona County, MN	5.00	2011
		194.55	

Source: Company Reports; Stonegate Securities, Inc.

Engineering Services

Lastly, the engineering services segment provides a full array of services to engineering projects in the energy, industry and building systems markets. These services include:

- Project management
- Mechanical engineering
- Electrical engineering
- Process engineering
- Instrumentation & controls engineering
- Design and drafting
- Energy modeling, LEED documentation and commission
- Construction management

Importantly, the target market expands Juhl Wind's reach. For example, the energy market includes the full clean energy market (large and small installations in wind, solar, biomass, etc.) as well as traditional energy services to utilities and independent power producers.

Sales & Marketing Strategy

Juhl Wind has a bifurcated sales and marketing strategy. For its community wind farms, the Company does not have a direct sales force but relies on market exposure via trade publications, word of mouth, and industry conferences. We also note that the sales process is rather lengthy. From the initial prospect call to completion of the project is about a two to two and half year process.

For the Company's consumer oriented renewable projects, Juhl Wind relies on a combination of direct sales coupled with the use of 3rd party distributors.

Business Strategy

Juhl's mission is to maintain its leadership position in the community wind farm segment as well as grow its services. The Company plans on accomplishing this goal by focusing on following:

Expand new wind farm developments – Juhl Wind is focused on continuing to increase its portfolio of completed wind farm projects. This step in essence deals with learning curve benefits vs. competitors. As the Company builds community based wind farms, it gains more experience and critical relationships along the value chain. Furthermore, the Company develops a track record among all the partners along the value chain that helps all parties understand that Juhl Wind is able to complete the projects per projections, timelines etc. This provides Juhl Wind with a competitive advantage as new entrants will need some time to validate these abilities.

Continue to focus on niche market within the wind sector – The Company, as mentioned, is focused on the community wind farm segment. This provides the Company with two important advantages. First, much larger competitors are avoided. Given the size of community wind farms (sub 100MW) much larger competitors do not play in this segment due to scale of these projects not covering the larger competitors' higher fixed cost structure. Secondly, community wind farms can also be built with less upfront costs to bring on-line.

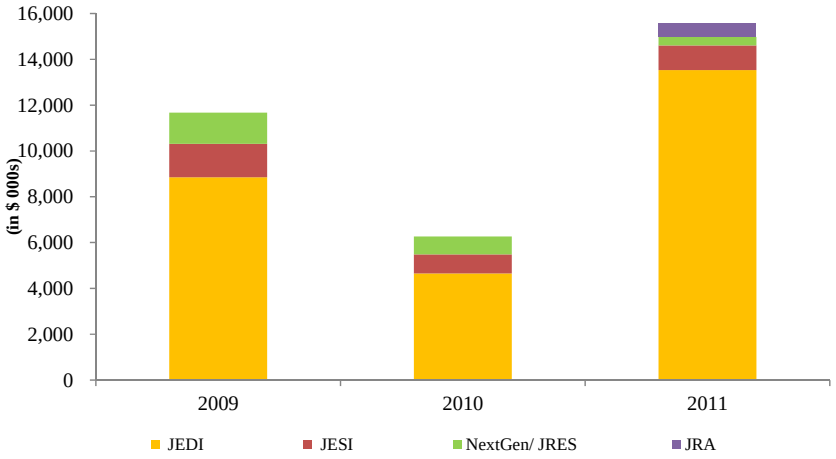
Acquisition growth of wind farms and other companies – As the development work of building a wind farm can be choppy, the Company is transitioning itself toward also owning some projects. Acquisition of wind farms will provide the Company with some revenue predictability by allowing the Company to sell electricity to utilities, help smooth reported results, and provide cross-selling opportunities. Additionally, the Company is looking for other acquisitions along the value chain that can provide more stable revenue such as its acquisition of Power Engineers Collaborative in May 2012. The Company has stated a goal of reaching $10M in revenue for each operating division by 2013.

Financial Model Review

Juhl Wind generates revenues from multiple lines of business. However, we can divide these revenue streams conceptually into the five operating segments as described in Exhibit 1 and illustrated in Exhibit 4 on the following page. We note that Engineering Services will start reporting revenues in Q212 as it was acquired in May 2012.

As illustrated below, revenues have historically been lumpy. This is a function of the wind farm development and construction revenues which are in the JEDI segment. As mentioned, we believe the engineering services segment will report its own revenues when Q212 results are published

Exhibit 4: Historical Revenue Generation Mix



Source: Company Reports; Stonegate Securities, Inc.

At right, we illustrate the typical economic model for a Juhl community wind farm. We note that construction revenues, when they are run through Juhl's P&L, are reported as a gross figure. However, a corresponding expense is listed in cost of sales such that the net revenue number is at about 10% -15%. This is what we refer to as a mark-up in Exhibit 5.

We also note that Juhl Wind doesn't necessarily get all these revenues on each project. Revenues will be dependent on the specifics of each individual project.

Another important point to note on the revenue side is acquisitions. As mentioned, acquisitions are part of the Company's strategy to grow the business and to add more stable revenues. The Company has provided the following revenues targets:

Exhibit 5: Wind Farm Economics – 20MW Wind Farm

COSTS

Item	Cost Range	As a %
Construction	$7M - $7.5M	20%
Other misc. costs	$3M - $3.5M	10%
Turbines	$19M - $20M	70%
Total wind farm costs =	**$30M**	
Cost per MW =	**$1.5M**	

REVENUES (1)

Item	% fee/mark-up	$ Amt
Development fee	5%	$1.5M
Construction (2)	10% - 15%	$0.7M - $1.1M
Mgmt of wind farm (3)	1%	$0.3M
Total 1st year potential =		**$2.5M - $3.0M**
Revenues after yr 1 =		**$0.3M**

(1) Not all revenues are recognized on every contract.
(2) Construction revenues are reported as gross number on the P&L. Mark-up is net revenue to Company
(3) Management fee is an annual fee typically for 10 years and is based on capitalized costs

Source: Company Reports; Stonegate Securities, Inc.

Exhibit 6: Acquisition Growth Targets

Target / Rev Area	Annual Revenues	Time Frame
Professional/Consulting Services Businesses	$7M - $10M	by end of 2012
Wind Farm Mgmt	$10M	by 2013
Electric Power Sales	$10M	by 2013

Source: Company Reports; Stonegate Securities, Inc.

Cost of services is generally variable with a small current component for fixed costs. Gross margins vary for each revenue segment as illustrated below

Exhibit 7: Gross Margin Ranges

Service Line	GM range	Segment
Development	90%	JEDI
Construction	10% - 15%	JEDI
Turbine sales/services	25% - 30%	JESI
Mgmt of wind farm	40% - 50%	JESI
Electricity sales (ownership)	30% - 35%	JRA
Consumer focused business	25%	JRES
Engineering services	30% - 35%	Engineering

Source: Company Reports; Stonegate Securities, Inc.

Operating costs are largely fixed, and the Company has the infrastructure in place to complete a maximum of 6 wind farms per year. However, the Company's goal is to perform 2-3/year. Working capital requirements are heavy and front-end loaded. Based on the 20MW wind farm example above, the Company estimates that it needs to front ~ $500K - $600K of the costs. While the Company doesn't manage its working capital from a traditional turns ratio basis or cash conversion cycle, Juhl Wind looks to keep about $2M - $3M of liquidity. Capex requirements on the other hand are relatively minimal and can range from $100K - $200K year on average.

Model assumptions

We modeled revenues for FY12 and FY13 of $12.8M and $18.3M, respectively. For JEDI and JESI, we drive our revenues from the 402MW backlog as of December 2011 and assume Juhl Wind completes 2-3 wind farms at 10MW a piece per year. As timing is a large issue for revenue recognition as well as the specifics of each contract, we make a simplifying assumption of the MWs being completed fairly evenly throughout the respective year. We then apply the various wind farm economic assumptions that we illustrated in Exhibit 5 to derive our revenues.

Exhibit 8: Revenue Model

	Q2 E Jun-12	Q3 E Sep-12	Q4 E Dec-12	FY 2012 E	Q1 E Mar-13	Q2 E Jun-13	Q3 E Sep-13	Q4 E Dec-13	FY 2013 E
JEDI	591.0	1,182.0	1,182.0	2,982.9	591.0	591.0	1,182.0	1,182.0	3,546.0
JESI	373.2	470.7	508.2	1,646.7	467.0	485.7	583.2	620.7	2,156.7
NextGen/ JRES	40.0	40.0	40.0	157.0	40.0	40.0	40.0	40.0	160.0
JRA	1,168.7	922.4	1,844.8	4,782.8	1,844.8	1,906.0	1,364.8	2,729.6	7,845.2
Engineering Services	1,062.5	1,062.5	1,062.5	3,187.5	1,062.5	1,221.9	1,221.9	1,221.9	4,728.1
Total Revenues	**3,235.4**	**3,677.6**	**4,637.5**	**12,756.9**	**4,005.3**	**4,244.6**	**4,391.9**	**5,794.2**	**18,435.9**

Source: Stonegate Securities, Inc.

For JRA, we use the current 21.7MW ownership and implied economics and assume 2 acquisitions per year at 10MW each at the same economics. For engineering, we rely on Juhl's guidance in its press release that it adds $4.5M in annual revenues. We subsequently grow the division at a 15% growth rate.

We assume operating expenses track historical trends and the gross margin ranges as illustrated in Exhibit 7. We note that gross margins decline in FY13 vs. FY12 as electricity sales become a larger percentage of overall revenues. These assumptions result in EPS for FY12 and FY13 of $(0.06), and $(0.02), respectively.

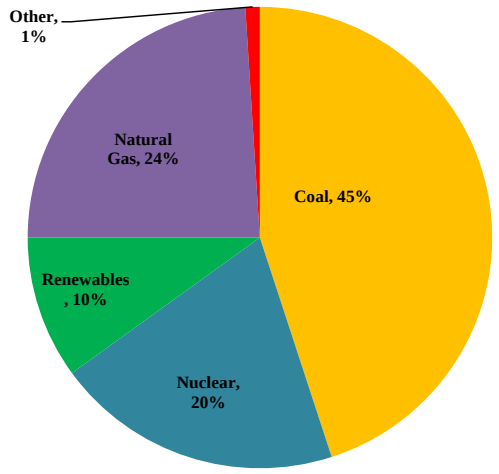
Importantly, we assume the PTC extends at year-end. If this does not come to pass, we estimate annual recurring revenues for Juhl Wind at about $8M-$9M, composed of Engineering services at 50% of this and JESI and JRA making up the other 50%.

Industry Overview

Industry Background

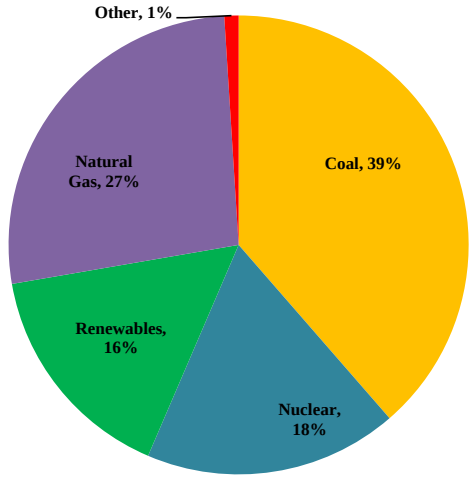
According to the U.S. Energy Information Administration (EIA), in 2010 the U.S. generated ~ 4,125.1 GW of electricity. The vast majority of current generation is from fossil fuels as illustrated in Exhibit 9. While current generation from renewable sources is relatively low, according to EIA's 2012 Annual Energy Outlook, renewable energy is a sector that is projected to grow. As illustrated in Exhibit 10, renewable energy generation increases from 10% to 16%.

Exhibit 9: US Electric Power Generation - 2010



Source: US EI Annual Energy Outlook 2012; Stonegate Securities

Exhibit 10: Projected US Electric Power Generation - 2035

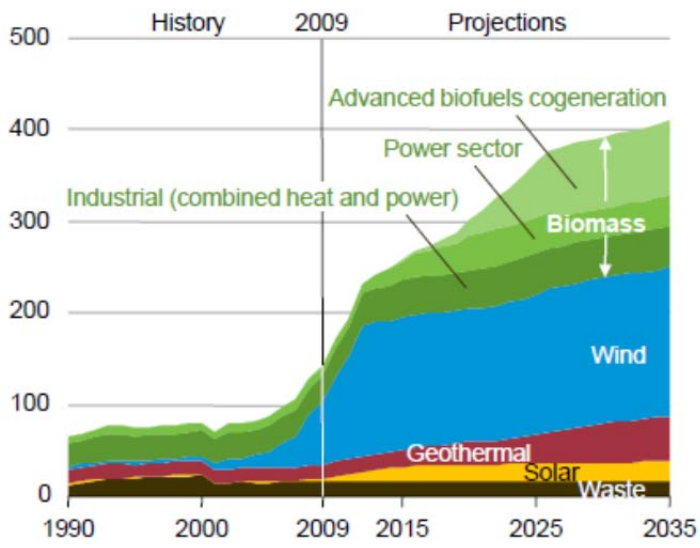


Source: US EI Annual Energy Outlook 2012; Stonegate Securities

Importantly, renewable energy's projected growth is driven by wind and biomass. What's more, according to the U.S. EIA Energy Outlook, 2011, wind power generation is expected to nearly double its share of total U.S. electricity generation.

According to the American Wind Energy Association (AWEA), the U.S. had a total of 48,611 MW of installed wind power as of Q112. As mentioned, Juhl operates in a niche section of the wind energy market place. We believe growth in the wind market is primarily being driven by legislation, global warming and the green consumer movement, rising demand for energy and its costs

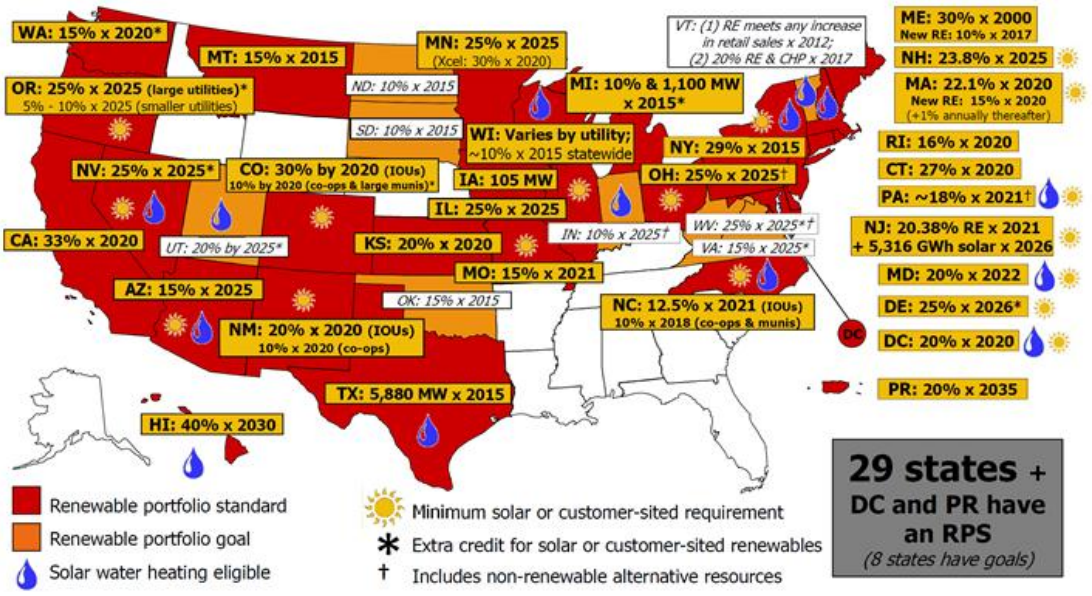
Exhibit 11: Renewable Energy Generation by Source



Source: US EIA Annual Energy Outlook 2011; Stonegate Securities

Legislation is a key driver. Two primary legislative initiatives for the wind industry are Renewable Portfolio Standards (RPS) and the Production Tax Credit (PTC). The RPS is a state enacted policy that mandates certain levels of electricity generation from renewable sources by a certain date. There are 29 states and the District of Columbia that have RPS legislation in place. Eight other states have nonbinding goals for the adoption of an RPS.

Exhibit 12: Renewable Portfolio Standards Map



Source: DSIREUSA.org; Stonegate Securities

The PTC has also been a major driver of wind farm development over the last few years. The PTC was originally enacted as part of the Energy Policy Act of 1992 and has had six extensions since then (we note that it was allowed to lapse three times). The PTC provides a $0.022/kWh investment tax credit benefit for the 1st 10 years of a renewable energy facility's life. As it stands today, the PTC is up for renewal again at the end of 2012 and if it is allowed to sunset as it has in the past, growth in the wind farm market will be negatively impacted. In fact, in December 2011, Navigant Consulting stated in a report for AWEA that if the PTC lapses, wind investment projects would decline by 2/3rds. Prior lapses saw 73% - 98% declines.

Global warming and consumer demand for green energy is also driving demand. There has been much talk in regard to global warming and its consequences on our climate. Considerable amounts of scientific evidence as well as media coverage have increased the awareness and consequently, demand to lower greenhouse gases. Governments have driven legislation that have become more stringent and less flexible. Additionally, more consumer awareness of lifestyle choices and their impacts on our climate have also driven demand for "greener" options.

Rising demand for energy and rising prices of that energy should continue to spur growth. The rising price of crude oil along with other major energy sources is well documented. Demographic trends in developing countries along with the increasing use of electronic devices have helped shape the increasing demand for energy or electricity. Rising prices of natural resources have driven further recognition by many for the need to increase renewable energy not just to combat the increase economic cost but to also enhance energy security. While we do not see this trend abating, we recognize that there may be short time periods (1-2 years) where natural resource prices could decline and make renewable energy solutions less economically viable.

Competition

While the primary competition for wind energy is other energy producing assets such as coal, there are individual companies competing specifically in the wind generation market. Competition within the U.S. wind industry is intense. While there are many utility-scale wind turbine manufacturers, most are divisions of larger utility Companies. As previously mentioned, many of the much larger competitors do not target the community wind farm market as the size of these projects can be uneconomical to a much larger company with a higher fixed cost structure. Below we list some major competitors in the community wind farm market.

Exhibit 13: Competition Map

Name	Public/Private	Total Wind projects	MW	Operational Projects	MW
Juhl Energy	OTCBB: JUHL	45 (1)	600.0	21	195.0
Nacel Energy	OTCBB: NCEN	5 (2)	155.0	0	0.0
Crownbutte Wind Power	OTCPK: CBWP	12 (3)	683.0	0	0.0
Wind Energy of America	OTCPK: WNEA	9 (4)	339.1	6	59.0
Own Energy, Inc.	Private	14 (5)	1,582.0	0	0.0
National Wind, LLC	Private	11 (6)	2,387.5	3	220.0
Exelon - Exelon Wind	Sub of Exelon (NYSE:EXC)	na (7)	1299.5	36	895.5

(1)Source: company filings

(2)Source: June 30, 2011 10Q; last reported filing

(3)Source: as of June 30, 2011 10Q; last filing; Major investor is Nacel Energy

(4)Source: Company website; last filing is 6/30/11 10K

(5)Source: Company website

(6)Source: Company website

(7)Source: Company website; Q112 10Q; 404MW are committed to construction in 2012 with projects unknown

Source: Various Company Reports; Stonegate Securities

Balance Sheets

Juhl Wind, Inc. (OTCBB: JUHL)
Consolidated Balance Sheets (in thousands $)
Fiscal Year: December

	FY 2010	FY 2011	Q1 Mar-12
ASSETS			
Current Assets			
Cash & cash equivalents	$ 645.6	$ 5,251.1	$ 4,759.3
Restricted cash	110.0	335.8	505.5
ST investments & accrued interest receivable	626.9	564.9	565.8
ST investments - restricted	418.7	382.3	383.0
Accounts receivables, net	3,198.6	2,064.9	636.7
Grant note receivable	-	6,284.5	-
Promissory note receivable	5,264.1	-	-
Inventories	1,636.2	270.9	275.1
Reimbursable project costs	415.0	-	-
Costs & estimated profits in excess of billings	661.4	-	-
Current deferred income taxes	1,289.0	108.0	118.0
Other current assets	139.0	665.0	782.6
Total Current Assets	**14,404.5**	**15,927.4**	**8,026.1**
Property and equipment, net	488.9	25,846.4	25,599.2
Deferred income taxes	348.0	-	100.0
Equity in investment in wind farm	-	400.0	407.0
Escrowed cash for contractual commitments	-	900.9	830.4
Loan financing costs	-	13.6	12.8
Project development costs	2,851.5	283.1	283.1
Total Assets	**$18,092.9**	**$43,371.4**	**$35,258.6**
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current Liabilities			
Accounts payable	1,105.4	3,828.3	733.7
Accrued liabilities	519.3	1,097.3	1,134.8
Bank notes payable	411.2	2,964.7	359.6
Customer deposits	26.9	68.4	-
Income taxes payable	-	90.0	-
Deferred revenue	1,154.6	628.8	725.6
Promissory notes payable	10,328.0	4,576.1	231.8
Derivative liability	-	199.9	206.4
Current portion of nonrecourse debt	-	737.2	740.8
Total Current Liabilities	**13,545.3**	**14,190.8**	**4,132.7**
Long-Term Liabilities			
Nonrecourse debt	-	10,650.3	10,582.0
Deferred revenues - license arrange & 1603 grant	-	2,186.1	2,150.0
Note payable	-	-	2,566.0
Deferred rev - power purchase contract	-	3,720.4	3,840.3
Deferred income taxes, net	-	157.0	-
Derivative liability	-	812.6	805.8
Total Long-Term Liabilities	**-**	**17,526.3**	**19,944.2**
Redemable Preferred Membership Interests	**-**	**2,543.6**	**2,518.5**
Cumulative Preferred Stock Of Subsidiary	**-**	**180.0**	**180.0**
Stockholders' Equity			
Preferred stock			
Series A	12,819.1	2,527.7	2,526.7
Series B	2,527.7	11,392.4	11,392.4
Common stock	2.1	2.2	2.2
Treasury stock	(73.9)	(219.0)	(219.0)
Additional paid in capital	7,070.2	8,550.4	8,597.9
Accumulated deficit	(17,866.8)	(14,650.8)	(15,203.1)
Non-controlling interest	69.2	1,327.7	1,386.1
Total Stockholders' Equity (deficit)	**4,547.6**	**8,930.7**	**8,483.3**
Total Liabilities and Stockholders' Equity	**$18,092.9**	**$43,371.4**	**$35,258.6**
Ratios			
Liquidity			
Current Ratio	1.1x	1.1x	1.9x
Quick Ratio	0.9x	1.1x	1.7x
Working Capital	$859.2	$1,736.6	$3,893.4
Leverage			
Debt To Equity	236.2%	211.9%	170.7%
Debt To Capital	118.1%	106.0%	85.3%
Capital Usage -Annualized			
A/R Turns	2.6x	5.9x	3.6x
Inv Turns	4.9x	6.3x	7.4x
A/P Turns	2.9x	2.4x	0.9x

Source: Company Reports, Stonegate Securities

Income Statements

Juhl Wind, Inc. (OTCBB: JUHL)
Consolidated Statements of Income (in thousands $, except per share amounts)
Fiscal Year: December

	FY 2010	Q1 Mar-11	Q2 Jun-11	Q3 Sep-11	Q4 Dec-11	FY 2011	Q1 Mar-12	Q2 E Jun-12	Q3 E Sep-12	Q4 E Dec-12	FY 2012 E	Q1 E Mar-13	Q2 E Jun-13	Q3 E Sep-13	Q4 E Dec-13	FY 2013 E
Revenues																
Revenues	$6,268.1	$6,591.4	$1,086.5	$3,259.2	$ 4,640.5	$15,577.7	$1,206.4	$3,235.4	$3,677.6	$4,637.5	$12,756.9	$4,005.3	$4,244.6	$4,391.9	$5,794.2	$18,435.9
Total revenue	**$6,268.1**	**$6,591.4**	**$1,086.5**	**$3,259.2**	**$ 4,640.5**	**$15,577.7**	**$1,206.4**	**$3,235.4**	**$3,677.6**	**$4,637.5**	**$12,756.9**	**$4,005.3**	**$4,244.6**	**$4,391.9**	**$5,794.2**	**$18,435.9**
Cost of revenues																
Cost of goods sold	4,894.5	792.0	658.6	1,712.2	2,854.5	6,017.3	506.1	2,021.6	2,156.0	2,796.5	7,480.1	2,530.8	2,694.7	2,631.5	3,568.4	11,425.3
Total cost of revenues	4,894.5	792.0	658.6	1,712.2	2,854.5	6,017.3	506.1	2,021.6	2,156.0	2,796.5	7,480.1	2,530.8	2,694.7	2,631.5	3,568.4	11,425.3
Gross (loss) profit	**1,373.7**	**5,799.4**	**428.0**	**1,547.0**	**1,786.0**	**9,560.3**	**700.3**	**1,213.8**	**1,521.6**	**1,841.0**	**5,276.8**	**1,474.4**	**1,549.9**	**1,760.4**	**2,225.8**	**7,010.6**
Operating expenses																
General & administrative	4,036.7	1,002.4	1,190.9	810.4	1,400.9	4,404.7	1,000.2	1,150.0	1,175.0	1,475.0	4,800.2	1,095.0	1,245.0	1,275.0	1,600.0	5,215.0
Wind farm mgmt exp	83.6	18.3	242.1	246.2	(238.8)	267.8	126.8	131.6	147.3	159.2	564.8	162.8	170.3	180.7	190.3	704.0
Total operating expenses	4,120.3	1,020.7	1,433.0	1,056.6	1,162.1	4,672.4	1,127.0	1,281.6	1,322.3	1,634.2	5,365.0	1,257.8	1,415.3	1,455.7	1,790.3	5,919.0
Income (loss) from operations	**(2,746.6)**	**4,778.7**	**(1,005.1)**	**490.4**	**623.8**	**4,887.9**	**(426.7)**	**(67.8)**	**199.3**	**206.8**	**(88.2)**	**216.6**	**134.6**	**304.8**	**435.5**	**1,091.6**
Other income / (expense):																
Interest expense,net	(687.0)	(163.6)	(116.9)	(133.6)	(72.7)	(486.9)	(268.9)	(173.9)	(208.3)	(225.5)	(876.6)	(225.5)	(242.7)	(277.0)	(294.2)	(1,039.4)
Interest income	655.5	138.8	102.0	109.2	72.4	422.4	14.1	15.0	15.0	15.0	59.1	10.0	10.0	10.0	10.0	40.0
Other income, net	-	-	-	-	(5.4)	(5.4)	0.3	-	-	-	0.3	-	-	-	-	-
Total other (income) / expense:	(31.6)	(24.8)	(15.0)	(24.4)	(5.7)	(69.9)	(254.5)	(158.9)	(193.3)	(210.5)	(817.2)	(215.5)	(232.7)	(267.0)	(284.2)	(999.4)
Pre-tax income (loss)	**(2,778.2)**	**4,753.8**	**(1,020.0)**	**466.0**	**618.2**	**4,818.0**	**(681.2)**	**(226.7)**	**6.0**	**(3.6)**	**(905.4)**	**1.2**	**(98.0)**	**37.7**	**151.3**	**92.2**
Income taxes (benefit)	(978.0)	1,952.0	(378.0)	207.0	(5.0)	1,776.0	(267.0)	-	-	-	(267.0)	-	-	-	-	-
Net income (loss)	**(1,800.2)**	**2,801.8**	**(642.0)**	**259.0**	**623.2**	**3,042.0**	**(414.2)**	**(226.7)**	**6.0**	**(3.6)**	**(638.4)**	**1.2**	**(98.0)**	**37.7**	**151.3**	**92.2**
Non-controlling interest	(17.0)	(1.7)	-	4.3	5.4	7.9	58.5	58.5	58.5	58.5	234.0	58.5	58.5	58.5	58.5	234.0
Preferred dividends	391.0	96.4	97.5	98.5	124.2	416.6	101.5	101.5	101.5	101.5	406.1	101.5	101.5	101.5	101.5	406.1
Net income (loss) to common	**(2,174.1)**	**2,707.2**	**(739.5)**	**156.2**	**493.6**	**2,617.5**	**(574.2)**	**(386.7)**	**(154.0)**	**(163.6)**	**(1,278.5)**	**(158.8)**	**(258.0)**	**(122.3)**	**(8.7)**	**(547.8)**
Basic EPS (loss)	**$ (0.10)**	**$ 0.13**	**$ (0.03)**	**$ 0.01**	**$ 0.02**	**$ 0.12**	**$ (0.03)**	**$ (0.02)**	**$ (0.01)**	**$ (0.01)**	**$ (0.06)**	**$ (0.01)**	**$ (0.01)**	**$ (0.01)**	**$ (0.00)**	**$ (0.03)**
Shares outstanding	21,132.1	21,317.9	21,729.3	21,765.8	21,871.9	21,658.4	21,190.5	21,296.5	21,403.0	21,510.0	21,350.0	21,617.5	21,725.6	21,834.2	21,943.4	21,780.2
EBITDA	(2,692.2)	4,792.6	(883.2)	665.0	724.9	5,299.3	(124.5)	234.4	501.5	509.0	1,120.5	518.8	436.8	607.0	737.7	2,300.3
Margin Analysis																
Gross margin	21.9%	88.0%	39.4%	47.5%	38.5%	61.4%	58.1%	37.5%	41.4%	39.7%	41.4%	36.8%	36.5%	40.1%	38.4%	38.0%
Selling & marketing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
General & administrative	64.4%	15.2%	109.6%	24.9%	30.2%	28.3%	82.9%	35.5%	31.9%	31.8%	37.6%	27.3%	29.3%	29.0%	27.6%	28.3%
Wind farm mgmt exp	1.3%	0.3%	22.3%	7.6%	-5.1%	1.7%	10.5%	4.1%	4.0%	3.4%	4.4%	4.1%	4.0%	4.1%	3.3%	3.8%
Operating margin	-43.8%	72.5%	-92.5%	15.0%	13.4%	31.4%	-35.4%	-2.1%	5.4%	4.5%	-0.7%	5.4%	3.2%	6.9%	7.5%	5.9%
Pre-tax margin	-44.3%	72.1%	-93.9%	14.3%	13.3%	30.9%	-56.5%	-7.0%	0.2%	-0.1%	-7.1%	0.0%	-2.3%	0.9%	2.6%	0.5%
Net income margin	-28.7%	42.5%	-59.1%	7.9%	13.4%	19.5%	-34.3%	-7.0%	0.2%	-0.1%	-5.0%	0.0%	-2.3%	0.9%	2.6%	0.5%
Tax rate	35.2%	41.1%	37.1%	44.4%	-0.8%	36.9%	39.2%	0.0%	0.0%	0.0%	29.5%	0.0%	0.0%	0.0%	0.0%	0.0%
EBITDA margin	-43.0%	72.7%	-81.3%	20.4%	15.6%	34.0%	-10.3%	7.2%	13.6%	11.0%	8.8%	13.0%	10.3%	13.8%	12.7%	12.5%
Growth Rate Analysis Y/Y																
Total revenue	-46.3%	303.2%	62.6%	275.8%	49.8%	148.5%	-81.7%	197.8%	12.8%	-0.1%	-18.1%	232.0%	31.2%	19.4%	24.9%	44.5%
Total cost of revenues	-50.3%	-43.8%	47.8%	191.3%	16.4%	22.9%	-36.1%	207.0%	25.9%	-2.0%	24.3%	400.1%	33.3%	22.1%	27.6%	52.7%
General & administrative	-4.1%	15.7%	13.6%	2.8%	5.0%	9.1%	-0.2%	-3.4%	45.0%	5.3%	9.0%	9.5%	8.3%	8.5%	8.5%	8.6%
Wind farm mgmt exp	-60.5%	-20.7%	930.8%	1150.6%	-1477.5%	220.4%	592.3%	-45.7%	-40.2%	166.7%	110.9%	28.4%	29.4%	22.6%	19.5%	24.6%
Operating income	-5.6%	820.3%	-18.4%	192.7%	188.5%	278.0%	-108.9%	93.3%	-59.4%	-66.8%	-101.8%	150.8%	298.7%	52.9%	110.6%	1337.0%
Pre-tax income	-8.8%	828.0%	-21.1%	188.8%	181.6%	273.4%	-114.3%	77.8%	-98.7%	-100.6%	-118.8%	100.2%	56.8%	524.1%	4285.0%	110.2%
Net income	22.7%	596.8%	21.7%	149.3%	471.3%	269.0%	-114.8%	64.7%	-97.7%	-100.6%	-121.0%	100.3%	56.8%	524.1%	4285.0%	114.4%
EPS	22.7%	504.5%	21.8%	124.4%	1712.0%	217.5%	-121.3%	46.6%	-200.2%	-133.7%	-149.5%	72.9%	34.6%	22.2%	94.8%	58.0%
Share count - fully diluted	2.7%	1.3%	3.0%	2.9%	3.0%	2.5%	-0.6%	-2.0%	-1.7%	-1.7%	-1.4%	2.0%	2.0%	2.0%	2.0%	2.0%

Source: Company Reports, Stonegate Securities estimates

Cash Flows

Juhl Wind, Inc. (OTCBB: JUHL)
Consolidated Statements of Cash Flows (cumulative)
Fiscal Year: December

Cash Flow from Operations	FY 2010	FY 2011	Q1 Mar-12
Net income (loss)	(1,800.17)	3,042.0	(414.2)
Adjustments to reconcile net income to net cash :			
Depreciation and amortization	54.41	411.4	302.2
Stock based compensation	589.87	375.5	46.4
Loss on equity method	-	320.2	-
Impairment of goodwill	-	-	-
Allowance for doubtful accounts	-	-	-
Non-cash liquidated damages expense	-	-	-
Loss (gain) on warrant liability	-	5.2	-
Other	-	(240.4)	(7.3)
Changes in operating assets & liabilities, net of acquisitions			
Accounts receivable	(1,580.66)	(1,725.0)	1,428.2
Notes receivables	-	50.2	-
Interest receivable on st investments	8.69	-	(1.6)
Inventory	29.57	29.3	(4.2)
Reimbursable project costs	182.34	407.1	-
Unbilled revenues	49.00	-	-
Costs and estimated earnings in excess of billings	107.65	661.4	-
Other current assets	(15.81)	106.5	(117.6)
Accounts payable	1,316.66	507.5	(1,233.9)
Promissory N/P	-	(765.2)	38.6
Deferred income taxes	(978.00)	1,686.0	(267.0)
Deferred revenue	199.83	548.3	135.8
Customer deposits	(175.37)	41.5	-
Accrued expenses	400.68	(76.1)	37.5
Income taxes payables	-	90.0	(90.0)
Net cash provided by operating activities	**$ (1,611.3)**	**$ 5,475.4**	**$ (147.2)**
Cash Flow from Investing			
Payment for property and equipment	(113.26)	(205.3)	(77.6)
Payments for project development costs	(1,143.66)	(1,098.6)	-
Proceeds from cash grant	-	1,413.5	6,284.5
Proceeds from ST investment	698.02	347.9	-
Payments for ST investments	-	(529.6)	-
Acquisition of wind farms, net of cash acquired	-	(219.3)	-
Net cash used by investing activities	**(558.9)**	**(291.4)**	**6,206.8**
Cash Flow from Financing			
Proceeds from promissory notes receivable	2,625.8	-	-
Payments of debt	(2,631.5)	(319.7)	(6,347.4)
Payment for treasury stock	(73.9)	(145.0)	-
Proceeds from issuance of series a preferred stock	-	180.0	-
Distribution to shareholder	-	(183.9)	(104.8)
Changes in restricted cash	93.1	(7.3)	(169.7)
Proceeds from nonrecorse loan	-	704.4	-
Escrowed cash reserves for contractual commitments	-	(806.8)	70.4
Net cash provided (used) by financing activities	**13.5**	**(578.4)**	**(6,551.5)**
Effect of exchange rate changes on cash and cash equivalents			-
Net increase (decrease) in cash	(2,156.7)	4,605.6	(491.8)
Cash and cash equivalents, beginning of year	2,802.3	645.6	5,251.1
Cash and cash equivalents, end of period	645.6	5,251.1	4,759.3

Source: Company Reports, Stonegate Securities

Important Disclosures and Disclaimer

(a) Stonegate Securities, Inc. ("Stonegate") expects to receive or intends to seek compensation for investment banking or other business relationships with the covered companies mentioned in this report in the next three months.
(b) The Research Analyst principally responsible for the preparation of this report has received compensation that is based upon, among other things, Stonegate's investment banking revenues.
(c) Within the last twelve months, Stonegate has not received compensation for investment banking services from the Company; however Stonegate has a non-exclusive Advisory Services Agreement in place to provide research and institutional investor awareness since 09/28/2011. As compensation, Stonegate receives $10,000 per month for the next 3 months and thereafter, at the Company's discretion.
(d) Within the last twelve months, Stonegate has not managed or co-managed a public offering for the Company.
(e) Stonegate and/or its employees, officers, directors and owners do not own options, rights or warrants to purchase this security.
(f) Stonegate does not make a market in this security.
(g) No employee of Stonegate serves on the Company's Board of Directors.
(h) A Research Analyst and/or a member of the Analyst's household do not own shares of this security.
(i) A Research Analyst and/or a member of the Analyst's household do not serve as an officer, director, or advisory board member of the Company.
(j) This security is eligible for sale in one or more states.
(k) This security is subject to the Securities and Exchange Commission's Penny Stock Rules, which may set forth sales practice requirements for certain low-priced securities.
(l) Stonegate or its affiliates do not beneficially own 1% or more of an equity security of the Company.
(m) Stonegate does not have other actual, material conflicts of interest in the securities of the Company.

Meaning of Ratings - Stonegate does not rate the securities covered in its information memorandums.
Distribution of Ratings - Stonegate does not rate the securities covered in its information memorandums.
Price Chart - Stonegate does not have, nor has previously had, a rating for any securities of the Company.
Price Targets - Stonegate does not have a price target for any securities of the Company.

Regulation Analyst Certification:
I, Marco Rodriguez, CFA, hereby certify that all views expressed in this report accurately reflect my personal views about the subject company or companies and its or their securities. I also certify that no part of my compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this report.

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