

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM 10-Q**

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended **June 30, 2021**  
OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**Commission File Number: 001-37511**

**Sunrun Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**26-2841711**  
(I.R.S. Employer  
Identification No.)

**225 Bush Street, Suite 1400**  
**San Francisco, California 94104**  
(Address of principal executive offices and Zip Code)

**(415) 580-6900**  
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.0001 par value per share	RUN	Nasdaq Global Select Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definition of "large accelerated filer", "accelerated filer", "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of August 2, 2021, the number of shares of the registrant's common stock outstanding was 205,932,911.

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## SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

The discussion in this Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and the Private Securities Litigation Reform Act of 1995, which statements involve substantial risks and uncertainties. Forward-looking statements generally relate to future events or our future financial or operating performance. In some cases, you can identify forward-looking statements because they contain words such as "may," "will," "should," "expects," "plans," "anticipates," "could," "intends," "target," "projects," "contemplates," "believes," "estimates," "predicts," "potential" or "continue" or the negative of these words or other similar terms or expressions that concern our expectations, strategy, plans or intentions. Forward-looking statements contained in this Quarterly Report on Form 10-Q include, but are not limited to, statements about:

- the potential effects of the COVID-19 pandemic on our business and operations, results of operations and financial position;
- the expected benefits and potential value created by the merger with Vivint Solar for our stockholders;
- the inherent risks, costs and uncertainties associated with integrating the businesses in the merger with Vivint Solar successfully and risks of not achieving all or any of the anticipated benefits of the merger with Vivint Solar, or the risk that the anticipated benefits of the acquisition may not be fully realized or take longer to realize than expected;
- the amount of any costs, fees, expenses, impairments and charges relating to the merger with Vivint Solar;
- the availability of rebates, tax credits and other financial incentives, and decreases to federal solar tax credits;
- determinations by the Internal Revenue Service of the fair market value of our solar energy systems;
- the retail price of utility-generated electricity or electricity from other energy sources;
- regulatory and policy development and changes;
- our ability to manage our supply chains and distribution channels and the impact of natural disasters and other events beyond our control, such as the COVID-19 pandemic;
- our industry's, and specifically our, continued ability to manage costs (including, but not limited to, equipment costs) associated with solar service offerings;
- our strategic partnerships and expected benefits of such partnerships;
- our ability to realize the anticipated benefits of past or future investments, strategic transactions, or acquisitions, and risk that the integration of these acquisitions may disrupt our business and management;
- the sufficiency of our cash, investment fund commitments and available borrowings to meet our anticipated cash needs;
- our need and ability to raise capital, refinance existing debt, and finance our operations and solar energy systems from new and existing investors;
- the potential impact of interest rates on our interest expense;
- our business plan and our ability to effectively manage our growth, including our rate of revenue growth;
- our ability to further penetrate existing markets, expand into new markets and our expectations regarding market growth (including, but not limited to, expected cancellation rates);

- our expectations concerning relationships with third parties, including the attraction, retention and continued existence of qualified solar partners;
- the impact of seasonality on our business;
- our investment in research and development and new product offerings;
- our ability to protect our intellectual property and customer data, as well as to maintain our brand;
- the willingness of and ability of our solar partners to fulfill their respective warranty and other contractual obligations;
- our ability to renew or replace expiring, cancelled or terminated Customer Agreements at favorable rates or on a long-term basis;
- the ability of our solar energy systems to operate or deliver energy for any reason, including if interconnection or transmission facilities on which we rely become unavailable;
- our expectations regarding certain performance objectives and the renewal rates and purchase value of our solar energy systems after expiration of our Customer Agreements; and
- the calculation of certain of our key financial and operating metrics and accounting policies.

These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including those described in the section titled "Risk Factors" and elsewhere in this Quarterly Report on Form 10-Q. Moreover, we operate in a very competitive and rapidly changing environment, and new risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our 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 statements we may make. These risks and uncertainties may be amplified by the ongoing COVID-19 pandemic, which has caused significant economic uncertainty and negative impacts on capital and credit markets. The extent to which the COVID-19 pandemic impacts our business, operations, and financial results, including the duration and magnitude of such effects, will depend on numerous factors, many of which are unpredictable, including, but not limited to, the duration and spread of the pandemic, its severity, the actions to contain the pandemic or treat its impact, and how quickly and to what extent normal economic and operating conditions can resume. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this Quarterly Report on Form 10-Q may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements.

You should not rely upon forward-looking statements as predictions of future events. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that the future results, levels of activity, performance or events and circumstances reflected in the forward-looking statements will be achieved or occur. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. We undertake no obligation to update publicly any forward-looking statements for any reason after the date of this Quarterly Report on Form 10-Q to conform these statements to actual results or to changes in our expectations, except as required by law.

You should read this Quarterly Report on Form 10-Q and the documents that we reference in this Quarterly Report on Form 10-Q and have filed with the Securities and Exchange Commission (the "SEC") as exhibits to this Quarterly Report on Form 10-Q with the understanding that our actual future results, levels of activity, performance, and events and circumstances may be materially different from what we expect.

### **SELECTED RISKS AFFECTING OUR BUSINESS**

Investing in our common stock involves numerous risks, including the risks described in "Part II, Item 1A. Risk Factors", of this Quarterly Report on Form 10-Q. Below are some of these risks, any one of which could materially adversely affect our business, financial condition, results of operations and prospects.

### **Selected Risks Related to the Impacts of COVID-19**

- The COVID-19 pandemic has had and could continue to have an adverse impact on our business, operations and the markets and communities in which we operate. Efforts to mitigate or contain the pandemic and the resulting weakened economic conditions may disrupt and adversely affect our business.

### **Selected Risks Related to the Solar Industry**

- The solar energy industry is an emerging market which is constantly evolving and may not develop to the size or at the rate we expect.
- We have historically benefited from declining costs in our industry, and our business and financial results may be harmed not only as a result of any increases in costs associated with our solar service offerings but also any failure of these costs to continue to decline as we currently expect. If we do not reduce our cost structure in the future, our ability to continue to be profitable may be impaired.
- We face competition from traditional energy companies as well as solar and other renewable energy companies.

### **Selected Risks Related to Our Operating Structure and Financing Activities**

- We need to raise capital to finance the continued growth of our operations and solar service business. If capital is not available to us on acceptable terms, as and when needed, our business and prospects would be materially and adversely impacted. In addition, our business is affected by general economic conditions and related uncertainties affecting markets in which we operate. Volatility in current economic conditions could adversely impact our business, including our ability to raise financing.
- Rising interest rates would adversely impact our business.
- We expect to incur substantially more debt in the future, which could intensify the risks to our business.

### **Selected Risks Related to Regulation and Policy**

- We rely on net metering and related policies to offer competitive pricing to customers in all of our current markets, and changes to such policies may significantly reduce demand for electricity from our solar service offerings.
- Electric utility statutes and regulations and changes to such statutes or regulations may present technical, regulatory and economic barriers to the purchase and use of our solar service offerings that may significantly reduce demand for such offerings.
- Regulations and policies related to rate design could deter potential customers from purchasing our solar service offerings, reduce the value of the electricity our systems produce, and reduce any savings that our customers could realize from our solar service offerings.

### **Selected Risks Related to Our Business Operations**

- Our growth depends in part on the success of our relationships with third parties, including our solar partners.
- We and our solar partners depend on a limited number of suppliers of solar panels, batteries, and other system components to adequately meet anticipated demand for our solar service offerings. Any shortage, delay or component price change from these suppliers, or the acquisition of any of these suppliers by a competitor, could result in sales and installation delays, cancellations and loss of market share.
- We may not realize the anticipated benefits of past or future investments, strategic transactions, or acquisitions, and integration of these acquisitions may disrupt our business and our management.
- A failure to hire and retain a sufficient number of employees and service providers in key functions would constrain our growth and our ability to timely complete customers' Projects and successfully manage customer accounts.
- Regulations may limit the type of electricians qualified to install and service our solar and storage systems in California, which may result in workforce shortages, operational delays, and increased costs.
- Our results of operations may fluctuate from quarter to quarter, which could make our future performance difficult to predict and could cause our results of operations for a particular period to fall below expectations, resulting in a decline in the price of our common stock.
- Our actual financial results may differ materially from any guidance we may publish from time to time.

### **Selected Risks Related to Taxes and Accounting**

- Our ability to provide our solar service offerings to customers on an economically viable basis depends in part on our ability to finance these systems with fund investors who seek particular tax and other benefits.
- If the Internal Revenue Service makes determinations that the fair market value of our solar energy systems is materially lower than what we have claimed, we may have to pay significant amounts to our fund investors, and our business, financial condition and prospects may be materially and adversely affected.
- Our business currently depends on the availability of utility rebates, tax credits and other benefits, tax exemptions and other financial incentives. The expiration, elimination or reduction of these benefits, rebates, or incentives could adversely impact our business.

If we are unable to adequately address these and other risks we face, our business may be harmed.

**Sunrun Inc.**  
**Consolidated Balance Sheets**  
(In Thousands, Except Share Par Values)  
(Unaudited)

	June 30, 2021	December 31, 2020
<b>Assets</b>		
<b>Current assets:</b>		
Cash	\$ 679,588	\$ 519,965
Restricted cash	177,867	188,095
Accounts receivable (net of allowances for credit losses of \$ 7,248 and \$4,861 as of June 30, 2021 and December 31, 2020, respectively)	162,969	95,141
Inventories	341,423	283,045
Prepaid expenses and other current assets	34,805	51,483
<b>Total current assets</b>	<b>1,396,652</b>	<b>1,137,729</b>
Restricted cash	148	148
Solar energy systems, net	8,767,069	8,202,788
Property and equipment, net	58,855	62,182
Intangible assets, net	15,574	18,262
Goodwill	4,280,169	4,280,169
Other assets	910,369	681,665
<b>Total assets <sup>(1)</sup></b>	<b>\$ 15,428,836</b>	<b>\$ 14,382,943</b>
<b>Liabilities and total equity</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 277,775	\$ 207,441
Distributions payable to noncontrolling interests and redeemable noncontrolling interests	33,421	28,627
Accrued expenses and other liabilities	312,746	325,614
Deferred revenue, current portion	113,959	108,452
Deferred grants, current portion	8,216	8,251
Finance lease obligations, current portion	10,612	11,037
Line of credit	217,284	—
Non-recourse debt, current portion	128,305	195,036
Pass-through financing obligation, current portion	16,791	16,898
<b>Total current liabilities</b>	<b>1,119,109</b>	<b>901,356</b>
Deferred revenue, net of current portion	722,234	690,824
Deferred grants, net of current portion	208,285	213,269
Finance lease obligations, net of current portion	10,295	12,929
Line of credit	—	230,660
Convertible senior notes	389,482	—
Non-recourse debt, net of current portion	4,874,487	4,370,449
Pass-through financing obligation, net of current portion	320,291	323,496
Other liabilities	230,263	268,684
Deferred tax liabilities	62,284	81,905
<b>Total liabilities <sup>(1)</sup></b>	<b>7,936,730</b>	<b>7,093,572</b>
Commitments and contingencies (Note 15)		
Redeemable noncontrolling interests	599,313	560,461
<b>Stockholders' equity:</b>		
Preferred stock, \$0.0001 par value—authorized, 200,000 shares as of June 30, 2021 and December 31, 2020; no shares issued and outstanding as of June 30, 2021 and December 31, 2020	—	—
Common stock, \$0.0001 par value—authorized, 2,000,000 shares as of June 30, 2021 and December 31, 2020; issued and outstanding, 205,374 and 201,406 shares as of June 30, 2021 and December 31, 2020, respectively	21	20
Additional paid-in capital	6,226,069	6,107,802
Accumulated other comprehensive loss	(81,444)	(106,755)
Retained earnings	11,811	76,844
<b>Total stockholders' equity</b>	<b>6,156,457</b>	<b>6,077,911</b>
Noncontrolling interests	736,336	650,999
<b>Total equity</b>	<b>6,892,793</b>	<b>6,728,910</b>
<b>Total liabilities, redeemable noncontrolling interests and total equity</b>	<b>\$ 15,428,836</b>	<b>\$ 14,382,943</b>

- 1) The Company's consolidated assets as of June 30, 2021 and December 31, 2020 include \$7,965,715 and \$7,190,866, respectively, in assets of variable interest entities ("VIEs") that can only be used to settle obligations of the VIEs. These assets include solar energy systems, net, as of June 30, 2021 and December 31, 2020 of \$7,321,816 and \$6,748,127, respectively; cash as of June 30, 2021 and December 31, 2020 of \$340,214 and \$219,502, respectively; restricted cash as of June 30, 2021 and December 31, 2020 of \$53,121 and \$34,559, respectively; accounts receivable, net as of June 30, 2021 and December 31, 2020 of \$61,971 and \$35,152, respectively; inventories as of June 30, 2021 and December 31, 2020 of \$31,207 and 23,306, respectively; prepaid expenses and other current assets as of June 30, 2021 and December 31, 2020 of \$1,333 and \$2,629, respectively; and other assets as of June 30, 2021 and December 31, 2020 of \$156,053 and \$127,591, respectively. The Company's consolidated liabilities as of June 30, 2021 and December 31, 2020 include \$2,139,358 and \$1,857,967, respectively, in liabilities of VIEs whose creditors have no recourse to the Company. These liabilities include accounts payable as of June 30, 2021 and December 31, 2020 of \$33,151 and \$15,609, respectively; distributions payable to noncontrolling interests and redeemable noncontrolling interests as of June 30, 2021 and December 31, 2020 of \$33,371 and \$28,577, respectively; accrued expenses and other current liabilities as of June 30, 2021 and December 31, 2020 of \$29,013 and \$24,660, respectively; deferred revenue as of June 30, 2021 and December 31, 2020 of \$578,560 and \$538,067, respectively; deferred grants as of June 30, 2021 and December 31, 2020 of \$26,268 and \$26,898, respectively; non-recourse debt as of June 30, 2021 and December 31, 2020 of \$1,409,946 and \$1,192,411, respectively; and other liabilities as of June 30, 2021 and December 31, 2020 of \$29,049 and \$31,745, respectively.

The accompanying notes are an integral part of these consolidated financial statements.



**Sunrun Inc.**  
**Consolidated Statements of Operations**  
(In Thousands, Except Per Share Amounts)  
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
<b>Revenue:</b>				
Customer agreements and incentives	\$ 219,474	\$ 106,095	\$ 394,070	\$ 205,219
Solar energy systems and product sales	181,692	75,199	341,890	186,806
Total revenue	401,166	181,294	735,960	392,025
<b>Operating expenses:</b>				
Cost of customer agreements and incentives	177,339	83,422	337,616	161,699
Cost of solar energy systems and product sales	151,588	63,746	285,670	155,344
Sales and marketing	144,599	69,701	270,712	139,971
Research and development	5,150	4,971	11,022	9,017
General and administrative	62,916	41,756	148,546	69,830
Amortization of intangible assets	1,343	1,167	2,688	2,650
Total operating expenses	542,935	264,763	1,056,254	538,511
Loss from operations	(141,769)	(83,469)	(320,294)	(146,486)
Interest expense, net	(74,999)	(50,721)	(149,269)	(100,645)
Other (expenses) income, net	(11,553)	(148)	22,794	(98)
Loss before income taxes	(228,321)	(134,338)	(446,769)	(247,229)
Income tax (benefit) expense	(14,912)	211	(29,038)	(3,131)
Net loss	(213,409)	(134,549)	(417,731)	(244,098)
Net loss attributable to noncontrolling interests and redeemable noncontrolling interests	(172,165)	(120,987)	(352,698)	(202,577)
Net loss attributable to common stockholders	\$ (41,244)	\$ (13,562)	\$ (65,033)	\$ (41,521)
<b>Net loss per share attributable to common stockholders</b>				
Basic	\$ (0.20)	\$ (0.11)	\$ (0.32)	\$ (0.35)
Diluted	\$ (0.20)	\$ (0.11)	\$ (0.32)	\$ (0.35)
<b>Weighted average shares used to compute net loss per share attributable to common stockholders</b>				
Basic	204,378	120,279	203,475	120,201
Diluted	204,378	120,279	203,475	120,201

The accompanying notes are an integral part of these consolidated financial statements.

**Sunrun Inc.**  
**Consolidated Statements of Comprehensive Loss**  
(In Thousands)  
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Net loss attributable to common stockholders	\$ (41,244)	\$ (13,562)	\$ (65,033)	\$ (41,521)
Unrealized (loss) gain on derivatives, net of income taxes	(28,545)	(2,632)	18,588	(75,175)
Adjustment for net loss on derivatives recognized into earnings, net of income taxes	3,863	419	6,723	664
Other comprehensive (loss) income	(24,682)	(2,213)	25,311	(74,511)
Comprehensive loss	<u>\$ (65,926)</u>	<u>\$ (15,775)</u>	<u>\$ (39,722)</u>	<u>\$ (116,032)</u>

**Sunrun Inc.**  
**Consolidated Statements of Redeemable Noncontrolling Interests and Equity**  
**Three Months Ended June 30, 2021 and 2020**  
(In Thousands)  
(Unaudited)

	Redeemable Noncontrolling Interests	Three Months Ended June 30, 2021							
		Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total Stockholders' Equity	Noncontrolling Interests	Total Equity
		Shares	Amount						
Balance at March 31, 2021	\$ 536,294	203,562	\$ 20	\$ 6,169,247	\$ (56,762)	\$ 53,055	\$ 6,165,560	\$ 690,742	\$ 6,856,302
Exercise of stock options	—	451	—	3,703	—	—	3,703	—	3,703
Issuance of restricted stock units	—	918	1	—	—	—	1	—	1
Shares issued in connection with the Employee Stock Purchase Plan	—	443	—	6,761	—	—	6,761	—	6,761
Stock-based compensation	—	—	—	46,358	—	—	46,358	—	46,358
Contributions from noncontrolling interests and redeemable noncontrolling interests	90,818	—	—	—	—	—	—	237,479	237,479
Distributions to noncontrolling interests and redeemable noncontrolling interests	(16,145)	—	—	—	—	—	—	(31,374)	(31,374)
Net loss	(11,654)	—	—	—	—	(41,244)	(41,244)	(160,511)	(201,755)
Other comprehensive loss, net of taxes	—	—	—	—	(24,682)	—	(24,682)	—	(24,682)
Balance at June 30, 2021	\$ 599,313	205,374	\$ 21	\$ 6,226,069	\$ (81,444)	\$ 11,811	\$ 6,156,457	\$ 736,336	\$ 6,892,793

  

	Redeemable Noncontrolling Interests	Three Months Ended June 30, 2020							
		Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total Stockholders' Equity	Noncontrolling Interests	Total Equity
		Shares	Amount						
Balance at March 31, 2020	\$ 415,693	120,123	\$ 12	\$ 775,233	\$ (125,051)	\$ 222,279	\$ 872,473	\$ 326,191	\$ 1,198,664
Exercise of stock options	—	388	—	2,709	—	—	2,709	—	2,709
Issuance of restricted stock units, net of tax withholdings	—	1,467	—	2,504	—	—	2,504	—	2,504
Shares issued in connection with the Employee Stock Purchase Plan	—	329	—	3,737	—	—	3,737	—	3,737
Stock-based compensation	—	—	—	22,519	—	—	22,519	—	22,519
Contributions from noncontrolling interests and redeemable noncontrolling interests	169,048	—	—	—	—	—	—	34,997	34,997
Distributions to noncontrolling interests and redeemable noncontrolling interests	(8,013)	—	—	—	—	—	—	(12,909)	(12,909)
Net (loss) income	(126,046)	—	—	—	—	(13,562)	(13,562)	5,059	(8,503)
Other comprehensive loss, net of taxes	—	—	—	—	(2,213)	—	(2,213)	—	(2,213)
Balance at June 30, 2020	\$ 450,682	122,307	\$ 12	\$ 806,702	\$ (127,264)	\$ 208,717	\$ 888,167	\$ 353,338	\$ 1,241,505

**Sunrun Inc.**  
**Consolidated Statements of Redeemable Noncontrolling Interests and Equity**  
**Six Months Ended June 30, 2021 and 2020**  
(In Thousands)  
(Unaudited)

	Redeemable Noncontrolling Interests	Six Months Ended June 30, 2021							
		Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total Stockholders' Equity	Noncontrolling Interests	Total Equity
		Shares	Amount						
Balance at December 31, 2020	\$ 560,461	201,406	\$ 20	\$ 6,107,802	\$ (106,755)	\$ 76,844	\$ 6,077,911	\$ 650,999	\$ 6,728,910
Exercise of stock options	—	1,349	—	12,244	—	—	12,244	—	12,244
Issuance of restricted stock units	—	2,176	1	—	—	—	1	—	1
Shares issued in connection with the Employee Stock Purchase Plan	—	443	—	6,761	—	—	6,761	—	6,761
Stock-based compensation	—	—	—	126,990	—	—	126,990	—	126,990
Contributions from noncontrolling interests and redeemable noncontrolling interests	67,127	—	—	—	—	—	—	508,863	508,863
Distributions to noncontrolling interests and redeemable noncontrolling interests	(32,214)	—	—	—	—	—	—	(62,317)	(62,317)
Net income (loss)	8,511	—	—	—	—	(65,033)	(65,033)	(361,209)	(426,242)
Capped call transaction	—	—	—	(28,000)	—	—	(28,000)	—	(28,000)
Acquisition of noncontrolling interests	(4,572)	—	—	272	—	—	272	—	272
Other comprehensive income, net of taxes	—	—	—	—	25,311	—	25,311	—	25,311
Balance at June 30, 2021	\$ 599,313	205,374	\$ 21	\$ 6,226,069	\$ (81,444)	\$ 11,811	\$ 6,156,457	\$ 736,336	\$ 6,892,793

  

	Redeemable Noncontrolling Interests	Six Months Ended June 30, 2020							
		Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total Stockholders' Equity	Noncontrolling Interests	Total Equity
		Shares	Amount						
Balance at December 31, 2019	\$ 306,565	118,451	\$ 12	\$ 766,006	\$ (52,753)	\$ 251,466	\$ 964,731	\$ 366,701	\$ 1,331,432
Cumulative effect of adoption of new ASU (No. 2016-13)	—	—	—	—	—	(1,228)	(1,228)	—	(1,228)
Exercise of stock options	—	1,397	—	8,658	—	—	8,658	—	8,658
Issuance of restricted stock units, net of tax withholdings	—	2,130	—	(1,026)	—	—	(1,026)	0	(1,026)
Shares issued in connection with the Employee Stock Purchase Plan	—	329	—	3,737	—	—	3,737	0	3,737
Stock-based compensation	—	—	—	29,327	—	—	29,327	0	29,327
Contributions from noncontrolling interests and redeemable noncontrolling interests	319,952	—	—	—	—	—	—	54,997	54,997
Distributions to noncontrolling interests and redeemable noncontrolling interests	(15,097)	—	—	—	—	—	—	(26,521)	(26,521)
Net loss	(160,738)	—	—	—	—	(41,521)	(41,521)	(41,839)	(83,360)
Other comprehensive loss, net of taxes	—	—	—	—	(74,511)	—	(74,511)	—	(74,511)
Balance at June 30, 2020	\$ 450,682	122,307	\$ 12	\$ 806,702	\$ (127,264)	\$ 208,717	\$ 888,167	\$ 353,338	\$ 1,241,505

**Sunrun Inc.**  
**Consolidated Statements of Cash Flows**  
(In Thousands)  
(Unaudited)

	Six Months Ended June 30,	
	2021	2020
<b>Operating activities:</b>		
Net loss	\$ (417,731)	\$ (244,098)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization, net of amortization of deferred grants	187,145	103,015
Deferred income taxes	(28,689)	(3,131)
Stock-based compensation expense	121,492	29,327
Interest on pass-through financing obligations	10,846	11,773
Reduction in pass-through financing obligations	(21,158)	(19,258)
Other noncash items	492	20,301
Changes in operating assets and liabilities:		
Accounts receivable	(72,359)	15,128
Inventories	(58,378)	50,064
Prepaid and other assets	(185,557)	(14,345)
Accounts payable	52,297	(98,935)
Accrued expenses and other liabilities	18,697	(15,198)
Deferred revenue	37,139	13,104
Net cash used in operating activities	(355,764)	(152,253)
<b>Investing activities:</b>		
Payments for the costs of solar energy systems	(751,539)	(362,080)
Purchases of property and equipment, net	(5,512)	(2,337)
Net cash used in investing activities	(757,051)	(364,417)
<b>Financing activities:</b>		
Proceeds from state tax credits, net of recapture	—	6,219
Proceeds from line of credit	424,979	43,475
Repayment of line of credit	(438,356)	(46,525)
Proceeds from issuance of convertible senior notes, net of capped call transaction	371,998	—
Proceeds from issuance of non-recourse debt	758,032	197,251
Repayment of non-recourse debt	(325,795)	(37,312)
Payment of debt fees	(28,877)	—
Proceeds from pass-through financing and other obligations	5,298	3,721
Payment of finance lease obligations	(6,137)	(5,545)
Contributions received from noncontrolling interests and redeemable noncontrolling interests	575,990	374,949
Distributions paid to noncontrolling interests and redeemable noncontrolling interests	(89,734)	(39,929)
Acquisition of noncontrolling interest	(4,195)	—
Net proceeds related to stock-based award activities	19,007	11,369
Net cash provided by financing activities	1,262,210	507,673
Net change in cash and restricted cash	149,395	(8,997)
Cash and restricted cash, beginning of period	708,208	363,229
Cash and restricted cash, end of period	\$ 857,603	\$ 354,232
<b>Supplemental disclosures of cash flow information</b>		
Cash paid for interest	\$ 104,060	\$ 56,766
Cash paid for income taxes	\$ —	\$ —
<b>Supplemental disclosures of noncash investing and financing activities</b>		
Purchases of solar energy systems and property and equipment included in accounts payable and accrued expenses	\$ 69,255	\$ 75,190
Right-of-use assets obtained in exchange for new finance lease liabilities	\$ 3,164	\$ 213

The accompanying notes are an integral part of these consolidated financial statements.

**Sunrun Inc.**  
**Notes to Consolidated Financial Statements**  
**(Unaudited)**

**Note 1. Organization**

Sunrun Inc. ("Sunrun" or the "Company") was originally formed in 2007 as a California limited liability company and was converted into a Delaware corporation in 2008. The Company is engaged in the design, development, installation, sale, ownership and maintenance of residential solar energy systems ("Projects") in the United States.

Sunrun acquires customers directly and through relationships with various solar and strategic partners ("Partners"). The Projects are constructed either by Sunrun or by Sunrun's Partners and are owned by the Company. Sunrun's customers enter into an agreement to utilize the solar energy system ("Customer Agreement") which typically has an initial term of 20 or 25 years. Sunrun monitors, maintains and insures the Projects. The Company also sells solar energy systems and products, such as panels and racking and solar leads generated to customers.

The Company has formed various subsidiaries ("Funds") to finance the development of Projects. These Funds, structured as limited liability companies, obtain financing from outside investors and purchase or lease Projects from Sunrun under master purchase or master lease agreements. The Company currently utilizes three legal structures in its investment Funds, which are referred to as: (i) pass-through financing obligations, (ii) partnership-flips and (iii) joint venture ("JV") inverted leases.

**Note 2. Summary of Significant Accounting Policies**

**Basis of Presentation and Principles of Consolidation**

The accompanying unaudited consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") and applicable rules and regulations of the Securities and Exchange Commission (the "SEC") regarding interim financial reporting. Certain information and note disclosures normally included in the financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations. As such, these unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and accompanying notes included in the Company's annual report on Form 10-K for the year ended December 31, 2020.

The consolidated financial statements reflect the accounts and operations of the Company and those of its subsidiaries, including Funds, in which the Company has a controlling financial interest. Beginning October 8, 2020, the Company's consolidated subsidiaries also included Vivint Solar, Inc. ("Vivint Solar"). The typical condition for a controlling financial interest ownership is holding a majority of the voting interests of an entity. However, a controlling financial interest may also exist in entities, such as variable interest entities ("VIEs"), through arrangements that do not involve controlling voting interests. In accordance with the provisions of Financial Accounting Standards Board ("FASB") Accounting Standards Codification Topic 810 ("ASC 810") *Consolidation*, the Company consolidates any VIE of which it is the primary beneficiary. The primary beneficiary, as defined in ASC 810, is the party that has (1) the power to direct the activities of a VIE that most significantly impact the VIE's economic performance and (2) the obligation to absorb the losses of the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE. The Company evaluates its relationships with its VIEs on an ongoing basis to determine whether it continues to be the primary beneficiary. The consolidated financial statements reflect the assets and liabilities of VIEs that are consolidated. All intercompany transactions and balances have been eliminated in consolidation.

**Reclassifications**

Certain prior period amounts have been reclassified to conform to current period presentation.

## Use of Estimates

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. The Company regularly makes estimates and assumptions, including, but not limited to, revenue recognition constraints that result in variable consideration, the discount rate used to adjust the promised amount of consideration for the effects of a significant financing component, the estimates that affect the collectability of accounts receivable, the valuation of inventories, the useful lives of solar energy systems, the useful lives of property and equipment, the valuation and useful lives of intangible assets, the effective interest rate used to amortize pass-through financing obligations, the discount rate uses for operating and financing leases, the fair value of contingent consideration, the fair value of assets acquired and liabilities assumed in a business combination, the valuation of stock-based compensation, the determination of valuation allowances associated with deferred tax assets, the fair value of debt instruments disclosed and the redemption value of redeemable noncontrolling interests. The Company bases its estimates on historical experience and on various other assumptions believed to be reasonable. Actual results may differ from such estimates.

## Segment Information

The Company has one operating segment with one business activity, providing solar energy services and products to customers. The Company's chief operating decision maker ("CODM") is its Chief Executive Officer, who manages operations on a consolidated basis for purposes of allocating resources. When evaluating performance and allocating resources, the CODM reviews financial information presented on a consolidated basis.

Revenue from external customers (including, but not limited to homeowners) for each group of similar products and services is as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Customer agreements	\$ 196,935	\$ 98,525	\$ 354,765	\$ 192,778
Incentives	22,539	7,570	39,305	12,441
Customer agreements and incentives	219,474	106,095	394,070	205,219
Solar energy systems	90,422	44,579	179,472	115,856
Products	91,270	30,620	162,418	70,950
Solar energy systems and product sales	181,692	75,199	341,890	186,806
Total revenue	\$ 401,166	\$ 181,294	\$ 735,960	\$ 392,025

Revenue from Customer Agreements includes payments by customers for the use of the system as well as utility and other rebates assigned by the customer to the Company in the Customer Agreement. Revenue from incentives includes revenue from the sale of commercial investment tax credits ("Commercial ITCs") and solar renewable energy credits ("SRECs").

## Cash and Restricted Cash

Restricted cash represents amounts related to obligations under certain financing transactions and future replacement of solar energy system components.

The following table provides a reconciliation of cash and restricted cash reported within the consolidated balance sheets that sum to the total of the same such amounts shown in the consolidated statement of cash flows. Cash and restricted cash consists of the following (in thousands):

	<b>Six Months Ended June 30,</b>	
	<b>2021</b>	<b>2020</b>
<b>Beginning of period:</b>		
Cash	\$ 519,965	\$ 269,577
Restricted cash, current and long-term	188,243	93,652
<b>Total</b>	<b>\$ 708,208</b>	<b>\$ 363,229</b>
<b>End of period:</b>		
Cash	\$ 679,588	\$ 269,569
Restricted cash, current and long-term	178,015	84,663
<b>Total</b>	<b>\$ 857,603</b>	<b>\$ 354,232</b>

As a result of the acquisition of Vivint Solar on October 8, 2020, cash and restricted cash increased by \$ 537.2 million.

#### **Accounts Receivable**

Accounts receivable consist of amounts due from customers, as well as state and utility rebates due from government agencies and utility companies. Under Customer Agreements, the customers typically assign incentive rebates to the Company.

Accounts receivable, net, consists of the following (in thousands):

	<b>June 30, 2021</b>	<b>December 31, 2020</b>
Customer receivables	\$ 164,260	\$ 97,723
Other receivables	812	710
Rebates receivable	5,145	1,569
Allowance for credit losses	(7,248)	(4,861)
<b>Total</b>	<b>\$ 162,969</b>	<b>\$ 95,141</b>

#### **Deferred Revenue**

When the Company receives consideration, or when such consideration is unconditionally due, from a customer prior to delivering goods or services to the customer under the terms of a Customer Agreement, the Company records deferred revenue. Such deferred revenue consists of amounts for which the criteria for revenue recognition have not yet been met and includes amounts that are collected or assigned from customers, including upfront deposits and prepayments, and rebates. Deferred revenue relating to financing components represents the cumulative excess of interest expense recorded on financing component elements over the related revenue recognized to date and will eventually net to zero by the end of the initial term. Amounts received related to the sales of SRECs which have not yet been delivered to the counterparty are recorded as deferred revenue.



The opening balance of deferred revenue was \$729.5 million as of December 31, 2019. Deferred revenue consists of the following (in thousands):

	June 30, 2021	December 31, 2020
Under Customer Agreements:		
Payments received, net	\$ 637,388	\$ 614,906
Financing component balance	55,187	51,835
	<u>692,575</u>	<u>666,741</u>
Under SREC contracts:		
Payments received, net	136,473	126,793
Financing component balance	7,145	5,742
	<u>143,618</u>	<u>132,535</u>
<b>Total</b>	<u>\$ 836,193</u>	<u>\$ 799,276</u>

In the three months ended June 30, 2021 and 2020, the Company recognized revenue of \$ 23.7 million and \$20.3 million, respectively, and in the six months ended June 30, 2021 and 2020, the Company recognized revenue of \$42.5 million and \$37.7 million, respectively, from amounts included in deferred revenue at the beginning of the respective periods. Revenue allocated to remaining performance obligations represents contracted revenue that has not yet been recognized and includes deferred revenue as well as amounts that will be invoiced and recognized as revenue in future periods. Contracted but not yet recognized revenue was approximately \$12.8 million as of June 30, 2021, of which the Company expects to recognize approximately 6% over the next 12 months. The annual recognition is not expected to vary significantly over the next 10 years as the vast majority of existing Customer Agreements have at least 10 years remaining, given that the average age of the Company's fleet of residential solar energy systems under Customer Agreements is less than four years due to the Company being formed in 2007 and having experienced significant growth in the last few years. The annual recognition on these existing contracts will gradually decline over the midpoint of the Customer Agreements over the following 10 years as the typical 20- or 25-year initial term expires on individual Customer Agreements.

#### Fair Value of Financial Instruments

The Company defines fair value as the exchange price that would be received for an asset or an exit price that would be paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Company uses valuation approaches to measure fair value that maximize the use of observable inputs and minimize the use of unobservable inputs. The FASB establishes a three-tier fair value hierarchy for disclosure of fair value measurements as follows:

- Level 1—Inputs are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date;
- Level 2—Inputs are observable, unadjusted quoted prices in active markets for similar assets or liabilities, unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the related assets or liabilities; and
- Level 3—Inputs that are unobservable, significant to the measurement of the fair value of the assets or liabilities and are supported by little or no market data.

The Company's financial instruments include cash, receivables, accounts payable, accrued expenses, distributions payable to noncontrolling interests, derivatives, contingent consideration, and recourse and non-recourse debt.

#### Revenue Recognition

The Company recognizes revenue when control of goods or services is transferred to its customers, in an amount that reflects the consideration it expected to be entitled to in exchange for those goods or services.

## Customer agreements and incentives

Customer agreements and incentives revenue is primarily comprised of revenue from Customer Agreements in which the Company provides continuous access to a functioning solar energy system and revenue from the sales of SRECs generated by the Company's solar energy systems to third parties.

The Company begins to recognize revenue on Customer Agreements when permission to operate ("PTO") is given by the local utility company or on the date daily operation commences if utility approval is not required. Revenue recognition does not necessarily follow the receipt of cash. For Customer Agreements that include a fixed fee per month which entitles the customer to any and all electricity generated by the system, and for which the Company's obligation is to provide continuous access to a functioning solar energy system, the Company recognizes revenue evenly over the time that it satisfies its performance obligations, which is over the initial term of the Customer Agreements. For Customer Agreements that charge a fixed price per kilowatt hour, and for which the Company's obligation is the provision of electricity from a solar energy system, revenue is recognized based on the actual amount of power generated at rates specified under the contracts. Customer Agreements typically have an initial term of 20 or 25 years. After the initial contract term, Customer Agreements typically automatically renew on an annual basis.

SREC revenue arises from the sale of environmental credits generated by solar energy systems and is generally recognized upon delivery of the SRECs to the counterparty or upon reporting of the electricity generation. For pass-through financing obligation Funds, the value attributable to the monetization of Commercial ITCs are recognized in the period a solar energy system is granted PTO - see Note 10, *Pass-through Financing Obligations*.

In determining the transaction price, the Company adjusts the promised amount of consideration for the effects of the time value of money when the timing of payments provides it with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract contains a significant financing component. When adjusting the promised amount of consideration for a significant financing component, the Company uses the discount rate that would be reflected in a separate financing transaction between the entity and its customer at contract inception and recognizes the revenue amount on a straight-line basis over the term of the Customer Agreement, and interest expense using the effective interest rate method.

Consideration from customers is considered variable due to the performance guarantee under Customer Agreements and liquidating damage provisions under SREC contracts in the event minimum deliveries are not achieved. Performance guarantees provide a credit to the customer if the system's cumulative production, as measured on various PTO anniversary dates, is below the Company's guarantee of a specified minimum. Revenue is recognized to the extent it is probable that a significant reversal of such revenue will not occur.

The Company capitalizes incremental costs incurred to obtain a contract in Other Assets in the consolidated balance sheets. These amounts are amortized on a straight-line basis over the term of the Customer Agreements, and are included in Sales and marketing in the consolidated statements of operations.

## Solar energy systems and product sales

For solar energy systems sold to customers, revenue is recognized when the solar energy system passes inspection by the authority having jurisdiction, which inspection generally occurs after installation but prior to PTO, at which time the Company has met the performance obligation in the contract. For solar energy system sales that include delivery obligations up until interconnection to the local power grid with permission to operate, the Company recognizes revenue at PTO. The Company's installation Projects are typically completed in less than twelve months.

Product sales consist of solar panels, racking systems, inverters, other solar energy products sold to resellers, roof repair, fees for extended services on solar energy systems sold to customers and customer leads. Product sales revenue is recognized at the time when control is transferred, upon shipment, or as services are delivered. Customer lead revenue, included in product sales, is recognized at the time the lead is delivered.

Taxes assessed by government authorities that are directly imposed on revenue producing transactions are excluded from solar energy systems and product sales.

## Cost of Revenue

### Customer agreements and incentives

Cost of revenue for customer agreements and incentives is primarily comprised of (1) the depreciation of the cost of the solar energy systems, as reduced by amortization of deferred grants, (2) solar energy system operations, monitoring and maintenance costs including associated personnel costs, and (3) allocated corporate overhead costs.

### Solar energy systems and product sales

Cost of revenue for solar energy systems and non-lead generation product sales consist of direct and indirect material and labor costs for solar energy systems installations and product sales. Also included are engineering and design costs, estimated warranty costs, freight costs, allocated corporate overhead costs, vehicle depreciation costs and personnel costs associated with supply chain, logistics, operations management, safety and quality control. Cost of revenue for lead generations consists of costs related to direct-response advertising activities associated with generating customer leads.

## Recently Issued and Adopted Accounting Standards

### *Accounting standards adopted January 1, 2020:*

In June 2016, the FASB issued ASU No. 2016-13, *Measurement of Credit Losses on Financial Instruments*, which replaces the current incurred loss impairment methodology with a current expected credit losses model. The amendment applies to entities that hold financial assets and net investment in leases that are not accounted for at fair value through net income as well as loans, debt securities, trade receivables, net investments in leases, off-balance sheet credit exposures, reinsurance receivables and any other financial assets not excluded from the scope that have the contractual right to receive cash. The Company adopted ASU No. 2016-13 effective January 1, 2020, using a modified retrospective transition method, which resulted in a cumulative-effect adjustment of \$1.7 million for the establishment of a credit loss allowance for unbilled receivables related to Customer Agreements, as reflected in its consolidated statement of redeemable noncontrolling interests and stockholders' equity.

### *Accounting standards adopted January 1, 2021:*

In January 2021, the FASB issued ASU No. 2021-01, *Reference Rate Reform (Topic 848): Scope*, which permits entities to elect certain optional expedients and exceptions when accounting for derivative contracts and certain hedging relationships affected by reference rate reform. This ASU is effective upon issuance and can generally be applied through December 31, 2022. The Company adopted ASU 2019-12 effective January 1, 2021, and there was no impact to its consolidated financial statements.

In November 2019, the FASB issued ASU No. 2019-12, *Income Taxes (Topic 740)*, which simplifies the accounting for income taxes, primarily by eliminating certain exceptions to the guidance in ASC 740. The Company adopted ASU 2019-12 effective January 1, 2021, and there was no impact to its consolidated financial statements.

In August 2020, the FASB issued ASU No. 2020-06, *Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40)*, simplifies the accounting for convertible instruments and the application of the derivatives scope exception for contracts in an entity's own equity. This ASU is effective for fiscal periods beginning after December 15, 2021. The Company adopted ASU 2020-06 effective January 1, 2021, and applied this guidance to the convertible senior notes issued in January 2021, see Note 8 *Indebtedness*, which allowed the Company to account for the notes and their underlying conversion feature as a liability. There was no other impact to the Company's consolidated financial statements as a result of this adoption.

In March 2020, the FASB issued ASU No. 2020-04, *Reference Rate Reform (Topic 848), Facilitation of the Effects of Reference Rate Reform on Financial Reporting*, which provides optional expedients and exceptions for applying GAAP to contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met. The amendments apply only to contracts, hedging relationships, and other transactions that reference LIBOR or other reference rates that are expected to be discontinued because of reference rate reform. This ASU is available for adoption as of the beginning of the interim period that includes March 12, 2020 through

December 31, 2022, as contract modifications or hedging relationships entered into or evaluated after December 31, 2022 are excluded unless an entity has elected certain optional expedients for and that are retained through the end of the hedging relationship. For the Company's cash flow hedges in which the designated hedged risk is LIBOR or another rate that is expected to be discontinued, the Company has adopted the portion of the guidance that allows it to assert that it remains probable that the hedged forecasted transaction will occur. The Company adopted the remainder of this guidance effective January 1, 2021, and there was no impact to its consolidated financial statements.

*Accounting standards to be adopted:*

In May 2021, the FASB issued ASU No. 2021-04, *Earnings Per Share (Topic 260), Debt— Modifications and Extinguishments (Subtopic 470-50), Compensation—Stock Compensation (Topic 718), and Derivatives and Hedging— Contracts in Entity's Own Equity (Subtopic 815-40)*, which requires issuers to account for modifications or exchanges of freestanding equity-classified written call options that remain equity classified after the modification or exchange based on the economic substance of the modification or exchange. This ASU is effective for fiscal periods beginning after December 15, 2021. The Company is currently evaluating this guidance and the impact it may have on the Company's consolidated financial statements.

### Note 3. Fair Value Measurement

At June 30, 2021 and December 31, 2020, the carrying value of receivables, accounts payable, accrued expenses and distributions payable to noncontrolling interests approximates fair value due to their short-term nature and falls under the Level 2 hierarchy. The carrying values and fair values of debt instruments are as follows (in thousands):

	June 30, 2021		December 31, 2020	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Recourse debt	\$ 606,766	\$ 562,832	\$ 230,660	\$ 230,660
Senior debt	1,930,662	1,931,429	1,722,730	1,733,767
Subordinated debt	999,825	1,027,504	934,386	958,880
Securitization debt	2,072,305	2,143,734	1,908,369	2,012,283
Total	\$ 5,609,558	\$ 5,665,499	\$ 4,796,145	\$ 4,935,590

At June 30, 2021 and December 31, 2020, the fair value of certain recourse debt and certain senior, subordinated and securitization loans approximate their carrying values because their interest rates are variable rates that approximate rates currently available to the Company. At June 30, 2021 and December 31, 2020, the fair value of the Company's other debt instruments are based on rates currently offered for debt with similar maturities and terms. The Company's fair value of the debt instruments fell under the Level 2 hierarchy. These valuation approaches involve some level of management estimation and judgment, the degree of which is dependent on the price transparency for the instruments or market.

At June 30, 2021 and December 31, 2020, financial instruments measured at fair value on a recurring basis, based upon the fair value hierarchy, are as follows (in thousands):

	June 30, 2021			
	Level 1	Level 2	Level 3	Total
<b>Derivative assets:</b>				
Interest rate swaps	\$ —	\$ 17,084	\$ —	\$ 17,084
Total	\$ —	\$ 17,084	\$ —	\$ 17,084
<b>Derivative liabilities:</b>				
Interest rate swaps	\$ —	\$ 132,312	\$ —	\$ 132,312
Total	\$ —	\$ 132,312	\$ —	\$ 132,312
<b>Contingent consideration:</b>				
Contingent consideration	\$ —	\$ —	\$ 2,253	\$ 2,253
Total	\$ —	\$ —	\$ 2,253	\$ 2,253

  

	December 31, 2020			
	Level 1	Level 2	Level 3	Total
<b>Derivative assets:</b>				
Interest rate swaps	\$ —	\$ 5,218	\$ —	\$ 5,218
Total	\$ —	\$ 5,218	\$ —	\$ 5,218
<b>Derivative liabilities:</b>				
Interest rate swaps	\$ —	\$ 175,444	\$ —	\$ 175,444
Total	\$ —	\$ 175,444	\$ —	\$ 175,444
<b>Contingent consideration:</b>				
Contingent consideration:	\$ —	\$ —	\$ 4,653	\$ 4,653
Total	\$ —	\$ —	\$ 4,653	\$ 4,653

The above balances are recorded in other assets and other liabilities, respectively, in the consolidated balance sheets, except for \$ 0.1 million as of December 31, 2020 which was recorded in prepaid and other assets and except for \$25.8 million and \$23.9 million as of June 30, 2021 and December 31, 2020, respectively, which is recorded in accrued expenses and other liabilities.

The Company determines the fair value of its interest rate swaps using a discounted cash flow model that incorporates an assessment of the risk of non-performance by the interest rate swap counterparty and an evaluation of the Company's credit risk in valuing derivative instruments. The valuation model uses various inputs including contractual terms, interest rate curves, credit spreads and measures of volatility.

The Company recorded contingent consideration in connection with the July 2019 acquisition of a specific customer pipeline and assembled workforce from Omni Energy, LLC, which is dependent on the achievement of specified deployment milestones associated with the number of solar energy systems installed through 2022. The Company determined the fair value of the contingent consideration using a probability-weighted expected return methodology that considers the timing and probabilities of achieving these milestones and uses discount rates that reflect the appropriate cost of capital. Contingent consideration was valued with Level 3 inputs. The Company reassesses the valuation assumptions each reporting period, with any changes in the fair value accounted for in the consolidated statements of operations.

The following table summarizes the activity of Level 3 contingent consideration balance in the six months ended June 30, 2021 (in thousands):

Balance at December 31, 2020	\$	4,653
Change in fair value recognized in earnings within sales and marketing expense		(2,400)
Balance at June 30, 2021	\$	2,253

**Note 4. Inventories**

Inventories consist of the following (in thousands):

	<b>June 30, 2021</b>	<b>December 31, 2020</b>
Raw materials	\$ 297,535	\$ 241,095
Work-in-process	43,888	41,950
Total	<u>\$ 341,423</u>	<u>\$ 283,045</u>

As of January 1, 2020, the federal government offers a Commercial ITC of 26%, which is reduced from 30%, under Section 48(a) of the Internal Revenue Code of 1986, as amended, for the installation of certain solar power facilities owned for business purposes. The Internal Revenue Service ("IRS") provided taxpayers a safe harbor opportunity to retain access to the pre-2020 30% tax credit amount through specific rules released in Notice 2018-59. The Company sought to avail itself of this safe harbor by incurring certain costs and taking title in the year the Company took delivery, for tax purposes, of the underlying inventory and/or by performing physical work on components that will be installed in solar facilities. As of June 30, 2021 and December 31, 2020, there was approximately \$20.6 million and \$37.5 million, respectively, of inventory that would qualify for a 30% tax credit.

**Note 5. Solar Energy Systems, net**

Solar energy systems, net consists of the following (in thousands):

	<b>June 30, 2021</b>	<b>December 31, 2020</b>
Solar energy system equipment costs	\$ 8,417,182	\$ 7,839,427
Inverters	948,853	883,785
Total solar energy systems	9,366,035	8,723,212
Accumulated depreciation and amortization	(1,088,957)	(914,551)
Construction-in-progress	489,991	394,127
Total solar energy systems, net	<u>\$ 8,767,069</u>	<u>\$ 8,202,788</u>

All solar energy systems, including construction-in-progress, have been leased to or are subject to signed Customer Agreements with customers. The Company recorded depreciation expense related to solar energy systems of \$90.2 million and \$48.1 million for the three months ended June 30, 2021 and 2020, respectively, and \$177.6 million and \$94.5 million for the six months ended June 30, 2021 and 2020, respectively. The depreciation expense was reduced by the amortization of deferred grants of \$2.0 million and \$2.1 million for the three months ended June 30, 2021 and 2020, respectively, and \$ 4.1 million and \$4.1 million six months ended June 30, 2021 and 2020, respectively.

**Note 6. Other Assets**

Other assets consist of the following (in thousands):

	June 30, 2021	December 31, 2020
Costs to obtain contracts - customer agreements	\$ 541,673	\$ 377,839
Costs to obtain contracts - incentives	2,481	2,481
Accumulated amortization of costs to obtain contracts	(60,839)	(51,365)
Unbilled receivables	178,839	150,603
Allowance for credit losses on unbilled receivables	(2,017)	(1,731)
Operating lease right-of-use assets	87,747	81,516
Equity security investment	63,826	65,356
Other assets	98,659	56,966
<b>Total</b>	<b>\$ 910,369</b>	<b>\$ 681,665</b>

The Company recorded amortization of costs to obtain contracts of \$ 5.4 million and \$3.5 million for the three months ended June 30, 2021 and 2020, respectively, and \$9.6 million and \$6.9 million for the six months ended June 30, 2021 and 2020, respectively, in Sales and marketing in the consolidated statements of operations.

The majority of unbilled receivables arise from fixed price escalators included in the Company's long-term Customer Agreements. The escalator is included in calculating the total estimated transaction value for an individual Customer Agreement. The total estimated transaction value is then recognized over the term of the Customer Agreement. The amount of unbilled receivables increases while cumulative billings for an individual Customer Agreement are less than the cumulative revenue recognized for that Customer Agreement. Conversely, the amount of unbilled receivables decreases when the actual cumulative billings becomes higher than the cumulative revenue recognized. At the end of the initial term of a Customer Agreement, the cumulative amounts recognized as revenue and billed to date are the same, therefore the unbilled receivable balance for an individual Customer Agreement will be zero. As a result of the adoption of ASU No. 2016-13, an allowance for credit loss on unbilled receivables was established as of January 1, 2020. The Company applies an estimated loss-rate in order to determine the current expected credit loss for unbilled receivables. The estimated loss-rate is determined by analyzing historical credit losses, residential first and second mortgage foreclosures and consumers' utility default rates, as well as current economic conditions. The Company reviews individual customer collection status of electricity billings to determine whether the unbilled receivables for an individual customer should be written off, including the possibility of a service transfer to a potential new homeowner.

**Note 7. Accrued Expenses and Other Liabilities**

Accrued expenses and other liabilities consist of the following (in thousands):

	June 30, 2021	December 31, 2020
Accrued employee compensation	\$ 96,705	\$ 91,115
Operating lease obligations	22,493	21,461
Accrued interest	39,046	38,340
Accrued professional fees	10,998	15,834
Other accrued expenses	143,504	158,864
<b>Total</b>	<b>\$ 312,746</b>	<b>\$ 325,614</b>

**Note 8. Indebtedness**

As of June 30, 2021, debt consisted of the following (in thousands, except percentages):

	June 30, 2021	December 31, 2020	Unused Borrowing Capacity <sup>(1)</sup>	Weighted Average Interest Rate at June 30, 2021 <sup>(2)</sup>	Weighted Average Interest Rate at December 31, 2020 <sup>(2)</sup>	Contractual Interest Rate <sup>(3)</sup>	Contractual Maturity Date
<b>Recourse debt</b>							
Bank line of credit <sup>(4)</sup>	\$ 217,284	\$ 230,660	\$ 413	3.37%	3.53%	LIBOR +3.25%	April 2022
0% Convertible Senior Notes <sup>(5)</sup>	400,000	—	—	—%	N/A	—%	February 2026
Total recourse debt	617,284	230,660	413				
Unamortized debt discount	(10,518)	—	—				
Total recourse debt, net	606,766	230,660	413				
<b>Non-recourse debt<sup>(6)</sup></b>							
Senior revolving and delayed draw loans	1,009,300	587,600	56,628	2.74%	2.85%	LIBOR +2.50% - 3.25%	March 2023 - October 2027
Senior non-revolving loans	873,530	1,087,386	—	3.89%	3.68%	4.50% - 6.50%; LIBOR +2.125% - 2.25%	April 2022 - November 2040
Subordinated revolving and delayed draw loans	178,104	282,722	6,200	9.13%	8.43%	8.50% - 10.00%; LIBOR +9.00%	March 2024 - October 2032
Subordinated loans <sup>(9)</sup>	839,999	668,642	—	8.65%	8.76%	8.00% - 10.00%; LIBOR +5.00% - 6.75%	March 2023 - January 2042
Securitized loans	2,055,609	1,885,981	—	3.90%	4.18%	2.33% - 5.31%	August 2023 - February 2055
Total non-recourse debt	4,956,542	4,512,331	62,828				
Unamortized debt premium/(discount), net	46,250	53,154	—				
Total non-recourse debt, net	5,002,792	4,565,485	62,828				
Total debt, net	\$ 5,609,558	\$ 4,796,145	\$ 63,241				

(1) Represents the additional amount the Company could borrow, if any, based on the state of its existing assets as of June 30, 2021.

(2) Reflects weighted average contractual, unhedged rates. See Note 9, *Derivatives* for hedge rates.

(3) Ranges shown reflect fixed interest rate and rates using LIBOR as applicable.

(4) This syndicated working capital facility with banks has a total commitment up to \$ 250.0 million and is secured by substantially all of the unencumbered assets of the Company, as well as ownership interests in certain subsidiaries of the Company. Loans under this facility bear interest at LIBOR +3.25% per annum or Base Rate +2.25% per annum. The Base Rate is the highest of the Federal Funds Rate + 0.50%, the Prime Rate, or LIBOR + 1.00%. Subject to various restrictive covenants, such as the completion and presentation of audited consolidated financial statements, maintaining a minimum unencumbered liquidity of at least \$25.0 million at the end of each calendar month, maintaining quarter end liquidity to be at least \$ 35.0 million, and maintaining a minimum interest coverage ratio of 3.50 or greater, measured quarterly as of the last day of each quarter. The Company was in compliance with all debt covenants as of June 30, 2021.



- (5) These convertible senior notes ("Notes") will not bear regular interest, and the principal amount of the notes will not accrete. The Notes may bear special interest under specified circumstances relating to the Company's failure to comply with its reporting obligations under the Indenture or if the Notes are not freely tradeable as required by the Indenture. The Notes will mature on February 1, 2026, unless earlier repurchased by the Company, redeemed by the Company or converted pursuant to their terms. The initial conversion rate of the Notes is 8.4807 shares of the Company's common stock, par value \$0.0001 per share, per \$1,000 principal amount of Notes, which is equivalent to an initial conversion price of approximately \$117.91 per share. The conversion rate will be subject to adjustment upon the occurrence of certain specified events but will not be adjusted for any accrued and unpaid special interest. In addition, upon the occurrence of a make-whole fundamental change or an issuance of a notice of redemption, the Company will, in certain circumstances, increase the conversion rate by a number of additional shares for a holder that elects to convert its Notes in connection with such make-whole fundamental change or notice of redemption. The debt discount recorded on the Notes is being amortized to interest expense at an effective interest rate of 0.57%. As of June 30, 2021, \$0.9 million of the debt discount was amortized to interest expense. In connection with the offering of the Notes, the Company entered into privately negotiated capped call transactions ("Capped Calls") with certain of the initial purchasers and/or their respective affiliates at a cost of approximately \$28.0 million. The Capped Calls are classified as equity and were recorded to additional paid-in-capital within stockholders' equity as of June 30, 2021. The Capped Calls each have an initial strike price of approximately \$117.91 per share, subject to certain adjustments, which corresponds to the initial conversion price of the Notes. The Capped Calls have initial cap prices of \$157.22 per share. The Capped Calls cover, subject to anti-dilution adjustments, approximately 3.4 million shares of common stock. The Capped Calls are expected generally to reduce the potential dilution to the common stock upon any conversion of Notes and/or offset any cash payments the Company is required to make in excess of the principal amount of the Notes, as the case may be, in the event the market price per share of common stock, as measured under the Capped Calls, is greater than the strike price of the Capped Call, with such offset subject to a cap. If, however, the market price per share of the common stock, as measured under the Capped Calls, exceeds the cap price of the Capped Calls, there would be dilution and/or there would not be an offset of such potential cash payments, in each case, to the extent that the then-market price per share of the common stock exceeds the cap price. The final components of the Capped Calls are scheduled to expire on January 29, 2026.
- (6) Certain loans under these categories are part of project equity transactions.
- (7) Under a loan within this category, the Company may incur up to an aggregate principal amount of \$ 100.0 million in revolver borrowings. Borrowings under this revolving loan may be designated as base rate loans or LIBOR loans, subject to certain terms and conditions. Base rate loans accrue interest at a rate per year equal to 2.25% plus the highest of (i) the federal funds rate plus 0.50%, (ii) Bank of America, N.A.'s published "prime rate," and (iii) LIBOR rate plus 1.00%, subject to a 0.00% floor. LIBOR loans accrue interest at a rate per annum equal to 3.25 % plus the fluctuating rate of interest equal to LIBOR or a comparable successor rate approved by the administrative agent, subject to a 0.00% floor. In addition to customary covenants for these type of facilities, the Company is subject to financial covenants and is required to have unencumbered cash and cash equivalents at the end of each fiscal quarter of at least the greater of (i) \$30.0 million and (ii) the amount of unencumbered liquidity to be maintained by Vivint Solar, Inc., a wholly owned subsidiary of the Company, in accordance with any loan documents governing recourse debt facilities of Vivint Solar, Inc. As of June 30, 2021, Vivint Solar, Inc. did not have any recourse debt facilities other than the facility described in this paragraph.
- (8) Pursuant to the terms of the aggregation facilities within this category the Company may draw up to an aggregate principal amount of \$ 1.7 billion in revolver borrowings depending on the available borrowing base at the time.
- (9) A loan under this category with an outstanding balance of \$ 124.2 million as of June 30, 2021 contains a put option that can be exercised beginning in 2036 that would require the Company to pay off the entire loan on November 30, 2037.

#### Senior and Subordinated Debt Facilities

Each of the Company's senior and subordinated debt facilities contain customary covenants, including the requirement to maintain certain financial measurements and provide lender reporting. Each of the senior and subordinated debt facilities also contain certain provisions in the event of default that entitle lenders to take certain actions including acceleration of amounts due under the facilities and acquisition of membership interests and assets that are pledged to the lenders under the terms of the senior and subordinated debt facilities. The facilities are non-recourse to the Company and are secured by net cash flows from Customer Agreements or inventories less certain operating, maintenance and other expenses which are available to the borrower after distributions to tax equity investors, where applicable. Under the terms of these facilities, the Company's subsidiaries pay interest and principal from the net cash flows available to the subsidiaries. The Company was in compliance with all debt covenants as of June 30, 2021.

#### **Securitization Loans**

Each of the Company's securitized loans contains customary covenants including the requirement to provide reporting to the indenture trustee and ratings agencies. Each of the securitized loans also contain certain provisions in the event of default which entitle the indenture trustee to take certain actions including acceleration of amounts due under the facilities and acquisition of membership interests and assets that are pledged to the lenders under the terms of the securitized loans. The facilities are non-recourse to the Company and are secured by net cash flows from Customer Agreements less certain operating, maintenance and other expenses that are available to the borrower after distributions to tax equity investors, where applicable. Under the terms of these loans, the Company's subsidiaries pay interest and principal from the net cash flows available to the subsidiaries. The Company was in compliance with all debt covenants as of June 30, 2021.

#### **Note 9. Derivatives**

##### **Interest Rate Swaps**

The Company uses interest rate swaps to hedge variable interest payments due on certain of its term loans and aggregation facility. These swaps allow the Company to incur fixed interest rates on these loans and receive payments based on variable interest rates with the swap counterparty based on the one- or three-month LIBOR on the notional amounts over the life of the swaps.

Certain interest rate swaps have been designated as cash flow hedges. The credit risk adjustment associated with these swaps is the risk of non-performance by the counterparties to the contracts. In the six months ended June 30, 2021, the majority of hedge relationships on the Company's interest rate swaps have been assessed as highly effective as the quarterly assessment performed determined changes in cash flows of the derivative instruments have been highly effective in offsetting the changes in the cash flows of the hedged items and are expected to be highly effective in the future. Accordingly, changes in the fair value of these derivatives are recorded as a component of accumulated other comprehensive income, net of income taxes. Changes in the fair value of these derivatives are subsequently reclassified into earnings, and are included in interest expense, net in the Company's statements of operations, in the period that the hedged forecasted transactions affect earnings. To the extent that the hedge relationships are not effective, changes in the fair value of these derivatives are recorded in other expenses, net in the Company's statements of operations on a prospective basis.

The Company's master netting and other similar arrangements allow net settlements under certain conditions. When those conditions are met, the Company presents derivatives at net fair value. As of June 30, 2021, the information related to these offsetting arrangements were as follows (in thousands):

<b>Instrument Description</b>	<b>Gross Amounts of Recognized Assets / Liabilities</b>	<b>Gross Amounts Offset in the Consolidated Balance Sheet</b>	<b>Net Amounts of Assets / Liabilities Included in the Consolidated Balance Sheet</b>	<b>Notional Amount <sup>(1)</sup></b>
<b>Assets:</b>				
Derivatives designated as hedging instruments	\$ 17,084	\$ (1,528)	\$ 15,556	\$ 414,157
Derivatives not designated as hedging instruments	—	—	—	—
Total derivative assets	17,084	(1,528)	15,556	414,157
<b>Liabilities:</b>				
Derivatives designated as hedging instruments	(107,726)	1,528	(106,198)	1,394,502
Derivatives not designated as hedging instruments	(24,586)	—	(24,586)	434,131
Total derivative liabilities	(132,312)	1,528	(130,784)	1,828,633
<b>Total derivative assets and liabilities</b>	<b>\$ (115,228)</b>	<b>\$ —</b>	<b>\$ (115,228)</b>	<b>\$ 2,242,790</b>

(1) Comprised of 56 interest rate swaps which effectively fix the LIBOR portion of interest rates on outstanding balances of certain loans under the senior and securitized sections of the debt footnote table (see Note 8, *Indebtedness*) at 0.57% to 3.37% per annum. These swaps mature from August 31, 2022 to January 31, 2043.

As of December 31, 2020, the information related to these offsetting arrangements were as follows (in thousands):

Instrument Description	Gross Amounts of Recognized Assets / Liabilities	Gross Amounts Offset in the Consolidated Balance Sheet	Net Amounts of Assets / Liabilities Included in the Consolidated Balance Sheet	Notional Amount
<b>Assets:</b>				
Derivatives designated as hedging instruments	\$ 4,293	\$ (6)	\$ 4,287	\$ 191,737
Derivatives not designated as hedging instruments	925	(13)	912	166,138
Total derivative assets	5,218	(19)	5,199	357,875
<b>Liabilities:</b>				
Derivatives designated as hedging instruments	(165,996)	6	(165,990)	1,796,596
Derivatives not designated as hedging instruments	(9,448)	13	(9,435)	190,530
Total derivative liabilities	(175,444)	19	(175,425)	1,987,126
<b>Total derivative assets and liabilities</b>	<b>\$ (170,226)</b>	<b>\$ —</b>	<b>\$ (170,226)</b>	<b>\$ 2,345,001</b>

The losses (gains) on derivatives designated as cash flow hedges recognized into OCI, before tax effect, consisted of the following (in thousands):

	Six months ended June 30,	
	2021	2020
<b>Derivatives designated as cash flow hedges:</b>		
Interest rate swaps	\$ (25,063)	\$ 102,648

The losses (gains) on derivatives financial instruments recognized into the consolidated statements of operations, before tax effect, consisted of the following (in thousands):

	Six months ended June 30,			
	2021		2020	
	Interest expense, net	Other expense, net	Interest expense, net	Other expense, net
<b>Derivatives designated as cash flow hedges:</b>				
Interest rate swaps				
Losses (gains) reclassified from AOCI into income	\$ 9,213	\$ —	\$ 907	\$ —
<b>Derivatives not designated as cash flow hedges:</b>				
Interest rate swaps				
Gains recognized into income	—	(20,162)	—	—
Total losses (gains)	\$ 9,213	\$ (20,162)	\$ 907	\$ —

All amounts in Accumulated other comprehensive income (loss) ("AOCI") in the consolidated statements of redeemable noncontrolling interests and equity relate to derivatives, refer to the consolidated statements of comprehensive (loss) income. The net (loss) gain on derivatives includes the tax effect of \$9.2 million and \$0.8 million for the three months ended June 30, 2021 and 2020, respectively, and \$ 9.0 million and \$27.2 million for six months ended June 30, 2021 and 2020, respectively.

During the next 12 months, the Company expects to reclassify \$ 24.5 million of net losses on derivative instruments from accumulated other comprehensive income to earnings. There were three undesignated derivative instruments recorded by the Company as of June 30, 2021.

#### Note 10. Pass-through Financing Obligations

The Company's pass-through financing obligations ("financing obligations") arise when the Company leases solar energy systems to Fund investors who are considered commercial customers under a master lease agreement, and these investors in turn are assigned the Customer Agreements with customers. The Company receives all of the value attributable to the accelerated tax depreciation and some or all of the value attributable to the other incentives. Given the assignment of operating cash flows, these arrangements are accounted for as financing obligations. The Company also sells the rights and related value attributable to the Commercial ITC to these investors.

Under these financing obligation arrangements, wholly owned subsidiaries of the Company finance the cost of solar energy systems with investors for an initial term of typically 20 or 22 years, and one fund with an initial term of 7 years. The solar energy systems are subject to Customer Agreements with an initial term of typically 20 or 25 years that automatically renew on an annual basis. These solar energy systems are reported under the line item solar energy systems, net in the consolidated balance sheets. As of June 30, 2021 and December 31, 2020, the cost of the solar energy systems placed in service under the financing obligation arrangements was \$712.6 million and \$715.5 million, respectively. The accumulated depreciation related to these assets as of June 30, 2021 and December 31, 2020 was \$133.0 million and \$120.2 million, respectively.

The investors make a series of large up-front payments and, in certain cases, subsequent smaller quarterly payments (lease payments) to the subsidiaries of the Company. The Company accounts for the payments received from the investors under the financing obligation arrangements as borrowings by recording the proceeds received as financing obligations on its consolidated balance sheets, and cash provided by financing activities in its consolidated statement of cash flows. These financing obligations are reduced over a period of approximately 22, or over 7 years in the case of one fund, by customer payments under the Customer Agreements, U.S. Treasury grants (where applicable) and proceeds from the contracted resale of SRECs as they are received by the investor. In addition, funds paid for the Commercial ITC value upfront are initially recorded as a refund liability and recognized as revenue as the associated solar energy system reaches PTO. The Commercial ITC value is reflected in cash provided by operations on the consolidated statement of cash flows. The Company accounts for the Customer Agreements and any related U.S. Treasury grants, as well as the resale of SRECs consistent with the Company's revenue recognition accounting policies as described in Note 2, *Summary of Significant Accounting Policies*.

Interest is calculated on the financing obligations using the effective interest rate method. The effective interest rate, which is adjusted on a prospective basis, is the interest rate that equates the present value of the estimated cash amounts to be received by the investor over the lease term with the present value of the cash amounts paid by the investor to the Company, adjusted for amounts received by the investor. The financing obligations are nonrecourse once the associated assets have been placed in service and all the contractual arrangements have been assigned to the investor.

Under the majority of the financing obligations, the investor has a right to extend its right to receive cash flows from the customers beyond the initial term in certain circumstances. Depending on the arrangement, the Company has the option to settle the outstanding financing obligation on the ninth or eleventh anniversary of the Fund inception at a price equal to the higher of (a) the fair value of future remaining cash flows or (b) the amount that would result in the investor earning their targeted return. In several of these financing obligations, the investor has an option to require repayment of the entire outstanding balance on the tenth anniversary of the Fund inception at a price equal to the fair value of the future remaining cash flows.

Under the majority of the financing obligations, the Company is responsible for services such as warranty support, accounting, lease servicing and performance reporting to customers. As part of the warranty and performance guarantee with the customers in applicable funds, the Company guarantees certain specified minimum annual solar energy production output for the solar energy systems leased to the customers, which the Company accounts for as disclosed in Note 2, *Summary of Significant Accounting Policies*.

#### **Note 11. VIE Arrangements**

The Company consolidated various VIEs at June 30, 2021 and December 31, 2020. The carrying amounts and classification of the VIEs' assets and liabilities included in the consolidated balance sheets are as follows (in thousands):

	June 30, 2021	December 31, 2020
<b>Assets</b>		
<b>Current assets</b>		
Cash	\$ 340,214	\$ 219,502
Restricted cash	53,121	34,559
Accounts receivable, net	61,971	35,152
Inventories	31,207	23,306
Prepaid expenses and other current assets	1,333	2,629
<b>Total current assets</b>	487,846	315,148
Solar energy systems, net	7,321,816	6,748,127
Other assets	156,053	127,591
<b>Total assets</b>	<u>\$ 7,965,715</u>	<u>\$ 7,190,866</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 33,151	\$ 15,609
Distributions payable to noncontrolling interests and redeemable noncontrolling interests	33,371	28,577
Accrued expenses and other liabilities	29,013	24,660
Deferred revenue, current portion	47,902	44,906
Deferred grants, current portion	1,002	1,007
Non-recourse debt, current portion	41,057	31,594
<b>Total current liabilities</b>	185,496	146,353
Deferred revenue, net of current portion	530,658	493,161
Deferred grants, net of current portion	25,266	25,891
Non-recourse debt, net of current portion	1,368,889	1,160,817
Other liabilities	29,049	31,745
<b>Total liabilities</b>	<u>\$ 2,139,358</u>	<u>\$ 1,857,967</u>

The Company holds a variable interest in an entity that provides the noncontrolling interest with a right to terminate the leasehold interests in all of the leased projects on the tenth anniversary of the effective date of the master lease. In this circumstance, the Company would be required to pay the noncontrolling interest an amount equal to the fair market value, as defined in the governing agreement of all leased projects as of that date.

The Company holds certain variable interests in nonconsolidated VIEs established as a result of seven pass-through Fund arrangements as further explained in Note 10, *Pass-through Financing Obligations*. The Company does not have material exposure to losses as a result of its involvement with the VIEs in excess of the amount of the pass-through financing obligation recorded in the Company's consolidated financial statements. The Company is not considered the primary beneficiary of these VIEs.

#### Note 12. Redeemable Noncontrolling Interests and Equity

During certain specified periods of time (the "Early Exit Periods"), noncontrolling interests in certain funding arrangements have the right to put all of their membership interests to the Company (the "Put Provisions"). During a specific period of time (the "Call Periods"), the Company has the right to call all membership units of the related redeemable noncontrolling interests.

The carrying value of redeemable noncontrolling interests was greater than the redemption value except for fifteen Funds at both June 30, 2021 and December 31, 2020, where the carrying value has been adjusted to the redemption value.

### Note 13. Stock-Based Compensation

#### Stock Options

The following table summarizes the activity for all stock options under all of the Company's equity incentive plans for the six months ended June 30, 2021 (shares and aggregate intrinsic value in thousands):

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Aggregate Intrinsic Value
Outstanding at December 31, 2020	8,019	\$ 10.35	6.87	\$ 473,371
Granted	275	52.28		
Exercised	(1,349)	8.69		
Cancelled	(219)	17.91		
Outstanding at June 30, 2021	6,726	\$ 12.23	6.53	\$ 293,669
Options vested and exercisable at June 30, 2021	4,385	\$ 7.80	5.47	\$ 210,495

#### Restricted Stock Units

The following table summarizes the activity for all restricted stock units ("RSUs") under all of the Company's equity incentive plans for the six months ended June 30, 2021 (shares in thousands):

	Number of Awards	Weighted Average Grant Date Fair Value
Unvested balance at December 31, 2020	7,103	\$ 40.17
Granted	1,078	48.66
Issued	(2,175)	38.44
Cancelled / forfeited	(413)	29.83
Unvested balance at June 30, 2021	5,593	\$ 43.34

#### Warrants for Strategic Partners

During the quarter ended June 30, 2021, the Company issued warrants exercisable for up to 373,504 shares of its common stock to certain strategic partners (calculated using the closing stock price of \$55.78 on June 30, 2021). The exercise price of the warrants is \$ 0.01 per share, and no exercises occurred during the six months ended June 30, 2021. During the three and six months ended June 30, 2021, the Company recognized stock-based compensation expense of \$1.0 million and \$2.0 million based on time and performance milestones achieved under such warrants during the respective timeframes.



## Employee Stock Purchase Plan

Under the Company's 2015 Employee Stock Purchase Plan ("ESPP"), eligible employees are offered shares bi-annually through a 24-month offering period that encompasses four six-month purchase periods. Each purchase period begins on the first trading day on or after May 15 and November 15 of each year. Employees may purchase a limited number of shares of the Company's common stock via regular payroll deductions at a discount of 15% of the lower of the fair market value of the Company's common stock on the first trading date of each offering period or on the exercise date. Employees may deduct up to 15% of payroll, with a cap of \$ 25,000 of fair market value of shares in any calendar year and 10,000 shares per employee per purchase period.

## Stock-Based Compensation Expense

The Company recognized stock-based compensation expense, including ESPP expenses, in the consolidated statements of operations as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Cost of customer agreements and incentives	\$ 1,992	\$ 930	\$ 4,224	\$ 2,876
Cost of solar energy systems and product sales	1,045	270	2,349	943
Sales and marketing	23,227	1,821	50,333	5,299
Research and development	803	466	1,479	1,541
General and administration	16,396	6,895	63,107	18,668
Total	\$ 43,463	\$ 10,382	\$ 121,492	\$ 29,327

During the three and six months ended June 30, 2021, stock-based compensation expense capitalized to solar energy systems, net in the Company's consolidated balance sheet was \$2.9 million and \$5.5 million, respectively.

## Note 14. Income Taxes

The income tax benefit (expense) rate for the three months ended June 30, 2021 and 2020 was 6.5% and (0.2)%, respectively, and for the six months ended June 30, 2021 and 2020 was 6.5% and 1.3%, respectively. The differences between the actual consolidated effective income tax rate and the U.S. federal statutory rate were primarily attributable to the allocation of losses on noncontrolling interests and an increase in stock-based compensation deductions.

The Company sells solar energy systems to investment Funds. As the investment Funds are consolidated by the Company, the gain on the sale of the assets has been eliminated in the consolidated financial statements, however gains on sale are recognized for tax purposes.

## Note 15. Commitments and Contingencies

### Letters of Credit

As of June 30, 2021 and December 31, 2020, the Company had \$ 20.1 million and \$37.0 million, respectively, of unused letters of credit outstanding, which each carry fees of 2.13% - 3.25% per annum.

### Guarantees

Certain tax equity funds and debt facilities require the Company to maintain an aggregate amount of \$ 30.0 million of unencumbered cash and cash equivalents at the end of each month.

### Operating and Finance Leases

The Company leases real estate under non-cancellable-operating leases and equipment under finance leases.

The components of lease expense were as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Finance lease cost:				
Amortization of right-of-use assets	\$ 3,200	\$ 2,279	\$ 6,399	\$ 4,936
Interest on lease liabilities	236	207	507	424
Operating lease cost	6,706	3,032	12,923	6,158
Short-term lease cost	1,243	119	1,647	239
Variable lease cost	1,743	971	3,361	1,781
Sublease income	(202)	(212)	(397)	(372)
Total lease cost	\$ 12,926	\$ 6,396	\$ 24,440	\$ 13,166

Other information related to leases was as follows (dollars in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Cash paid for amounts included in the measurement of lease liabilities				
Operating cash flows from operating leases	\$ 6,845	\$ 2,924	\$ 13,585	\$ 5,499
Operating cash flows from finance leases	234	195	503	416
Financing cash flows from finance leases	3,050	2,591	6,137	5,545
Right-of-use assets obtained in exchange for lease obligations:				
Operating leases	19,546	—	19,859	32
Finance leases	2,074	33	3,164	213
Weighted average remaining lease term (years):				
Operating leases	6.74	4.83	6.74	4.83
Finance leases	2.84	2.48	2.84	2.48
Weighted average discount rate:				
Operating leases	4.1 %	5.5 %	4.1 %	5.5 %
Finance leases	4.5 %	4.2 %	4.5 %	4.2 %

Future minimum lease commitments under non-cancellable leases as of June 30, 2021 were as follows (in thousands):

	Operating Leases	Sublease Income	Net Operating Leases	Finance Leases
2021	\$ 26,648	\$ 1,014	\$ 25,634	\$ 11,299
2022	22,855	1,151	21,704	7,550
2023	19,949	758	19,191	2,612
2024	14,415	185	14,230	459
2025	12,817	—	12,817	—
Thereafter	34,422	—	34,422	—
Total future lease payments	131,106	3,108	127,998	21,920
Less: Amount representing interest	15,691	—	15,691	1,013
Present value of future payments	115,415	3,108	112,307	20,907
Less: Tenant incentives	—	—	—	—
Net present value of future payments	115,415	3,108	112,307	20,907
Less: Current portion	22,493	—	22,493	10,612
Long-term portion	\$ 92,922	\$ 3,108	\$ 89,814	\$ 10,295

### Purchase Commitment

The Company entered into purchase commitments, which have the ability to be canceled without significant penalties, with multiple suppliers to purchase \$57.8 million of photovoltaic modules, inverters and batteries by the end of 2022.

### Warranty Accrual

The Company accrues warranty costs when revenue is recognized for solar energy systems sales, based on the estimated future costs of meeting its warranty obligations. Warranty costs primarily consist of replacement costs for supplies and labor costs for service personnel since warranties for equipment and materials are covered by the original manufacturer's warranty (other than a small deductible in certain cases). As such, the warranty reserve is immaterial in all periods presented. The Company makes and revises these estimates based on the number of solar energy systems under warranty, the Company's historical experience with warranty claims, assumptions on warranty claims to occur over a systems' warranty period and the Company's estimated replacement costs. A warranty is provided for solar energy systems sold and leased. However, for the solar energy systems under Customer Agreements, the Company does not accrue a warranty liability because those systems are owned by consolidated subsidiaries of the Company. Instead, any repair costs on those solar energy systems are expensed when they are incurred as a component of customer agreements and incentives costs of revenue.

## Commercial ITC Indemnification

The Company is contractually committed to compensate certain investors for any losses that they may suffer in certain limited circumstances resulting from reductions in Commercial ITCs. Generally, such obligations would arise as a result of reductions to the value of the underlying solar energy systems as assessed by the Internal Revenue Service (the "IRS"). At each balance sheet date, the Company assesses and recognizes, when applicable, the potential exposure from this obligation based on all the information available at that time, including any audits undertaken by the IRS. One of the Company's investors is being audited by the IRS. Since this audit is ongoing, the Company is unable to determine the potential tax liabilities as of the filing date of this Quarterly Report on Form 10-Q. The maximum potential future payments that the Company could have to make under this obligation would depend largely on the difference between the prices at which the solar energy systems were sold or transferred to the Funds (or, in certain structures, the fair market value claimed in respect of such systems (referred to as "claimed values")) and the eligible basis determined by the IRS. The Company set the purchase prices and claimed values based on fair market values determined with the assistance of an independent third-party appraisal with respect to the systems that generate Commercial ITCs that are passed-through to, and claimed by, the Fund investors. In April 2018, the Company purchased an insurance policy providing for certain payments by the insurers in the event there is any final determination (including a judicial determination) that reduced the Commercial ITCs claimed in respect of solar energy systems sold or transferred to most Funds through April 2018, or later, in the case of Funds added to the policy after such date. In general, the policy indemnifies the Company and related parties for additional taxes (including penalties and interest) owed in respect of lost Commercial ITCs, gross-up costs and expenses incurred in defending such claim, subject to negotiated exclusions from, and limitations to, coverage.

## Litigation

The Company is subject to certain legal proceedings, claims, investigations and administrative proceedings in the ordinary course of its business. The Company records a provision for a liability when it is both probable that the liability has been incurred and the amount of the liability can be reasonably estimated. These provisions, if any, are reviewed at least quarterly and adjusted to reflect the impacts of negotiations, settlements, rulings, advice of legal counsel and other information and events pertaining to a particular case. Depending on the nature and timing of any such proceedings that may arise, an unfavorable resolution of a matter could materially affect the Company's future consolidated results of operations, cash flows or financial position in a particular period.

On April 8, 2019, a putative class action captioned *Loftus et al. v. Sunrun Inc.*, Case No. 3:19-cv-01608, was filed in the United States District Court, Northern District of California. The complaint generally alleges violations of the Telephone Consumer Protection Act (the "TCPA") on behalf of an individual and putative classes of persons alleged to be similarly situated. Plaintiffs filed a First Amended Complaint on June 26, 2019, adding defendant MediaMix 365, LLC, also asserting individual and putative class claims under the TCPA, along with claims under the California Invasion of Privacy Act. In the amended version of their Complaint, plaintiffs seek statutory damages, equitable and injunctive relief, and attorneys' fees and costs on behalf of themselves and the absent purported classes. Most, if not all, of the claims asserted in the lawsuit relate to activities allegedly engaged in by third-party vendors, for which the Company denies any responsibility. While the Company believes that the claims against it are without merit, in view of the cost and risk of continuing to defend the action, it reached an agreement with plaintiffs to settle the lawsuit on a class-wide basis for \$5.5 million, which was accrued as of June 30, 2020, in exchange for a release of all claims that were or could have been asserted in the litigation. The settlement is subject to court approval. Preliminary approval was granted on September 25, 2020, and the court granted final approval on May 11, 2021. The Company subsequently made the settlement payment in mid-June.

In October 2019, two shareholders filed separate putative class actions in the U.S. District Court for the Eastern District of New York ( *Crumrine v. Vivint Solar, Inc.* and *Li v. Vivint Solar, Inc.* ) purportedly on behalf of themselves and all others similarly situated. The lawsuits purport to allege violations of Federal Securities Laws. In March 2020, the court consolidated the two actions and appointed lead plaintiffs and lead counsel to represent the alleged putative class. Subsequently, in December 2020, the Eastern District of New York transferred the actions to the District of Utah, where they are now pending. Vivint Solar disputes the allegations in the complaint. While Vivint Solar believes that the claims against it are without merit, in view of the cost and risk of continuing to defend the action, Vivint Solar mediated the action with plaintiffs on May 19, 2021, and reached an agreement to resolve the action on a class-wide basis for \$1.25 million. A portion of the \$ 1.25 million will be covered by insurance proceeds, and the Company accrued approximately \$ 750,000 as of June 30, 2021. The parties have informed the court of their agreement, and they anticipate submitting final settlement documents to the court in the next 60 days or so.

In December 2019, ten customers who signed residential power purchase agreements named Vivint Solar in a putative class action lawsuit captioned *Dekker v. Vivint Solar, Inc.* (N.D. Cal.), alleging that the agreements contain unlawful termination fee provisions. The Company disputes the allegations in the complaint. On January 17, 2020, Vivint Solar moved to compel arbitration with respect to nine of the ten plaintiffs whose contracts included arbitration provisions. The court issued an order compelling eight plaintiffs to pursue their claims in arbitration but subsequently rescinded the order as to certain plaintiffs. At this time, certain plaintiffs' claims remain pending before the court and other plaintiffs' claims are in arbitration. The Company is unable to estimate a range of loss, if any, at this time.

In March 2020, a shareholder filed a derivative action captioned *Oyola-Rivera v. Allred* (DE Chancery Court) against various officers and directors of Vivint Solar, Inc., alleging that they breached their duties of loyalty, care, and good faith. Vivint Solar, Inc. is named as a nominal defendant. The defendants dispute the allegations in the complaint. The Company is unable to estimate a range of loss, if any, at this time.

On December 2, 2020, the California Contractors State License Board (the "CSLB") filed an administrative proceeding against the Company and certain of its officers related to an accident that occurred during an installation by one of the Company's channel partners, Horizon Solar Power, which holds its own license with the CSLB. If this proceeding is not resolved in the Company's favor, it could potentially result in fines, a public reprimand, probation or the suspension or revocation of the Company's California Contractor's License. The Company strongly denies any wrongdoing in the matter and intends to work cooperatively with the CSLB while vigorously defending itself in this action. Any potential effect of the CSLB proceeding on the Company's consolidated financial statements is unknown.

In addition to the matters discussed above, in the normal course of business, the Company has from time to time been named as a party to various legal claims, actions and complaints. While the outcome of these matters cannot currently be predicted with certainty, the Company does not currently believe that the outcome of any of these claims will have a material adverse effect, individually or in the aggregate, on its consolidated financial position, results of operations or cash flows.

The Company accrues for losses that are probable and can be reasonably estimated. The Company evaluates the adequacy of its legal reserves based on its assessment of many factors, including interpretations of the law and assumptions about the future outcome of each case based on available information.

**Note 16. Earnings Per Share**

The computation of the Company's basic and diluted net loss per share is as follows (in thousands, except per share amounts):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
<b>Numerator:</b>				
Net loss attributable to common stockholders	\$ (41,244)	\$ (13,562)	\$ (65,033)	\$ (41,521)
<b>Denominator:</b>				
Weighted average shares used to compute net loss per share attributable to common stockholders, basic	204,378	120,279	203,475	120,201
Weighted average effect of potentially dilutive shares to purchase common stock	—	—	—	—
Weighted average shares used to compute net loss per share attributable to common stockholders, diluted	204,378	120,279	203,475	120,201
<b>Net loss per share attributable to common stockholders</b>				
Basic	\$ (0.20)	\$ (0.11)	\$ (0.32)	\$ (0.35)
Diluted	\$ (0.20)	\$ (0.11)	\$ (0.32)	\$ (0.35)

The following shares were excluded from the computation of diluted net loss per share as the impact of including those shares would be anti-dilutive (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Outstanding stock options	770	1,896	664	2,256
Unvested restricted stock units	2,306	1,845	1,325	1,924
Convertible senior notes (if converted)	3,392	—	2,865	—
Total	6,468	3,741	4,854	4,180

**Note 17. Related Party Transactions****Advances Receivable—Related Party**

Net amounts due from direct-sales professionals were \$ 12.3 million as of June 30, 2021. The Company provided a reserve of \$ 0.6 million as of June 30, 2021 related to advances to direct-sales professionals who have terminated their employment agreement with the Company.

**Note 18. Acquisitions****Vivint Solar, Inc.**

On October 8, 2020, the Company acquired Vivint Solar, a leading full-service residential solar provider in the United States, at an estimated purchase price of \$5.0 billion, pursuant to an Agreement and Plan of Merger, dated as of July 6, 2020, by and among the Company, Vivint Solar and Viking Merger Sub, Inc., a Delaware corporation and direct wholly owned subsidiary of the Company ("Merger Sub"), pursuant to which Merger Sub merged with and into Vivint Solar, with Vivint Solar continuing as the surviving corporation (the "Merger"). As a result of the Merger, Vivint Solar became a direct wholly owned subsidiary of the Company.

As the Company finalizes the fair value of assets acquired and liabilities assumed, additional purchase price adjustments may be recorded during the measurement period (a period not to exceed 12 months) in 2021. The Company is in the process of finalizing its third-party valuations of solar energy systems; thus, the provisional measurements of solar energy systems, goodwill and deferred income tax assets are subject to change as additional information is received and certain tax returns are finalized.

**Note 19. Subsequent Events**

On August 5, 2021, the Company announced that, effective August 31, 2021, Ms. Lynn Jurich would transition from her position as Chief Executive Officer of the Company to the role of Co-Executive Chair of the Company and that Ms. Mary Powell would be appointed Chief Executive Officer of the Company. A Form 8-K with copies of the Company's amended employment agreement with Ms. Jurich and the Company's employment agreement with Ms. Powell was filed with the SEC on August 5, 2021.

## Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*You should read the following discussion and analysis of our financial condition and results of operations together with the unaudited consolidated financial statements and related notes included elsewhere in this Quarterly Report on Form 10-Q. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those discussed below. Factors that could cause or contribute to such differences include those identified below and those discussed in the section titled "Risk Factors" included elsewhere in this Quarterly Report on Form 10-Q.*

### Overview

Sunrun's mission is to provide our customers with clean, affordable solar energy and storage, and a best-in-class customer experience. In 2007, we pioneered the residential solar service model, creating a low-cost solution for customers seeking to lower their energy bills. By removing the high initial cost and complexity of cash system sales that used to define the residential solar industry, we have fostered the industry's rapid growth and exposed an enormous market opportunity. Our relentless drive to increase the accessibility of solar energy is fueled by our enduring vision: to create a planet run by the sun.

On October 8, 2020, we completed the acquisition of Vivint Solar, Inc. ("Vivint Solar") a leading full-service residential solar provider in the United States, at an estimated purchase price of \$5.0 billion, pursuant to an Agreement and Plan of Merger, dated as of July 6, 2020, by and among Sunrun, Vivint Solar and Viking Merger Sub, Inc., a Delaware corporation and direct wholly owned subsidiary of the Company ("Merger Sub"). Further information about the acquisition of Vivint Solar can be found in Note 18, Acquisitions to our consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q.

We are engaged in the design, development, installation, sale, ownership and maintenance of residential solar energy systems ("Projects") in the United States. We provide clean, solar energy typically at savings compared to traditional utility energy. Our primary customers are residential homeowners. We also offer battery storage along with solar energy systems to our customers in select markets and sell our services to certain commercial developers through our multi-family and new homes offerings. After inventing the residential solar service model and recognizing its enormous market potential, we have built the infrastructure and capabilities necessary to rapidly acquire and serve customers in a low-cost and scalable manner. Today, our scalable operating platform provides us with a number of unique advantages. First, we are able to drive distribution by marketing our solar service offerings through multiple channels, including our diverse partner network and direct-to-consumer operations. This multi-channel model supports broad sales and installation capabilities, which together allow us to achieve capital-efficient growth. Second, we are able to provide differentiated solutions to our customers that, combined with a great customer experience, we believe will drive meaningful margin advantages for us over the long term as we strive to create the industry's most valuable and satisfied customer base.



Our core solar service offerings are provided through our lease and power purchase agreements, which we refer to as our “Customer Agreements” and which provide customers with simple, predictable pricing for solar energy that is insulated from rising retail electricity prices. While customers have the option to purchase a solar energy system outright from us, most of our customers choose to buy solar as a service from us through our Customer Agreements without the significant upfront investment of purchasing a solar energy system. With our solar service offerings, we install solar energy systems on our customers’ homes and provide them the solar power produced by those systems for typically a 20- or 25-year initial term. In addition, we monitor, maintain and insure the system during the term of the contract. In exchange, we receive predictable cash flows from high credit quality customers and qualify for tax and other benefits. We finance portions of these tax benefits and cash flows through tax equity, non-recourse debt and project equity structures in order to fund our upfront costs, overhead and growth investments. We develop valuable customer relationships that can extend beyond this initial contract term and provide us an opportunity to offer additional services in the future, such as our home battery storage service. Since our founding, we have continued to invest in a platform of services and tools to enable large scale operations for us and our partner network, and these partners include solar integrators, sales partners, installation partners and other strategic partners. The platform includes processes and software, as well as fulfillment and acquisition of marketing leads. We believe our platform empowers new market entrants and smaller industry participants to profitably serve our large and underpenetrated market without making the significant investments in technology and infrastructure required to compete effectively against established industry players. Our platform provides the support for our multi-channel model, which drives broad customer reach and capital-efficient growth.

Delivering a differentiated customer experience is core to our strategy. We emphasize a customized solution, including a design specific to each customer’s home and pricing configurations that typically drive both customer savings and value to us. We believe that our passion for engaging our customers, developing a trusted brand, and providing a customized solar service offering resonates with our customers who are accustomed to a traditional residential power market that is often overpriced and lacking in customer choice.

We have experienced substantial growth in our business and operations since our inception in 2007, as well as through our acquisition of Vivint Solar in 2020. As of June 30, 2021, we operated the largest fleet of residential solar energy systems in the United States. We have a Networked Solar Energy Capacity of 4,238 Megawatts as of June 30, 2021, which represents the aggregate megawatt production capacity of our solar energy systems that have been recognized as deployments, from our inception through the measurement date. Gross Earning Assets as of June 30, 2021 were approximately \$8.6 billion. Please see the section entitled “Key Operating Metrics” for more details on how we calculate Networked Solar Energy Capacity and Gross Earning Assets.

We also have a long track record of attracting low-cost capital from diverse sources, including tax equity and debt investors. Since inception we have raised tax equity investment funds to finance the installation of solar energy systems.

#### **Impacts of COVID-19 on Our Business**

The COVID-19 pandemic and the resulting impact on the U.S. economy have accelerated many of our operational initiatives to deliver best-in-class customer value and to reduce costs. We have invested in technology to streamline our installation processes, including online permitting and interconnection in many locations, enabled our entire salesforce to complete sales consultations in a virtual setting, and employed extensive use of drone technology to complete rooftop surveys. We believe this transition towards a digital model for many sales channels will position us well to realize sustaining reductions in customer acquisition costs.

The COVID-19 pandemic has had an unprecedented impact on the U.S. economy, resulting in governments and organizations implementing public health measures in an effort to contain the virus, including physical distancing, work from home, supply chain logistical changes and closure of non-essential businesses. With vaccine administration rising, governments and organizations have responded by adjusting such restrictions and guidelines accordingly. We are monitoring this fluid situation and will continue to follow official regulations to protect our employees and customers.

The ultimate impact of the COVID-19 pandemic (and virus variants) is still highly uncertain and subject to change, and we do not yet know the full extent of potential delays or impacts on our business, operations or the global economy as a whole. We will continue to monitor developments affecting our workforce, our customers, and our business operations generally and will take actions that we determine are necessary in order to mitigate these impacts.

## Investment Funds

Our Customer Agreements provide for recurring customer payments, typically over 20 or 25 years, and the related solar energy systems are generally eligible for Commercial ITCs, accelerated tax depreciation and other government or utility incentives. Our financing strategy is to monetize these benefits at a low weighted average cost of capital. This low cost of capital enables us to offer attractive pricing to our customers for the energy generated by the solar energy system on their homes. Historically, we have monetized a portion of the value created by our Customer Agreements and the related solar energy systems through investment funds. These assets are attractive to fund investors due to the long-term, recurring nature of the cash flows generated by our Customer Agreements, the high credit scores of our customers, the fact that energy is a non-discretionary good and our low loss rates. In addition, fund investors can receive attractive after-tax returns from our investment funds due to their ability to utilize Commercial ITCs, accelerated depreciation and certain government or utility incentives associated with the funds' ownership of solar energy systems.

As of June 30, 2021, we had 64 active investment funds, which are described below. We have established different types of investment funds to implement our asset monetization strategy. Depending on the nature of the investment fund, cash may be contributed to the investment fund by the investor upfront or in stages based on milestones associated with the design, construction or interconnection status of the solar energy systems. The cash contributed by the fund investor is used by the investment fund to purchase solar energy systems. The investment funds either own or enter into a master lease with a Sunrun subsidiary for the solar energy systems, Customer Agreements and associated incentives. We receive on-going cash distributions from the investment funds representing a portion of the monthly customer payments received. We use the upfront cash, as well as on-going distributions to cover our costs associated with designing, purchasing and installing the solar energy systems. In addition, we also use debt, equity and other financing strategies to fund our operations. The allocation of the economic benefits between us and the fund investor and the corresponding accounting treatment varies depending on the structure of the investment fund.

We currently utilize three legal structures in our investment funds, which we refer to as: (i) pass-through financing obligations, (ii) partnership flips and (iii) joint venture ("JV") inverted leases. We reflect pass-through financing obligations on our consolidated balance sheet as a pass-through financing obligation. We record the investor's interest in partnership flips or JV inverted leases (which we define collectively as "consolidated joint ventures") as noncontrolling interests or redeemable noncontrolling interests. These consolidated joint ventures are usually redeemable at our option and, in certain cases, at the investor's option. If redemption is at our option or the consolidated joint ventures are not redeemable, we record the investor's interest as a noncontrolling interest and account for the interest using the hypothetical liquidation at book value ("HLBV") method. If the investor has the option to put their interest to us, we record the investor's interest as a redeemable noncontrolling interest at the greater of the HLBV and the redemption value.

The table below provides an overview of our current investment funds (dollars in millions):

	Consolidated Joint Ventures			
	Pass-Through Financing Obligations	Partnership Flip	JV Inverted Lease	
Consolidation	Owner entity consolidated, tenant entity not consolidated	Single entity, consolidated	Owner and tenant entities consolidated	
Balance sheet classification	Pass-through financing obligation	Redeemable noncontrolling interests and noncontrolling interests	Redeemable noncontrolling interests and noncontrolling interests	
Revenue from Commercial ITCs	Recognized on the permission to operate ("PTO") date	None	None	
Method of calculating investor interest	Effective interest rate method	Greater of HLBV or redemption value; or pro rata	Greater of HLBV or redemption value; or pro rata	
Liability balance as of June 30, 2021	\$ 337.1	N/A	N/A	
Noncontrolling interest balance (redeemable or otherwise) as of June 30, 2021	N/A	\$ 1,297.4	\$ 38.3	

For further information regarding our investment funds, including the associated risks, see Part II, Item 1A. *Risk Factors*— "Our ability to provide our solar service offerings to customers on an economically viable basis depends in part on our ability to finance these systems with fund investors who seek particular tax and other benefits", as well as Note 10, *Pass-through Financing Obligations*, Note 11, *VIE Arrangements* and Note 12, *Redeemable Noncontrolling Interests and Equity* to our consolidated financial statements appearing elsewhere in this Quarterly Report on Form 10-Q.

### Key Operating Metrics

We regularly review a number of metrics, including the following key operating metrics, to evaluate our business, measure our performance, identify trends affecting our business, formulate financial projections and make strategic decisions. Some of our key operating metrics are estimates that are based on our management's beliefs and assumptions and on information currently available to management. Although we believe that we have a reasonable basis for each of these estimates, we caution you that these estimates are based on a combination of assumptions that may prove to be inaccurate over time. Any inaccuracies could be material to our actual results when compared to our calculations. Please see the section titled "Risk Factors" in this Quarterly Report on Form 10-Q for more information. Furthermore, other companies may calculate these metrics differently than we do now or in the future, which would reduce their usefulness as a comparative measure.

- *Networked Solar Energy Capacity* represents the aggregate megawatt production capacity of our solar energy systems, whether sold directly to customers or subject to executed Customer Agreements (i) for which we have confirmation that the systems are installed on the roof, subject to final inspection; (ii) in the case of certain system installations by our partners, for which we have accrued at least 80% of the expected project cost, or (iii) for multi-family and any other systems that have reached NTP, measured on the percentage of the project that has been completed based on expected project cost. Systems that have met this criteria are considered to be deployed.
- *Gross Earning Assets* is calculated as Gross Earning Assets Contracted Period plus Gross Earning Assets Renewal Period.

- *Gross Earning Assets Contracted Period* represents the present value of the remaining net cash flows (discounted at 5%) during the initial term of our Customer Agreements as of the measurement date. It is calculated as the present value of cash flows (discounted at 5%) we expect to receive from Subscribers in future periods, after deducting expected operating and maintenance costs, equipment replacements costs, distributions to tax equity partners in consolidated joint venture partnership flip structures, and distributions to project equity investors. We include cash flows we expect to receive in future periods from state incentive and rebate programs, contracted sales of solar renewable energy credits, and awarded net cash flows from grid service programs with utility or grid operators.
- *Gross Earning Assets Renewal Period* is the forecasted net present value we would receive upon or following the expiration of the initial Customer Agreement term but before the 30th anniversary of the system's activation (either in the form of cash payments during any applicable renewal period or a system purchase at the end of the initial term), for Subscribers as of the measurement date. We calculate the Gross Earning Assets Renewal Period amount at the expiration of the initial contract term assuming either a system purchase or a renewal, forecasting only a 30-year customer relationship (although the customer may renew for additional years, or purchase the system), at a contract rate equal to 90% of the customer's contractual rate in effect at the end of the initial contract term. After the initial contract term, our Customer Agreements typically automatically renew on an annual basis and the rate is initially set at up to a 10% discount to then-prevailing utility power prices.
- *Subscribers* represent the cumulative number of Customer Agreements for systems that have been recognized as deployments through the measurement date.
- *Customers* represent the cumulative number of deployments, from our inception through the measurement date.

Gross Earning Assets is forecasted as of a specific date. It is forward-looking, and we use judgment in developing the assumptions used to calculate it. Factors that could impact Gross Earning Assets include, but are not limited to, customer payment defaults, or declines in utility rates or early termination of a contract in certain circumstances, including prior to installation.

The definitions of Gross Earning Assets, Gross Earning Assets Contracted Period, and Gross Earning Assets Renewal Period use a discount rate of 5%; whereas the definitions used in our periodic reports [prior to [date]] used a discount rate of 6%.

	<u>As of June 30,</u>	
	<u>2021</u>	<u>2020</u>
Networked Solar Energy Capacity (megawatts)	4,238	2,163
Customers	599,743	301,310

  

	<u>As of June 30,</u>	
	<u>2021</u>	<u>2020</u>
	<i>(in thousands)</i>	
Gross Earning Assets Contracted Period	\$ 5,797,376	\$ 2,891,899
Gross Earning Assets Renewal Period	2,815,292	1,494,950
Gross Earning Assets	<u>\$ 8,612,668</u>	<u>\$ 4,386,849</u>

As a result of the acquisition of Vivint Solar in October 2020, we added \$2.9 billion of Gross Earning Assets, of which \$2.0 billion related to Gross Earning Assets Contracted Period and \$0.9 billion related to Gross Earning Assets Renewal Period.

The tables below provide a range of Gross Earning Asset amounts if different default, discount and purchase and renewal assumptions were used.

**Gross Earning Assets Contracted Period:**

<u>Default rate</u>	As of June 30, 2021				
	Discount rate				
	3%	4%	5%	6%	7%
	<i>(in thousands)</i>				
5%	\$ 6,695,649	\$ 6,130,008	\$ 5,635,070	\$ 5,200,280	\$ 4,816,858
0%	\$ 6,898,192	\$ 6,310,775	\$ 5,797,376	\$ 5,345,961	\$ 4,948,372

**Gross Earning Assets Renewal Period:**

<u>Purchase or Renewal rate</u>	As of June 30, 2021				
	Discount rate				
	3%	4%	5%	6%	7%
	<i>(in thousands)</i>				
80%	\$ 3,661,648	\$ 2,983,738	\$ 2,439,958	\$ 2,002,213	\$ 1,648,593
90%	\$ 4,223,224	\$ 3,442,020	\$ 2,815,292	\$ 2,310,695	\$ 1,903,005
100%	\$ 4,784,800	\$ 3,900,301	\$ 3,190,624	\$ 2,619,176	\$ 2,157,417

**Total Gross Earning Assets:**

<u>Purchase or Renewal rate</u>	As of June 30, 2021				
	Discount rate				
	3%	4%	5%	6%	7%
	<i>(in thousands)</i>				
80%	\$ 10,559,840	\$ 9,294,514	\$ 8,237,335	\$ 7,348,174	\$ 6,596,964
90%	\$ 11,121,417	\$ 9,752,796	\$ 8,612,668	\$ 7,656,656	\$ 6,851,377
100%	\$ 11,682,992	\$ 10,211,077	\$ 8,988,001	\$ 7,965,137	\$ 7,105,789

**Critical Accounting Policies and Estimates**

Our discussion and analysis of our financial condition and results of operations are based upon our financial statements, which have been prepared in accordance with generally accepted accounting principles in the United States ("GAAP"). GAAP requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses and related disclosures. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. In many instances, we could have reasonably used different accounting estimates, and in other instances, changes in the accounting estimates are reasonably likely to occur from period to period. Actual results could differ significantly from our estimates. Our future financial statements will be affected to the extent that our actual results materially differ from these estimates. For further information on all of our significant accounting policies, see Note 2, *Summary of Significant Accounting Policies* of our annual report on Form 10-K for the year ended December 31, 2020.

We believe that policies associated with our principles of consolidation, revenue recognition, goodwill, impairment of long-lived assets, provision for income taxes, business combinations and calculation of noncontrolling interests and redeemable noncontrolling interests have the greatest impact on our consolidated financial statements. Therefore, we consider these to be our critical accounting policies and estimates.

## Results of Operations

The results of operations presented below should be reviewed in conjunction with the consolidated financial statements and notes thereto included elsewhere in this Quarterly Report on Form 10-Q.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
	<i>(in thousands, except per share data)</i>			
<b>Revenue:</b>				
Customer agreements and incentives	\$ 219,474	\$ 106,095	\$ 394,070	\$ 205,219
Solar energy systems and product sales	181,692	75,199	341,890	186,806
Total revenue	401,166	181,294	735,960	392,025
<b>Operating expenses:</b>				
Cost of customer agreements and incentives	177,339	83,422	337,616	161,699
Cost of solar energy systems and product sales	151,588	63,746	285,670	155,344
Sales and marketing	144,599	69,701	270,712	139,971
Research and development	5,150	4,971	11,022	9,017
General and administrative	62,916	41,756	148,546	69,830
Amortization of intangible assets	1,343	1,167	2,688	2,650
Total operating expenses	542,935	264,763	1,056,254	538,511
Loss from operations	(141,769)	(83,469)	(320,294)	(146,486)
Interest expense, net	(74,999)	(50,721)	(149,269)	(100,645)
Other (expenses) income, net	(11,553)	(148)	22,794	(98)
Loss before income taxes	(228,321)	(134,338)	(446,769)	(247,229)
Income tax (benefit) expense	(14,912)	211	(29,038)	(3,131)
Net loss	(213,409)	(134,549)	(417,731)	(244,098)
Net loss attributable to noncontrolling interests and redeemable noncontrolling interests	(172,165)	(120,987)	(352,698)	(202,577)
Net loss attributable to common stockholders	\$ (41,244)	\$ (13,562)	\$ (65,033)	\$ (41,521)
<b>Net loss per share attributable to common stockholders</b>				
Basic	\$ (0.20)	\$ (0.11)	\$ (0.32)	\$ (0.35)
Diluted	\$ (0.20)	\$ (0.11)	\$ (0.32)	\$ (0.35)
<b>Weighted average shares used to compute loss per share attributable to common stockholders</b>				
Basic	204,378	120,279	203,475	120,201
Diluted	204,378	120,279	203,475	120,201

## Comparison of the Three Months Ended June 30, 2021 and 2020

### Revenue

	Three Months Ended June 30,		Change	
	2021	2020	\$	%
	<i>(in thousands)</i>			
Customer agreements	\$ 196,935	\$ 98,525	\$ 98,410	100 %
Incentives	22,539	7,570	14,969	198 %
Customer agreements and incentives	219,474	106,095	113,379	107 %
Solar energy systems	90,422	44,579	45,843	103 %
Products	91,270	30,620	60,650	198 %
Solar energy systems and product sales	181,692	75,199	106,493	142 %
Total revenue	\$ 401,166	\$ 181,294	\$ 219,872	121 %

*Customer Agreements and Incentives.* The \$98.4 million increase in revenue from Customer Agreements was primarily due to both an increase in solar energy systems under Customer Agreements being added to our fleet upon the acquisition of Vivint Solar in October 2020, as well as new systems placed in service in the period from July 1, 2020 through June 30, 2021, plus a full quarter of revenue recognized in the second quarter of 2021 for systems placed in service in the second quarter of 2020 versus only a partial quarter of such revenue related to the period in which the assets were in service in 2020. Revenue from incentives primarily consists of sales of SRECs, which increased by \$15.0 million during the three months ended June 30, 2021, compared to the prior year.

*Solar Energy Systems and Product Sales.* Revenue from solar energy systems sales increased by \$45.8 million compared to the prior year primarily due to solar energy systems sales from Vivint Solar, as well as increased demand through retail partners. Product sales increased by \$60.7 million, primarily due to lower volume of wholesale products sold in 2020, which was impacted by COVID-19.

### Operating Expenses

	Three Months Ended June 30,		Change	
	2021	2020	\$	%
	<i>(in thousands)</i>			
Cost of customer agreements and incentives	\$ 177,339	\$ 83,422	\$ 93,917	113 %
Cost of solar energy systems and product sales	151,588	63,746	87,842	138 %
Sales and marketing	144,599	69,701	74,898	107 %
Research and development	5,150	4,971	179	4 %
General and administrative	62,916	41,756	21,160	51 %
Amortization of intangible assets	1,343	1,167	176	15 %
Total operating expenses	\$ 542,935	\$ 264,763	\$ 278,172	105 %

*Cost of Customer Agreements and Incentives.* The \$93.9 million increase in Cost of customer agreements and incentives was primarily due to the increase in solar energy systems added to our fleet upon the acquisition of Vivint Solar in October 2020, as well as new systems placed in service in the period from July 1, 2020 through June 30, 2021, plus a full quarter of costs recognized in 2021 for systems placed in service in the second quarter of 2020 versus only a partial quarter of such expenses related to the period in which the assets were in service in 2020. Additionally, there was an increase of \$32.0 million related to depreciation expense on solar fixed assets recorded in the initial purchase accounting for the acquisition.

The cost of Customer Agreements and incentives remained relatively consistent at 81% of revenue from customer agreements and incentives during the three months ended June 30, 2021, compared with 79% during the three months ended June 30, 2020.

*Cost of Solar Energy Systems and Product Sales* . The \$87.8 million increase in Cost of solar energy systems and product sales was due to the corresponding net increase in the solar energy systems and product sales discussed above.

*Sales and Marketing Expense*. The \$74.9 million increase in Sales and marketing expense was attributable to increases in headcount, which were primarily driven by the acquisition of Vivint Solar in October 2020, resulting in higher employee compensation in the three months ended June 30, 2021 compared to the same period in the prior year. Additionally, we spent more in costs to acquire customers through our sales lead generating partners. Partially offsetting these increases in Sales and marketing expense is a decrease in costs related to retail lead generating partners, as well as a decrease of \$6.9 million in non-recurring costs incurred during the three months ended June 30, 2021. Included in sales and marketing expense is \$5.4 million and \$3.5 million of amortization of costs to obtain Customer Agreements for the three months ended June 30, 2021 and 2020, respectively.

*Research and Development Expense*. Research and development expense increased \$0.2 million during the three months ended June 30, 2021, which was relatively consistent with the same period in the prior year.

*General and Administrative Expense* . The \$21.2 million increase in General and administrative expenses was primarily attributable to the acquisition of Vivint Solar, resulting in an increase in headcount driving higher employee compensation, consulting costs, partially offset by a decrease of \$7.3 million in nonrecurring (primarily acquisition-related) costs during the three months ended June 30, 2021.

#### **Non-Operating Expenses**

	Three Months Ended June 30,		Change	
	2021	2020	\$	%
	<i>(in thousands)</i>			
Interest expense, net	\$ (74,999)	\$ (50,721)	\$ (24,278)	48 %
Other expenses, net	\$ (11,553)	\$ (148)	\$ (11,405)	7,706 %

*Interest Expense, net*. The increase in Interest expense, net of \$24.3 million is primarily related to the \$24.7 million of interest expense associated with the debt acquired with Vivint Solar. Included in net interest expense is \$6.5 million and \$6.2 million of non-cash interest recognized under Customer Agreements that have a significant financing component for the three months ended June 30, 2021 and 2020, respectively.

*Other Expenses, net*. The increase in other expenses of \$11.4 million relates primarily to losses on derivatives recognized in the three months ended June 30, 2021, with no such comparable activity in the three months ended June 30, 2020.

#### **Income Tax Expense (Benefit)**

	Three Months Ended June 30,		Change	
	2021	2020	\$	%
	<i>(in thousands)</i>			
Income tax benefit	\$ (14,912)	\$ 211	\$ (15,123)	(7,167)%

The increase in income tax benefit of \$15.1 million primarily relates to an increase in tax benefit related to a higher pre-tax loss and an increase in stock compensation deductions that was offset by an increase in noncontrolling interest and redeemable noncontrolling interests.



**Net Loss Attributable to Noncontrolling Interests and Redeemable Noncontrolling Interests**

	Three Months Ended June 30,		Change	
	2021	2020	\$	%
	(in thousands)			
Net loss attributable to noncontrolling interests and redeemable noncontrolling interests	\$ (172,165)	\$ (120,987)	\$ (51,178)	42 %

Net loss attributable to noncontrolling interests and redeemable noncontrolling interests was primarily the result of an additional \$22.7 million net loss related Vivint Solar's noncontrolling interests and redeemable noncontrolling interests, as well as an addition of five other new investment funds since June 30, 2020, for which the HLBV method used in determining the amount of net loss attributable to noncontrolling interests. Redeemable noncontrolling interests generally allocates more loss to the noncontrolling interest in the first several years after fund formation.

**Comparison of the Six Months Ended June 30, 2021 and 2020****Revenue**

	Six Months Ended June 30,		Change	
	2021	2020	\$	%
	(in thousands)			
Customer agreements	\$ 354,765	\$ 192,778	\$ 161,987	84 %
Incentives	39,305	12,441	26,864	216 %
Customer agreements and incentives	394,070	205,219	188,851	92 %
Solar energy systems	179,472	115,856	63,616	55 %
Products	162,418	70,950	91,468	129 %
Solar energy systems and product sales	341,890	186,806	155,084	83 %
Total revenue	\$ 735,960	\$ 392,025	\$ 343,935	88 %

*Customer Agreements and Incentives.* The \$162.0 million increase in revenue from Customer Agreements was primarily due to both an increase in solar energy systems under Customer Agreements being added to our fleet upon the acquisition of Vivint Solar in October 2020, as well as new systems placed in service in the period from July 1, 2020 through June 30, 2021, plus a full six months of revenue recognized in 2021 for systems placed in service in the first six months of 2020 versus only a partial amount of such revenue related to the period in which the assets were in service in 2020. Revenue from incentives primarily consists of sales of SRECs, which increased by \$26.9 million during the six months ended June 30, 2021, compared to the prior year.

*Solar Energy Systems and Product Sales.* Revenue from solar energy systems sales increased by \$63.6 million compared to the prior year primarily due to solar energy systems sales from Vivint Solar, as well as increased demand through retail partners. Product sales increased by \$91.5 million, primarily due to lower volume of wholesale products sold in 2020, which was impacted by COVID-19 and customers' reduced purchases in 2020 after purchasing safe harbor materials in 2019 for use in 2020.

## Operating Expenses

	Six Months Ended June 30,		Change	
	2021	2020	\$	%
	<i>(in thousands)</i>			
Cost of customer agreements and incentives	\$ 337,616	\$ 161,699	\$ 175,917	109 %
Cost of solar energy systems and product sales	285,670	155,344	130,326	84 %
Sales and marketing	270,712	139,971	130,741	93 %
Research and development	11,022	9,017	2,005	22 %
General and administrative	148,546	69,830	78,716	113 %
Amortization of intangible assets	2,688	2,650	38	1 %
Total operating expenses	\$ 1,056,254	\$ 538,511	\$ 517,743	96 %

*Cost of Customer Agreements and Incentives.* The \$175.9 million increase in Cost of customer agreements and incentives was primarily due to the increase in solar energy systems added to our fleet upon the acquisition of Vivint Solar in October 2020, as well as new systems placed in service in the period from July 1, 2020 through June 30, 2021, plus a full six months of costs recognized in 2021 for systems placed in service in the six months of 2020 versus only a partial amount of such expenses related to the period in which the assets were in service in 2020. Additionally, there was an increase of \$64.0 million related to depreciation expense on solar fixed assets recorded in the initial purchase accounting for the acquisition.

The cost of Customer Agreements and incentives increased to 86% of revenue from customer agreements and incentives during the six months ended June 30, 2021, from 79% during the six months ended June 30, 2020. The increase was impacted by the acquisition of Vivint Solar, which had negative gross margins due to seasonality during the winter months at the beginning of the year when solar production is lower, as well as the increase in depreciation expense related to the step up in solar systems fair value upon the acquisition of Vivint Solar discussed above.

*Cost of Solar Energy Systems and Product Sales.* The \$130.3 million increase in Cost of solar energy systems and product sales was due to the corresponding net increase in the solar energy systems and product sales discussed above.

*Sales and Marketing Expense.* The \$130.7 million increase in Sales and marketing expense was attributable to increases in headcount, which were primarily driven by the acquisition of Vivint Solar in October 2020, resulting in higher employee compensation. Additionally, we spent more in costs to acquire customers through our sales lead generating partners in the first six months of 2021 compared to the prior year period. Partially offsetting these increases in Sales and marketing expense is a decrease in costs related to retail lead generating partners, as well as a decrease of \$7.7 million in non-recurring and restructuring costs incurred during the six months ended June 30, 2021. Included in sales and marketing expense is \$9.6 million and \$6.9 million of amortization of costs to obtain Customer Agreements for the six months ended June 30, 2021 and 2020, respectively.

*Research and Development Expense.* The \$2.0 million increase in Research and development expense was primarily attributable to the acquisition of Vivint Solar, resulting in an increase in headcount driving higher employee compensation costs, consulting costs and \$0.2 million of nonrecurring acquisition related costs.

*General and Administrative Expense.* The \$78.7 million increase in General and administrative expenses was primarily attributable to the acquisition of Vivint Solar, resulting in an increase in headcount driving higher employee compensation and consulting costs, partially offset by a decrease of \$5.6 million in nonrecurring (primarily acquisition-related) costs during the six months ended June 30, 2021.

### Non-Operating Expenses

	Six Months Ended June 30,		Change	
	2021	2020	\$	%
	(in thousands)			
Interest expense, net	\$ (149,269)	\$ (100,645)	\$ (48,624)	48 %
Other income (expenses), net	\$ 22,794	\$ (98)	\$ 22,892	(23,359)%

*Interest Expense, net.* The increase in Interest expense, net of \$48.6 million included \$45.5 million of interest expense associated with the debt acquired with Vivint Solar. The remaining increase is primarily related to additional non-recourse debt entered into subsequent to June 30, 2020. Included in net interest expense is \$12.9 million and \$12.3 million of non-cash interest recognized under Customer Agreements that have a significant financing component for the six months ended June 30, 2021 and 2020, respectively.

*Other Income (expenses), net.* The increase in other income of \$22.9 million relates primarily to gains on derivatives recognized in the six months ended June 30, 2021, with no such comparable activity in the six months ended June 30, 2020.

### Income Tax Expense (Benefit)

	Six Months Ended June 30,		Change	
	2021	2020	\$	%
	(in thousands)			
Income tax benefit	\$ (29,038)	\$ (3,131)	\$ (25,907)	827 %

The increase in income tax benefit of \$25.9 million primarily relates to an increase in tax benefit related to a higher pre-tax loss and an increase in stock compensation deductions that was offset by an increase in noncontrolling interest and redeemable noncontrolling interests.

### Net Loss Attributable to Noncontrolling Interests and Redeemable Noncontrolling Interests

	Six Months Ended June 30,		Change	
	2021	2020	\$	%
	(in thousands)			
Net loss attributable to noncontrolling interests and redeemable noncontrolling interests	\$ (352,698)	\$ (202,577)	\$ (150,121)	74 %

Net loss attributable to noncontrolling interests and redeemable noncontrolling interests was primarily the result of an additional \$71.4 million net loss related Vivint Solar's noncontrolling interests and redeemable noncontrolling interests, as well as an addition of five other new investment funds since June 30, 2020, for which the HLBV method used in determining the amount of net loss attributable to noncontrolling interests. Redeemable noncontrolling interests generally allocates more loss to the noncontrolling interest in the first several years after fund formation.

### Liquidity and Capital Resources

As of June 30, 2021, we had cash of \$679.6 million, which consisted of cash held in checking and savings accounts with financial institutions. We finance our operations mainly through a variety of financing fund arrangements that we have formed with fund investors, cash generated from our sources of revenue and borrowings from secured credit facilities arrangements with syndicates of banks and from secured, long-term non-recourse loan arrangements. In 2020, we received \$595.0 million of new commitments on secured credit facilities arrangements with syndicates of banks and \$1.3 billion of commitments from secured, long-term non-recourse loan arrangements. Our principal uses of cash are funding our business, including the costs of acquisition and

installation of solar energy systems, satisfaction of our obligations under our debt instruments and other working capital requirements. As of June 30, 2021, we had outstanding borrowings of \$217.3 million on our \$250.0 million corporate bank line of credit maturing in April 2022. Additionally, we have purchase commitments, which have the ability to be canceled without significant penalties, with multiple suppliers to purchase \$57.8 million of photovoltaic modules, inverters and batteries by the end of 2022. In January 2021, we issued \$400.0 million of convertible senior notes with a maturity date of February 1, 2026, for net proceeds of approximately \$389.0 million. Our business model requires substantial outside financing arrangements to grow the business and facilitate the deployment of additional solar energy systems. The solar energy systems that are operational are expected to generate a positive return rate over the term of the Customer Agreement, typically 20 or 25 years. However, in order to grow, we will continue to be dependent on financing from outside parties. If financing is not available to us on acceptable terms if and when needed, we may be required to reduce planned spending, which could have a material adverse effect on our operations. While there can be no assurances, we anticipate raising additional required capital from new and existing investors. We believe our cash, investment fund commitments and available borrowings as further described below will be sufficient to meet our anticipated cash needs for at least the next 12 months. The following table summarizes our cash flows for the periods indicated:

	<b>Six Months Ended June 30,</b>	
	<b>2021</b>	<b>2020</b>
	<i>(in thousands)</i>	
<b>Consolidated cash flow data:</b>		
Net cash used in operating activities	\$ (355,764)	\$ (152,253)
Net cash used in investing activities	(757,051)	(364,417)
Net cash provided by financing activities	1,262,210	507,673
Net change in cash and restricted cash	<u>\$ 149,395</u>	<u>\$ (8,997)</u>

### **Operating Activities**

During the six months ended June 30, 2021, we used \$355.8 million in net cash from operating activities. The driver of our operating cash outflow consists of the cost of our revenue, as well as sales, marketing and general and administrative costs. During the six months ended June 30, 2021, our operating cash outflows were \$147.6 million from our net loss excluding non-cash and non-operating items. Changes in working capital resulted in a net cash outflow of \$208.2 million.

During the six months ended June 30, 2020, we used \$152.3 million in net cash from operating activities. The driver of our operating cash inflow consists of the costs of our revenue, as well as sales, marketing and general and administrative costs. During the six months ended June 30, 2020, our operating cash outflows were \$102.1 million from our net loss excluding non-cash and non-operating items. Changes in working capital resulted in a net cash inflow of \$50.2 million.

### **Investing Activities**

During the six months ended June 30, 2021, we used \$757.1 million in cash in investing activities. The majority was used to design, acquire and install solar energy systems and components under our long-term Customer Agreements.

During the six months ended June 30, 2020, we used \$364.4 million in cash in investing activities. The majority was used to design, acquire and install solar energy systems and components under our long-term Customer Agreements.

### **Financing Activities**

During the six months ended June 30, 2021, we generated \$1,262.2 million from financing activities. This was primarily driven by \$487.4 million in net proceeds from fund investors and \$762.0 million in net proceeds from debt, offset by \$6.1 million in repayments under finance lease obligations.

During the six months ended June 30, 2020, we generated \$507.7 million from financing activities. This was primarily driven by \$338.7 million in net proceeds from fund investors and \$156.9 million in net proceeds from debt, offset by \$5.5 million in repayments under finance lease obligations.

### **Debt and Investing Fund Commitments**

As of June 30, 2021, we had committed and available capital of approximately \$650.6 million that may only be used to purchase and install solar energy systems. We intend to establish new investment funds in the future, and we may also use debt, equity or other financing strategies to finance our business. For a discussion of the terms and conditions of debt instruments and changes thereof in the period, refer to Note 8, *Indebtedness*, to our consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q.

### **Convertible Senior Notes Offering**

On January 25, 2021, we entered into a purchase agreement (the "Purchase Agreement") with Credit Suisse Securities (USA) LLC and Morgan Stanley & Co. LLC, as representatives of the several initial purchasers (the "Purchasers"), to issue and sell \$350.0 million aggregate principal amount of 0% Convertible Senior Notes due 2026 (the "Notes") in a private placement to qualified institutional buyers pursuant to Rule 144A under the Securities Act. The Notes were sold to the Purchasers pursuant to an exemption from the registration requirements of the Securities Act afforded by Section 4(a)(2) of the Securities Act. In addition, we granted the Purchasers an option to purchase, during a 13-day period beginning on, and including, the date on which the Notes were first issued, up to an additional \$50.0 million aggregate principal amount of Notes on the same terms and conditions. The Purchasers exercised their option in full on January 26, 2021. The net proceeds from the sale of the Notes issued on January 28, 2021 (after deducting the Purchasers' discount and estimated offering expenses) was approximately \$389.0 million.

On January 28, 2021, we entered into an Indenture (the "Indenture") with Wells Fargo Bank, National Association, as trustee (the "Trustee"), pursuant to which we issued \$400.0 million aggregate principal amount of Notes. The Notes will not bear regular interest, and the principal amount of the notes will not accrete. The Notes may bear special interest under specified circumstances relating to our failure to comply with our reporting obligations under the Indenture or if the Notes are not freely tradable as required by the Indenture. The Notes will mature on February 1, 2026, unless earlier repurchased by us, redeemed by us or converted pursuant to their terms.

In connection with the offering of the Notes, on January 25, 2021 and January 26, 2021, we entered into privately negotiated capped call transactions with Credit Suisse Capital LLC, represented by Credit Suisse Securities (USA) LLC, Morgan Stanley & Co. LLC, Barclays Bank PLC, through its agent Barclays Capital Inc., and Royal Bank of Canada, represented by RBC Capital Markets, LLC (the "Capped Calls"). The Capped Calls each have an initial strike price of approximately \$117.91 per share, subject to certain adjustments, which corresponds to the initial conversion price of the Notes. The Capped Calls have initial cap prices of \$157.22 per share. The Capped Calls cover, subject to anti-dilution adjustments, approximately 3.4 million shares of common stock. The Capped Calls are expected generally to reduce the potential dilution to the common stock upon any conversion of Notes and/or offset any cash payments we are required to make in excess of the principal amount of the Notes, as the case may be, in the event the market price per share of common stock, as measured under the Capped Calls, is greater than the strike price of the Capped Call, with such offset subject to a cap. If, however, the market price per share of the common stock, as measured under the Capped Calls, exceeds the cap price of the Capped Calls, there would be dilution and/or there would not be an offset of such potential cash payments, in each case, to the extent that the then-market price per share of the common stock exceeds the cap price. We used approximately \$28.0 million from the net proceeds from the issuance and sale of the Notes to purchase the Capped Calls. The final components of the Capped Calls are scheduled to expire on January 29, 2026.

### **Recent Accounting Pronouncements**

See Note 2, *Summary of Significant Accounting Policies*, to our consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q.

### **Item 3. Quantitative and Qualitative Disclosures About Market Risk**

We are exposed to certain market risks in the ordinary course of our business. Our primary exposure includes changes in interest rates because certain borrowings bear interest at floating rates based on LIBOR plus a specified margin. We sometimes manage our interest rate exposure on floating-rate debt by entering into derivative instruments to hedge all or a portion of our interest rate exposure in certain debt facilities. We do not enter into any derivative instruments for trading or speculative purposes. Changes in economic conditions could result in higher interest rates, thereby increasing our interest expense and operating expenses and reducing funds available for capital investments, operations and other purposes. For quantitative and qualitative disclosures about market risk, see Item 7A, "Quantitative and Qualitative Disclosures About Market Risk," of our annual report on Form 10-K for the year ended December 31, 2020. Our exposures to market risk have not changed materially since December 31, 2020.

### **Item 4. Controls and Procedures**

#### *Evaluation of Disclosure Controls and Procedures*

We carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and our Chief Financial Officer, of the effectiveness of our "disclosure controls and procedures" as of the end of the period covered by this Quarterly Report on Form 10-Q, pursuant to Rules 13a-15(e) and 15d-15(e) under the Exchange Act.

In connection with that evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that our disclosure controls and procedures were effective and designed to provide reasonable assurance that the information required to be disclosed is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms as of June 30, 2021. The term "disclosure controls and procedures," as defined in Rules 13a-15I and 15d-15I under the Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

#### *Changes in Internal Control over Financial Reporting*

There was no change in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the period covered by this Quarterly Report on Form 10-Q that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

## PART II – OTHER INFORMATION

### Item 1. Legal Proceedings.

See Note 15, *Commitments and Contingencies*, to our consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q.

### Item 1A. Risk Factors.

*Investing in our common stock involves a high degree of risk. You should carefully consider the risks and uncertainties described below, together with all of the other information in this Quarterly Report on Form 10-Q, including the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and related notes, before making a decision to invest in our common stock. The risks and uncertainties described below may not be the only ones we face. If any of the risks actually occur, our business, financial condition, results of operations, cash flows and prospects could be materially and adversely affected. In that event, the market price of our common stock could decline, and you could lose part or all of your investment.*

#### Risks Related to the Impacts of COVID-19

**The COVID-19 pandemic has had and could continue to have an adverse impact on our business, operations, and the markets and communities in which we operate. Efforts to mitigate or contain the pandemic and the resulting weakened economic conditions may disrupt and adversely affect our business.**

The COVID-19 pandemic has had an unprecedented impact on the U.S. economy and has impacted our business and created significant uncertainties for our industry and the economy in general. As COVID-19 continues to spread and impact the country, effects such as the widespread growth in infections, travel restrictions, quarantines, return-to-work restrictions, government regulations, and site closures have impacted and may continue to impact our ability to staff sales and operations centers and install and maintain solar energy systems in the field, as well as direct-to-home sales activities of our Vivint Solar business. The rise of increasingly infectious strains of COVID-19, such as the Delta variant, have added additional challenges and unpredictability that may result in workforce constraints, delays, and additional costs, particularly in regions experiencing significant outbreaks.

Due to these impacts and uncertainties, we have run multiple scenarios to stress test our business and operations to evaluate the impact of significant reductions in demand, and restraints or regulations limiting our ability to sell and/or install our products in some or all jurisdictions in which we operate. Given these developments and mitigation measures that restrict certain paths to market our services, we have accelerated our transition to a more digital sales-focused model and reduced the size of certain parts of our workforce, particularly in our retail sales channels. We believe that the actions we have taken, and may continue to take in the future, to address these impacts will better position our company to manage these risks; however, we cannot ensure that the steps we have taken will be successful, and such steps may also disrupt our operations, impede our productivity, or otherwise be ineffective in a rapidly changing environment.

We are further responding by taking steps to mitigate the potential risks to us posed by the spread of COVID-19. For example, we are taking extra precautions to safeguard our employees who work in the field and for employees who continue to work in our facilities, including implementing social distancing policies, and have implemented work-from-home policies where appropriate. We have also implemented several protocols aimed at safeguarding customers. Because we provide a critical service to our customers, we believe that we must take steps aimed at keeping our employees and customers safe and minimizing unnecessary risk of exposure to the virus. Even with the mitigation strategies we have employed, we may not be successful in limiting the spread of COVID-19 among our employees or our customers, which could damage our reputation among our employee base and among our customers and materially and adversely impact our business and damage our reputation.

In an effort to curtail the spread of the disease, various state and local jurisdictions adopted executive orders, shelter-in-place orders, quarantines, and similar government orders and restrictions on the operations of many businesses and industries. In many such jurisdictions, we have been deemed an essential service, allowing us to continue our installation and field service operations. However, in 2020, certain jurisdictions temporarily enacted restrictions that prevented our field sales and installations. Following our acquisition of Vivint Solar, the impact of these and any additional restrictive orders could have an additional material adverse impact on our business given the importance of the direct-to-home sales model used by Vivint Solar.

The COVID-19 pandemic has also led to significant volatility in global financial markets, which could negatively affect our cost of and access to capital and could have an adverse impact on customer demand and the financial health and credit risk associated with our customers. Future disruptions or instability in capital markets could also negatively impact our ability to raise capital from third parties, such as tax equity partners, to grow our business. In addition, a recession or market correction resulting from the COVID-19 pandemic could adversely affect our business and the value of our common stock. The full economic impact of the pandemic and resulting restrictive governmental orders is still not known. Our customers may face reduced income, unemployment or increased medical bills as a result of the pandemic, which could negatively impact their ability to pay for our services and may cause potential new customers to delay or choose not to engage in a dialogue with us about our services, which may materially and adversely impact our business.

COVID-19 has caused disruptions to the supply chain across the global economy, including within the solar industry, and we are working with our equipment suppliers to minimize disruptions to our operations. Certain suppliers have experienced, and may continue to experience, delays related to a variety of factors, including logistical delays, component shortages from upstream vendors, and COVID-related factory shutdowns. We continue to monitor the situation closely and are working closely with our solar partners and suppliers to develop contingency plans for potential operations and supply chain interruptions.

The global COVID-19 pandemic continues to rapidly evolve. The ultimate impact of the pandemic is highly uncertain and subject to change. We do not yet know the full extent of potential delays or impacts on our business, operations or the global economy as a whole. However, these effects could have a material impact on our operations. We will continue to monitor developments affecting our workforce, our customers, and our business operations generally and will take additional actions that we determine are necessary in order to mitigate the impacts, however, any steps we take may be inadequate and, as a result, our business may be harmed.

### **Risks Related to the Solar Industry**

**The solar energy industry is an emerging market which is constantly evolving and may not develop to the size or at the rate we expect.**

The solar energy industry is an emerging and constantly evolving market opportunity. We believe the solar energy industry will still take several years to fully develop and mature, and we cannot be certain that the market will grow to the size or at the rate we expect. For example, we have experienced increases in cancellations of our Customer Agreements in certain geographic markets during certain periods in our operating history. Any future growth of the solar energy market and the success of our solar service offerings depend on many factors beyond our control, including recognition and acceptance of the solar service market by consumers, the pricing of alternative sources of energy, a favorable regulatory environment, the continuation of expected tax benefits and other incentives, and our ability to provide our solar service offerings cost-effectively. If the markets for solar energy do not develop to the size or at the rate we expect, our business may be adversely affected.

Solar energy has yet to achieve broad market acceptance and depends in part on continued support in the form of rebates, tax credits, and other incentives from federal, state and local governments. If this support diminishes materially, our ability to obtain external financing on acceptable terms, or at all, could be materially adversely affected. These types of funding limitations could lead to inadequate financing support for the anticipated growth in our business. Furthermore, growth in residential solar energy depends in part on macroeconomic conditions, retail prices of electricity and customer preferences, each of which can change quickly. Declining macroeconomic conditions, including in the job markets and residential real estate markets, could contribute to instability and uncertainty among customers and impact their financial wherewithal, credit scores or interest in entering into long-term contracts, even if such contracts would generate immediate and long-term savings.



Furthermore, market prices of retail electricity generated by utilities or other energy sources could decline for a variety of reasons, as discussed further below. Any such declines in macroeconomic conditions, changes in retail prices of electricity or changes in customer preferences would adversely impact our business.

**We have historically benefited from declining costs in our industry, and our business and financial results may be harmed not only as a result of any increases in costs associated with our solar service offerings but also any failure of these costs to continue to decline as we currently expect. If we do not reduce our cost structure in the future, our ability to continue to be profitable may be impaired.**

Declining costs related to raw materials, manufacturing and the sale and installation of our solar service offerings have been a key driver in the pricing of our solar service offerings and, more broadly, customer adoption of solar energy. While historically the prices of solar panels and raw materials have declined, the cost of solar panels and raw materials could increase in the future, and such products' availability could decrease, due to a variety of factors, including restrictions stemming from the COVID-19 pandemic, tariffs and trade barriers, export regulations, regulatory or contractual limitations, industry market requirements, and changes in technology and industry standards.

For example, we and our solar partners purchase a significant portion of the solar panels used in our solar service offerings from overseas manufacturers. In January 2018, in response to a petition filed under Section 201 of the Trade Act of 1974, President Trump imposed four-year tariffs on imported solar modules and imported solar cells not assembled into other products (the "Section 201 Module Tariffs") that apply to all imports above a 2.5 gigawatts (GW) annual threshold. The Section 201 Module Tariffs were 30% in 2018 and stepped down by 5% annually in the second and third years, and were scheduled to step down 5% in the fourth year. However, in October 2020, President Trump issued a proclamation increasing the tariff from 15% to 18% for the fourth and final year of the original Sec. 201 proclamation imposing the tariffs. While the tariffs are currently set to expire in February 2022, the Biden Administration could decide to extend them.

The United States and China each imposed additional new tariffs in 2018 on various products imported from the other country. These include an additional 25% tariff on solar panels and cells that are manufactured in China and a tariff on inverters, certain batteries and other electrical equipment initially set at 10%. In May 2019, the 10% tariff was increased to 25%. The United States also has, from time to time, announced potential tariffs on goods imported from other countries. We cannot predict what actions may ultimately be taken with respect to tariffs or trade relations between the United States and other countries, what products may be subject to such actions, or what actions may be taken by the other countries in retaliation. The tariffs described above, the adoption and expansion of trade restrictions, the occurrence of a trade war, or other governmental action related to tariffs, trade agreements or related policies have the potential to adversely impact our supply chain and access to equipment, our costs and ability to economically serve certain markets. Any such cost increases or decreases in availability could slow our growth and cause our financial results and operational metrics to suffer. We cannot predict whether and to what extent U.S. trade policies will change under the Biden administration and cannot ensure that additional tariffs or other restrictive measures will not continue or increase.

Other factors may also impact costs, such as our choice to make significant investments to drive growth in the future.

**We face competition from traditional energy companies as well as solar and other renewable energy companies.**

The solar energy industry is highly competitive and continually evolving as participants strive to distinguish themselves within their markets and compete with large utilities. We believe that our primary competitors are the established utilities that supply energy to homeowners by traditional means. We compete with these utilities primarily based on price, predictability of price, and the ease by which homeowners can switch to electricity generated by our solar service offerings. If we cannot offer compelling value to customers based on these factors, then our business and revenue will not grow. Utilities generally have substantially greater financial, technical, operational and other resources than we do. As a result of their greater size, utilities may be able to devote more resources to the research, development, promotion and sale of their products or respond more quickly to evolving industry standards and changes in market conditions than we can. Furthermore, these competitors are able to devote substantially more resources and funding to regulatory and lobbying efforts.

Utilities could also offer other value-added products or services that could help them compete with us even if the cost of electricity they offer is higher than ours. In addition, a majority of utilities' sources of electricity are non-solar, which may allow utilities to sell electricity more cheaply than we can. Moreover, regulated utilities are increasingly seeking approval to "rate-base" their own residential solar and storage businesses. Rate-basing means that utilities would receive guaranteed rates of return for their solar and storage businesses. This is already commonplace for utility-scale solar projects and commercial solar projects. While few utilities to date have received regulatory permission to rate-base residential solar or storage, our competitiveness would be significantly harmed should more utilities receive such permission because we do not receive guaranteed profits for our solar service offerings.

We also face competition from other residential solar service providers. Some of these competitors have a higher degree of brand name recognition, differing business and pricing strategies, and greater capital resources than we have, as well as extensive knowledge of our target markets. If we are unable to establish or maintain a consumer brand that resonates with customers, maintain high customer satisfaction, or compete with the pricing offered by our competitors, our sales and market share position may be adversely affected, as our growth is dependent on originating new customers. We also face competitive pressure from companies that may offer lower-priced consumer offerings than we do.

In addition, we compete with companies that are not regulated like traditional utilities but that have access to the traditional utility electricity transmission and distribution infrastructure. These energy service companies are able to offer customers electricity supply-only solutions that are competitive with our solar service offerings on both price and usage of solar energy technology while avoiding the long-term agreements and physical installations that our current fund-financed business model requires. This may limit our ability to attract customers, particularly those who wish to avoid long-term contracts or have an aesthetic or other objection to putting solar panels on their roofs.

Furthermore, we face competition from purely finance-driven nonintegrated competitors that subcontract out the installation of solar energy systems, from installation businesses (including solar partners) that seek financing from external parties, from large construction companies and from electrical and roofing companies. In addition, local installers that might otherwise be viewed as potential solar partners may gain market share by being able to be the first providers in new local markets. Some of these competitors may provide energy at lower costs than we do. Finally, as declining prices for solar panels and related equipment has resulted in an increase in consumers purchasing instead of leasing solar energy systems, we face competition from companies that offer consumer loans for these solar panel purchases.

As the solar industry grows and evolves, we will continue to face existing competitors as well as new competitors who are not currently in the market (including those resulting from the consolidation of existing competitors) that achieve significant developments in alternative technologies or new products such as storage solutions, loan products, or other programs related to third-party ownership. Our failure to adapt to changing market conditions, to compete successfully with existing or new competitors and to adopt new or enhanced technologies could limit our growth and have a material adverse effect on our business and prospects.

**A material drop in the retail price of utility-generated electricity or electricity from other sources would harm our business, financial condition, and results of operations.**

A customer's decision to buy solar energy from us is impacted by a desire to lower electricity costs. Decreases in the retail prices of electricity from utilities or other energy sources would harm our ability to offer competitive pricing and could harm our business. The price of electricity from utilities could decrease as a result of:

- the construction of a significant number of new power generation plants, including nuclear, coal, natural gas or renewable energy technologies;
- the construction of additional electric transmission and distribution lines;
- a reduction in the price of natural gas or other natural resources;
- energy conservation technologies and public initiatives to reduce electricity consumption;

- development of new energy technologies that provide less expensive energy, including storage; and
- utility rate adjustments and customer class cost reallocation.

A reduction in utility electricity prices would make the purchase of our solar service offerings less attractive. If the retail price of energy available from utilities were to decrease due to any of these or other reasons, we would be at a competitive disadvantage. As a result, we may be unable to attract new customers and our growth would be limited.

**The production and installation of solar energy systems depends heavily on suitable meteorological and environmental conditions. If meteorological or environmental conditions are unexpectedly unfavorable, the electricity production from our solar service offerings may be below our expectations, and our ability to timely deploy new systems may be adversely impacted.**

The energy produced and revenue and cash flows generated by a solar energy system depend on suitable solar and weather conditions, both of which are beyond our control. Furthermore, components of our systems, such as panels and inverters, could be damaged by severe weather or natural catastrophes, such as hailstorms, tornadoes, fires, or earthquakes. In these circumstances, we generally would be obligated to bear the expense of repairing the damaged solar energy systems that we own. Sustained unfavorable weather or environmental conditions also could unexpectedly delay the installation of our solar energy systems, leading to increased expenses and decreased revenue and cash flows in the relevant periods. Extreme weather conditions, as well as the natural catastrophes that could result from such conditions, can severely impact our operations by delaying the installation of our systems, lowering sales, and causing a decrease in the output from our systems due to smoke or haze. Weather patterns could change, making it harder to predict the average annual amount of sunlight striking each location where our solar energy systems are installed. This could make our solar service offerings less economical overall or make individual systems less economical. Any of these events or conditions could harm our business, financial condition, and results of operations.

**Climate change may have long-term impacts on our business, our industry, and the global economy.**

Climate change poses a systemic threat to the global economy and will continue to do so until our society transitions to renewable energy and decarbonizes. While our core business model seeks to accelerate this transition to renewable energy, there are inherent climate-related risks to our business operations. Warming temperatures throughout the United States, and in California in particular, have contributed to extreme weather, intense drought, and increased wildfire risks. These events have the potential to disrupt our business, our third-party suppliers, and our customers, and may cause us to incur additional operational costs. For instance, natural disasters and extreme weather events associated with climate change can impact our operations by delaying the installation of our systems, leading to increased expenses and decreased revenue and cash flows in the period. They can also cause a decrease in the output from our systems due to smoke or haze. Additionally, if weather patterns significantly shift due to climate change, it may be harder to predict the average annual amount of sunlight striking each location where our solar energy systems are installed. This could make our solar service offerings less economical overall or make individual systems less economical.

Our corporate mission is to create a planet run by the sun, and we seek to mitigate these climate-related risks not only through our core business model and sustainability initiatives, but also by working with organizations who are also focused on mitigating their own climate-related risks.

#### **Risks Related to Our Operating Structure and Financing Activities**

**We need to raise capital to finance the continued growth of our operations and solar service business. If capital is not available to us on acceptable terms, as and when needed, our business and prospects would be materially and adversely impacted. In addition, our business is affected by general economic conditions and related uncertainties affecting markets in which we operate. Volatility in current economic conditions could adversely impact our business, including our ability to raise financing.**

Our future success depends on our ability to raise capital from third parties to grow our business. To date, we have funded our business principally through low-cost tax equity investment funds. If we are unable to establish new investment funds when needed, or upon desirable terms, the growth of our solar service business would be impaired. Changes in tax law could also affect our ability to establish such tax equity investment funds, impact the terms of existing or future funds, or reduce the pool of capital available for us to grow our business.

The contract terms in certain of our existing investment fund documents contain various conditions with respect to our ability to draw on financing commitments from the fund investors, including conditions that restrict our ability to draw on such commitments if an event occurs that could reasonably be expected to have a material adverse effect on the fund or, in some instances, us. If we are not able to satisfy such conditions due to events related to our business, a specific investment fund, developments in our industry, including tax or regulatory changes, or otherwise, and as a result, we are unable to draw on existing funding commitments, we could experience a material adverse effect on our business, liquidity, financial condition, results of operations and prospects. If any of the investors that currently invest in our investment funds decide not to invest in future investment funds to finance our solar service offerings due to general market conditions, concerns about our business or prospects or any other reason, or materially change the terms under which they are willing to provide future financing, we would need to identify new investors to invest in our investment funds and our cost of capital may increase.

In addition, our business and results of operations are materially affected by conditions in the global capital markets and the economy. A general slowdown or volatility in current economic conditions, the level of U.S. national debt, currency fluctuations, unemployment rates, the availability and cost of credit, the U.S. housing market, tariffs, trade wars, inflation levels, interest rates, energy costs, and concerns over a slowing economy or other factors, could adversely affect our business, including our ability to raise financing.

There can be no assurance that we will be able to continue to successfully access capital in a manner that supports the growth of our business. Certain sources of capital may not be available in the future, and competition for any available funding may increase. We cannot be sure that we will be able to maintain necessary levels of funding without incurring high funding costs, unfavorable changes in the terms of funding instruments or the liquidation of certain assets. If we are unable to continue to offer a competitive investment profile, we may lose access to these funds or they may only be available on less favorable terms than those provided to our competitors or currently provided to us. If we are unable to arrange new or alternative methods of financing on favorable terms, our business, liquidity, financial condition, results of operations, and prospects could be materially and adversely affected.

**Rising interest rates would adversely impact our business.**

Rising interest rates may increase our cost of capital. Our future success depends on our ability to raise capital from fund investors and obtain secured lending to help finance the deployment of our solar service offerings. Part of our business strategy is to seek to reduce our cost of capital through these arrangements to improve our margins, offset reductions in government incentives and maintain the price competitiveness of our solar service offerings. Rising interest rates may have an adverse impact on our ability to offer attractive pricing on our solar service offerings to customers, which could negatively impact sales of our solar energy offerings.

The majority of our cash flows to date have been from solar service offerings under Customer Agreements that have been monetized under various investment fund structures. One of the components of this monetization is the present value of the payment streams from customers who enter into these Customer Agreements. If the rate of return required by capital providers, including debt providers, rises as a result of a rise in interest rates, it will reduce the present value of the customer payment stream and consequently reduce the total value derived from this monetization. Any measures that we could take to mitigate the impact of rising interest rates on our ability to secure third-party financing could ultimately have an adverse impact on the value proposition that we offer customers.

**We expect to incur substantially more debt in the future, which could intensify the risks to our business.**

We and our subsidiaries expect to incur additional debt in the future, subject to the restrictions contained in our debt instruments. Some of our existing debt arrangements restrict our ability to incur additional indebtedness, including secured indebtedness, and we may be subject to similar restrictions under the terms of future debt arrangements. These restrictions could inhibit our ability to pursue our business strategies. Increases in our existing debt obligations would further heighten the debt related risk discussed above.

Furthermore, there is no assurance that we will be able to enter into new debt instruments on acceptable terms or at all. If we were unable to satisfy financial covenants and other terms under existing or new instruments, or obtain waivers or forbearance from our lenders, or if we were unable to obtain refinancing or new financings for our working capital, equipment, and other needs on acceptable terms if and when needed, our business would be adversely affected.

**We may be required to make payments or contribute assets to our investors upon the occurrence of certain events, including one-time reset or true-up payments or upon the exercise of a redemption option by one of our tax equity investors.**

Our investors in our tax equity investment funds typically advance capital to us based on, among other things, production capacity estimates. The models we use to calculate prepayments in connection with certain of our tax equity investment funds are updated at a fixed date occurring after placement in service of all applicable solar energy systems or an agreed upon date (typically within the first year of the applicable term) to reflect certain specified conditions, as they exist at such date including the ultimate system size of the equipment that was sold or leased to the tax equity investment fund, the cost thereof, and the date the equipment went into service. In some cases, these true-up models also incorporate any changes in law, which would include any reduction in rates (and thus any reduction in the benefits of depreciation). As a result of this true-up, applicable payments are resized, and we may be obligated to refund a portion of the tax equity investor's prepayments or to contribute additional assets to the tax equity investment fund. In addition, certain of our tax equity fund investors have the right to require us to purchase their interests in the tax equity investment funds after a set period of time, generally at a price equal to the greater of a set purchase price or fair market value of the interests at the time of the repurchase. Any significant refunds, capital contributions, or purchases that we may be required to make could adversely affect our liquidity or financial condition.

**Loan financing developments could adversely impact our business.**

The third-party ownership structure, which we bring to market through our solar service offerings, continues to be the predominant form of system ownership in the residential solar market in many states. However, with the development of new loan financing products, we have seen a modest shift from leasing and power purchase arrangements to outright purchases of the solar energy system by the customer (i.e., a customer purchases the solar energy system outright instead of leasing the system or buying power from us). Continued increases in third-party loan financing products and outright purchases could result in the demand for long-term Customer Agreements to decline, which would require us to shift our product focus to respond to the market trend and could have an adverse effect on our business. The majority of our customers have historically chosen our solar service offerings as opposed to buying a solar energy system outright. Our financial model is impacted by the volume of customers who choose our solar service offerings, and an increase in the number of customers who choose to purchase solar energy systems (whether for cash or through third-party financing) may harm our business and financial results.

Additionally, as discussed above, further reductions in the Commercial ITC as scheduled may impact the attractiveness of solar energy to certain customers and could potentially harm our business. Further reductions in, eliminations of, or expirations of, governmental incentives such as the Residential Energy Efficiency Tax Credit could reduce the number of customers who choose to purchase our solar energy systems.

**Servicing our debt requires a significant amount of cash to comply with certain covenants and satisfy payment obligations, and we may not have sufficient cash flow from our business to pay our substantial debt and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.**

We have substantial amounts of debt, including our Notes, the working capital facility and the non-recourse debt facilities entered into by our subsidiaries, as discussed in more detail in the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements, in each case, included in this periodic report. Our ability to make scheduled payments of the principal of, to pay interest on or to refinance our indebtedness depends on our future performance, which is subject to economic, financial, competitive, and other factors beyond our control. Our business may not continue to generate cash flow from operations in the future sufficient to service our debt and make necessary capital expenditures to operate our business. If we are unable to generate such cash flow, we may be required to adopt one or more alternatives, such as selling assets, restructuring debt or obtaining additional equity capital on terms that may be onerous or highly dilutive. Our ability to timely repay or otherwise refinance our indebtedness will depend on the capital markets and our financial condition at such time. We may not be able to engage in any of these activities or engage in these activities on desirable terms, which could result in a default on our debt obligations and negatively impact our financial condition and prospects.

**Indebtedness under our Bank Line of Credit and certain of our Senior and Subordinated Debt Facilities bear interest at variable interest rates based on LIBOR. Changes in the method of determining LIBOR, or the replacement of LIBOR with an alternative reference rate, may adversely affect interest rates on our current or future indebtedness and may otherwise adversely affect our financial condition and results of operations.**

In July 2017, the Financial Conduct Authority, the authority that regulates LIBOR, announced that it intended to stop compelling banks to submit rates for the calculation of LIBOR after 2021. The Alternative Reference Rates Committee ("ARRC") in the U.S. has proposed that the Secured Overnight Financing Rate ("SOFR") is the rate that represents best practice as the alternative to the U.S. dollar LIBOR for use in derivatives and other financial contracts that are currently indexed to LIBOR. ARRC has proposed a paced market transition plan to SOFR from U.S. dollar LIBOR and organizations are currently working on industry-wide and company-specific transition plans as relating to derivatives and cash markets exposed to U.S. dollar LIBOR. We have certain financial contracts, including our Bank Line of Credit and many of our Senior and Subordinated Debt Facilities, that are indexed to U.S. dollar LIBOR. Furthermore, changes in the method of determining LIBOR, or the replacement of LIBOR with an alternative reference rate, may adversely affect interest rates on our current or future indebtedness. Any transition process may involve, among other things, increased volatility or illiquidity in markets for instruments that rely on LIBOR, reductions in the value of certain instruments or the effectiveness of related transactions such as hedges, increased borrowing costs, uncertainty under applicable documentation, or difficult and costly consent or amendment processes. We are monitoring this activity and evaluating the related risks, and any such effects of the transition away from LIBOR may result in increased expenses, may impair our ability to refinance our indebtedness or hedge our exposure to floating rate instruments, or may result in difficulties, complications or delays in connection with future financing efforts, any of which could adversely affect our financial condition and results of operations.

**We may not have the ability to raise the funds necessary to settle conversions of the Convertible Senior Notes in cash or to repurchase the Convertible Senior Notes upon a fundamental change, and our future debt may contain limitations on our ability to pay cash upon conversion or repurchase of the Convertible Senior Notes.**

Holders of the Convertible Senior Notes (the "Notes") will have the right to require us to repurchase all or a portion of their Notes upon the occurrence of a fundamental change under the indenture, which includes certain events such as a change of control, before the maturity date at a fundamental change repurchase price equal to 100% of the principal amount of the Notes to be repurchased, plus accrued and unpaid special interest, if any. In addition, upon conversion of the Notes, unless we elect to deliver solely shares of our common stock to settle such conversion (other than paying cash in lieu of delivering any fractional share), we will be required to make cash payments in respect of the Notes being converted. However, we may not have enough available cash or be able to obtain financing at the time we are required to make repurchases of Notes surrendered therefor or pay cash for Notes being converted. In addition, our ability to repurchase the Notes or to pay cash upon conversions of the Notes may be limited by law, by regulatory authority or by agreements governing our indebtedness at the time.

Our failure to repurchase Notes at a time when the repurchase is required by the indenture governing such Notes or to pay any cash payable on future conversions of the Notes as required by the indenture would constitute a default. A default under the indenture or the fundamental change itself could also lead to a default under agreements governing our existing or future indebtedness. If the repayment of the related indebtedness were to be accelerated after any applicable notice or grace periods, we may not have sufficient funds to repay the indebtedness and repurchase the Notes or make cash payments upon conversions thereof.

**We are subject to counterparty risk with respect to the capped call transactions.**

In connection with our issuance of the Notes in January 2021, we entered into privately negotiated capped call transactions (the "Capped Call transactions") with certain financial institutions (the "option counterparties"). The option counterparties are financial institutions or affiliates of financial institutions, and we will be subject to the risk that one or more of such option counterparties may default under the Capped Call transactions. Our exposure to the credit risk of the option counterparties will not be secured by any collateral. If any option counterparty becomes subject to bankruptcy or other insolvency proceedings, with respect to such option counterparty's obligations under the relevant Capped Call transaction, we will become an unsecured creditor in those proceedings with a claim equal to our exposure at that time under such transaction. Our exposure will depend on many factors but, generally, an increase in our exposure will be positively correlated to an increase in our common stock market price and in the volatility of the market price of our common stock. In addition, upon a default by any of the option counterparties, we may suffer adverse tax consequences and dilution with respect to our common stock. We can provide no assurance as to the financial stability or viability of any of the option counterparties.

**Risks Related to Regulation and Policy**

**We rely on net metering and related policies to offer competitive pricing to customers in all of our current markets, and changes to such policies may significantly reduce demand for electricity from our solar service offerings.**

As of June 30, 2021, a substantial majority of states have adopted net metering policies. Net metering policies are designed to allow homeowners to serve their own energy load using on-site generation. Electricity that is generated by a solar energy system and consumed on-site avoids a retail energy purchase from the applicable utility, and excess electricity that is exported back to the electric grid generates a retail credit within a homeowner's monthly billing period. At the end of the monthly billing period, if the homeowner has generated excess electricity within that month, the homeowner typically carries forward a credit for any excess electricity to be offset against future utility energy purchases. At the end of an annual billing period or calendar year, utilities either continue to carry forward a credit, or reconcile the homeowner's final annual or calendar year bill using different rates (including zero credit) for the exported electricity.

Utilities, their trade associations, and fossil fuel interests in the country are currently challenging net metering policies, and seeking to eliminate them, cap them, reduce the value of the credit provided to homeowners for excess generation, or impose charges on homeowners that have net metering. For example, on April 14, 2020, the New England Ratepayers Association filed a petition with the Federal Energy Regulatory Commission ("FERC"), asking it to assert exclusive federal jurisdiction over state net metering programs. Such a declaratory order, if granted, would have encouraged legal challenges to state net metering programs and could have reduced the bill credits customers receive for the electricity they export to the grid. On July 16, 2020, FERC dismissed the petition unanimously on procedural grounds, but at least one commissioner indicated that FERC could revisit the issue of net metering jurisdiction in the future.

In October 2015 the Hawaii Public Utilities Commission (the "Hawaii Commission") issued an order that eliminates net metering for all new homeowners. All existing net metering customers and customers who submitted net metering applications before October 12, 2015 are grandfathered indefinitely under the old rules. Interim tariffs currently exist in Hawaii. Permanent tariffs are currently under consideration by the Hawaii Commission, and customers on the interim tariff may be switched over to these newer tariffs. We continue to sell, build, and service systems in Hawaii. The new programs in Hawaii are more complex, which decreases certainty in the economic value proposition we provide to customers and potentially slows down market growth. Recent proposals submitted by utility companies have proposed significant changes to the marketplace, such as utility ownership/control over solar energy systems, which may further detrimentally impact the economic value proposition to customers and slow down market growth.

In addition, in early 2016 we ceased new installations in Nevada in response to the elimination of net metering by the Public Utilities Commission of Nevada ("PUCN"). However, in September 2016, the PUCN issued an order making customers eligible for the prior net metering rules if they had installed a solar energy system or had submitted a net metering application prior to December 31, 2015. Furthermore, in June 2017, Nevada enacted legislation, AB 405, that restores net metering at a reduced credit and guarantees new customers receive the net metering rate in effect at the time they applied for interconnection for 20 years. As another example, in December 2016, the Arizona Corporation Commission ("ACC") issued a decision to eliminate net metering for new solar customers and replace it with a net-feed in tariff (a fixed export rate). In 2019 Connecticut extended net metering through the end of 2021, after which two successor tariffs will take effect. On February 10, 2021 the Public Utilities Regulatory Authority issued an order creating the successor tariffs which will initially provide a net metering-equivalent value but in the future may be reduced on an annual basis as determined through a rate setting process. In November 2017, the Utah Public Service Commission ("Utah PSC") approved a settlement between the solar industry and Rocky Mountain Power, the main investor-owned utility in Utah. The agreement reduced the compensation customers receive for power exported to the grid by about 10% below the retail rate. The Utah PSC then initiated a case to quantify the value of power exported from behind-the-meter solar energy systems. In December 2020, after a three-year case, the Utah PSC established a new compensation rate at roughly 45% below the average retail rate.

Some states set limits on the total percentage of a utility's customers that can adopt net metering. For example, South Carolina had a net metering cap that was eliminated in May 2019 when South Carolina enacted the Energy Freedom Act. The new law allows for regulatory review of net metering after two years, with changes to rate design to occur in June 2021. While South Carolina stakeholders and Duke Energy have reached a settlement in South Carolina, and the state's Public Service Commission has approved a portion of the proposal, with the final adoption pending. Conversely, Dominion filed an anti-net energy metering plan that we opposed, and the PSC rejected Dominion's proposal on May 26, 2021. Illinois has a threshold that triggers a commission process to determine what valuation of solar comes after net metering rate design. New Jersey currently has no net metering cap; however, it has a threshold that triggers commission review of its net metering policy. These policies could be subject to change in the future, and other states we serve now or in the future may adopt net metering caps. If the net metering caps in these jurisdictions are reached without an extension of net metering policies, homeowners in those jurisdictions will not have access to the economic value proposition net metering provides. Our ability to sell our solar service offerings may be adversely impacted by the failure to extend existing limits to net metering or the elimination of currently existing net metering policies. The failure to adopt a net metering policy where it currently is not in place would pose a barrier to entry in those states. Additionally, the imposition of charges that only or disproportionately impact homeowners that have solar energy systems, or the introduction of rate designs mentioned above, would adversely impact our business.

California's Public Utilities Commission ("CPUC") has made changes to rate design for solar customers, such as adopting "time of use" rates with different electricity prices during peak and off peak hours, as well as modifications to the minimum bill for solar customers. The CPUC is revisiting its net metering policy in a proceeding that began in the third quarter of 2020 and is expected to conclude near the end of 2021 and not take effect until sometime in 2022, or in early 2023. The California investor-owned utilities, along with other parties, are seeking to reduce the level of compensation for customer-owned generation and to impose grid access fees on solar customers. Similarly, certain California municipal utilities, which are not regulated by the CPUC and would not be governed by the CPUC's net metering policy, have also announced they plan to review their net metering policies. Such reviews have been taking place at California municipal utilities since 2015.

**Electric utility statutes and regulations and changes to such statutes or regulations may present technical, regulatory and economic barriers to the purchase and use of our solar service offerings that may significantly reduce demand for such offerings.**

Federal, state and local government statutes and regulations concerning electricity heavily influence the market for our solar service offerings and are constantly evolving. These statutes, regulations, and administrative rulings relate to electricity pricing, net metering, consumer protection, incentives, taxation, competition with utilities, and the interconnection of homeowner-owned and third party-owned solar energy systems to the electrical grid. These statutes and regulations are constantly evolving. Governments, often acting through state utility or public service commissions, change and adopt different rates for residential customers on a regular basis and these changes can have a negative impact on our ability to deliver savings, or energy bill management, to customers.



In addition, many utilities, their trade associations, and fossil fuel interests in the country, which have significantly greater economic, technical, operational, and political resources than the residential solar industry, are currently challenging solar-related policies to reduce the competitiveness of residential solar energy. Any adverse changes in solar-related policies could have a negative impact on our business and prospects.

**Regulations and policies related to rate design could deter potential customers from purchasing our solar service offerings, reduce the value of the electricity our systems produce, and reduce any savings that our customers could realize from our solar service offerings.**

All states regulate investor-owned utility retail electricity pricing. In addition, there are numerous publicly owned utilities and electric cooperatives that establish their own retail electricity pricing through some form of regulation or internal process. These regulations and policies could deter potential customers from purchasing our solar service offerings. For example, some utilities in states such as Arizona and Utah have sought and secured rate design changes that reduce credit for residential solar exports to below the retail rate and impose new charges for rooftop solar customers. Utilities in additional states may follow suit. Such rate changes can include changing rates to charge lower volume-based rates—the rates charged for kilowatt hours of electricity purchased by a residential customer—while raising unavoidable fixed charges that a homeowner is subject to when they purchase solar energy from third parties, and levying charges on homeowners based on their point of maximum demand during a month (referred to as “demand charge”). For example, the Arizona Public Service Company offers residential demand charge rate plans and if our solar customers have subscribed to those plans, they may not realize typical savings from our offerings. These forms of rate design could adversely impact our business by reducing the value of the electricity our solar energy systems produce compared to retail net metering, and reducing any savings customers realize by purchasing our solar service offerings. These proposals could continue or be replicated in other states. In addition to changes in general rates charged to all residential customers, utilities are increasingly seeking solar-specific charges (which may be fixed charges, capacity-based charges, or other rate charges). Any of these changes could materially reduce the demand for our offerings and could limit the number of markets in which our offerings are competitive with electricity provided by the utilities.

**We are not currently regulated as a utility under applicable laws, but we may be subject to regulation as a utility in the future or become subject to new federal and state regulations for any additional solar service offerings we may introduce in the future.**

Most federal, state, and municipal laws do not currently regulate us as a utility. As a result, we are not subject to the various regulatory requirements applicable to U.S. utilities. However, any federal, state, local or other applicable regulations could place significant restrictions on our ability to operate our business and execute our business plan by prohibiting or otherwise restricting our sale of electricity. These regulatory requirements could include restricting our sale of electricity, as well as regulating the price of our solar service offerings. For example, the New York Public Service Commission and the Illinois Power Agency have issued orders regulating distributed energy providers in certain ways as if they were energy service companies, which increases the regulatory compliance burden for us in such states. If we become subject to the same regulatory authorities as utilities in other states or if new regulatory bodies are established to oversee our business, our operating costs could materially increase.

**Our business depends in part on the regulatory treatment of third-party-owned solar energy systems.**

Our Customer Agreements are third-party ownership arrangements. Sales of electricity by third parties face regulatory challenges in some states and jurisdictions. These challenges pertain to issues such as whether third-party-owned systems qualify for the same rebates, tax exemptions or other non-tax incentives available for homeowner-owned solar energy systems, whether third-party-owned systems are eligible at all for these incentives, and whether third-party-owned systems are eligible for net metering and the associated significant cost savings. Adverse regulatory treatment of third-party ownership arrangements could reduce demand for our solar service offerings, adversely impact our access to capital and cause us to increase the price we charge customers for energy.

**Interconnection limits or circuit-level caps imposed by regulators may significantly reduce our ability to sell electricity from our solar service offerings in certain markets or slow interconnections, harming our growth rate and customer satisfaction scores.**

Interconnection rules establish the circumstances in which rooftop solar will be connected to the electricity grid. Interconnection limits or circuit-level caps imposed by regulators may curb our growth in key markets. Utilities throughout the country have different rules and regulations regarding interconnection and some utilities cap or limit the amount of solar energy that can be interconnected to the grid. Our systems do not provide power to customers until they are interconnected to the grid.

Interconnection regulations are based on claims from utilities regarding the amount of solar energy that can be connected to the grid without causing grid reliability issues or requiring significant grid upgrades. Although recent rulings from the Hawaii Utilities Commission have helped resolve some problems, historically, interconnection limits or circuit-level caps have slowed the pace of our installations in Hawaii. Similar interconnection limits could slow our future installations in Hawaii or other markets, harming our growth rate and customer satisfaction scores. Similarly, the California and Hawaii Public Utilities Commissions require the activation of some advanced inverter functionality to head off presumed grid reliability issues, which may require more expensive equipment and more oversight of the operation of the solar energy systems over time. As a result, these regulations may hamper our ability to sell our offerings in certain markets and increase our costs, adversely affecting our business, operating results, financial condition, and prospects. These advanced functions will become more commonplace as regions start to require 1547-2018 inverters, with activation of some advanced functions starting January 2022 in Maryland, Colorado and Arizona, with more to follow.

### **Risks Related to Our Business Operations**

#### **Our growth depends in part on the success of our relationships with third parties, including our solar partners.**

A key component of our growth strategy is to develop or expand our relationships with third parties. For example, we are investing resources in establishing strategic relationships with market players across a variety of industries, including large retailers, to generate new customers. These programs may not roll out as quickly as planned or produce the results we anticipated. A significant portion of our business depends on attracting and retaining new and existing solar partners. Negotiating relationships with our solar partners, investing in due diligence efforts with potential solar partners, training such third parties and contractors, and monitoring them for compliance with our standards require significant time and resources and may present greater risks and challenges than expanding a direct sales or installation team. If we are unsuccessful in establishing or maintaining our relationships with these third parties, our ability to grow our business and address our market opportunity could be impaired. Even if we are able to establish and maintain these relationships, we may not be able to execute on our goal of leveraging these relationships to meaningfully expand our business, brand recognition and customer base. This would limit our growth potential and our opportunities to generate significant additional revenue or cash flows.

#### **We and our solar partners depend on a limited number of suppliers of solar panels, batteries, and other system components to adequately meet anticipated demand for our solar service offerings. Any shortage, delay or component price change from these suppliers, or the acquisition of any of these suppliers by a competitor, could result in sales and installation delays, cancellations, and loss of market share.**

We and our solar partners purchase solar panels, inverters, batteries, and other system components from a limited number of suppliers, making us susceptible to quality issues, shortages and price changes. If we or our solar partners fail to develop, maintain and expand our relationships with these or other suppliers, we may be unable to adequately meet anticipated demand for our solar service offerings, or we may only be able to offer our systems at higher costs or after delays. If one or more of the suppliers that we or our solar partners rely upon to meet anticipated demand ceases or reduces production, we may be unable to quickly identify alternate suppliers or to qualify alternative products on commercially reasonable terms, and we may be unable to satisfy this demand.

The acquisition of a supplier by one of our competitors could also limit our access to such components and require significant redesigns of our solar energy systems or installation procedures and have a material adverse effect on our business.

In particular, there is a limited number of suppliers of inverters, which are components that convert electricity generated by solar panels into electricity that can be used to power the home. For example, once we design a system for use with a particular inverter, if that type of inverter is not readily available at an anticipated price, we may incur delays and additional expenses to redesign the system. Further, the inverters on our solar energy systems generally carry only ten year warranties. If there is an inverter equipment shortage in a year when a substantial number of inverters on our systems need to be replaced, we may not be able to replace the inverters to maintain proper system functioning or may be forced to do so at higher than anticipated prices, either of which would adversely impact our business.

Similarly, there is a limited number of suppliers of batteries. Once we design a system for use with a particular battery, if that type of battery is not readily available from our supplier, we may incur delays and additional expenses to install the system or be forced to redesign the system. Global demand has increased for lithium-ion battery cells, which may cause challenges for our battery suppliers, including delays or price volatility. Any such delays or reduced availability of battery cells (or other component materials) may impact our sales and operating results. Further, these risks may increase as market demand for our solar and storage offering grows.

There have also been periods of industry-wide shortage of key components, including solar panels, in times of rapid industry growth or regulatory change. For example, guidance from the IRS on the steps required for construction to be deemed to have commenced in time to qualify for federal investment tax credits resulted in significant module shortages in the market as utilities and large commercial customers started purchasing supplies in advance of the December 2019 deadline to qualify for a 30% Commercial ITC. Further, new or unexpected changes in rooftop fire codes or building codes may require new or different system components to satisfy compliance with such newly effective codes or regulations, which may not be readily available for distribution to us or our suppliers. The manufacturing infrastructure for some of these components has a long lead time, requires significant capital investment and relies on the continued availability of key commodity materials, potentially resulting in an inability to meet demand for these components and, as a result, could negatively impact our ability to install systems in a timely manner. Additionally, any decline in the exchange rate of the U.S. dollar compared to the functional currency of our component suppliers could increase our component prices. Any of these shortages, delays or price changes could limit our growth, cause cancellations or adversely affect our operating margins, and result in loss of market share and damage to our brand.

In addition, our supply chain and operations (or those of our partners) could be subject to events beyond our control, such as earthquakes, wildfires, flooding, hurricanes, tsunamis, typhoons, volcanic eruptions, droughts, tornadoes, the effects of climate change and related extreme weather, public health issues and pandemics, war, terrorism, government restrictions or limitations on trade, and geo-political unrest and uncertainties. For example, COVID-19 has caused disruptions to the supply chain across the global economy, including within the solar industry, and we are working with our equipment suppliers to minimize disruptions to our operations. The extent to which the COVID-19 pandemic may impact our supply chain and operations is uncertain. The extent of the impact of the COVID-19 pandemic on our business and operations will depend on several factors, such as the duration, severity, and geographic spread of the outbreak and the impact of variants. In addition, human rights issues in foreign countries and the U.S. government response to them could disrupt our supply chain and operations. For example, allegations regarding forced labor in China and U.S. regulations to prohibit the importation of any goods derived from forced labor could affect our supply chain and operations.

**As the primary entity that contracts with customers, we are subject to risks associated with construction, cost overruns, delays, customer cancellations, regulatory compliance and other contingencies, any of which could have a material adverse effect on our business and results of operations.**

We are a licensed contractor in certain communities that we service, and we are ultimately responsible as the contracting party for every solar energy system installation. We may be liable, either directly or through our solar partners, to customers for any damage we cause to them, their home, belongings or property during the installation of our systems. For example, we, either directly or through our solar partners, frequently penetrate customers' roofs during the installation process and may incur liability for the failure to adequately weatherproof such penetrations following the completion of construction. In addition, because the solar energy systems we or our solar partners deploy are high voltage energy systems, we may incur liability for any failure to comply with electrical standards and manufacturer recommendations.

For example, on December 2, 2020, the California Contractors State License Board (the "CSLB") filed an administrative proceeding against Sunrun and certain of its officers related to an accident that occurred during an installation by one of our channel partners, Horizon Solar Power, which holds its own license with the CSLB. If this proceeding is not resolved in our favor, it could potentially result in fines, a public reprimand, probation or the suspension or revocation of our California Contractor's License. We strongly deny any wrongdoing in the matter and intend to work cooperatively with the CSLB while vigorously defending ourselves in this action.

Completing the sale and installation of a solar energy system requires many different steps including a site audit, completion of designs, permitting, installation, electrical sign-off and interconnection. Customers may cancel their Customer Agreement, subject to certain conditions, during this process until commencement of installation, and we have experienced increased customer cancellations in certain geographic markets during certain periods in our operating history. We or our solar partners may face customer cancellations, delays or cost overruns which may adversely affect our or our solar partners' ability to ramp up the volume of sales or installations in accordance with our plans. These cancellations, delays or overruns may be the result of a variety of factors, such as labor shortages or other labor issues, defects in materials and workmanship, adverse weather conditions, transportation constraints, construction change orders, site changes or roof conditions, geographic factors and other unforeseen difficulties, any of which could lead to increased cancellation rates, reputational harm and other adverse effects. For example, some customer orders are cancelled after a site visit if we determine that a customer needs to make repairs to or install a new roof, or that there is excessive shading on their property. If we continue to experience increased customer cancellations, our financial results may be materially and adversely affected.

In addition, the installation of solar energy systems and other energy-related products requiring building modifications are subject to oversight and regulation in accordance with national, state and local laws and ordinances relating to building, fire and electrical codes, safety, environmental protection, utility interconnection and metering, and related matters. We also rely on certain of our and our partners' employees to maintain professional licenses in many of the jurisdictions in which we operate, and our failure to employ properly licensed personnel could adversely affect our licensing status in those jurisdictions. It is difficult and costly to track the requirements of every individual authority having jurisdiction over our installations and to design solar energy systems to comply with these varying standards. Any new government regulations or utility policies pertaining to our systems may result in significant additional expenses to us and our customers and, as a result, could cause a significant reduction in demand for our solar service offerings.

We have a variety of stringent quality standards that we apply in the selection, supervision, and oversight of our third-party suppliers and solar partners. We exercise oversight over our partners through written agreements requiring compliance with the laws and requirements of all jurisdictions, including regarding safety and consumer protections, by oversight of compliance with these agreements, and enforced by termination of a partner relationship for failure to meet those obligations. However, because our suppliers and partners are third parties, ultimately, we cannot guarantee that they will follow our standards or ethical business practices, such as fair wage practices and compliance with environmental, safety and other local laws, despite our efforts to hold them accountable to our standards. A lack of demonstrated compliance could lead us to seek alternative suppliers or contractors, which could increase our costs and result in delayed delivery or installation of our products, product shortages or other disruptions of our operations. Violation of labor or other laws by our suppliers and solar partners or the divergence of a supplier's or solar partner's labor or other practices from those generally accepted as ethical in the United States or other markets in which we do business could also attract negative publicity for us and harm our business, brand and reputation in the market.

**We typically bear the risk of loss and the cost of maintenance, repair and removal on solar energy systems that are owned or leased by our investment funds.**

We typically bear the risk of loss and are generally obligated to cover the cost of maintenance, repair and removal for any solar energy system that we sell or lease to our investment funds. At the time we sell or lease a solar energy system to an investment fund, we enter into a maintenance services agreement where we agree to operate and maintain the system for a fixed fee that is calculated to cover our future expected maintenance costs. If our solar energy systems require an above-average amount of repairs or if the cost of repairing systems were higher than our estimate, we would need to perform such repairs without additional compensation. If our solar energy systems, more than 40% of which were located in California as of June 30, 2021, are damaged as the result of a natural disaster beyond our control, losses could exceed or be excluded from, our insurance policy limits, and we could incur unforeseen costs that could harm our business and financial condition. We may also incur significant costs for taking other actions in preparation for, or in reaction to, such events. We purchase property insurance with industry standard coverage and limits approved by an investor's third-party insurance advisors to hedge against such risk, but such coverage may not cover our losses.

**Product liability claims against us could result in adverse publicity and potentially significant monetary damages.**

If our solar service offerings, including our racking systems, photovoltaic modules, batteries, inverters, or other products, injured someone, we would be exposed to product liability claims. Because solar energy systems and many of our other current and anticipated products are electricity-producing devices, it is possible that customers or their property could be injured or damaged by our products, whether by product malfunctions, defects, improper installation or other causes. We rely on third-party manufacturing warranties, warranties provided by our solar partners and our general liability insurance to cover product liability claims and have not obtained separate product liability insurance. Our solar energy systems, including our photovoltaic modules, batteries, inverters, and other products, may also be subject to recalls due to product malfunctions or defects. Any product liability claim we face could be expensive to defend and divert management's attention. The successful assertion of product liability claims against us could result in potentially significant monetary damages that could require us to make significant payments, as well as subject us to adverse publicity, damage our reputation and competitive position and adversely affect sales of our systems and other products. In addition, product liability claims, injuries, defects or other problems experienced by other companies in the residential solar industry could lead to unfavorable market conditions to the industry as a whole, and may have an adverse effect on our ability to attract customers, thus affecting our growth and financial performance.

**Our business is concentrated in certain markets, putting us at risk of region-specific disruptions.**

As of June 30, 2021, more than 40% of our customers were in California, and we expect many of our future installations to be in California, which could further concentrate our customer base and operational infrastructure. Accordingly, our business and results of operations are particularly susceptible to adverse economic, regulatory, political, weather and other conditions in this market, including the impacts of the COVID-19 pandemic, and in other markets that may become similarly concentrated, in particular the east coast, where we have seen significant growth recently.

Our corporate and sales headquarters are located in San Francisco, California, an area that has a heightened risk of earthquakes and nearby wildfires. We may not have adequate insurance, including business interruption insurance, to compensate us for losses that may occur from any such significant events, including damage to our solar energy systems. A significant natural disaster, such as an earthquake or wildfire, or a public health crisis, such as a pandemic, or civil unrest could have a material adverse impact on our business, results of operations and financial condition. In addition, acts of terrorism or malicious computer viruses could cause disruptions in our or our solar partners' businesses or the economy as a whole. To the extent that these disruptions result in delays or cancellations of installations or the deployment of our solar service offerings, our business, results of operations and financial condition would be adversely affected.

**The majority of the Vivint Solar business is conducted using the direct-to-home sales channel.**

Historically, the Vivint Solar business' primary sales channel has been a direct-to-home sales model. We are vulnerable to changes in laws and regulations related to direct sales and marketing that could impose additional limitations on unsolicited residential sales calls and may impose additional restrictions such as adjustments to our marketing materials and direct-selling processes, and new training for personnel. If additional laws and regulations affecting direct sales and marketing are passed in the markets in which we operate, it would take time to train our sales professionals to comply with such laws, and we may be exposed to fines or other penalties for violations of such laws. If we fail to compete effectively through our direct-selling efforts, our financial condition, results of operations and growth prospects could be adversely affected.

**Expansion into new sales channels could be costly and time-consuming. As we enter new channels, we could be at a disadvantage relative to other companies who have more history in these spaces.**

As we continue to expand into new sales channels, such as direct-to-home, homebuilder, retail, and e-commerce channels and adapt to a remote selling model, we have incurred and may continue to incur significant costs. In addition, we may not initially or ever be successful in utilizing these new channels. Furthermore, we may not be able to compete successfully with companies with a historical presence in such channels, and we may not realize the anticipated benefits of entering such channels, including efficiently increasing our customer base and ultimately reducing costs. Entering new channels also poses the risk of conflicts between sales channels. If we are unable to successfully compete in new channels, our operating results and growth prospects could be adversely affected.

**Obtaining a sales contract with a potential customer does not guarantee that a potential customer will not decide to cancel or that we will not need to cancel due to a failed inspection, which could cause us to generate no revenue from a product and adversely affect our results of operations.**

Even after we secure a sales contract with a potential customer, we (either directly or through our solar partners) must perform an inspection to ensure the home, including the rooftop, meets our standards and specifications. If the inspection finds repairs to the rooftop are required in order to satisfy our standards and specifications to install the solar energy system, and a potential customer does not want to make such required repairs, we would lose that anticipated sale. In addition, per the terms of our Customer Agreements, a customer maintains the ability to cancel before commencement of installation, subject to certain conditions. Any delay or cancellation of an anticipated sale could materially and adversely affect our financial results, as we may have incurred sales-related, design-related, and other expenses and generated no revenue.

**The value of our solar energy systems at the end of the associated term of the lease or power purchase agreement may be lower than projected, which may adversely affect our financial performance and valuation.**

We depreciate the costs of our solar energy systems over their estimated useful life of 35 years. At the end of the initial typically 20- or 25-year term of the Customer Agreement, customers may choose to purchase their solar energy systems, ask to remove the system at our cost or renew their Customer Agreements. Customers may choose to not renew or purchase for any reason, including pricing, decreased energy consumption, relocation of residence, or switching to a competitor product.

Furthermore, it is difficult to predict how future environmental regulations may affect the costs associated with the removal, disposal or recycling of our solar energy systems. If the value in trade or renewal revenue is less than we expect, we may be required to recognize all or some of the remaining unamortized costs. This could materially impair our future results of operations.

**We are exposed to the credit risk of customers and payment delinquencies on our accounts receivables.**

Our Customer Agreements are typically for 20 or 25 years and require the customer to make monthly payments to us. Accordingly, we are subject to the credit risk of customers. As of June 30, 2021, the average FICO score of our customers under a Customer Agreement with a monthly payment schedule remained at or above 740, which is generally categorized as a "Very Good" credit profile by the Fair Isaac Corporation. However, this may decline to the extent FICO score requirements under future investment funds are relaxed. While customer defaults have been immaterial to date, we expect that the risk of customer defaults may increase as we grow our business.

Due to the immaterial amount of customer defaults to date, our reserve for this exposure is minimal, and our future exposure may exceed the amount of such reserves. If we experience increased customer credit defaults, our revenue and our ability to raise new investment funds could be adversely affected. If economic conditions worsen, certain of our customers may face liquidity concerns and may be unable to satisfy their payment obligations to us on a timely basis or at all, which could have a material adverse effect on our financial condition and results of operations.

**We may not realize the anticipated benefits of past or future investments, strategic transactions, or acquisitions, and integration of these acquisitions may disrupt our business and management.**

We have in the past and may in the future, acquire companies, Project pipelines, Projects, SRECs, products, or technologies or enter into joint ventures or other strategic transactions. For example, we completed the acquisition of Vivint Solar on October 8, 2020. Also, in July 2020, we announced a venture with SK E&S Co., Ltd. and other affiliated companies focused on home electrification. We may not realize the anticipated benefits of past or future investments, strategic transactions, or acquisitions, and these transactions involve numerous risks that are not within our control. These risks include the following, among others:

- failure to satisfy the required conditions and otherwise complete a planned acquisition, joint venture or other strategic transaction on a timely basis or at all;
- legal or regulatory proceedings, if any, relating to a planned acquisition, joint venture or other strategic transaction and the outcome of such legal proceedings;
- difficulty in assimilating the operations, systems, and personnel of the acquired company, especially given our unique culture;
- difficulty in effectively integrating the acquired technologies or products with our current products and technologies;
- difficulty in maintaining controls, procedures and policies during the transition and integration;
- disruption of our ongoing business and distraction of our management and employees from other opportunities and challenges due to integration issues;
- difficulty integrating the acquired company's accounting, management information and other administrative systems;
- inability to retain key technical and managerial personnel of the acquired business;
- inability to retain key customers, vendors and other business partners of the acquired business;
- inability to achieve the financial and strategic goals for the acquired and combined businesses;
- incurring acquisition-related costs or amortization costs for acquired intangible assets that could impact our results of operations;
- significant post-acquisition investments which may lower the actual benefits realized through the acquisition;
- potential failure of the due diligence processes to identify significant issues with product quality, legal, and financial liabilities, among other things;

- potential inability to assert that internal controls over financial reporting are effective; and
- potential inability to obtain, or obtain in a timely manner, approvals from governmental authorities, which could delay or prevent such acquisitions.

Our failure to address these risks, or other problems encountered in connection with our past or future investments, strategic transactions, or acquisitions, could cause us to fail to realize the anticipated benefits of these acquisitions or investments, cause us to incur unanticipated liabilities, and harm our business generally. Future acquisitions could also result in dilutive issuances of our equity securities, the incurrence of debt, contingent liabilities, amortization expenses, incremental expenses or the write-off of goodwill, any of which could harm our financial condition or results of operations, and the trading price of our common stock could decline.

Mergers and acquisitions are inherently risky, may not produce the anticipated benefits and could adversely affect our business, financial condition or results of operations.

**If we are unsuccessful in developing and maintaining our proprietary technology, including our BrightPath software, our ability to attract and retain solar partners could be impaired, our competitive position could be harmed and our revenue could be reduced.**

Our future growth depends on our ability to continue to develop and maintain our proprietary technology that supports our solar service offerings, including our design and proposal software, BrightPath. In addition, we rely, and expect to continue to rely, on licensing agreements with certain third parties for aerial images that allow us to efficiently and effectively analyze a customer's rooftop for solar energy system specifications. In the event that our current or future products require features that we have not developed or licensed, or we lose the benefit of an existing license, we will be required to develop or obtain such technology through purchase, license or other arrangements. If the required technology is not available on commercially reasonable terms, or at all, we may incur additional expenses in an effort to internally develop the required technology. In addition, our BrightPath software was developed, in part, with U.S. federal government funding. When new technologies are developed with U.S. government funding, the government obtains certain rights in any resulting patents, including a nonexclusive license authorizing the government to use the invention for non-commercial purposes. These rights may permit the government to disclose certain confidential information related to BrightPath to third parties and to exercise "march-in" rights to use or allow third parties to use our patented technology. We are also subject to certain reporting and other obligations to the U.S. government in connection with funding for BrightPath. If we are unable to maintain our existing proprietary technology, our ability to attract and retain solar partners could be impaired, our competitive position could be harmed and our revenue could be reduced.

**Disruptions to our solar production metering solution could negatively impact our revenue and increase our expenses.**

Our ability to monitor solar energy production for various purposes depends on the operation of our metering solution. We could incur significant expense and disruption to our operations in connection with failures of our metering solution, including meter hardware failures and failure or obsolescence of the cellular technology that we use to communicate with those meters. For example, many of our meters operate on either the 3G or 4G cellular data networks, which are expected to sunset before the term of our Customer Agreements, and newer technologies we use today may become obsolete before the end of the term of Customer Agreements entered into now. Upgrading our metering solution may cause us to incur significant expense. Additionally, our meters communicate data through proprietary software, which we license from our metering partners. Should we be unable to continue to license, on agreeable terms, the software necessary to communicate with our meters, it could cause a significant disruption in our business and operations.

**Problems with product quality or performance may cause us to incur warranty expenses and performance guarantee expenses, may lower the residual value of our solar energy systems and may damage our market reputation and cause our financial results to decline.**



Customers who enter into Customer Agreements with us are covered by production guarantees and roof penetration warranties. As the owners of the solar energy systems, we or our investment funds receive a warranty from the inverter and solar panel manufacturers, and, for those solar energy systems that we do not install directly, we receive workmanship and material warranties as well as roof penetration warranties from our solar partners. Furthermore, one or more of our third-party manufacturers or solar partners could cease operations and no longer honor these warranties, leaving us to fulfill these potential obligations to customers, or such warranties may be limited in scope and amount, and may be inadequate to protect us. We also provide a performance guarantee with certain solar service offerings pursuant to which we compensate customers on an annual basis if their system does not meet the electricity production guarantees set forth in their agreement with us. Customers who enter into Customer Agreements with us are covered by production guarantees equal to the length of the term of these agreements, typically 20 or 25 years. We may suffer financial losses associated if significant performance guarantee payments are triggered.

Because of our limited operating history and the length of the term of our Customer Agreements, we have been required to make assumptions and apply judgments regarding a number of factors, including our anticipated rate of warranty claims and the durability, performance and reliability of our solar energy systems. Our assumptions could prove to be materially different from the actual performance of our systems, causing us to incur substantial expense to repair or replace defective solar energy systems in the future or to compensate customers for systems that do not meet their production guarantees. Product failures or operational deficiencies also would reduce our revenue from power purchase or lease agreements because they are dependent on system production. Any widespread product failures or operating deficiencies may damage our market reputation and adversely impact our financial results.

**Our business may be harmed if we fail to properly protect our intellectual property, and we may also be required to defend against claims or indemnify others against claims that our intellectual property infringes on the intellectual property rights of third parties.**

We believe that the success of our business depends in part on our proprietary technology, including our software, information, processes and know-how. We rely on copyright, trade secret and patent protections to secure our intellectual property rights. Although we may incur substantial costs in protecting our technology, we cannot be certain that we have adequately protected or will be able to adequately protect it, that our competitors will not be able to utilize our existing technology or develop similar technology independently, that the claims allowed with respect to any patents held by us will be broad enough to protect our technology or that foreign intellectual property laws will adequately protect our intellectual property rights. Moreover, we cannot be certain that our patents provide us with a competitive advantage. Despite our precautions, it may be possible for third parties to obtain and use our intellectual property without our consent. Unauthorized use of our intellectual property by third parties, and the expenses incurred in protecting our intellectual property rights, may adversely affect our business. In the future, some of our products could be alleged to infringe existing patents or other intellectual property of third parties, and we cannot be certain that we will prevail in any intellectual property dispute. In addition, any future litigation required to enforce our patents, to protect our trade secrets or know-how or to defend us or indemnify others against claimed infringement of the rights of third parties could harm our business, financial condition, and results of operations.

**We use “open source” software in our solutions, which may require that we release the source code of certain software subject to open source licenses or subject us to possible litigation or other actions that could adversely affect our business.**

We utilize software that is licensed under so-called “open source,” “free” or other similar licenses. Open source software is made available to the general public on an “as-is” basis under the terms of a non-negotiable license. We currently combine our proprietary software with open source software but not in a manner that we believe requires the release of the source code of our proprietary software to the public. However, our use of open source software may entail greater risks than use of third-party commercial software. Open source licensors generally do not provide warranties or other contractual protections regarding infringement claims or the quality of the code. In addition, if we combine our proprietary software with open source software in a certain manner, we could, under certain open source licenses, be required to release the source code of our proprietary software to the public. This would allow our competitors to create similar offerings with lower development effort and time.

We may also face claims alleging noncompliance with open source license terms or infringement or misappropriation of proprietary software. These claims could result in litigation, require us to purchase a costly license or require us to devote additional research and development resources to change our software, any of which would have a negative effect on our business and results of operations. In addition, if the license terms for open source software that we use change, we may be forced to re-engineer our solutions, incur additional costs or discontinue the use of these solutions if re-engineering cannot be accomplished on a timely basis. Although we monitor our use of open source software to avoid subjecting our offerings to unintended conditions, few courts have interpreted open source licenses, and there is a risk that these licenses could be construed in a way that could impose unanticipated conditions or restrictions on our ability to use our proprietary software. We cannot guarantee that we have incorporated or will incorporate open source software in our software in a manner that will not subject us to liability or in a manner that is consistent with our current policies and procedures.

**Any security breach or unauthorized disclosure or theft of personal information we gather, store and use, or other hacking and phishing attacks on our systems, could harm our reputation, subject us to claims or litigation, and have an adverse impact on our business.**

We receive, store and use personal information of customers, including names, addresses, e-mail addresses, credit information and other housing and energy use information, as well as the personal information of our employees. Unauthorized disclosure of such personal information, whether through breach of our systems by an unauthorized party, employee theft or misuse, or otherwise, could harm our business. In addition, computer malware, viruses, social engineering (predominantly spear phishing attacks), and general hacking have become more prevalent, have occurred on our systems in the past, and could occur on our systems in the future. Inadvertent disclosure of such personal information, or if a third party were to gain unauthorized access to the personal information in our possession, has resulted in, and could result in future claims or litigation arising from damages suffered by such individuals. In addition, we could incur significant costs in complying with the multitude of federal, state and local laws regarding the unauthorized disclosure of personal information. Our efforts to protect such personal information may be unsuccessful due to software bugs or other technical malfunctions; employees, contractor, or vendor error or malfeasance; or other threats that evolve. In addition, third parties may attempt to fraudulently induce employees or users to disclose sensitive information. Although we have developed systems and processes that are designed to protect the personal information we receive, store and use and to prevent or detect security breaches, we cannot assure you that such measures will provide absolute security. Finally, any perceived or actual unauthorized disclosure of such information could harm our reputation, substantially impair our ability to attract and retain customers and have an adverse impact on our business.

While we currently maintain cybersecurity insurance, such insurance may not be sufficient to cover us against claims, and we cannot be certain that cyber insurance will continue to be available to us on economically reasonable terms, or at all, or that any insurer will not deny coverage as to any future claim.

**Our business is subject to complex and evolving laws and regulations regarding privacy and data protection (“data protection laws”). Many of these laws and regulations are subject to change and uncertain interpretation, and could result in claims, increased cost of operations, or otherwise harm our business.**

The regulatory environment surrounding data privacy and protection is constantly evolving and can be subject to significant change. New data protection laws, including recent California legislation and regulation which affords California consumers an array of new rights, including the right to be informed about what kinds of personal data companies have collected and why it was collected, pose increasingly complex compliance challenges and potentially elevate our costs. Complying with varying jurisdictional requirements could increase the costs and complexity of compliance, and violations of applicable data protection laws could result in significant penalties. Any failure, or perceived failure, by us to comply with applicable data protection laws could result in proceedings or actions brought against us by governmental entities or others, subject us to significant fines, penalties, judgments and negative publicity, require us to change our business practices, increase the costs and complexity of compliance, and adversely affect our business.

**Damage to our brand and reputation or failure to expand our brand would harm our business and results of operations.**

We depend significantly on our brand and reputation for high-quality solar service offerings, engineering and customer service to attract customers and grow our business. If we fail to continue to deliver our solar service offerings within the planned timelines, if our solar service offerings do not perform as anticipated or if we damage any customers' properties or cancel Projects, our brand and reputation could be significantly impaired. We also depend greatly on referrals from customers for our growth. Therefore, our inability to meet or exceed customers' expectations would harm our reputation and growth through referrals. We have at times focused particular attention on expeditiously growing our direct sales force and our solar partners, leading us in some instances to hire personnel or partner with third parties who we may later determine do not fit our company culture and standards. Given the sheer volume of interactions our direct sales force and our solar partners have with customers and potential customers, it is also unavoidable that some interactions will be perceived by customers and potential customers as less than satisfactory and result in complaints. If we cannot manage our hiring and training processes to limit potential issues and maintain appropriate customer service levels, our brand and reputation may be harmed and our ability to grow our business would suffer. In addition, if we were unable to achieve a similar level of brand recognition as our competitors, some of which may have a broader brand footprint, more resources and longer operational history, we could lose recognition in the marketplace among prospective customers, suppliers and partners, which could affect our growth and financial performance. Our growth strategy involves marketing and branding initiatives that will involve incurring significant expenses in advance of corresponding revenue. We cannot assure you that such marketing and branding expenses will result in the successful expansion of our brand recognition or increase our revenue. We are also subject to marketing and advertising regulations in various jurisdictions, and overly restrictive conditions on our marketing and advertising activities may inhibit the sales of the affected products.

**A failure to hire and retain a sufficient number of employees and service providers in key functions would constrain our growth and our ability to timely complete customers' Projects and successfully manage customer accounts.**

To support our growth, we need to hire, train, deploy, manage and retain a substantial number of skilled employees, engineers, installers, electricians, sales and project finance specialists. Competition for qualified personnel in our industry is increasing, particularly for skilled personnel involved in the installation of solar energy systems. We have in the past been, and may in the future be, unable to attract or retain qualified and skilled installation personnel or installation companies to be our solar partners, which would have an adverse effect on our business. We and our solar partners also compete with the homebuilding and construction industries for skilled labor. As these industries grow and seek to hire additional workers, our cost of labor may increase. The unionization of the industry's labor force could also increase our labor costs. Shortages of skilled labor could significantly delay a project or otherwise increase our costs. Because our profit on a particular installation is based in part on assumptions as to the cost of such project, cost overruns, delays or other execution issues may cause us to not achieve our expected margins or cover our costs for that project. In addition, because we are headquartered in the San Francisco Bay Area, we compete for a limited pool of technical and engineering resources that requires us to pay wages that are competitive with relatively high regional standards for employees in these fields. Further, we need to continue to expand upon the training of our customer service team to provide high-end account management and service to customers before, during and following the point of installation of our solar energy systems. Identifying and recruiting qualified personnel and training them requires significant time, expense and attention. It can take several months before a new customer service team member is fully trained and productive at the standards that we have established. If we are unable to hire, develop and retain talented technical and customer service personnel, we may not be able to realize the expected benefits of this investment or grow our business.

In addition, to support the growth and success of our direct-to-consumer channel, we need to recruit, retain and motivate a large number of sales personnel on a continuing basis. We compete with many other companies for qualified sales personnel, and it could take many months before a new salesperson is fully trained on our solar service offerings. If we are unable to hire, develop and retain qualified sales personnel or if they are unable to achieve desired productivity levels, we may not be able to compete effectively.

If we or our solar partners cannot meet our hiring, retention and efficiency goals, we may be unable to complete customers' Projects on time or manage customer accounts in an acceptable manner or at all. Any significant failures in this regard would materially impair our growth, reputation, business and financial results. If we are required to pay higher compensation than we anticipate, these greater expenses may also adversely impact our financial results and the growth of our business.

**Regulators may limit the type of electricians qualified to install and service our solar and storage systems in California, which may result in workforce shortages, operational delays, and increased costs.**

On July 27, 2021, the California Contractors State License Board (CSLB) decided that, effective October 25, 2021, only electricians with a certain license (C-10) will be eligible to install energy storage systems in California (the "CSLB Decision"). This represents a deviation from the CSLB's long standing policy of allowing electrical workers operating under a different license (C-46) to install and service energy storage systems. (The CSLB Decision would not restrict C-46 certified workers from installing solar-only systems that do not include a battery storage system.) The CSLB Decision also requires that storage projects now requiring a C-10 license include "certified electricians" on-site.

While our workforce includes workers operating under both C-10 and C-46 licenses in California, there are a limited number of C-10 certified electricians in the state, which may result in workforce shortages, operational delays, and increased costs if the CSLB Decision stands. Obtaining a C-10 license can be an extended process, and the timing and cost of having a large number of our C-46 licensed electricians seek such additional qualification is unclear.

A significant portion of our customer base is in California, and as the state deals with growing wildfire risk and grid instability, an increasing number of our customers are choosing our solar and storage offerings. If we are unable to hire, develop and retain sufficient certified electricians, our growth of solar and storage customers in California may be significantly constrained, which would negatively impact our operating results.

It is anticipated that the California Solar and Storage Association (CALSSA) will seek to appeal or delay the CSLB Decision; however, such challenges may be unsuccessful. Our workforce has led the industry in safely installing solar and storage systems for tens of thousands of customers across the country, and we intend to work with regulators, industry partners, and stakeholders to grow the solar and storage market throughout California.

**The loss of one or more members of our senior management or key employees may adversely affect our ability to implement our strategy.**

We depend on our experienced management team, and the loss of one or more key executives could have a negative impact on our business. On August 5, 2021, we announced that Ms. Jurich will be transitioning from her role as our Chief Executive Officer to the role of Co-Executive Chair and that Mary Powell will become our new Chief Executive Officer effective as of August 31, 2021. Our future success depends in part on successfully transitioning Ms. Powell into her new role. With any change in leadership, there is a risk to organizational effectiveness and employee retention as well as the potential for disruption to our business. None of our key executives or our key employees are bound by employment agreements for any specific term, and we may be unable to replace key members of our management team and key employees in the event we lose their services. Integrating new employees into our management team could prove disruptive to our operations, require substantial resources and management attention and ultimately prove unsuccessful. An inability to attract and retain sufficient managerial personnel who have critical industry experience and relationships could limit or delay our strategic efforts, which could have a material adverse effect on our business, financial condition, and results of operations.

**We are subject to legal proceedings, regulatory inquiries and litigation, and we have previously been, and may in the future be, named in additional legal proceedings, become involved in regulatory inquiries or be subject to litigation in the future, all of which are costly, distracting to our core business and could result in an unfavorable outcome, or a material adverse effect on our business, financial condition, results of operations, or the trading price for our securities.**

We are involved in legal proceedings and receive inquiries from government and regulatory agencies from time to time. In the event that we are involved in significant disputes or are the subject of a formal action by a regulatory agency, we could be exposed to costly and time-consuming legal proceedings that could result in any number of outcomes. Although outcomes of such actions vary, any current or future claims or regulatory actions initiated by or against us, whether successful or not, could result in significant costs, costly damage awards or settlement amounts, injunctive relief, increased costs of business, fines or orders to change certain business practices, significant dedication of management time, diversion of significant operational resources, or otherwise harm our business.

If we are not successful in our legal proceedings and litigation, we may be required to pay significant monetary damages, which could hurt our results of operations. Lawsuits are time-consuming and expensive to resolve and divert management's time and attention. Although we carry general liability insurance, our insurance may not cover potential claims or may not be adequate to indemnify us for all liability that may be imposed. We cannot predict how the courts will rule in any potential lawsuit against us. Decisions in favor of parties that bring lawsuits against us could subject us to significant liability for damages, adversely affect our results of operations and harm our reputation.

**A failure to comply with laws and regulations relating to our interactions with current or prospective residential customers could result in negative publicity, claims, investigations, and litigation, and adversely affect our financial performance.**

Our business involves transactions with customers. We and our solar partners must comply with numerous federal, state and local laws and regulations that govern matters relating to our interactions with customers, including those pertaining to privacy and data security, consumer financial and credit transactions, home improvement contracts, warranties and direct-to-home solicitation, along with certain rules and regulations specific to the marketing and sale of residential solar products and services. These laws and regulations are dynamic and subject to potentially differing interpretations, and various federal, state and local legislative and regulatory bodies may expand current laws or regulations, or enact new laws and regulations, regarding these matters. Changes in these laws or regulations or their interpretation could dramatically affect how we do business, acquire customers, and manage and use information we collect from and about current and prospective customers and the costs associated therewith. We strive to comply with all applicable laws and regulations relating to our interactions with residential customers. It is possible, however, that these requirements may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another and may conflict with other rules or our practices. Noncompliance with any such laws or regulations, or the perception that we or our solar partners have violated such laws or regulations or engaged in deceptive practices that could result in a violation, could also expose us to claims, proceedings, litigation and investigations by private parties and regulatory authorities, as well as substantial fines and negative publicity, each of which may materially and adversely affect our business. We have incurred, and will continue to incur, significant expenses to comply with such laws and regulations, and increased regulation of matters relating to our interactions with residential customers could require us to modify our operations and incur significant additional expenses, which could have an adverse effect on our business, financial condition, and results of operations.

Any investigations, actions, adoption or amendment of regulations relating to the marketing of our products to residential consumers could divert management's attention from our business, require us to modify our operations and incur significant additional expenses, which could have an adverse effect on our business, financial condition, and results of operations or could reduce the number of our potential customers.

We cannot ensure that our sales professionals and other personnel will always comply with our standard practices and policies, as well as applicable laws and regulations. In any of the numerous interactions between our sales professionals or other personnel and our customers or potential customers, our sales professionals or other personnel may, without our knowledge and despite our efforts to effectively train them and enforce compliance, engage in conduct that is or may be prohibited under our standard practices and policies and applicable laws and regulations. Any such non-compliance, or the perception of non-compliance, has exposed us to claims and could expose us to additional claims, proceedings, litigation, investigations, or enforcement actions by private parties or regulatory authorities, as well as substantial fines and negative publicity, each of which may materially and adversely affect our business and reputation. We have incurred, and will continue to incur, significant expenses to comply with the laws, regulations and industry standards that apply to us.

**Compliance with occupational safety and health requirements and best practices can be costly, and noncompliance with such requirements may result in potentially significant penalties, operational delays and adverse publicity.**

The installation of solar energy systems requires our employees and employees of our solar partners to work with complicated and potentially dangerous electrical and utility systems. The evaluation and installation of our energy-related products also require these employees to work in locations that may contain potentially dangerous levels of asbestos, lead or mold or other substances. We also maintain large fleets of vehicles that these employees use in the course of their work. There is substantial risk of serious illness, injury, or death if proper safety procedures

are not followed. Our operations are subject to regulation under the U.S. Occupational Safety and Health Act ("OSHA") and equivalent state laws. Changes to OSHA requirements, or stricter interpretation or enforcement of existing laws or regulations, could result in increased costs. If we fail to comply with applicable OSHA regulations, even if no work-related serious illness, injury, or death occurs, we may be subject to civil or criminal enforcement and be required to pay substantial penalties, incur significant capital expenditures, or suspend or limit operations. Any accidents, citations, violations, illnesses, injuries or failure to comply with industry best practices may subject us to adverse publicity, damage our reputation and competitive position and adversely affect our business.

**If our products do not work as well as planned or if we are unsuccessful in developing and selling new products or in penetrating new markets, our business, financial condition, and results of operations could be adversely affected.**

Our success and ability to compete are dependent on the products that we have developed or may develop in the future. There is a risk that the products that we have developed or may develop may not work as intended, or that the marketing of the products may not be as successful as anticipated. The development of new products generally requires substantial investment and can require long development and testing periods before they are commercially viable. We intend to continue to make substantial investments in developing new products and it is possible that that we may not develop or acquire new products or product enhancements that compete effectively within our target markets or differentiate our products based on functionality, performance or cost and thus our new technologies and products may not result in meaningful revenue. In addition, any delays in developing and releasing new or enhanced products could cause us to lose revenue opportunities and potential customers. Any technical flaws in product releases could diminish the innovative impact of our products and have a negative effect on customer adoption and our reputation. If we fail to introduce new products that meet the demands of our customers or target markets or do not achieve market acceptance, or if we fail to penetrate new markets, our business, financial conditions and results of operations could be adversely affected.

**If we fail to manage our recent and future growth effectively, we may be unable to execute our business plan, maintain high levels of customer service, or adequately address competitive challenges.**

We have experienced significant growth in recent periods, including as a result of our recent acquisition of Vivint Solar, and we intend to continue to expand our business within existing markets and in a number of new locations in the future. This growth has placed, and any future growth may continue to place, a significant strain on our management, operational and financial infrastructure. In particular, we have been in the past, and may in the future, be required to expand, train and manage our growing employee base and solar partners. Our management will also be required to maintain and expand our relationships with customers, suppliers, and other third parties and attract new customers and suppliers, as well as to manage multiple geographic locations.

In addition, our current and planned operations, personnel, systems and procedures might be inadequate to support our future growth and may require us to make additional unanticipated investment in our infrastructure, including additional costs for the expansion of our employee base and our solar partners as well as marketing and branding costs. Our success and ability to further scale our business will depend, in part, on our ability to manage these changes in a cost-effective and efficient manner. If we cannot manage our growth, we may be unable to take advantage of market opportunities, execute our business strategies or respond to competitive pressures. This could also result in declines in quality or customer satisfaction, increased costs, difficulties in introducing new solar service offerings or other operational difficulties. Any failure to effectively manage growth could adversely impact our business and reputation.

**It is difficult to evaluate our business and prospects due to our limited operating history.**

Our limited operating history, particularly as a publicly traded company, combined with the rapidly evolving and competitive nature of our industry, may not provide an adequate basis for you to evaluate our results of operations and business prospects. We cannot assure you that we will continue to be successful in generating revenue from our current solar service offerings or from any additional solar service offerings we may introduce in the future. In addition, we only have limited insight into emerging trends, such as alternative energy sources, commodity prices in the overall energy market, and legal and regulatory changes that impact the solar industry, any of which could adversely impact our business, prospects and results of operations.

**We have incurred losses and may be unable to sustain profitability in the future.**

We have incurred net losses in the past and may continue to incur net losses as we increase our spending to finance the expansion of our operations, expand our installation, engineering, administrative, sales and marketing staffs, increase spending on our brand awareness and other sales and marketing initiatives, make significant investments to drive future growth in our business and implement internal systems and infrastructure to support our growth. We do not know whether our revenue will grow rapidly enough to absorb these costs and our limited operating history makes it difficult to assess the extent of these expenses or their impact on our results of operations. Our ability to sustain profitability depends on a number of factors, including but not limited to:

- mitigating the impact of the COVID-19 pandemic on our business;
- growing our customer base;
- finding investors willing to invest in our investment funds on favorable terms;
- maintaining or further lowering our cost of capital;
- reducing the cost of components for our solar service offerings;
- growing and maintaining our channel partner network;
- maintaining high levels of product quality, performance, and customer satisfaction;
- successfully integrating the Vivint Solar business;
- growing our direct-to-consumer business to scale; and
- reducing our operating costs by lowering our customer acquisition costs and optimizing our design and installation processes and supply chain logistics.

Even if we do sustain profitability, we may be unable to achieve positive cash flows from operations in the future.

**Our results of operations may fluctuate from quarter to quarter, which could make our future performance difficult to predict and could cause our results of operations for a particular period to fall below expectations, resulting in a decline in the price of our common stock.**

Our quarterly results of operations are difficult to predict and may fluctuate significantly in the future. We have experienced seasonal and quarterly fluctuations in the past and expect these fluctuations to continue. However, given that we are operating in a rapidly changing industry, those fluctuations may be masked by our recent growth rates and thus may not be readily apparent from our historical results of operations. As such, our past quarterly results of operations may not be good indicators of likely future performance.

In addition to the other risks described in this "Risk Factors" section, as well as the factors discussed in the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section, the following factors, among others, could cause our results of operations and key performance indicators to fluctuate:

- the expiration, reduction or initiation of any governmental tax rebates, tax exemptions, or incentives;
- significant fluctuations in customer demand for our solar service offerings or fluctuations in the geographic concentration of installations of solar energy systems;

- changes in financial markets, which could restrict our ability to access available and cost-effective financing sources;
- seasonal, environmental or weather conditions that impact sales, energy production, and system installations;
- the amount and timing of operating expenses related to the maintenance and expansion of our business, operations and infrastructure;
- announcements by us or our competitors of new products or services, significant acquisitions, strategic partnerships, joint ventures, or capital-raising activities or commitments;
- changes in our pricing policies or terms or those of our competitors, including utilities;
- changes in regulatory policy related to solar energy generation;
- the loss of one or more key partners or the failure of key partners to perform as anticipated;
- our failure to successfully integrate the Vivint Solar business;
- actual or anticipated developments in our competitors' businesses or the competitive landscape;
- actual or anticipated changes in our growth rate;
- general economic, industry and market conditions, including as a result of the COVID-19 pandemic; and
- changes to our cancellation rate.

In the past, we have experienced seasonal fluctuations in sales and installations, particularly in the fourth quarter. This has been the result of decreased sales through the holiday season and weather-related installation delays. Our incentives revenue is also highly variable due to associated revenue recognition rules, as discussed in greater detail in Management's Discussion and Analysis of Financial Condition and Results of Operations. Seasonal and other factors may also contribute to variability in our sales of solar energy systems and product sales. For these or other reasons, the results of any prior quarterly or annual periods should not be relied upon as indications of our future performance. In addition, our actual revenue or key operating metrics in one or more future quarters may fall short of the expectations of investors and financial analysts. If that occurs, the trading price of our common stock could decline and you could lose part or all of your investment.

**Our actual financial results may differ materially from any guidance we may publish from time to time.**

We have in the past provided, and may from time to time provide, guidance regarding our future performance that represents our management's estimates as of the date such guidance is provided. Any such guidance is based upon a number of assumptions with respect to future business decisions (some of which may change) and estimates that, while presented with numerical specificity, are inherently subject to significant business, economic, and competitive uncertainties and contingencies (many of which are beyond our control, including those related to the COVID-19 pandemic). Guidance is necessarily speculative in nature, and it can be expected that some or all of the assumptions that inform such guidance will not materialize or will vary significantly from actual results. Our ability to meet deployment volume, cost, net present value or any other forward-looking guidance is impacted by a number of factors including, but not limited to, the number of our solar energy systems purchased outright versus the number of our solar energy systems that are subject to long-term Customer Agreements, changes in installation costs, the availability of additional financing on acceptable terms, changes in the retail prices of traditional utility generated electricity, the availability of rebates, tax credits and other incentives, changes in policies and regulations including net metering and interconnection limits or caps, the availability of solar panels and other raw materials, as



well as the other risks to our business that are described in this section. Accordingly, our guidance is only an estimate of what management believes is realizable as of the date such guidance is provided. Actual results may vary from such guidance and the variations may be material. Investors should also recognize that the reliability of any forecasted financial data diminishes the farther in the future that the data is forecast. In light of the foregoing, investors should not place undue reliance on our financial guidance, and should carefully consider any guidance we may publish in context.

**The requirements of being a public company may strain our resources, divert management’s attention and affect our ability to attract and retain qualified board members and officers.**

We are subject to the reporting requirements of the Exchange Act, the listing requirements of the Nasdaq Stock Market and other applicable securities rules and regulations. Compliance with these rules and regulations has increased our legal and financial compliance costs, made some activities more difficult, time-consuming or costly and increased demand on our systems and resources. The Exchange Act requires, among other things, that we file annual, quarterly and current reports with respect to our business and results of operations and maintain effective disclosure controls and procedures and internal controls over financial reporting. Maintaining our disclosure controls and procedures and internal controls over financial reporting in accordance with this standard requires significant resources and management oversight. As a result, management’s attention may be diverted from other business concerns, which could harm our business and results of operations. Although we have already hired additional employees to comply with these requirements, we may need to hire more employees in the future, which will increase our costs and expenses.

**Risks Related to Taxes and Accounting**

**Our ability to provide our solar service offerings to customers on an economically viable basis depends in part on our ability to finance these systems with fund investors who seek particular tax and other benefits.**

Our solar service offerings have been eligible for federal investment tax credits, U.S. Treasury grants, and other tax benefits. We have relied on, and will continue to rely on, tax equity investment funds, which are financing structures that monetize a substantial portion of those benefits, in order to finance our solar service offerings. If, for any reason, we are unable to continue to monetize those benefits through these arrangements, we may be unable to provide and maintain our solar service offerings for customers on an economically viable basis.

The availability of this tax-advantaged financing depends upon many factors, including:

- our ability to compete with other solar energy companies for the limited number of potential fund investors, each of which has limited funds and limited appetite for the tax benefits associated with these financings;
- the state of financial and credit markets;
- changes in the legal or tax risks associated with these financings; and
- legislative or regulatory changes or decreases to these incentives including the anticipated step-down of the Commercial ITC (described below).

The federal government currently offers an investment tax credit (“Commercial ITC”) under Section 48(a) of the Internal Revenue Code of 1986, as amended (the “Code”), for the installation of certain solar power facilities owned for business purposes. If construction on the facility began before January 1, 2020, the amount of the Commercial ITC available is 30%, if construction began during 2020, 2021, or 2022, the amount of the Commercial ITC available is 26%, and if construction begins during 2023, the amount of the Commercial ITC available is 22%. The Commercial ITC steps down to 10% if construction of the facility begins after December 31, 2023 or if the facility is not placed in service before January 1, 2026. The depreciable basis of a solar facility is also reduced by 50% of the amount of any Commercial ITC claimed. The Internal Revenue Service (the “IRS”) provided taxpayers guidance in Notice 2018-59 for determining when construction has begun on a solar facility. This guidance is relevant for any facilities which we seek to deploy in future years but take advantage of a higher tax credit rate available for an earlier year. For example, we have sought to avail ourselves of the methods set forth in the guidance to retain the 30% Commercial ITC that was available prior to January 1, 2020 by incurring certain costs

and taking title to equipment in 2019 or early 2020 and/or by performing physical work on components that will be installed in solar facilities. From and after 2023, we may seek to avail ourselves of the 26% credit rate by using these methods to establish the beginning of construction in 2020, 2021, or 2022 and we may plan to similarly further utilize the program in future years if the Commercial ITC step down continues. While we have attempted to ensure that these transactions will comply with the guidance issued by the IRS, this guidance is relatively limited and potentially subject to change. Either the IRS or our financing partners could challenge whether a facility is properly qualified for the relevant tax credit rate under the guidance, which could either result in lower tax equity advances or trigger indemnification obligations to our tax equity investors. It is also possible that we will not be able to use all of the equipment purchased or manufactured to satisfy the beginning of construction rules set forth in the guidance.

The federal government also currently offers a personal income tax credit under Section 25D of the Code ("Residential Energy Efficiency Tax Credit"), for the installation of certain solar power facilities owned by residential taxpayers, which is applicable to customers who purchase a solar energy system outright as opposed to entering into a Customer Agreement. The Residential Energy Efficiency Tax Credit is currently 26% if the facility is placed in service during 2020, 2021, or 2022, and 22% if placed in service during 2023. The Residential Energy Efficiency Tax Credit is not available for property placed in service after December 31, 2023.

Future reductions in the Commercial ITC and any further legislative reductions or changes to the Commercial ITC may impact the attractiveness of solar energy to certain tax equity investors and could potentially harm our business. Obtaining tax equity funding (and tax equity funding on advantageous terms) also may become more challenging. Additionally, the benefits of the Commercial ITC have historically enhanced our ability to provide competitive pricing for customers. Further reductions in, eliminations of, or expirations of, governmental incentives such as the Residential Energy Efficiency Tax Credit could reduce the number of customers who choose to purchase our solar energy systems.

Additionally, potential investors must remain satisfied that the structures that we offer make the tax benefits associated with solar energy systems available to these investors, which depends on the investors' assessment of the tax law, the absence of any unfavorable interpretations of that law and the continued application of existing tax law and interpretations to our funding structures. Changes in existing law or interpretations of existing law by the IRS and/or the courts could reduce the willingness of investors to invest in funds associated with these solar energy systems. Moreover, reductions to the corporate tax rate may have reduced the appetite for tax benefits overall, which could reduce the pool of available funds. Accordingly, we cannot assure you that this type of financing will continue to be available to us. New investment fund structures or other financing mechanisms may become available, but if we are unable to take advantage of these fund structures and financing mechanisms, we may be at a competitive disadvantage. If, for any reason, we are unable to finance our solar service offerings through tax-advantaged structures or if we are unable to realize or monetize Commercial ITCs or other tax benefits, we may no longer be able to provide our solar service offerings to new customers on an economically viable basis, which would have a material adverse effect on our business, financial condition, and results of operations.

**If the IRS makes determinations that the fair market value of our solar energy systems is materially lower than what we have claimed, we may have to pay significant amounts to our fund investors, and our business, financial condition, and prospects may be materially and adversely affected.**

We and our fund investors claim the Commercial ITC or the U.S. Treasury grant in amounts based on the fair market value of our solar energy systems. We have obtained independent appraisals to determine the fair market values we report for claiming Commercial ITCs and U.S. Treasury grants. With respect to U.S. Treasury grants, the U.S. Treasury Department reviews the reported fair market value in determining the amount initially awarded, and the IRS may also subsequently audit the fair market value and determine that amounts previously awarded constitute taxable income for U.S. federal income tax purposes. With respect to Commercial ITCs, the IRS may review the fair market value on audit and determine that the tax credits previously claimed must be reduced. If the fair market value is determined in these circumstances to be less than what we or our tax equity investment funds reported, we may owe our fund investors an amount equal to this difference (including any interest and penalties), plus any costs and expenses associated with a challenge to that valuation. We could also be subject to tax liabilities, including interest and penalties. If the IRS further disagrees now or in the future with the amounts we or our tax equity investment funds reported regarding the fair market value of our solar energy systems, it could have a material adverse effect on our business, financial condition, and prospects.

We have purchased insurance policies insuring us and related parties for additional taxes owed in respect of lost Commercial ITCs, gross-up costs and expenses incurred in defending the types of claims described above. However, these policies only cover certain investment funds and have negotiated exclusions from, and limitations to, coverage and therefore may not cover us for all such lost Commercial ITCs, taxes, costs and expenses.

One of our investment funds covered by our 2018 insurance policy is currently being audited by the IRS in an audit involving a review of the fair market value determination of our solar energy systems. If this audit results in an adverse determination, we may be subject to an indemnity obligation to our investor, which may result in certain out-of-pocket costs and increased insurance premiums in the future. The IRS audit is still ongoing, and we are unable to determine the potential tax liabilities, if any, at this time.

**Our business currently depends on the availability of utility rebates, tax credits and other benefits, tax exemptions and exclusions and other financial incentives. We may be adversely affected by changes in U.S. tax laws, and the expiration, elimination or reduction of these benefits could adversely impact our business.**

Our business depends on government policies that promote and support solar energy and enhance the economic viability of owning solar energy systems. U.S. federal, state and local governmental bodies provide incentives to owners, distributors, installers and manufacturers of solar energy systems to promote solar energy. These incentives include Commercial ITCs and Residential Energy Efficiency Tax Credit, as discussed above, as well as other tax credits, rebates and solar renewable energy credits (“SRECs”) associated with solar energy generation. Some markets, such as New Jersey and Maryland, currently utilize SRECs. SRECs can be volatile and could decrease over time as the supply of SREC-producing solar energy systems installed in a particular market increases. For example, in New Jersey, because of the substantial supply of solar energy systems installed, the state was on the cusp of reaching the solar carve-out under the state’s Renewable Portfolio Standard. In May 2018, legislation was enacted to expand New Jersey’s solar carve-out to 5.1% of kilowatt hours of electricity sold in the state. In December 2019, the state regulators adopted a transition program to follow the current SREC program that will be based on a fixed price SREC model and which is anticipated to be available to replace the current SREC program. We rely on these incentives to lower our cost of capital and to attract investors, all of which enable us to lower the price we charge customers for our solar service offerings. These incentives have had a significant impact on the development of solar energy but they could change at any time, especially in light of the recent change in administration, as further described below. These incentives may also expire on a particular date (as discussed above with respect to the Commercial ITC and Residential Energy Efficiency Tax Credit), end when the allocated funding is exhausted, or be reduced, terminated or repealed without notice. The financial value of certain incentives may also decrease over time.

In December 2017, significant tax legislation was enacted, including a change to the corporate tax rate (the “Tax Act”). As part of the Tax Act, the current corporate income tax rate was reduced, and there were other changes including limiting or eliminating various other deductions, credits and tax preferences. This reduction in the corporate income tax rate may have reduced appetite for the Commercial ITC and depreciation benefits available with respect to solar facilities. We cannot predict whether and to what extent U.S. the corporate income tax rate will change under the Biden administration. Further limitations on, or elimination of, such tax benefits could significantly impact our ability to raise tax equity investment funds or impact the terms thereof, including the amount of cash distributable to our investors. Similarly, any unfavorable interpretations of tax law by the IRS and/or the courts with respect to our financing structures could reduce the willingness of investors to invest in our funds associated with any such structure.

Any effort to overturn federal and state laws, regulations or policies that are supportive of solar energy generation or that remove costs or other limitations on other types of energy generation that compete with solar energy projects could materially and adversely affect our business.

Our business model also relies on multiple tax exemptions offered at the state and local levels. For example, some states have property tax exemptions that exempt the value of solar energy systems in determining values for calculation of local and state real and personal property taxes. State and local tax exemptions can have sunset dates, triggers for loss of the exemption, and can be changed by state legislatures and other regulators, and if solar energy systems were not exempt from such taxes, the property taxes payable by customers would be higher, which could offset any potential savings our solar service offerings could offer. Similarly, if state or local legislatures or tax administrators impose property taxes on third-party owners of solar energy systems, solar companies like us would

be subject to higher costs. In Connecticut, a number of municipalities have assessed property tax on third-party-owned solar energy systems, despite an applicable exemption under state law. California provides an exclusion (the "Solar Exclusion") from the assessment of California property taxes for qualifying "active solar energy systems" installed as fixtures before January 1, 2025, provided such systems are locally rather than centrally assessed ("Eligible Property"). However, the Solar Exclusion is not a permanent exclusion from the assessment of property tax. Once a change in ownership of the Eligible Property occurs, the Eligible Property may be subject to reassessment and California property taxes may become due.

In general, we rely on certain state and local tax exemptions that apply to the sale of equipment, sale of power, or both. These state and local tax exemptions can expire or can be changed by state legislatures, regulators, tax administrators, or court rulings and such changes could adversely impact our business and the profitability of our offerings in certain markets.

**As a result of our acquisition of Vivint Solar, we may be subject to adverse California property tax consequences.**

The State of California provides an exclusion (the "Solar Exclusion") from the assessment of California property taxes for qualifying "active solar energy systems" installed as fixtures before January 1, 2025, provided such systems are locally rather than centrally assessed ("Eligible Property"). However, the Solar Exclusion is not a permanent exclusion from the assessment of property tax. Once a change in ownership of the Eligible Property occurs, the Eligible Property may be subject to reassessment and California property taxes may become due.

Vivint Solar, through certain of its subsidiaries, owns solar energy systems that constitute Eligible Property (the "California PV Systems"). To the extent Vivint Solar or its subsidiaries are considered the tax owners of the California PV Systems for purposes of the California Revenue and Tax Code ("CR&T"), our acquisition of Vivint Solar would constitute a change of control of the California PV Systems triggering the loss of the Solar Exclusion and the imposition of California property taxes, which could adversely affect our business.

**If we are unable to maintain effective disclosure controls and internal controls over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports and, as a result, the value of our common stock may be materially and adversely affected.**

We are required, pursuant to the Exchange Act, to furnish a report by management on, among other things, the effectiveness of our internal controls over financial reporting. This assessment includes disclosure of any material weaknesses, if any, identified by our management in our internal controls over financial reporting. We are continuing to develop and refine our disclosure controls and improve our internal controls over financial reporting. We have expended, and anticipate that we will continue to expend, significant resources in order to maintain and continuously look for ways to enhance existing effective disclosure controls and procedures and internal controls over financial reporting. Our current controls and any new controls that we develop may become inadequate because of changes in conditions in our business, including the integration of Vivint Solar, which presents additional complexities relating to the design and implementation of our disclosure controls and internal control over financial reporting. In addition, we or our independent accounting firm may identify weaknesses and deficiencies that we may not otherwise identify in a timely manner in the future. If we are not able to complete the work required under Section 404 of the Sarbanes-Oxley Act on a timely basis for future fiscal years, our annual report on Form 10-K may be delayed or deficient. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud will be detected.

We cannot guarantee that our internal controls over financial reporting will prevent or detect all errors and fraud. The risk of errors is increased in light of the complexity of our business and investment funds. For example, we must deal with significant complexity in accounting for our fund structures and the resulting allocation of net income (loss) between our stockholders and noncontrolling interests under the hypothetical liquidation at book value ("HLBV") method as well as the income tax consequences of these fund structures. As we enter into additional investment funds, which may have contractual provisions different from those of our existing funds, the analysis as to whether we consolidate these funds, the calculation under the HLBV method, and the analysis of the tax impact could become increasingly complicated. This additional complexity could require us to hire additional resources and increase the chance that we experience errors in the future.

If we are unable to assert that our internal controls over financial reporting is effective, we could lose investor confidence in the accuracy and completeness of our financial reports, which would cause the price of our common stock to decline. In addition, we could become subject to investigations by Nasdaq, the SEC or other regulatory authorities, which could require additional management attention and which could adversely affect our business.

**Our reported financial results may be affected, and comparability of our financial results with other companies in our industry may be impacted, by changes in the accounting principles generally accepted in the United States.**

Generally accepted accounting principles in the United States are subject to change and interpretation by the Financial Accounting Standards Board ("FASB"), the SEC, and various bodies formed to promulgate and interpret appropriate accounting principles. A change in these principles or interpretations could have a significant effect on our reported financial results and on the financial results of other companies in our industry, and may even affect the reporting of transactions completed before the announcement or effectiveness of a change. For example, in June 2016 the FASB issued Accounting Standards Update No. 2016-13, *Measurement of Credit Losses on Financial Instruments* ("ASU No. 2016-13"), which replaces the current incurred loss impairment methodology with a current expected credit losses model. Other companies in our industry may be affected differently by the adoption of ASU No. 2016-13 or other new accounting standards, including timing of the adoption of new accounting standards, adversely affecting the comparability of financial statements.

**Our ability to use our net operating loss carryforwards and certain other tax attributes may be limited.**

As of December 31, 2020, we had U.S. federal and state net operating loss carryforwards ("NOLs") of approximately \$0.7 billion and \$2.1 billion, respectively, which begin expiring in varying amounts in 2028 and 2024, respectively, if unused. Our U.S. federal and certain state NOLs generated in tax years beginning after December 31, 2017 total approximately \$1.1 billion and \$176.3 million, respectively, have indefinite carryover periods, and do not expire. Under Sections 382 and 383 of the Code, if a corporation undergoes an "ownership change," the corporation's ability to use its pre-change NOLs and other pre-change tax assets, such as tax credits, to offset its post-change income and taxes may be limited. In general, an "ownership change" occurs if there is a cumulative change in our ownership by "5% shareholders" that exceeds 50 percentage points over a rolling three-year period. Similar rules may apply under state tax laws. Additionally, states may impose other limitations on the use of NOLs and tax credit carryforwards. For example, California has recently imposed other limitations on the use of NOLs and limited the use of certain tax credits for taxable years beginning in 2020 through 2022. Any such limitations on our ability to use our NOLs and other tax assets could adversely impact our business, financial condition, and results of operations. We have performed an analysis to determine whether an ownership change under Section 382 of the Code had occurred and determined that only Vivint Solar, Inc. underwent an ownership change as of October 8, 2020.

**We may be required to record an impairment expense on our goodwill or intangible assets.**

We are required under generally accepted accounting principles to test goodwill for impairment at least annually or when events or changes in circumstances indicate that the carrying amount may be impaired, and to review our intangible assets for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Factors that can lead to impairment of goodwill and intangible assets include significant adverse changes in the business climate and actual or projected operating results, declines in the financial condition of our business and sustained decrease in our stock price. Since our annual impairment test of goodwill for the fiscal year ended December 31, 2020, we have not identified any qualitative factors that would require a quantitative goodwill impairment analysis. However, if we identify any factors that could indicate an impairment, including a sustained decrease in our stock price, we may be required to record charges to earnings if our goodwill becomes impaired.

#### **Risks Related to Ownership of Our Common Stock**

**Our executive officers, directors and principal stockholders continue to have substantial control over us, which will limit your ability to influence the outcome of important matters, including a change in control.**

Each of our executive officers, directors and each of our stockholders who beneficially own 5% or more of our outstanding common stock and their affiliates, in the aggregate, beneficially own approximately 39.2% of the outstanding shares of our common stock, based on the number of shares outstanding as of June 30, 2021. As a result, these stockholders, if acting together, will be able to influence or control matters requiring approval by our stockholders, including the election of directors and the approval of mergers, acquisitions or other extraordinary transactions. They may also have interests that differ from yours and may vote in a way with which you disagree and which may be adverse to your interests. This concentrated control may have the effect of delaying or preventing a change in control of our company, could deprive our stockholders of an opportunity to receive a premium for their capital stock and might ultimately affect the market price of our common stock.

**The market price of our common stock has been and may continue to be volatile, and you could lose all or part of your investment in our common stock.**

The trading price of our common stock has been volatile since our initial public offering, and is likely to continue to be volatile. Factors that could cause fluctuations in the market price of our common stock include the following:

- price and volume fluctuations in the overall stock market from time to time;
- volatility in the market prices and trading volumes of companies in our industry or companies that investors consider comparable;
- changes in operating performance and stock market valuations of other companies generally, or those in our industry in particular;
- sales of shares of our common stock by us or our stockholders;
- failure of securities analysts to maintain coverage of us, changes in financial estimates by securities analysts who follow us, or our failure to meet these estimates or the expectations of investors;
- the financial projections we may provide to the public, any changes in those projections or our failure to meet those projections;
- announcements by us or our competitors of new products or services;
- the public's reaction to our press releases, other public announcements and filings with the SEC;
- rumors and market speculation involving us or other companies in our industry;
- actual or anticipated changes in our results of operations;
- the continued adverse impact of the COVID-19 pandemic;
- changes in tax and other incentives that we rely upon in order to raise tax equity investment funds;
- actual or perceived privacy or data security incidents;
- our ability to protect our intellectual property and other proprietary rights;
- changes in the regulatory environment and utility policies and pricing, including those that could reduce any savings we are able to offer to customers;

- actual or anticipated developments in our business, our competitors' businesses or the competitive landscape generally;
- litigation involving us, our industry or both, or investigations by regulators into our operations or those of our competitors;
- announced or completed acquisitions of businesses or technologies by us or our competitors;
- new laws or regulations or new interpretations of existing laws or regulations applicable to our business;
- changes in accounting standards, policies, guidelines, interpretations or principles;
- major catastrophic events or civil unrest;
- negative publicity, including accurate or inaccurate commentary or reports regarding us, our products, our sales professionals or other personnel, or other third parties affiliated with us, on social media platforms, blogs, and other websites;
- any significant change in our management; and
- general economic conditions and slow or negative growth of our markets.

Further, the stock markets have experienced price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many companies. These fluctuations often have been unrelated or disproportionate to the operating performance of those companies. In addition, the stock prices of many renewable energy companies have experienced fluctuations that have often been unrelated to the operating performance of those companies. These broad market and industry fluctuations, as well as general economic, political and market conditions such as recessions, government shutdowns, interest rate changes, or international currency fluctuations, may cause the trading price of the notes and our common stock to decline. In the past, following periods of volatility in the overall market and the market price of a particular company's securities, securities class action litigation has often been instituted against these companies. We are party to litigation that could result in substantial costs and a diversion of our management's attention and resources.

**Sales of a substantial number of shares of our common stock in the public market, including by our existing stockholders, could cause our stock price to fall.**

Sales of a substantial number of shares of our common stock in the public market, or the perception that these sales might occur, could depress the market price of our common stock and could impair our ability to raise capital through the sale of additional equity securities. We are unable to predict the effect that these sales and others may have on the prevailing market price of our common stock.

In addition, certain of our stockholders, including SK E&S Co., Ltd. and other affiliated companies as well as certain stockholders who received shares as a result of our acquisition of Vivint Solar, have registration rights that would require us to register shares of our capital stock owned by them for public sale in the United States. We have also filed a registration statement to register shares of our common stock reserved for future issuance under our equity compensation plans, including shares underlying equity awards assumed in connection with our acquisition of Vivint Solar. Subject to the satisfaction of applicable exercise periods and applicable volume and restrictions that apply to affiliates, the shares of our common stock issued upon exercise of outstanding options will become available for immediate resale in the public market upon issuance.

Future sales of our common stock may make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate. These sales also could cause the market price of our common stock to decline and make it more difficult for you to sell shares of our common stock.

**Anti-takeover provisions contained in our amended and restated certificate of incorporation and amended and restated bylaws, as well as provisions of Delaware law, could impair a takeover attempt.**

Our amended and restated certificate of incorporation, amended and restated bylaws and Delaware law contain provisions that could have the effect of rendering more difficult, delaying, or preventing an acquisition deemed undesirable by our board of directors and therefore depress the trading price of our common stock. Among other things, our amended and restated certificate of incorporation and amended and restated bylaws include provisions:

- creating a classified board of directors whose members serve staggered three-year terms;
- authorizing “blank check” preferred stock, which could be issued by our board of directors without stockholder approval and may contain voting, liquidation, dividend and other rights superior to our common stock;
- limiting the liability of, and providing indemnification to, our directors and officers;
- limiting the ability of our stockholders to call and bring business before special meetings;
- requiring advance notice of stockholder proposals for business to be conducted at meetings of our stockholders and for nominations of candidates for election to our board of directors; and
- controlling the procedures for the conduct and scheduling of board of directors and stockholder meetings.

These provisions, alone or together, could delay or prevent hostile takeovers and changes in control or changes in our management.

As a Delaware corporation, we are also subject to provisions of Delaware law, including Section 203 of the Delaware General Corporation law, which prevents certain stockholders holding more than 15% of our outstanding capital stock from engaging in certain business combinations without approval of the holders of at least two-thirds of our outstanding capital stock not held by such stockholder. Any provision of our amended and restated certificate of incorporation, amended and restated bylaws or Delaware law that has the effect of delaying or preventing a change in control could limit the opportunity for our stockholders to receive a premium for their shares of our capital stock and could also affect the price that some investors are willing to pay for our common stock.

**Provisions contained in our amended and restated certificate of incorporation and amended and restated bylaws limit the ability of our stockholders to call special meetings and prohibit stockholder action by written consent.**

Our amended and restated certificate of incorporation provides that our stockholders may not take action by written consent. Instead, any such actions must be taken at an annual or special meeting of our stockholders. As a result, our stockholders are not able to take any action without first holding a meeting of our stockholders called in accordance with the provisions of our amended and restated bylaws, including advance notice procedures set forth in our amended and restated bylaws. Our amended and restated bylaws further provide that special meetings of our stockholders may be called only by a majority of our board of directors, the chairman of our board of directors, our Chief Executive Officer or our President. As a result, our stockholders are not allowed to call a special meeting. These provisions may delay the ability of our stockholders to force consideration of a stockholder proposal, including a proposal to remove directors.

**Provisions contained in our amended and restated certificate of incorporation and amended and restated bylaws could preclude our stockholders from bringing matters before meetings of stockholders and delay changes in our board of directors.**



Our amended and restated bylaws provide advance notice procedures for stockholders seeking to bring business before, or nominate candidates for election as directors at, our annual or special meetings of stockholders. In addition, our amended and restated certificate of incorporation provides that stockholders may remove directors only for cause. Any amendment of these provisions in our amended and restated bylaws or amended and restated certificate of incorporation would require approval by holders of at least 66 2/3% of our then outstanding capital stock. These provisions could preclude our stockholders from bringing matters before annual or special meetings of stockholders and delay changes in our board of directors.

**Our amended and restated bylaws provide that a state or federal court located within the State of Delaware will be the sole and exclusive forum for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees.**

Our amended and restated bylaws provide that, unless we consent to the selection of an alternative forum, the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of fiduciary duty owed by any of our directors, officers or other employees to us or to our stockholders, (iii) any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law or (iv) any action asserting a claim governed by the internal affairs doctrine shall be a state or federal court located within the state of Delaware, in all cases subject to the court's having personal jurisdiction over the indispensable parties named as defendants. The choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees, which may discourage such lawsuits against us and our directors, officers and other employees. In addition, our amended and restated bylaws also provide that, unless we consent to the selection of an alternative forum, to the fullest extent permitted by law, the federal district courts of the United States of America shall be the sole and exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act. If a court were to find the choice of forum provisions contained in our amended and restated bylaws to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, results of operations and financial condition.

**If securities or industry analysts cease publishing research or reports about us, our business, our market or our competitors, or if they adversely change their recommendations regarding our common stock, the market price of our common stock and trading volume could decline.**

The market for our common stock is influenced by the research and reports that securities or industry analysts publish about us, our business, our market or our competitors. If any of the analysts who cover us adversely change their recommendations regarding our common stock, or provide more favorable recommendations about our competitors, the market price of our common stock would likely decline. If any of the analysts who cover us cease coverage of our company or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause the market price of our common stock and trading volume to decline.

**We do not expect to declare any dividends in the foreseeable future.**

We do not anticipate declaring any cash dividends to holders of our common stock in the foreseeable future. In addition, our credit agreements contain restrictions on payments of cash dividends. Consequently, investors may need to rely on sales of our common stock after price appreciation, which may never occur or only occur at certain times, as the only way to realize any future gains on their investment. Investors seeking cash dividends should not purchase shares of our common stock.

**Additional issuances of our capital stock or equity-linked securities could result in dilution to our stockholders.**

We may issue additional equity securities to raise capital, make acquisitions or for a variety of other purposes. For example, we recently completed the acquisition of Vivint Solar, in which we issued 0.55 shares of our common stock for each share of Vivint Solar's common stock owned prior to the acquisition, which resulted in dilution to our stockholders. Additional issuances of our capital stock may be made pursuant to the exercise or conversion of new or existing convertible debt securities (including the Notes), warrants, stock options or other equity incentive awards to new and existing service providers. Any such issuances will result in dilution to existing holders of our stock. We also rely on equity-based compensation as an important tool in recruiting and retaining employees. The amount of dilution due to equity-based compensation of our employees and other additional issuances of our common stock or securities convertible into or exchangeable or exercisable for our common stock could be substantial, and the market price of our common stock could decline.

**The Capped Call transactions may affect the value of our common stock.**

In connection with the issuance of the Notes, we entered into the Capped Call transactions with the option counterparties. The capped call transactions are expected generally to reduce the potential dilution to our common stock upon any conversion of Notes and/or offset any cash payments we are required to make in excess of the principal amount of converted Notes, as the case may be, with such reduction and/or offset subject to a cap.

The option counterparties or their respective affiliates may modify their hedge positions by entering into or unwinding various derivatives with respect to our common stock and/or purchasing or selling our common stock or other securities of ours in secondary market transactions prior to the maturity of the Notes (and are likely to do so during the observation period for conversions of Notes following November 1, 2025 or following any repurchase of Notes by us). This activity could also cause or avoid an increase or a decrease in the market price of our common stock.

The potential effect, if any, of these transactions and activities on the market price of our common stock will depend in part on market conditions and cannot be ascertained at this time.

**Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**

**Unregistered Sales of Equity Securities**

During the three months ended June 30, 2021, we issued warrants exercisable for up to 373,504 shares of our common stock to certain strategic partners, calculated using the closing stock price of \$55.78 on June 30, 2021. The shares underlying the warrants will vest upon certain time- and performance-based criteria as set forth in the warrants. The exercise price of the warrants is \$0.01 per share, and no exercises occurred during the quarter ended June 30, 2021.

The warrants were issued and sold pursuant to an exemption from the registration requirements of Section 5 of the Securities Act of 1933, as amended, as they did not involve a public offering under Section 4(a)(2) and were issued as restricted securities pursuant to Rule 144 of the Act.

**Issuer Purchases of Equity Securities**

None.

**Item 5. OTHER INFORMATION**

None.

**Item 6. EXHIBITS**

The documents listed in the Exhibit Index of this Quarterly Report on Form 10-Q are incorporated by reference or are filed with this Quarterly Report on Form 10-Q, in each case as indicated therein (numbered in accordance with Item 601 of Regulation S-K).

**EXHIBIT INDEX**

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
10.1	<a href="#">Sunrun-VSI 2014 Equity Incentive Plan, and the forms thereunder</a>					X
10.2‡	<a href="#">Credit Agreement, dated as of April 20, 2021, among Sunrun Luna Portfolio 2021, LLC, Credit Suisse AG, New York Branch (as administrative agent), Wells Fargo Bank, National Association (as collateral agent and as paying agent) and each of the lenders and funding agents identified on the signature pages thereto</a>					X
10.3‡	<a href="#">Amendment to the Credit Agreement, dated as of May 5, 2021, among Sunrun Luna Portfolio 2021, LLC, Credit Suisse AG, New York Branch (as administrative agent) and each of the lenders and funding agents identified on the signature pages thereto</a>					X
31.1	<a href="#">Certification of Chief Executive Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>					
31.2	<a href="#">Certification of Chief Financial Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>					
32.1†	<a href="#">Certifications of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>					
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.					
101.SCH	XBRL Taxonomy Schema Linkbase Document.					
101.CAL	XBRL Taxonomy Definition Linkbase Document.					
101.DEF	XBRL Taxonomy Calculation Linkbase Document.					
101.LAB	XBRL Taxonomy Labels Linkbase Document.					
101.PRE	XBRL Taxonomy Presentation Linkbase Document.					
104	Cover Page Interactive Data File (formatted as inline XBRL with applicable taxonomy extension information contained in Exhibits 101.INS, 101.SCH, 101.CAL, 101.DEF, 101.LAB, and 101.PRE)					

‡ Portions of this exhibit have been omitted from the exhibit because they are both not material and are the type of information that the Company treats as private or confidential.

† The certifications attached as Exhibit 32.1 that accompany this Quarterly Report on Form 10-Q are deemed furnished and not filed with the Securities and Exchange Commission and are not to be incorporated by reference into any filing of Sunrun Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this Quarterly Report on Form 10-Q, irrespective of any general incorporation language contained in such filing.



**SUNRUN-VSI**  
**2014 EQUITY INCENTIVE PLAN**

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Note: Plan name changed from “Vivint Solar, Inc. 2014 Equity Incentive Plan” to “Sunrun-VSI 2014 Equity Incentive Plan” effective April 29, 2021. No other changes made to the Plan.

**1. Purposes of the Plan.**

The purposes of this Plan are to attract and retain personnel for positions with the Company, to provide additional incentive to Employees, Directors, and Consultants (collectively, "Service Providers"), and to promote the success of the Company's business.

The Plan permits the grant of Incentive Stock Options to Employees and the grant of Nonstatutory Stock Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Shares, Performance Stock Units, and Performance Awards to any Service Provider.

**2. Shares Subject to the Plan.**

(a) Allocation of Shares to Plan. The maximum aggregate number of Shares that may be issued under the Plan is:

(i) 8,800,000 Shares, plus

(ii) any Shares subject to outstanding awards granted under the Company's V Solar Holdings, Inc. 2013 Omnibus Incentive Plan (the "Existing Plan") that, after the Registration Date, expire or otherwise terminate without having been exercised in full and any Shares issued under awards granted under the Existing Plan that, after the Registration Date, are forfeited to the Company, tendered to or withheld by the Company for payment of exercise or tax withholding, or repurchased by the Company, with the maximum number of Shares to be added to the Plan under Section 2(a)(ii) equal to 14,117,647 Shares, plus

(iii) any additional Shares that become available for issuance under the Plan under Sections 2(b) and 2(c).

The Shares may be authorized but unissued Common Stock or Common Stock issued and then reacquired by the Company.

(b) Automatic Share Reserve Increase. The number of Shares available for issuance under the Plan will be increased on the first day of each Fiscal Year beginning with the 2015 Fiscal Year, in an amount equal to the least of

(i) 8,800,000 Shares,

(ii) 4% of the total number of Shares outstanding on the last day of the immediately preceding Fiscal Year, and

(iii) a lower number of Shares determined by the Administrator.

(c) Lapsed Awards.

(i) Options and Stock Appreciation Rights. If an Option or Stock Appreciation Right expires or becomes unexercisable without having been exercised in full or is surrendered under an Exchange Program, the unissued Shares subject to the Option or Stock Appreciation Right will become available for future issuance under the Plan.

(ii) Stock Appreciation Rights. Only Shares actually issued pursuant to a Stock Appreciation Right (i.e., the net Shares issued) will cease to be available under the Plan; all remaining Shares originally subject to the Stock Appreciation Right will remain available for future issuance under the Plan.

(iii) Full-Value Awards. Shares issued pursuant to Awards of Restricted Stock, Restricted Stock Units, Performance Shares, Performance Stock Units or stock-settled Performance Awards that are reacquired by the Company or are forfeited to the Company will become available for future issuance under the Plan.

(iv) Withheld Shares. Shares used to pay the Exercise Price of an Award or to satisfy tax withholding obligations related to an Award will become available for future issuance under the Plan.

(v) Cash-Settled Awards. If any portion of an Award under the Plan is paid to a Participant in cash rather than Shares, that cash payment will not reduce the number of Shares available for issuance under the Plan.

(d) Incentive Stock Options. The maximum number of Shares that may be issued upon the exercise of Incentive Stock Options will equal 200% of the aggregate Share number stated in Sections 2(a)(i) and 2(a)(iii) plus, to the extent allowable under Code Section 422, any Shares that become available for issuance under the Plan under Sections 2(b) and 2(c).

(e) Adjustment. The numbers provided in Sections 2(a), 2(b), and 2(d) will be adjusted as a result of changes in capitalization referred to in Section 13.

(f) Substitute Awards. If the Committee grants Awards in substitution for equity compensation awards outstanding under a plan maintained by an entity acquired by or consolidated with the Company, the grant of those substitute Awards will not decrease the number of Shares available for issuance under the Plan.

### 3. Administration of the Plan.

(a) Procedure.

(i) General. The Plan will be administered by the Board or a Committee of the Board constituted to satisfy Applicable Laws (the "Administrator"). Different Administrators may administer the Plan with respect to different groups of Service Providers. The Board may retain the authority to concurrently administer the Plan with a Committee and may revoke the delegation of some or all authority previously delegated.

(ii) Further Delegation. To the extent permitted by Applicable Laws, the Board or a Committee may delegate to 1 or more Officers the authority to grant Options, Stock Appreciation Rights, and other Awards except Restricted Stock to Employees of the Company or any of its Subsidiaries who are not Officers, provided that the delegation must specify any limitations on the authority, including the total number of Shares that may be subject to the Awards granted by such Officer(s). Such delegation may be revoked. Any such Awards will be granted on the form of Award Agreement most recently approved for use by the Board or a Committee made up solely of Directors, unless the resolutions delegating the authority permit the Officer(s) to use a different form of Award Agreement approved by the Board or a Committee made up solely of Directors. The Board or a

Committee may delegate to an Officer who is also a Director the authority to grant Restricted Stock, but such authority will be delegated to such individual in his or her capacity as a Director.

(iii) Section 162(m). Unless an Award is granted and administered solely by a Committee of 2 or more “outside directors” within the meaning of Code Section 162(m), it will not qualify as “performance-based compensation” within the meaning of Code Section 162(m).

(b) Powers of the Administrator. Subject to the Plan, any limitations on delegations specified by the Board, and Applicable Laws, the Administrator will have the authority, in its sole discretion to make any determinations deemed necessary or advisable to administer the Plan including:

- (i) to determine the Fair Market Value;
- (ii) to approve forms of Award Agreements for use under the Plan (provided that all forms of Award Agreement must be approved by the Board or Committee of Directors acting as the Administrator);
- (iii) to select the Service Providers to whom Awards may be granted and grant Awards to such Service Providers;
- (iv) to determine the number of Shares to be covered by each Award granted;
- (v) to determine the terms and conditions, not inconsistent with the Plan, of any Award granted. Such terms and conditions may include, but are not limited to, the Exercise Price, the time or times when Awards may be exercised (which may be based on performance criteria), any vesting acceleration or waiver of forfeiture restrictions, and any restriction or limitation regarding any Award or the Shares relating to an Award;
- (vi) to institute and determine the terms and conditions of an Exchange Program;
- (vii) to interpret the Plan and make any decisions necessary to administer the Plan;
- (viii) to establish, amend and rescind rules relating to the Plan, including rules relating to sub-plans established to satisfy laws of jurisdictions other than the United States or to qualify Awards for favorable tax treatment under laws of jurisdictions other than the United States;
- (ix) to interpret, modify or amend each Award (subject to Section 18), including extending the Expiration Date and the post-termination exercisability period of such modified or amended Awards;
- (x) to allow Participants to satisfy tax withholding obligations in any manner permitted by Section 15;
- (xi) to delegate ministerial duties to any of the Company's employees;
- (xii) to authorize any person to take any steps and execute, on behalf of the Company, any documents required for an Award previously granted by the Administrator to be effective; and



(xiii) to allow Participants to defer the receipt of the payment of cash or the delivery of Shares otherwise due to any such Participants under an Award.

(c) Termination of Status.

(i) Unless a Participant is on a leave of absence approved by the Company as set forth in Section 11, the Participant's status as a Service Provider will end at midnight at the end of the last day in the primary work location in which the Participant actively provides services for a member of the Company Group (the "Termination of Status Date"). The Administrator has the sole discretion to determine the date on which a Participant stops actively providing services and whether a Participant may still be considered to be providing services while on a leave of absence and the Administrator may delegate this decision, other than with respect to Officers, to the Company's senior human resources officer.

(ii) This termination of status as a Service Provider will occur regardless of the reason for such termination even if the termination is later found to be invalid, in breach of employment laws in the jurisdiction where Participant is providing services, or in violation of the terms of Participant's employment or service agreement, if any such agreement exists.

(iii) Unless otherwise expressly provided in an Award Agreement or otherwise determined by the Administrator, a Participant's right to vest in any Award under the Plan will cease as of the Termination of Status Date and will not be extended by any notice period, whether arising under contract, statute or common law, including any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where the Participant is providing services.

(d) Grant Date. The grant date of an Award ("Grant Date") will be the date that the Administrator makes the determination granting such Award, or may be a later date if such later date is designated by the Administrator on the date of the determination or under an automatic grant policy. Notice of the determination will be provided to each Participant within a reasonable time after the Grant Date.

(e) Waiver. The Administrator may waive any terms, conditions or restrictions.

(f) Fractional Shares. Except as otherwise provided by the Administrator, any fractional Shares that result from the adjustment of Awards will be canceled. Any fractional Shares that result from vesting percentages will be accumulated and vested on the date that an accumulated full Share is vested.

(g) Electronic Delivery. The Company may deliver by e-mail or other electronic means (including posting on a website maintained by the Company or by a third party under contract with the Company or one of its Subsidiaries) another member of the Company Group all documents relating to the Plan or any Award and all other documents that the Company is required to deliver to its security holders (including prospectuses, annual reports and proxy statements).

(h) Choice of Law; Choice of Forum. The Plan, all Awards and all determinations made and actions taken under the Plan, to the extent not otherwise governed by the laws of the United States, will be governed by the laws of the State of Delaware without giving effect to principles of conflicts of law. For purposes of litigating any dispute that arises under this Plan, a Participant's acceptance of an Award is his or her consent to the jurisdiction of the State of Delaware, and agree that any such litigation will be conducted in Delaware Court of Chancery, or the federal courts for the United

States for the District of Delaware, and no other courts, regardless of where a Participant's services are performed.

(i) Effect of Administrator's Decision. The Administrator's decisions, determinations and interpretations will be final and binding on all Participants and any other holders of Awards.

#### 4. Stock Options.

(a) Stock Option Award Agreement. Each Option will be evidenced by an Award Agreement that will specify the number of Shares subject to the Option, its per share exercise price ("Exercise Price"), its Expiration Date, and such other terms and conditions as the Administrator determines. Each Option will be designated in the Award Agreement as either an Incentive Stock Option or a Nonstatutory Stock Option. An Option not designated as an Incentive Stock Option is a Nonstatutory Stock Option.

(b) Exercise Price. The Exercise Price for the Shares to be issued upon exercise of an Option will be determined by the Administrator.

(c) Form of Consideration. The Administrator will determine the acceptable forms of consideration for exercising an Option and those forms of consideration will be described in the Award Agreement. The consideration may consist of any combination of the following, to the extent permitted by Applicable Laws:

(i) cash;

(ii) check;

(iii) promissory note;

(iv) other Shares, provided that such Shares have a fair market value on the date of surrender equal to the aggregate Exercise Price of the Shares as to which such Option will be exercised. To the extent not prohibited by the Administrator, this shall include the ability to tender Shares to exercise the Option and then use the Shares received on exercise to exercise the Option with respect to additional Shares;

(v) consideration received by the Company under a cashless exercise arrangement (whether through a broker or otherwise) implemented by the Company for the exercise of Options;

(vi) consideration received by the Company under a net exercise program under which Shares are withheld from otherwise deliverable Shares; and

(vii) any other consideration or method of payment to issue Shares (provided that other forms of considerations may only be approved by the Board or a Committee of Directors).

(d) Incentive Stock Option Limitations.

(i) The Exercise Price of an Incentive Stock Option may not be less than 100% of the Fair Market Value on the Grant Date.

(ii) To that extent that the aggregate Fair Market Value of the Shares with respect to which incentive stock options under Code Section 422(b) are exercisable for the first time by a Participant during any calendar year (under all plans and agreements of the Company Group) exceeds \$100,000, the Options whose value exceeds \$100,000 will be treated as Nonstatutory Stock Options. Incentive stock options will be considered in the order in which they were granted. For this purpose the Fair Market Value of the Shares subject to an option will be determined as of the Grant Date of each option.

(iii) The Expiration Date of an Incentive Stock Option will be the day prior to the 10th anniversary of the Grant Date or any shorter period provided in the Award Agreement, subject to clause (iv) below.

(iv) The following rules apply to Incentive Stock Options granted to Participants who own stock representing more than 10% of the total combined voting power of all classes of stock of the Company or any Parent or Subsidiary:

(1) the Expiration Date of the Incentive Stock Option may not be after the day prior to the 5th anniversary of the Grant Date;

(2) the Exercise Price may not be less than 110% of the Fair Market Value on the Grant Date.

(3) If an Option is designated in the Administrator action that granted it as an incentive stock option but the terms of the Option do not comply with Sections 4(d)(iv)(1) and 4(d)(iv)(2), then the Option will not qualify as an Incentive Stock Option.

(e) Exercise of Option. An Option will be deemed exercised when the Company receives: (i) a notice of exercise (in such form as the Administrator may specify from time to time) from the person entitled to exercise the Option, and (ii) full payment for the Shares with respect to which the Option is exercised (together with applicable withholding taxes). Shares issued upon exercise of an Option will be issued in the name of the Participant. Until the Shares are issued (as evidenced by the entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a stockholder will exist with respect to the Shares subject to an Option, notwithstanding the exercise of the Option. The Company will issue (or cause to be issued) such Shares promptly after the Option is exercised. An Option may not be exercised for a fraction of a Share. Exercising an Option in any manner will decrease the number of Shares thereafter available, both for purposes of the Plan and for purchase under the Option, by the number of Shares as to which the Option is exercised.

(f) Expiration of Options. Subject to Section 4(d), an Option granted under the Plan will expire upon the date determined by the Administrator and set forth in the Award Agreement.

(g) Tolling of Expiration. If exercising an Option prior to its expiration is not permitted because of Applicable Laws, other than the rules of any stock exchange or quotation system on which the Common Stock is listed or quoted, the Option will remain exercisable until 30 days after the first date on which exercise would no longer be prevented by such provisions. If this would result in the Option remaining exercisable past its Expiration Date, then it will remain exercisable only until the end of the later of (x) the first day on which its exercise would not be prevented by Section 19(a) and (y) its Expiration Date.

## 5. Restricted Stock.

(a) Restricted Stock Award Agreement. Each Award of Restricted Stock will be evidenced by an Award Agreement that will specify the Period of Restriction (if any), the number of Shares granted, and such other terms and conditions as the Administrator determines. Unless the Administrator determines otherwise, Shares of Restricted Stock will be held in escrow until the end of the Period of Restriction applicable to such Shares. All grants of Restricted Stock and interpretative decisions about Restricted Stock may only be made by the Board or a Committee of Directors.

(b) Restrictions:

(i) Except as provided in this Section 5 or the Award Agreement, Shares of Restricted Stock may not be sold, transferred, pledged, assigned, or otherwise alienated until the end of the Period of Restriction applicable to such Shares.

(ii) During the Period of Restriction, Service Providers holding Shares of Restricted Stock granted may exercise full voting rights with respect to those Shares, unless the Administrator determines otherwise.

(iii) During the Period of Restriction, Service Providers holding Shares of Restricted Stock will not be entitled to receive dividends and other distributions paid with respect to such Shares, unless the Administrator provides otherwise. If the Administrator provides that dividends and distributions will be received and any such dividends or distributions are paid in Shares, the Shares will be subject to the same restrictions on transferability and forfeitability as the Shares of Restricted Stock with respect to which they were paid and, unless the Administrator determines otherwise, the Company will hold such Shares until the restrictions on the Shares of Restricted Stock with respect to which they were paid have lapsed.

(iv) Except as otherwise provided in this Section 5 or an Award Agreement, Shares of Restricted Stock covered by each Restricted Stock Award made under the Plan will be released from escrow when practicable after the last day of the applicable Period of Restriction.

(v) The Administrator may impose, prior to grant, or remove any restrictions on Shares of Restricted Stock.

## 6. Restricted Stock Units.

(a) Restricted Stock Unit Award Agreement. Each Award of Restricted Stock Units will be evidenced by an Award Agreement that will specify the terms, conditions, and restrictions related to the grant, including the number of Restricted Stock Units.

(b) Vesting Criteria and Other Terms. The Administrator will set vesting criteria that, depending on the extent to which the criteria are met, will determine the number of Restricted Stock Units paid out to the Participant. The Administrator may set vesting criteria based upon the achievement of Company-wide, divisional, business unit, or individual goals (that may include continued employment or service), or any other basis determined by the Administrator in its sole discretion.

(c) Earning Restricted Stock Units. Upon meeting the applicable vesting criteria, the Participant will have earned the Restricted Stock Units and will be paid as determined in Section 6(d). The Administrator may reduce or waive any criteria that must be met to earn the Restricted Stock Units.

(d) Form and Timing of Payment. Payment of earned Restricted Stock Units will be made when practicable after the date set forth in the Award Agreement and determined by the Administrator. The Administrator may settle earned Restricted Stock Units in cash, Shares, or a combination of both.

## 7. Stock Appreciation Rights.

(a) Stock Appreciation Right Award Agreement. Each Stock Appreciation Right grant will be evidenced by an Award Agreement that will specify the Exercise Price (which may not be less than 100% of Fair Market Value on the Grant Date), its Expiration Date, the conditions of exercise, and such other terms and conditions as the Administrator determines.

(b) Payment of Stock Appreciation Right Amount. When a Participant exercises a Stock Appreciation Right, he or she will be entitled to receive a payment from the Company equal to:

- (i) the difference between the Fair Market Value on the date of exercise and the Exercise Price; multiplied by
- (ii) the number of Shares with respect to which the Stock Appreciation Right is exercised.

Payment upon Stock Appreciation Right exercise may be made in cash, in Shares of equivalent value, or any combination of cash and Shares with the determination of form of payment made by the Administrator. Shares issued upon exercise of a Stock Appreciation Right will be issued in the name of the Participant. Until Shares are issued (as evidenced by the entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a stockholder will exist with respect to the Shares subject to a Stock Appreciation Right, notwithstanding the exercise of the Stock Appreciation Right. The Company will issue (or cause to be issued) such Shares promptly after the Stock Appreciation Right is exercised. A Stock Appreciation Right may not be exercised for a fraction of a Share. Exercising a Stock Appreciation Right in any manner will decrease the number of Shares thereafter available, both for the Plan and for purchase under the Stock Appreciation Right, by the number of Shares as to which the Stock Appreciation Right is exercised.

(c) Expiration of Stock Appreciation Rights. A Stock Appreciation Right granted under the Plan will expire upon the date determined by the Administrator in its sole discretion and set forth in the Award Agreement.

(d) Tolling of Expiration. If exercising an Stock Appreciation Right prior to its expiration is not permitted because of Applicable Laws, other than the rules of any stock exchange or quotation system on which the Common Stock is listed or quoted, the Stock Appreciation Right will remain exercisable until 30 days after the first date on which exercise would no longer be prevented by such provisions. If this would result in the Stock Appreciation Right remaining exercisable past its Expiration Date, then it will remain exercisable only until the end of the later of (x) the first day on which its exercise would not be prevented by Section 19(a) and (y) its Expiration Date.

## 8. Performance Stock Units and Performance Shares.

(a) Award Agreement. Each Award of Performance Stock Units/Shares will be evidenced by an Award Agreement that will specify the time period during which the performance objectives or other vesting provisions will be measured is the ("Performance Period"), and material terms

of the Award. The Administrator may set performance objectives based upon the achievement of Company-wide, divisional, business unit or individual goals (including, but not limited to, continued employment or service) or any other basis determined by the Administrator.

(b) Value of Performance Stock Units/Shares. Each Performance Unit will have an initial value established by the Administrator on or before the Grant Date. Each Performance Share will have an initial value equal to the Fair Market Value of a Share on the Grant Date.

(c) Performance Objectives and Other Terms. The Administrator will set performance objectives or other vesting provisions (that may include continued employment or service). These objectives or vesting provisions may determine the number or value of Performance Stock Units/Shares paid out.

(d) Earning of Performance Stock Units/Shares. After an applicable Performance Period has ended, the holder of Performance Stock Units/Shares will be entitled to receive a payout of the number of Performance Stock Units/Shares earned by the Participant over the Performance Period. The Administrator may reduce or waive any performance objectives or other vesting provisions for such Performance Unit/Share.

(e) Payment of Performance Stock Units/Shares. Payment of earned Performance Stock Units/Shares will be made when practicable after the end of the applicable Performance Period. Payment with respect to earned Performance Stock Units/Shares may be made in cash, in Shares of equivalent value, or any combination of cash and Shares with the determination of form of payment made by the Administrator.

(f) Performance Stock Units/Shares. If a Participant has not accepted an Award of Performance Stock Units/Shares or has not taken all administrative and other steps (e.g. setting up an account with a broker designated by the Company) necessary for the Company to issue Shares pursuant to such Performance Stock Units/Shares prior to a vesting date, then any Shares that would otherwise be issued pursuant to such Performance Stock Units/Shares on such vesting date will be forfeited 30 days after such Participant's Termination of Status Date and the Performance Stock Units/Shares that have not been earned will be forfeited to the Company for no consideration unless otherwise provided by the Administrator.

#### **9. Performance Awards.**

(a) Award Agreement. Each Performance Award will be evidenced by an Award Agreement that will specify the Performance Period, and material terms of the Award. The Administrator may set performance objectives based upon the achievement of Company-wide, divisional, business unit or individual goals (including, but not limited to, continued employment or service) or any other basis determined by the Administrator.

(b) Value of Performance Awards. Each Performance Award's target and maximum payout values will be established by the Administrator on or before the Grant Date.

(c) Performance Objectives and Other Terms. The Administrator will set performance objectives or other vesting provisions (that may include continued employment or service). These objectives or vesting provisions will determine the value of Performance Awards Payouts.

(d) Payment of Performance Awards. Payment of earned Performance Awards will be made when practicable after the end of the applicable Performance Period. Payment with respect to earned Performance Awards will be made in cash, in Shares of equivalent value, or any combination of cash and Shares with the determination of form of payment made by the Administrator at the time of payment.

#### 10. Outside Director Limitations.

(a) Cash-Settled Awards. No Outside Director may be granted, in any Fiscal Year, cash-settled Awards with a grant date fair value (determined under U.S. generally accepted accounting principles) of more than \$400,000. Awards granted to an individual while he or she was an Employee, or while he or she was a Consultant but not an Outside Director, will not count for purpose of this limitation.

(b) Stock-Settled Awards. No Outside Director may be granted, in any Fiscal Year, stock-settled Awards with a grant date fair value (determined under U.S. generally accepted accounting principles) of more than \$400,000. Awards granted to an individual while he or she was an Employee, or while he or she was a Consultant but not an Outside Director, will not count for purpose of this limitation.

#### 11. Leaves of Absence/Transfer Between Locations/Change of Status.

(a) General. Unless otherwise provided by the Administrator, a Participant will not cease to be an Employee in the case of (i) any leave of absence approved by the Company or (ii) any transfer between locations of the Company or other members of the Company Group.

(b) Vesting. Unless a leave policy approved by the Administrator provides otherwise or it is otherwise required by Applicable Law, vesting of Awards granted under the Plan will continue only for Participants on an approved leave of absence.

(c) Incentive Stock Option Status. If a leave of absence exceeds 3 months and reemployment upon expiration of such leave is not guaranteed by statute or contract, then 3 months following the 1st day of such leave a Participant will not be treated as an employee for incentive stock option purposes. If reemployment upon expiration of a leave of absence approved by the Company is not guaranteed by statute or contract, then 6 months following the 1st day of such leave any Incentive Stock Option held by the Participant will cease to be treated as an Incentive Stock Option and will be treated for tax purposes as a Nonstatutory Stock Option.

(d) Protected Leaves.

(i) Any leave of absence by a Participant will be subject to any Applicable Laws that apply to leaves of absence.

(ii) For a Participant on a military leave, if required by Applicable Laws, vesting will continue for the longest period that vesting continues under any other statutory or company-approved leave of absence. When a Participant returns from military leave (under conditions that would entitle him or her to such protection under the Uniformed Services Employment and Reemployment Rights Act), the Participant will be given vesting credit to the same extent as if the Participant had continued to provide services to the Company through the military leave.

(e) Changes in Status. If a Participant who is an Employee has a reduction in hours worked, the Administrator may unilaterally:

(i) make a corresponding reduction in the number of Shares or cash amount subject to any portion of an Award that is scheduled to vest or become payable after the date of such extend leave or reduction in hours; and

(ii) in lieu of or in combination with such a reduction, extend the vesting or payment schedule applicable to such Award.

If any such reduction occurs, the Participant will have no right to any portion of the Award that is reduced or extended.

(f) Determinations. The effect of a Company-approved leave of absence, a transfer, or a Participant's reduction in hours of employment or service on the vesting of an Award shall be determined, under policies reviewed by the Administrator, by the Company's senior human resources officer or other person performing that function or, with respect to Directors or Officers by the Compensation Committee of the Board, any such determination will be final.

## 12. Transferability of Awards.

(a) General Rule. Unless determined otherwise by the Administrator, or otherwise required by Applicable Laws, an Award may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or by the laws of descent or distribution and may be exercised, during the lifetime of the Participant, only by the Participant. If the Administrator makes an Award transferable, the Award will be limited by any additional terms and conditions imposed by the Administrator. Any unauthorized transfer of an Award will be void.

(b) Domestic Relations Orders. If approved by the Administrator, an Award may be transferred under a domestic relations order, official marital settlement agreement or other divorce or separation instrument as permitted by Treasury Regulations Section 1.421-1(b)(2). An Incentive Stock Option may be deemed to be a Nonstatutory Stock Option as a result of such transfer.

(c) Limited Transfers for the Benefit of Family Members. The Administrator may permit an Award or Share issued under this Plan to be assigned or transferred subject to the applicable limitations, set forth in the General Instructions to Form S-8 Registration Statement under the Securities Act, if applicable, and any other Applicable Laws.

(d) Permitted Transferees. Any individual or entity to whom an Award is transferred will be subject to all of the terms and conditions applicable to the Participant who transferred the Award, including the terms and conditions in this Plan and the Award Agreement. If an Award is unvested then the service of the Participant will continue to determine whether the Award will vest and any Expiration Date.

## 13. Adjustments; Dissolution or Liquidation.

(a) Adjustments. If any extraordinary dividend or other extraordinary distribution (whether in cash, Shares, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of Shares or other securities of the Company, issuance of warrants or other rights to acquire securities of the Company, other change in the corporate structure of the Company affecting the Shares, or any similar equity restructuring transaction, as that term is used in Statement of Financial Accounting Standards Board Accounting Standards Codification Topic 718 (or any successor thereto) affecting the Shares



occurs (including, without limitation, a Change in Control), the Administrator, to prevent diminution or enlargement of the benefits or potential benefits intended to be provided under the Plan, will adjust the number and class of shares that may be delivered under the Plan and/or the number, class, and price of shares covered by each outstanding Award, and the numerical Share limits in Section 2 in such a manner as it deems equitable. Notwithstanding the foregoing, the conversion of any convertible securities of the Company and ordinary course repurchases of shares or other securities of the Company will not be treated as an event that will require adjustment.

(b) Dissolution or Liquidation. In the event of the proposed dissolution or liquidation of the Company, the Administrator will notify each Participant when practicable prior to the effective date of such proposed transaction. To the extent it has not been previously exercised, an Award will terminate immediately prior to the consummation of such proposed action.

#### 14. Change in Control

(a) If a Change in Control or a merger of the Company with or into another corporation or other entity occurs, each outstanding Award will be treated as the Administrator determines, including, without limitation, that such Award be continued by the successor corporation or a Parent or Subsidiary of the successor corporation.

(b) The Administrator need not take the same action or actions with respect to all Awards or portions thereof or with respect to all Participants. The Administrator may take different actions with respect to the vested and unvested portions of an Award. The Administrator will not be required to treat all Awards similarly in the transaction.

(c) Continuation. An Award will be considered continued if, following the Change in Control or merger:

(i) the Award confers the right to purchase or receive, for each Share subject to the Award immediately prior to the Change in Control, the consideration (whether stock, cash, or other securities or property) received in the Change in Control by holders of Shares for each Share held on the effective date of the transaction (and if holders were offered a choice of consideration, the type of consideration received by the holders of a majority of the outstanding Shares); provided, however, that if the consideration received in the Change in Control is not solely common stock of the successor corporation or its Parent, the Administrator may, with the consent of the successor corporation, provide for the consideration to be received upon exercising an Option or Stock Appreciation Right or upon the payout of a Restricted Stock Unit, Performance Stock Unit, Performance Share or Performance Award, for each Share subject to such Award, to be solely common stock of the successor corporation or its Parent equal in fair market value to the per share consideration received by holders of Common Stock in the Change in Control; or

(ii) the Award is terminated in exchange for an amount of cash and/or property, if any, equal to the amount that would have been attained upon the exercise of such Award or realization of the Participant's rights as of the date of the occurrence of the transaction. Any such cash or property may be subjected to any escrow applicable to holder of Common Stock in the Change of Control. If as of the date of the occurrence of the transaction the Administrator determines that no amount would have been attained upon the exercise of such Award or realization of the Participant's rights, then such Award may be terminated by the Company without payment. The amount of cash or property can be subjected to vesting and paid to the Participant over the original vesting schedule of the Award.

(iii) Notwithstanding anything in this Section 14(c) to the contrary, an Award that vests, is earned or paid-out upon the satisfaction of one or more performance goals will not be considered assumed if the Company or its successor modifies any of such performance goals without the Participant's consent; provided, however, a modification to such performance goals only to reflect the successor corporation's post-Change in Control corporate structure will not invalidate an otherwise valid Award assumption.

(d) The Administrator will have authority to modify Awards in connection with a Change in Control:

(i) in a manner that causes them to lose their tax-preferred status,

(ii) to terminate any right a Participant has to exercise an Option prior to vesting in the Shares subject to the Option (i.e., "early exercise"), so that following the closing of the transaction the Option may only be exercised to the extent it is vested;

(iii) to reduce the Exercise Price subject to the Award in a manner that is disproportionate to the increase in the number of Shares subject to the Award, as long as the amount that would be received upon exercise of the Award immediately before and immediately following the closing of the transaction is equivalent and the adjustment complies with Treasury Regulation Section 1.409A-1(b)(v)(D); and

(iv) to suspend a Participant's right to exercise an Option during a limited period of time preceding and or following the closing of the transaction without Participant consent if such suspension is administratively necessary or advisable to permit the closing of the transaction.

(e) Non-Continuation. If the successor corporation does not continue for an Award (or some portion such Award), the Participant will fully vest in (and have the right to exercise) an additional 100% of the then-unvested Shares subject to his or her outstanding Options and Stock Appreciation Rights, all restrictions on an additional 100% of the Participant's outstanding Restricted Stock and Restricted Stock Units will lapse, and, regarding 100% of Participant's outstanding Awards with performance-based vesting, all performance goals or other vesting criteria will be treated as achieved at 100% of target levels and all other terms and conditions met. In no event will vesting an Award accelerate as to more than 100% of the Award. If Options or Stock Appreciation Rights are not continued if a Change in Control or a merger of the Company with or into another corporation or other entity occurs, the Administrator will notify the Participant in writing or electronically that the Participant's vested Options or Stock Appreciation Rights (after considering the foregoing vesting acceleration, if any) will be exercisable for a period of time determined by the Administrator in its sole discretion and all of the Participant's Options or Stock Appreciation Rights will terminate upon the expiration of such period (whether vested or unvested).

(f) Outside Director Awards. With respect to Awards granted to an Outside Director that are continued, if on the date of or following such continuation the Participant's status as a Director or a director of the successor corporation, as applicable, is terminated other than upon a voluntary resignation by the Participant (unless such resignation is at the request of the acquirer), then the Participant will fully vest in and have the right to exercise Options and/or Stock Appreciation Rights as to all of the Shares underlying such Award, including those Shares not otherwise vested or exercisable, all restrictions on Restricted Stock and Restricted Stock Units will lapse, and, with respect to Awards with

performance-based vesting, all performance goals or other vesting criteria will be treated as achieved at 100% of target levels and all other terms and conditions met.

#### 15. Tax Matters.

(a) Withholding Requirements. Prior to the delivery of any Shares or cash under an Award (or exercise thereof) or such earlier time as any tax withholding obligations are due, the Company may deduct or withhold, or require a Participant to remit to the Company, an amount sufficient to satisfy any taxes (including the Participant's social tax obligations) required to be withheld with respect to such Award (or exercise thereof).

(b) Withholding Arrangements. The Administrator, in its sole discretion and under such procedures as it may specify from time to time, may permit or may require a Participant to satisfy such tax withholding obligation, in whole or in part by (without limitation) (a) paying cash, (b) electing to have the Company withhold otherwise deliverable cash (including cash from the sale of Shares issued to Participant) or Shares having a fair market value equal to the minimum statutory amount required to be withheld, (c) delivering to the Company already-owned Shares having a fair market value equal to the minimum statutory amount required to be withheld, or (d) requiring the Participant to engage in a cashless exercise transaction (whether through a broker or otherwise) implemented by the Company in connection with the Plan. The fair market value of the Shares to be withheld or delivered will be determined as of the date the taxes must be withheld.

(c) Compliance With Code Section 409A. Except as otherwise determined by the Administrator, it is intended that Awards will be designed and operated so that they are either exempt from the application of, or comply with, the requirements of Code Section 409A so that the grant, payment, settlement or deferral will not be subject to the additional tax or interest applicable under Code Section 409A and the Plan and each Award Agreement will be interpreted consistent with this intent. This Section 15(c) is not a guarantee to any Participant of the consequences of his or her Awards.

#### 16. Other Terms.

(a) No Effect on Employment or Service. Neither the Plan nor any Award will confer upon a Participant any right regarding continuing the Participant's relationship as a Service Provider with the Company or member of the Company Group, nor will they interfere with the Participant's right, or the Participant's employer's right, to terminate such relationship with or without cause, to the extent permitted by Applicable Laws.

(b) Forfeiture Events.

(i) All Awards granted under the Plan will be subject to recoupment under any clawback policy that the Company is required to adopt pursuant to the listing standards of any national securities exchange or association on which the Company's securities are listed or as is otherwise required by the Dodd-Frank Wall Street Reform and Consumer Protection Act or other Applicable Laws. In addition, the Administrator may impose such other clawback, recovery or recoupment provisions in an Award Agreement as the Administrator determines necessary or appropriate, including but not limited to a reacquisition right regarding previously acquired Shares or other cash or property. Unless this Section 16(b) is specifically mentioned and waived in an Award Agreement or other document, no recovery of compensation under a clawback policy or otherwise will give a Participant the right to resign for "good reason" or "constructive termination" (or similar term) under any agreement with the Company.

(ii) The Administrator may specify in an Award Agreement that the Participant's rights, payments, and benefits with respect to an Award shall be subject to reduction, cancellation, forfeiture, or recoupment upon the occurrence of specified events, in addition to any otherwise applicable vesting or performance conditions of an Award. Such events may include, but shall not be limited to, termination of such Participant's status as Service Provider for cause or any act by a Participant, whether before or after such Participant's Termination Status Date that would constitute cause for termination of such Participant's status as a Service Provider.

(iii) If the Company is required to prepare an accounting restatement due to the material noncompliance of the Company, as a result of misconduct, with any financial reporting requirement under the securities laws, any Participant who knowingly or through gross negligence engaged in the misconduct, or who knowingly or through gross negligence failed to prevent the misconduct, and any Participant who is one of the individuals subject to automatic forfeiture under Section 304 of the Sarbanes-Oxley Act of 2002, shall reimburse the Company the amount of any payment in settlement of an Award earned or accrued during the 12 month period following the first public issuance or filing with the United States Securities and Exchange Commission (whichever first occurred) of the financial document embodying such financial reporting requirement.

#### **17. Term of Plan.**

Subject to Section 20, the Plan will become effective upon the later to occur of (i) its adoption by the Board or (ii) the business day immediately prior to the Registration Date. It will continue in effect for a term of 10 years from the date adopted by the Board, unless terminated earlier under Section 18.

#### **18. Amendment and Termination of the Plan.**

(a) Amendment and Termination. The Board or Compensation Committee of the Board may amend, alter, suspend or terminate the Plan.

(b) Stockholder Approval. The Company will obtain stockholder approval of any Plan amendment to the extent necessary or desirable to comply with Applicable Laws.

(c) Consent of Participants Generally Required. Subject to Section 18(d) below, no amendment, alteration, suspension or termination of the Plan or an Award under it will materially impair the rights of any Participant, unless mutually agreed otherwise between the Participant and the Administrator, which agreement must be in writing and signed by the Participant and the Company. Termination of the Plan will not affect the Administrator's ability to exercise the powers granted to it regarding Awards granted under the Plan prior to such termination.

(d) Exceptions to Consent Requirement.

(i) A Participant's rights will not be deemed to have been impaired by any amendment, alteration, suspension or termination if the Administrator, in its sole discretion, determines that the amendment, alteration, suspension or termination taken as a whole, does not materially impair the Participant's rights, and

(ii) Subject to any limitations of Applicable Laws, the Administrator may amend the terms of any one or more Awards without the affected Participant's consent even if it does materially impair the Participant's right if such amendment is done

- (1) in a manner permitted under the Plan;
- (2) to maintain the qualified status of the Award as an Incentive Stock Option under Code Section 422;
- (3) to change the terms of an Incentive Stock Option, if such change results in impairment of the Award only because it impairs the qualified status of the Award as an Incentive Stock Option under Code Section 422;
- (4) to clarify the manner of exemption from, or to bring the Award into compliance with, Code Section 409A; or
- (5) to comply with other Applicable Laws.

#### **19. Conditions Upon Issuance of Shares.**

(a) **Legal Compliance.** Shares will not be issued pursuant to the exercise of an Award unless the exercise of such Award and the issuance and delivery of such Shares will comply with Applicable Laws. If required by the Administrator, issuance will be further subject to the approval of counsel for the Company with respect to such compliance. The inability of the Company to obtain authority from any regulatory body having jurisdiction or to complete or comply with the requirements of any Applicable Laws will relieve the Company of any liability regarding the failure to issue or sell such Shares as to which such authority, registration, qualification or rule compliance was not obtained and the Administrator reserves the authority, without the consent of a Participant, to terminate or cancel Awards with or without consideration in such a situation.

(b) **Investment Representations.** As a condition to the exercise of an Award, the Company may require the person exercising such Award to represent and warrant during any such exercise that the Shares are being purchased only for investment and with no present intention to sell or distribute such Shares if, in the opinion of counsel for the Company, such a representation is required.

(c) **Failure to Accept Award.** If a Participant has not accepted an Award or has not taken all administrative and other steps (e.g. setting up an account with a broker designated by the Company) necessary for the Company to issue Shares upon the vesting, exercise, or settlement of the Award prior to the first date the Shares subject such Award are scheduled to vest, then the Award will be cancelled on such date and the Shares subject to such Award immediately will revert to the Plan for no additional consideration unless otherwise provided by the Administrator.

#### **20. Stockholder Approval.**

The Plan will be subject to approval by the stockholders of the Company within 12 months after the date the Plan is adopted by the Board. Such stockholder approval will be obtained in the manner and to the degree required under Applicable Laws.

#### **21. Definitions.**

The following definitions are used in this Plan:

(a) “**Applicable Laws**” means the requirements relating to the administration of equity-based awards and the related issuance of Shares under U.S. state corporate laws, U.S. federal and

state securities laws, the Code, any stock exchange or quotation system on which the Common Stock is listed or quoted and, only to the extent applicable with respect to an Award or Awards, the tax, securities or exchange control laws of any jurisdictions other than the United States where Awards are, or will be, granted under the Plan. Reference to a section of an Applicable Law or regulation related to that section shall include such section or regulation, any valid regulation issued under such section, and any comparable provision of any future legislation or regulation amending, supplementing or superseding such section or regulation.

(b) “Award” means, individually or collectively, a grant under the Plan of Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Stock Units or Performance Shares.

(c) “Award Agreement” means the written or electronic agreement setting forth the terms applicable to an Award granted under the Plan. The Award Agreement is subject to the terms of the Plan.

(d) “Board” means the Board of Directors of the Company.

(e) “Change in Control” means the occurrence of any of the following events:

(i) A change in the ownership of the Company which occurs on the date that any one person, or more than one person acting as a group (“Person”), acquires ownership of the stock of the Company that, with the stock held by such Person, constitutes more than 50% of the total voting power of the stock of the Company; provided, however, that for this subsection, the acquisition of additional stock by any one Person, who prior to such acquisition is considered to own more than 50% of the total voting power of the stock of the Company will not be considered a Change in Control. Further, if the stockholders of the Company immediately before such change in ownership continue to retain immediately after the change in ownership, in substantially the same proportions as their ownership of shares of the Company’s voting stock immediately prior to the change in ownership, direct or indirect beneficial ownership of 50% or more of the total voting power of the stock of the Company, such event shall not be considered a Change in Control under this section 21(e)(i). For this purpose, indirect beneficial ownership shall include, without limitation, an interest resulting from ownership of the voting securities of one or more corporations or other business entities which own the Company, as the case may be, either directly or through one or more subsidiary corporations or other business entities; or

(ii) A change in the effective control of the Company which occurs on the date a majority of members of the Board is replaced during any 12 month period by Directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the appointment or election. For this section 21(e)(ii), if any Person is in effective control of the Company, the acquisition of additional control of the Company by the same Person will not be considered a Change in Control; or

(iii) A change in the ownership of a substantial portion of the Company’s assets which occurs on the date that any Person acquires (or has acquired during the 12 month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total gross fair market value equal to or more than 50% of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions; provided, however, that for this Section 21(e)(iii), the following will not constitute a change in the ownership of a substantial portion of the Company’s assets:

- (1) a transfer to an entity controlled by the Company's stockholders immediately after the transfer, or
- (2) a transfer of assets by the Company to:
- (A) a stockholder of the Company (immediately before the asset transfer) in exchange for or with respect to the Company's stock,
- (B) an entity, 50% or more of the total value or voting power of which is owned, directly or indirectly, by the Company,
- (C) a Person, that owns, directly or indirectly, 50% or more of the total value or voting power of all the outstanding stock of the Company, or
- (D) an entity, at least 50% of the total value or voting power of which is owned, directly or indirectly, by a Person described in subsections 21(e)(iii)(2)(A) to 21(e)(iii)(2)(C).

For this definition, gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets. For this definition, persons will be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the Company.

A transaction will not be a Change in Control:

- (iv) unless the transaction qualifies as a change in control event within the meaning of Code Section 409A; or
- (v) if its sole purpose is to (1) change the state of the Company's incorporation, or (2) create a holding company owned in substantially the same proportions by the persons who held the Company's securities immediately before such transaction.
- (f) "Code" means the Internal Revenue Code of 1986. Reference to a section of the Code or regulation related to that section shall include such section or regulation, any valid regulation issued under such section, and any comparable provision of any future legislation or regulation amending, supplementing or superseding such section or regulation.
- (g) "Committee" means a committee of Directors or of other individuals satisfying Applicable Laws appointed by the Board.
- (h) "Common Stock" means the common stock of the Company.
- (i) "Company" means Sunrun Inc., a Delaware corporation, or any successor thereto.
- (j) "Company Group" means the Company, any Parent or Subsidiary of the Company, and any entity that, from time to time and at the time of any determination, directly or indirectly, is in control of, is controlled by or is under common control with the Company.

(k) “Consultant” means any natural person engaged by a member of the Company Group to render bona fide services to such entity, provided the services (i) are not in connection with the offer or sale of securities in a capital raising transaction, and (ii) do not directly promote or maintain a market for the Company's securities. A Consultant must be a person to whom the issuance of Shares registered on Form S-8 under the Securities Act is permitted.

(l) “Director” means a member of the Board.

(m) “Employee” means any person, including Officers and Directors, employed by the Company or any member of the Company Group. However, with respect to Incentive Stock Options, an Employee must be employed by the Company or any Parent or Subsidiary of the Company. Neither service as a Director nor payment of a director's fee by the Company will constitute “employment” by the Company.

(n) “Exchange Act” means the U.S. Securities Exchange Act of 1934.

(o) “Exchange Program” means a program under which (i) outstanding Awards are surrendered or cancelled in exchange for awards of the same type (which may have higher or lower Exercise Prices and different terms), awards of a different type, and/or cash, (ii) Participants would have the opportunity to transfer any outstanding Awards to a financial institution or other person or entity selected by the Administrator, and/or (iii) the Exercise Price of an outstanding Award is increased or reduced. The Administrator will determine the terms and conditions of any Exchange Program in its sole discretion.

(p) “Expiration Date” means the last day on which an Option or Stock Appreciation Right may be exercised. Any exercise must be completed by 5:00 PM in Salt Lake City, Utah on such date.

(q) “Fair Market Value” means, as of any date, the value of a Share, determined as follows:

(i) If the Common Stock is listed on any established stock exchange or a national market system, including without limitation the New York Stock Exchange, the NASDAQ Global Select Market, the NASDAQ Global Market or the NASDAQ Capital Market of The NASDAQ Stock Market, its Fair Market Value will be the closing sales price for such stock (or the closing bid, if no sales were reported) as quoted on such exchange or system on the day of determination, as reported by such source as the Administrator determines to be reliable;

(ii) If the Common Stock is regularly quoted by a recognized securities dealer but selling prices are not reported, the Fair Market Value of a Share will be the mean between the high bid and low asked prices for the Common Stock on the day of determination (or, if no bids and asks were reported on that date on the last Trading Day such bids and asks were reported), as reported by such source as the Administrator determines to be reliable;

(iii) For any Awards granted on the Registration Date, the Fair Market Value will be the initial price to the public set forth in the final prospectus included within the registration statement in Form S-1 filed with the Securities and Exchange Commission for the initial public offering of the Company's Common Stock; or



(iv) Absent an established market for the Common Stock, the Fair Market Value will be determined in good faith by the Administrator.

Notwithstanding the foregoing, if the determination date for the Fair Market Value occurs on a weekend, holiday or other non-Trading Day, the Fair Market Value will be the price as determined under subsections (i) through (ii) above on the immediately preceding Trading Day, unless otherwise determined by the Administrator. In addition, for purposes of determining the fair market value of shares for any reason other than the determination of the Exercise Price of Options or Stock Appreciation Rights, fair market value will be determined by the Administrator in a manner compliant with Applicable Laws and applied consistently for such purpose. Note that the determination of fair market value for purposes of tax withholding may be made in the Administrator's sole discretion subject to Applicable Laws and is not required to be consistent with the determination of Fair Market Value for other purposes.

(r) "Fiscal Year" means the fiscal year of the Company.

(s) "Incentive Stock Option" means an Option that is intended to qualify and does qualify as an incentive stock option within the meaning of Code Section 422.

(t) "Nonstatutory Stock Option" means an Option that by its terms does not qualify or is not intended to qualify as an Incentive Stock Option.

(u) "Officer" means a person who is an officer of the Company within the meaning of Section 16 of the Exchange Act.

(v) "Option" means a stock option granted under the Plan.

(w) "Outside Director" means a Director who is not an Employee.

(x) "Parent" means a "parent corporation," whether now or hereafter existing, as defined in Code Section 424(e).

(y) "Participant" means the holder of an outstanding Award.

(z) "Performance Awards" means an Award which may be earned in whole or in part upon attainment of performance goals or other vesting criteria as the Administrator may determine and which will be settled for cash, Shares or other securities or a combination of the foregoing under Section 9.

(aa) "Performance Share" means an Award denominated in Shares which may be earned in whole or in part upon attainment of performance goals or other vesting criteria as the Administrator may determine under Section 8.

(bb) "Performance Stock Units" means an Award which may be earned in whole or in part upon attainment of performance goals or other vesting criteria as the Administrator may determine and which may be settled for cash, Shares or other securities or a combination of the foregoing under Section 8.

(cc) "Period of Restriction" means the period during which the transfer of Shares of Restricted Stock is subject to restrictions and therefore, the Shares are subject to a substantial risk of

forfeiture. Such restrictions may be based on the passage of time, the achievement of target levels of performance, or the occurrence of other events as determined by the Administrator.

(dd) “Plan” means this 2014 Equity Incentive Plan.

(ee) “Registration Date” means the effective date of the first registration statement filed by the Company and declared effective under Section 12(b) of the Exchange Act, with respect to any class of the Company’s securities.

(ff) “Restricted Stock” means Shares issued under a Restricted Stock award under Section 5, or issued as a result of the early exercise of an Option.

(gg) “Restricted Stock Unit” means a bookkeeping entry representing an amount equal to the Fair Market Value of one Share, granted under Section 6. Each Restricted Stock Unit represents an unfunded and unsecured obligation of the Company.

(hh) “Rule 16b-3” means Rule 16b-3 of the Exchange Act or any successor to Rule 16b-3, in effect when discretion is being exercised with respect to the Plan.

(ii) “Section 16(b)” means Section 16(b) of the Exchange Act.

(jj) “Securities Act” means Securities Act of 1933, as amended.

(kk) “Service Provider” means an Employee, Director or Consultant.

(ll) “Share” means a share of Common Stock.

(mm) “Stock Appreciation Right” means an Award, granted alone or in connection with an Option, that under Section 7 is designated as a Stock Appreciation Right.

(nn) “Subsidiary” means a “subsidiary corporation” as defined in Code Section 424(f).

(oo) “Trading Day” means a day on which the applicable stock exchange or national market system is open for trading.

SUNRUN-VSI  
2014 EQUITY INCENTIVE PLAN

NOTICE OF RESTRICTED STOCK UNIT GRANT AND RESTRICTED STOCK UNIT AGREEMENT

Terms defined in the Sunrun-VSI 2014 Equity Incentive Plan (the "Plan") will have the same defined meanings in this Restricted Stock Unit Agreement, including the Notice of Restricted Stock Unit Grant (the "Notice of Grant"), the Terms and Conditions of Restricted Stock Unit Grant, and all exhibits, annexes and appendices to these documents (all together, the "Agreement").

Participant has been granted this Restricted Stock Unit ("RSU") Grant with terms below and subject to the terms and conditions of the Plan and this Award Agreement, as follows:

Participant Name	_____
Grant ID	_____
Grant Date	_____
Number of Shares Granted	_____

Vesting Schedule:

Unless the vesting is accelerated, the Restricted Stock Units will vest on the following schedule:

[ \_\_\_\_\_ ]

If Participant ceases to be a Service Provider for any or no reason before Participant vests in the RSUs, the unvested RSUs will immediately terminate.

Participant's signature on this Notice of Grant and acceptance of this Agreement, including by electronic acceptance, indicates that:

- (i) He or she agrees that this Restricted Stock Unit Grant is granted under and governed by the terms and conditions of the Plan and this Agreement, including their exhibits, annexes and appendices.
- (ii) He or she understands that the Company is not providing any tax, legal or financial advice and is not making any recommendations regarding Participant's participation in the Plan, or Participant's acquisition or sale of Shares.
- (iii) He or she has reviewed the Plan and this Agreement, has had an opportunity to obtain the advice of personal tax, legal and financial advisors prior to signing this Agreement and fully understands all provisions of the Plan and Agreement. He or she will consult with his or her own personal tax, legal and financial advisors before taking any action related to the Plan.
- (iv) He or she has read and agrees to each provision of Section 10 of this Agreement.
- (v) He or she will notify the Company of any change to his or her contact address.

**EXHIBIT A****TERMS AND CONDITIONS OF RESTRICTED STOCK UNIT GRANT**

1. Grant. The Company grants the Participant a Restricted Stock Unit Grant as described on the Notice of Grant. If there is a conflict between the Plan and this Agreement, the Plan will prevail.

2. Company's Obligation to Pay. Each Restricted Stock Unit represents the right to receive a Share on the date it vests. Unless and until the Restricted Stock Units have vested in the manner set forth in Sections 3 or 4, Participant will have no right to payment of any such Restricted Stock Units. Prior to actual payment of any vested Restricted Stock Units, the Restricted Stock Units will represent an unsecured obligation of the Company, payable (if at all) only from the general assets of the Company. Any Restricted Stock Units that vest in accordance with Sections 3 or 4 will be paid to Participant (or in the event of Participant's death, to his or her estate) in whole Shares, subject to Participant satisfying any obligations for Tax-Related Items (as defined in Section 7). Subject to the provisions of Section 4 and Section 7, vested Restricted Stock Units will be paid in whole Shares as soon as practicable after vesting, but in each such case within the period 60 days following the vesting date. In no event will Participant be permitted, directly or indirectly, to specify the taxable year of the payment of any Restricted Stock Units payable under this Award Agreement.

3. Vesting Schedule. The Restricted Stock Units will only vest under the Vesting Schedule on the Notice of Grant or as set out in Section 4 of this Agreement. Shares scheduled to vest on a date or upon the occurrence of a condition will not vest unless Participant continues to be a Service Provider beginning on the Grant Date through the date that the vesting is scheduled to occur. The Administrator may modify the vesting schedule under Section 10 of the Plan if Participant takes a leave of absence or has a reduction in hours worked.

4. Administrator Discretion. The Administrator, in its discretion, may accelerate the vesting of any portion of the Restricted Stock Units at any time, subject to the terms of the Plan. In that case, the Restricted Stock Units will be vested as of the date specified by the Administrator. The payment of Shares vesting pursuant to this Section 4 will be paid at a time or in a manner that is exempt from, or complies with, Section 409A.

5. Forfeiture upon Termination of Status as a Service Provider. Any Restricted Stock Units that have not vested as of the time of Participant's termination as a Service Provider will cease vesting and will revert to the Plan on the 30<sup>th</sup> day following the Termination of Status Date, subject to Applicable Laws. The date of Participant's termination as a Service Provider is detailed in Section 3(c) of the Plan.

6. Death of Participant. Any distribution or delivery to be made to Participant under this Award Agreement will, if Participant is then deceased, be made to the administrator or executor of Participant's estate or, if the Administrator permits, Participant's designated beneficiary. Any such transferee must furnish the Company with (a) written notice of his or her status as transferee, and (b) evidence satisfactory to the Company to establish the validity of the transfer and compliance with any laws or regulations pertaining to said transfer.

7. Tax Obligations.

(a) Tax Withholding.

(i) No Shares will be issued to the Participant until he or she makes satisfactory arrangements (as determined by the Administrator) for the payment of income, employment, social insurance, National Insurance Contributions, payroll tax, fringe benefit tax, payment on account, or

other tax-related items related to his or her participation in the Plan and legally applicable to him or her that the Administrator determines must be withheld (“**Tax-Related Items**”), including those that result from the grant, vesting, or payment of these RSUs, the subsequent sale of Shares acquired pursuant to such payment, or the receipt of any dividends. If the Participant is a non-U.S. employee, the method of payment of Tax-Related Items may be restricted by any Appendix. If the Participant fails to make satisfactory arrangements for the payment of any Tax-Related Items under this Agreement when any of these RSUs otherwise are supposed to vest or Tax-Related Items related to RSUs otherwise are due, he or she will permanently forfeit the applicable RSUs and any right to receive Shares under such RSUs, and such RSUs will be returned to the Company at no cost to the Company.

(ii) The Company has the right (but not the obligation) to satisfy any Tax-Related Items by withholding from proceeds of a sale of Shares acquired upon payment of these RSUs arranged by the Company (on the Participant’s behalf pursuant to this authorization without further consent) and, until determined otherwise by the Company, this will be the method by which such tax withholding obligations are satisfied.

(iii) The Company has the right (but not the obligation) to satisfy any Tax-Related Items by reducing the number of Shares otherwise deliverable to the Participant.

(iv) The Participant authorizes the Company and/or any member(s) of the Company Group for whom he or she is performing services (each, an “**Employer**”) to withhold any Tax-Related Items legally payable by the Participant from his or her wages or other cash compensation paid to the Participant by the Company and/or the Employer(s) or from proceeds of the sale of Shares.

(v) Further, if the Participant is subject to taxation in more than one jurisdiction between the Grant Date and the date of any relevant taxable or tax withholding event, the Company and/or the Employer(s) or former Employer(s) may withhold or account for tax in more than one jurisdiction.

(vi) Regardless of any action of the Company or the Employer(s), the Participant acknowledges that the ultimate liability for all Tax-Related Items is and remains his or her responsibility and may exceed the amount actually withheld by the Company or the Employer(s). The Participant further acknowledges that the Company and the Employer(s) (1) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the RSUs; and (2) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the RSUs to reduce or eliminate his or her liability for Tax-Related Items or achieve any particular tax result.

**(b) Code Section 409A.**

(i) If the vesting of any portion of the Restricted Stock Units is accelerated in connection with Participant’s termination as a Service Provider (provided that such termination is a “separation from service” within the meaning of Section 409A) and if (x) Participant is a “specified employee” within the meaning of Section 409A at the time of such termination as a Service Provider and (y) the payment of such accelerated Restricted Stock Units will result in the imposition of additional tax under Section 409A if paid to Participant on or within the 6-month period following Participant’s termination as a Service Provider, then the payment of such accelerated Restricted Stock Units will not be made until the first day after the end of the 6-month period.

(ii) If the termination as a Service Provider is due to death, the delay under Section 7(b)(i) will not apply. If Participant dies following his or her termination as a Service Provider, the delay under Section 7(b)(i) will be disregarded and the Restricted Stock Units will be paid in Shares to Participant’s estate as soon as practicable following his or her death.

(iii) All payments and benefits under this Restricted Stock Unit Grant are intended to be exempt from, or comply with, the requirements of Section 409A so that none of the Restricted Stock Units or Shares issuable upon the vesting of Restricted Stock Units will be subject to the additional tax imposed under Section 409A. The Company and Participant intend that any ambiguities be interpreted so that the Restricted Stock Units are exempt from or comply with Section 409A.

(iv) Each payment under these Restricted Stock Units is intended to be a separate payment as described in Treasury Regulations Section 1.409A-2(b)(2).

8. Forfeiture or Clawback. The Restricted Stock Units (including any proceeds, gains or other economic benefit received by the Participant from a subsequent sale of Shares issued upon vesting) will be subject to any compensation recovery or clawback policy implemented by the Company before or after the date of this Agreement. This includes any clawback policy adopted to comply with the requirements of Applicable Laws.

9. Rights as Stockholder. Participant's rights as a stockholder of the Company, including as to voting Shares and the receipt of dividends and distributions on such Shares will not begin until certificates representing Shares have been issued, recorded on the records of the Company or its transfer agents or registrars, and delivered to Participant.

10. Acknowledgements and Agreements. Participant's signature on the Notice of Grant accepting the Restricted Stock Unit Grant, indicates that:

(a) HE OR SHE ACKNOWLEDGES AND AGREES THAT THE VESTING OF THESE RESTRICTED STOCK UNITS IS EARNED ONLY BY CONTINUING AS A SERVICE PROVIDER AND THAT BEING HIRED, AND GRANTED THESE RESTRICTED STOCK UNITS WILL NOT RESULT IN VESTING.

(b) HE OR SHE FURTHER ACKNOWLEDGES AND AGREES THAT THESE RESTRICTED STOCK UNITS AND AGREEMENT DO NOT CREATE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED ENGAGEMENT AS A SERVICE PROVIDER FOR THE VESTING PERIOD, FOR ANY PERIOD, OR AT ANY TIME, AND WILL NOT INTERFERE IN ANY WAY WITH PARTICIPANT'S RIGHT OR THE RIGHT OF PARTICIPANT'S EMPLOYER (OR ENTITY TO WHICH HE OR SHE IS PROVIDING SERVICES) TO TERMINATE PARTICIPANT'S RELATIONSHIP AS A SERVICE PROVIDER AT ANY TIME, WITH OR WITHOUT CAUSE.

(c) He or she agrees that this Agreement and its incorporated documents reflect all agreements on its subject matters and that he or she is not accepting this Agreement based on any promises, representations, or inducements other than those reflected in the Agreement.

(d) He or she agrees that the Company's delivery of any documents related to the Plan or these Restricted Stock Units (including the Plan, the Agreement, the Plan's prospectus, and any reports of the Company provided generally to the Company's stockholders) to him or her may be made by electronic delivery, which may include the delivery of a link to a Company intranet or to the Internet site of a third party involved in administering the Plan, the delivery of the document via e-mail, or any other means of electronic delivery specified by the Company. If the attempted electronic delivery of such documents fails, he or she will be provided with a paper copy of the documents. He or she acknowledges that he or she may receive from the Company a paper copy of any documents that were delivered electronically at no cost to him or her by contacting the Company by telephone or in writing. He or she may revoke his or her consent to the electronic delivery of documents or may change the electronic mail address to which such documents are to be delivered (if he or she has provided an electronic mail address) at any time by notifying the Company of such revoked consent or revised e-mail

address by telephone, postal service or electronic mail. Finally, he or she understands that he or she is not required to consent to electronic delivery of documents.

(e) He or she may deliver any documents related to the Plan or these Restricted Stock Units to the Company by e-mail or any other means of electronic delivery approved by the Administrator, but he or she must provide the Company or any designated third party administrator with a paper copy of any documents if his or her attempted electronic delivery of such documents fails.

(f) He or she accepts that all good faith decisions or interpretations of the Administrator regarding the Plan and Awards under the Plan are binding, conclusive and final.

(g) He or she agrees that the Plan is established voluntarily by the Company, it is discretionary in nature, and may be amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan.

(h) He or she agrees that the grant of Restricted Stock Units is voluntary and occasional and does not create any contractual or other right to receive future grants of Restricted Stock Units, or benefits in lieu of Restricted Stock Units, even if Restricted Stock Units have been granted in the past.

(i) He or she agrees that all decisions regarding future Awards, if any, will be at the sole discretion of the Company.

(j) He or she agrees that he or she is voluntarily participating in the Plan.

(k) He or she agrees that the Restricted Stock Units and any Shares acquired under the Plan are not intended to replace any pension rights or compensation.

(l) He or she agrees that the Restricted Stock Units and Shares acquired under the Plan and the income and value of same, are not part of normal or expected compensation for any purpose, including for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, holiday pay, long-service awards, pension or retirement or welfare benefits or similar payments.

(m) He or she agrees that the future value of the Shares underlying the Restricted Stock Units is unknown, indeterminable, and cannot be predicted with certainty;

(n) He or she agrees that, for purposes of the Restricted Stock Units, Participant's engagement as a Service Provider will be considered terminated as of the Termination of Status Date (regardless of the reason for such termination and whether or not the termination is later found to be invalid or in breach of employment laws in the jurisdiction where Participant is a Service Provider or the terms of Participant's engagement agreement, if any), and unless otherwise expressly provided in this Agreement or determined by the Administrator.

(o) He or she agrees that any right to vest in the Restricted Stock Units under the Plan, if any, will terminate as of the Termination of Status date and will not be extended by any notice period (e.g., Participant's period of service would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws (including common law, if applicable) in the jurisdiction where Participant is a Service Provider or Participant's engagement agreement or employment agreement, if any, unless Participant is providing bona fide services during such time).

(p) He or she agrees that the Administrator has the exclusive discretion to determine when Participant is no longer actively providing services for purposes of his or her Restricted Stock Units (including whether Participant may still be considered to be providing services while on a leave of absence).

(q) He or she agrees that none of the Company or any member of the Company Group will be liable for any foreign exchange rate fluctuation between Participant's local currency and the United States Dollar that may affect the value of the Restricted Stock Units or of any amounts due to Participant pursuant to the settlement of the Restricted Stock Units or the subsequent sale of any Shares acquired upon settlement.

(r) He or she has read and agrees to the Data Privacy Provisions of Section 11 of this Agreement.

(s) He or she agrees that no claim or entitlement to compensation or damages shall arise from forfeiture of the Restricted Stock Units resulting from the termination of Participant's status as a Service Provider (for any reason whatsoever whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Participant is a Service Provider or the terms of Participant's service agreement, if any), and in consideration of the grant of the Restricted Stock Units to which Participant is otherwise not entitled, Participant irrevocably agrees never to institute any claim against the Company or any member of the Company Group, waives his or her ability, if any, to bring any such claim, and releases the Company and all members of the Company Group from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, Participant shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claim.

#### 11. Data Privacy.

(a) *Participant voluntarily consents to the collection, use and transfer, in electronic or other form, of Participant's personal data as described in this Agreement and any other Award materials ("Data") by and among, as applicable, the Employer, the Company and any member of the Company Group for the exclusive purpose of implementing, administering and managing Participant's participation in the Plan.*

(b) *Participant understands that the Company and the Employer may hold certain personal information about Participant, including, but not limited to, Participant's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all equity awards or any other entitlement to stock awarded, canceled, exercised, vested, unvested or outstanding in Participant's favor, for the exclusive purpose of implementing, administering and managing the Plan.*

(c) *Participant understands that Data will be transferred to one or more stock plan service provider(s) selected by the Company, which may assist the Company with the implementation, administration and management of the Plan. Participant understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipient's country (e.g., the United States) may have different data privacy laws and protections than Participant's country. Participant understands that if he or she resides outside the United States, he or she may request a list with the names and addresses of any potential recipients of the Data by contacting his or her local human resources representative. Participant authorizes the Company and any other possible recipients that may assist the Company (presently or in the future) with implementing, administering and managing the Plan*



to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purposes of implementing, administering and managing Participant's participation in the Plan.

(d) Participant understands that Data will be held only as long as is necessary to implement, administer and manage Participant's participation in the Plan. Participant understands that if he or she resides in certain jurisdictions outside the United States, to the extent required by Applicable Laws he or she may, at any time, request access to Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents given by accepting this award of Restricted Stock Units, in any case without cost, by contacting in writing his or her local human resources representative. Further, Participant understands that he or she is providing these consents on a purely voluntary basis. If Participant does not consent, or if Participant later seeks to revoke his or her consent, his or her engagement as a Service Provider with the Employer will not be adversely affected; the only consequence of refusing or withdrawing Participant's consent is that the Company will not be able to grant Participant awards under the Plan or administer or maintain awards. Therefore, Participant understands that refusing or withdrawing his or her consent may affect Participant's ability to participate in the Plan. Participant understands that he or she may contact his or her local human resources representative for more information on the consequences of Participant's refusal to consent or withdrawal of consent.

## 12. Miscellaneous

(a) **Address for Notices.** Any notice to be given to the Company under the terms of this Agreement must be addressed to the Company at Sunrun Inc., 225 Bush Street, Suite 1400, San Francisco, CA 94104, Attention: Stock Plan Administrator, until the Company designates another address in writing.

(b) **Non-Transferability of Restricted Stock Units** The Restricted Stock Units may not be transferred other than by will or the laws of descent or distribution.

(c) **Binding Agreement.** If any Restricted Stock Units are transferred, this Agreement will be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties to this Agreement.

(d) **Additional Conditions to Issuance of Stock.** If the Company determines that the listing, registration, qualification or rule compliance of the Shares upon any securities exchange or under any state, federal or foreign law, the tax code and related regulations or the consent or approval of any governmental regulatory authority is necessary or desirable as a condition to the issuance of Shares to, Participant (or his or her estate), issuance will occur until such condition has been satisfied in a manner acceptable to the Company. The Company will try to meet the requirements of any such state, federal or foreign law or securities exchange and to obtain any such consent or approval of any such governmental authority or securities exchange.

(e) **Captions.** Captions provided in this Agreement are for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

(f) **Agreement Severable.** If any provision of this Agreement is held invalid or unenforceable, that provision will be severed from the remaining provisions of this Agreement and the invalidity or unenforceability will have no effect on the remainder of the Agreement.

(g) **Modifications to the Agreement.** Modifications to this Agreement or the Plan can be made only in an express written contract (including a unilateral contract) executed by a duly authorized officer of the Company. The Company reserves the right to revise this Agreement as it deems necessary

or advisable, in its sole discretion and without the consent of Participant, to comply with Code Section 409A or to otherwise avoid imposition of any additional tax or income recognition under Code Section 409A in connection to these Restricted Stock Units, and to comply with other Applicable Laws.

(h) **Non-U.S. Appendix.** These Restricted Stock Units are subject to any special terms and conditions set forth in any appendix to this Agreement for Participant's country (the "**Appendix**"). If Participant relocates to a country included in the Appendix, the special terms and conditions for that country will apply to Participant to the extent the Company determines that applying such terms and conditions is necessary or advisable for legal or administrative reasons.

(i) **Choice of Law; Choice of Forum.** The Plan, all Awards and all determinations made and actions taken under the Plan, to the extent not otherwise governed by the laws of the United States, will be governed by the laws of the State of Delaware without giving effect to principles of conflicts of law. For purposes of litigating any dispute that arises under this Plan, a Participant's acceptance of an Award is his or her consent to the jurisdiction of the State of Delaware, and agree that any such litigation will be conducted in Delaware Court of Chancery, or the federal courts for the United States for the District of Delaware, and no other courts, regardless of where a Participant's services are performed. Notwithstanding anything in this Section 12(i) to the contrary,

(i) if Participant is employed by the Company or its Subsidiaries outside of California, the provisions of Section 1 of Annex A shall be governed by the law of the state of Utah, and Participant irrevocably consents and agrees that any action, proceeding, or other litigation by or against any other Party or Parties with respect to any claim or cause of action based upon or arising out of or related to this Section 1 of Annex A, shall be brought and tried exclusively in the state and federal courts located in the City of Salt Lake, County of Salt Lake, in the State of Utah, and any such legal action or proceeding may be removed to the aforesaid courts;

(ii) if Participant is employed by the Company or its Subsidiaries in California, the provisions of Section 1 of Annex A shall be governed by the law of the state of California, and Participant irrevocably consents and agrees that any action, proceeding, or other litigation by or against any other Party or Parties with respect to any claim or cause of action based upon or arising out of or related to this Section 1 of Annex A, shall be brought and tried exclusively in the state and federal courts located in the City of Los Angeles, in the State of California, and any such legal action or proceeding may be removed to the aforesaid courts.

(j) **Waiver.** Participant acknowledges that a waiver by the Company of a breach of any provision of this Award Agreement will not operate or be construed as a waiver of any other provision of this Award Agreement, or of any subsequent breach by Participant or any other Participant.

13. **Restrictive Covenants.** Participant acknowledges and recognizes the highly competitive nature of the businesses of the Company and accordingly agrees, in Participant's capacity as an investor and equity holder in the Company, to the Restrictive Covenants contained in Annex A to this Agreement and/or incorporated herein by reference. The Participant acknowledges and agrees that the Company's remedies at law for a breach or threatened breach of any of the provisions of Annex A would be inadequate and the Company would suffer irreparable damages as a result of such breach or threatened breach. In recognition of this fact, Participant agrees that, in the event of such a breach or threatened breach by the Participant, and in addition to any remedies at law, the Company, without posting any bond, shall be entitled to cease making any payments or providing any benefit otherwise required by this Agreement and obtain equitable relief in the form of specific performance, temporary restraining order, temporary or permanent injunction or any other equitable remedy which may then be available.

**EXHIBIT B****APPENDIX TO RESTRICTED STOCK UNIT AGREEMENT*****Terms and Conditions***

This Appendix to Restricted Stock Unit Agreement (the "Appendix") includes additional terms and conditions that govern the Restricted Stock Units granted to Participant under the Plan if Participant resides in one of the countries listed below at the time of grant or the Participant moves to one of the listed countries. Capitalized terms used but not defined in this Appendix have the meanings set forth in the Plan and/or the Agreement.

***Notifications***

This Appendix may also include information regarding exchange controls and certain other issues of which Participant should be aware with respect to participation in the Plan. The information is based on the securities, exchange control, and other laws in effect in the respective countries as of [N/A]. Such laws are often complex and change frequently. As a result, the Company strongly recommends that Participant not rely on the information in this Appendix as the only source of information relating to the consequences of participation in the Plan because the information may be out of date at the time Participant sells Shares acquired under the Plan.

In addition, the information contained in this Appendix is general in nature and may not apply to Participant's particular situation, and the Company is not in a position to assure Participant of a particular result. Participant is advised to seek appropriate professional advice as to how the relevant laws in Participant's country may apply to Participant's situation.

Finally, if Participant is a citizen or resident of a country other than the one in which Participant is currently working, transfers employment after the Restricted Stock Units are granted, or is considered a resident of another country for local law purposes, the information in this Appendix may not apply to Participant, and the Administrator will determine to what extent the terms and conditions in this Appendix apply.

SUNRUN-VSI  
2014 EQUITY INCENTIVE PLAN

NOTICE OF STOCK OPTION GRANT AND STOCK OPTION AGREEMENT

Terms defined in the Sunrun-VSI 2014 Equity Incentive Plan (the "Plan") will have the same defined meanings in this Stock Option Agreement, including the Notice of Stock Option Grant (the "Notice of Grant"), Terms and Conditions of Stock Option Grant, and all exhibits, annexes and appendices to these documents (all together, the "Agreement").

Participant has been granted an Option with the terms below and subject to the terms and conditions of the Plan and this Agreement:

Participant Name	_____
Grant ID	_____
Grant Date	_____
Number of Shares Granted	_____
Grant Price	_____
Grant Type	_____
Expiration Date	_____

Vesting Schedule:

Unless the vesting is accelerated, this Option will be exercisable to the extent vested on the following schedule:

[ \_\_\_\_\_ ]

Exercise of Option:

- (a) If Participant dies or the termination of status as a Service Provider is due to a Disability, the vested portion of this Option will be exercisable for 12 months after the Termination of Status Date. For any other Termination of Status, the vested portion of this Option will only be exercisable for 3 months after the Termination of Status Date.
- (b) If there is a Change in Control or merger of the Company, Section 14 of the Plan may cause further limitations to the Option's exercisability.
- (c) The Option will not be exercisable after the Expiration Date, unless Section 4(f) of the Plan, which tolls expiration in very limited cases when there are legal restrictions on exercise, permits later exercise.

Participant's signature on this Notice of Grant and acceptance of this Agreement, including by electronic acceptance, indicates that:

- (i) He or she agrees that this Option is granted under and governed by the terms and conditions of the Plan and this Agreement, including their exhibits, annexes and appendices.
- (ii) He or she understands that the Company is not providing any tax, legal or financial advice and is not making any recommendations regarding Participant's participation in the Plan, or Participant's acquisition or sale of Shares.
- (iii) He or she has reviewed the Plan and this Agreement, has had an opportunity to obtain the advice of personal tax, legal and financial advisors prior to signing this Agreement and fully understands all provisions of the Plan and Agreement. He or she will consult with his or her own personal tax, legal and financial advisors before taking any action related to the Plan.
- (iv) He or she has read and agrees to each provision of Section 11 of this Agreement.
- (v) He or she will notify the Company of any change to his or her contact address.

**EXHIBIT A****TERMS AND CONDITIONS OF STOCK OPTION GRANT**

1. **Grant of Option.** The Company grants Participant an Option to purchase Shares of Common Stock as described on the Notice of Grant. If there is a conflict between the Plan and this Agreement, the Plan will prevail.

If the Notice of Grant designates this Option as an Incentive Stock Option (**ISO**"), this Option is intended to qualify as an ISO under Code Section 422. Even if this Option is designated an Incentive Stock Option, to the extent it first become exercisable as to more than \$100,000 in any calendar year, the portion in excess of \$100,000 is not an ISO under Code Section 422(d) and that portion will be a Nonstatutory Stock Option (**NSO**"). If there is any other reason this Option (or a portion of it) will not qualify as an ISO, to the extent of such nonqualification the Option will be an NSO. Participant understands that he or she will have no recourse against the Administrator, any member of the Company Group, or any officer or director of a member of the Company Group if his option is not an ISO.

2. **Vesting Schedule.** The Option will only be exercisable (also referred to as vested) under the Vesting Schedule on the Notice of Grant or as set out in Section 3 of this Agreement. Shares scheduled to vest on a date or upon the occurrence of a condition will not vest unless Participant continues to be a Service Provider beginning on the Grant Date through the date that the vesting is scheduled to occur. The Administrator may modify the vesting schedule under Section 10 of the Plan if Participant takes a leave of absence or has a reduction in hours worked.

3. **Administrator Discretion.** The Administrator, in its discretion, may accelerate the vesting of any portion of the Option, subject to the terms of the Plan. In that case, the Option will be vested as of the date specified by the Administrator.

4. **Forfeiture upon Termination of Status as a Service Provider.** Any unvested Shares subject to the Option that have not vested as of the time of Participant's termination as a Service Provider immediately will cease vesting and will revert to the Plan on the 30<sup>th</sup> day following the Termination of Status Date, subject to Applicable Laws. The date of Participant's termination as a Service Provider is detailed in Section 3(c) of the Plan.

5. **Death of Participant.** Any distribution or delivery to be made to Participant under this Award Agreement will, if Participant is then deceased, be made to the administrator or executor of Participant's estate or, if the Administrator permits, Participant's designated beneficiary. Any such transferee must furnish the Company with (a) written notice of his or her status as transferee, and (b) evidence satisfactory to the Company to establish the validity of the transfer and compliance with any laws or regulations pertaining to said transfer.

6. **Exercise of Option.**

(a) **Right to Exercise.** This Option may be exercised only before its Expiration Date and only under the Plan and this Agreement.

(b) **Method of Exercise.** To exercise this Option, Participant must deliver and the Administrator must receive an exercise notice according to procedures determined by the Administrator. The exercise notice must:

(i) State the number of Shares as to which the Option is being exercised (**Exercised Shares**"),

- (ii) Make any representations or agreements required by the Company,
- (iii) Be accompanied by a payment of the total Exercise Price for all Exercised Shares,
- (iv) Be accompanied by a payment of all required Tax-Related Items (defined in Section 8(a)) for all Exercised Shares.
- (v)

On the date that both the Exercise Notice and payments due under Sections 6(b)(iii) and 6(b)(iv) are received by the Company for all Exercised Shares, the Option will be deemed exercised. The Administrator may designate a particular exercise notice to be used, but until a designation is made the exercise notice attached to this Agreement as Exhibit C may be used.

7. Method of Payment. Participant may pay the Exercise Price by any of the following methods or a combination of methods:

cash;

check;

consideration received by the Company under a formal cashless exercise program adopted by the Company; or

surrender of other Shares, provided that accepting such Shares, in the sole discretion of the Administrator, will not result in any adverse accounting consequences to the Company. If Shares are surrendered, the value of those Shares will be the Fair Market Value on the date they are surrendered.

A non-U.S. resident may be restricted by the Appendix as to his or her method of exercise.

8. Tax Obligations.

(a) **Tax Withholding.**

(i) No Shares will be issued to the Participant until he or she makes satisfactory arrangements (as determined by the Administrator) for the payment of income, employment, social insurance, National Insurance Contributions, payroll tax, fringe benefit tax, payment on account, or other tax-related items related to his or her participation in the Plan and legally applicable to him or her that the Administrator determines must be withheld ("**Tax-Related Items**"), including those that result from the grant, vesting, or exercise of this Option, the subsequent sale of Shares acquired under this Option or the receipt of any dividends. If the Participant is a non-U.S. employee, the method of payment of Tax-Related Items may be restricted by any Appendix. If the Participant fails to make satisfactory arrangements for the payment of any Tax-Related Items under this Agreement at the time of an attempted Option exercise, the Company may refuse to honor the exercise and refuse to deliver the Shares.

(ii) The Company has the right (but not the obligation) to satisfy any Tax-Related Items by withholding from proceeds of a sale of Shares acquired upon the exercise of this Option arranged by the Company (on the Participant's behalf pursuant to this authorization without further consent) and, until determined otherwise by the Company, this will be the method by which such tax withholding obligations are satisfied.

(iii) The Company has the right (but not the obligation) to satisfy any Tax-Related Items by reducing the number of Shares otherwise deliverable to the Participant.

(iv) The Participant authorizes the Company and/or any member(s) of the Company Group for whom he or she is performing services (each, an “Employer”) to withhold any Tax-Related Items legally payable by the Participant from his or her wages or other cash compensation paid to the Participant by the Company and/or the Employer(s) or from proceeds of the sale of Shares.

(v) Further, if the Participant is subject to taxation in more than one jurisdiction between the Grant Date and the date of any relevant taxable or tax withholding event, the Company and/or the Employer(s) or former Employer(s) may withhold or account for tax in more than one jurisdiction.

(vi) Regardless of any action of the Company or the Employer(s), the Participant acknowledges that the ultimate liability for all Tax-Related Items is and remains his or her responsibility and may exceed the amount actually withheld by the Company or the Employer(s). The Participant further acknowledges that the Company and the Employer(s) (1) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Option; and (2) do not commit to and are under no obligation to structure the terms of the grant or any aspect of this Option to reduce or eliminate his or her liability for Tax-Related Items or achieve any particular tax result.

(b) **Tax Reporting.** If the Option is partially or wholly an ISO, and if Participant sells or otherwise disposes of any the Shares acquired by exercising the ISO portion on or before the later of (i) the date 2 years after the Grant Date, or (ii) the date 1 year after the date of exercise, Participant may be subject to income tax withholding by the Company on the compensation income recognized by Participant and must immediately notify the Company in writing of the disposition. If Participant exercises the Option after 3 months have passed since Participant ceased to be an employee of the Company or a Parent or Subsidiary of the Company, it will no longer be an ISO.

(c) **Code Section 409A** If the Option was granted with an Exercise Price that is less than the Fair Market Value of a Share on the Grant Date (a “Discount Option”) there may be adverse tax consequences to Participant. These adverse consequences could include income recognition before exercise, a 20% penalty tax for U.S. taxpayers, and potentially penalties, interest, and state taxes. There could also be adverse tax consequences for non-U.S. taxpayers. Although the Company believes that the Exercise Price is no less than the Fair Market Value of a Share on the Grant Date, the Company cannot guarantee this.

9. **Forfeiture or Clawback.** The Option (including any proceeds, gains or other economic benefit received by Participant upon its exercise or the subsequent sale of Shares resulting from the exercise) will be subject to any compensation recovery or clawback policy implemented by the Company before or after the date of this Agreement. This includes any clawback policy adopted to comply with the requirements of Applicable Laws.

10. **Rights as Stockholder.** Participant’s rights as a stockholder of the Company, including as to voting Shares and the receipt of dividends and distributions on such Shares will not begin until certificates representing Shares have been issued, recorded on the records of the Company or its transfer agents or registrars, and delivered to Participant.

11. **Acknowledgements and Agreements.** Participant’s signature on the Notice of Grant accepting the Option, indicates that:



(a) HE OR SHE ACKNOWLEDGES AND AGREES THAT THE VESTING OF THIS OPTION IS EARNED ONLY BY CONTINUING AS A SERVICE PROVIDER AND THAT BEING HIRED, GRANTED THIS OPTION, AND EXERCISING THE OPTION WILL NOT RESULT IN VESTING.

(b) HE OR SHE FURTHER ACKNOWLEDGES AND AGREES THAT THIS OPTION AND AGREEMENT DO NOT CREATE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED ENGAGEMENT AS A SERVICE PROVIDER FOR THE VESTING PERIOD, FOR ANY PERIOD, OR AT ALL, AND WILL NOT INTERFERE IN ANY WAY WITH PARTICIPANT'S RIGHT OR THE RIGHT OF PARTICIPANT'S EMPLOYER (OR ENTITY TO WHICH HE OR SHE IS PROVIDING SERVICES) TO TERMINATE PARTICIPANT'S RELATIONSHIP AS A SERVICE PROVIDER AT ANY TIME, WITH OR WITHOUT CAUSE.

(c) He or she agrees that this Agreement and its incorporated documents reflect all agreements on its subject matters and that he or she is not accepting this Agreement based on any promises, representations, or inducements other than those reflected in the Agreement.

(d) He or she understands that exercise of the Option is governed strictly by Sections 6, 7, and 8 and that failure to comply with those Sections could result in the expiration of the Option, even if an attempt was made to exercise.

(e) He or she understands the consequences of Discount Options described in Section 8(c) and agrees that the Company will have no liability to him or her if the Option is determined to be a Discount Option.

(f) He or she agrees that the Company's delivery of any documents related to the Plan or this Option (including the Plan, the Agreement, the Plan's prospectus, and any reports of the Company provided generally to the Company's stockholders) to him or her may be made by electronic delivery, which may include the delivery of a link to a Company intranet or to the Internet site of a third party involved in administering the Plan, the delivery of the document via e-mail, or any other means of electronic delivery specified by the Company. If the attempted electronic delivery of such documents fails, he or she will be provided with a paper copy of the documents. He or she acknowledges that he or she may receive from the Company a paper copy of any documents that were delivered electronically at no cost to him or her by contacting the Company by telephone or in writing. He or she may revoke his or her consent to the electronic delivery of documents or may change the electronic mail address to which such documents are to be delivered (if he or she has provided an electronic mail address) at any time by notifying the Company of such revoked consent or revised e-mail address by telephone, postal service or electronic mail. Finally, he or she understands that he or she is not required to consent to electronic delivery of documents.

(g) He or she may deliver any documents related to the Plan or this Option to the Company by e-mail or any other means of electronic delivery approved by the Administrator, but he or she must provide the Company or any designated third party administrator with a paper copy of any documents if his or her attempted electronic delivery of such documents fails.

(h) He or she accepts that all good faith decisions or interpretations of the Administrator regarding the Plan and Awards under the Plan are binding, conclusive and final.

(i) He or she agrees that the Plan is established voluntarily by the Company, it is discretionary in nature, and may be amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan.

(j) He or she agrees that the grant of an Option is voluntary and occasional and does not create any contractual or other right to receive future grants of Options, or benefits in lieu of Options, even if Options have been granted in the past.

(k) He or she agrees that all decisions regarding future Awards, if any, will be at the sole discretion of the Company.

(l) He or she agrees that he or she is voluntarily participating in the Plan.

(m) He or she agrees that the Option and any Shares acquired under the Plan are not intended to replace any pension rights or compensation.

(n) He or she agrees that the Option and Shares acquired under the Plan and the income and value of same, are not part of normal or expected compensation for any purpose, including for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, holiday pay, long-service awards, pension or retirement or welfare benefits or similar payments.

(o) He or she agrees that the future value of the Shares underlying the Option is unknown, indeterminable, and cannot be predicted with certainty.

(p) He or she understands that if the underlying Shares do not increase in value, the Option will have no intrinsic monetary value.

(q) He or she understands that if the Option is exercised, the value of Shares received on exercise may increase or decrease in value, even below the Exercise Price.

(r) He or she agrees that, for purposes of the Option, Participant's engagement as a Service Provider will be considered terminated as of the Termination of Status Date (regardless of the reason for such termination and whether or not the termination is later found to be invalid or in breach of employment laws in the jurisdiction where Participant is a Service Provider or the terms of Participant's engagement agreement, if any), and unless otherwise expressly provided in this Agreement or determined by the Administrator.

(s) He or she agrees that any right to vest in the Option under the Plan, if any, will terminate as of the Termination of Status Date and will not be extended by any notice period (e.g., Participant's period of service would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws (including common law, if applicable) in the jurisdiction where Participant is a Service Provider or Participant's engagement agreement or employment agreement, if any, unless Participant is providing bona fide services during such time).

(t) He or she agrees that the period (if any) during which Participant may exercise the Option after a termination of Participant's engagement as a Service Provider will start on the date Participant ceases to actively provide services and will not be extended by any notice period mandated under employment laws in the jurisdiction where Participant is employed or terms of Participant's engagement agreement, if any.

(u) He or she agrees that the Administrator has the exclusive discretion to determine when Participant is no longer actively providing services for purposes of his or her Option grant (including whether Participant may still be considered to be providing services while on a leave of absence).

(v) He or she agrees that none of the Company or any member of the Company Group will be liable for any foreign exchange rate fluctuation between Participant's local currency and the United States Dollar that may affect the value of the Option or of any amounts due to Participant pursuant to the exercise of the Option or the subsequent sale of any Shares acquired upon exercise.

(w) He or she has read and agrees to the Data Privacy Provisions of Section 12 of this Agreement.

(x) He or she agrees that no claim or entitlement to compensation or damages shall arise from forfeiture of the unvested Shares subject to the Option resulting from the termination of Participant's status as a Service Provider (for any reason whatsoever whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Participant is a Service Provider or the terms of Participant's service agreement, if any), and in consideration of the grant of the Option to which Participant is otherwise not entitled, Participant irrevocably agrees never to institute any claim against the Company or any member of the Company Group, waives his or her ability, if any, to bring any such claim, and releases the Company and all members of the Company Group from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, Participant shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claim.

## 12. Data Privacy.

(a) *Participant voluntarily consents to the collection, use and transfer, in electronic or other form, of Participant's personal data as described in this Agreement and any other Award materials ("Data") by and among, as applicable, the Employer, the Company and any member of the Company Group for the exclusive purpose of implementing, administering and managing Participant's participation in the Plan.*

(b) *Participant understands that the Company and the Employer may hold certain personal information about Participant, including, but not limited to, Participant's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all equity awards or any other entitlement to stock awarded, canceled, exercised, vested, unvested or outstanding in Participant's favor, for the exclusive purpose of implementing, administering and managing the Plan.*

(c) *Participant understands that Data will be transferred to one or more stock plan service provider(s) selected by the Company, which may assist the Company with the implementation, administration and management of the Plan. Participant understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipient's country (e.g., the United States) may have different data privacy laws and protections than Participant's country. Participant understands that if he or she resides outside the United States, he or she may request a list with the names and addresses of any potential recipients of the Data by contacting his or her local human resources representative. Participant authorizes the Company and any other possible recipients that may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purposes of implementing, administering and managing Participant's participation in the Plan.*

(d) *Participant understands that Data will be held only as long as is necessary to implement, administer and manage Participant's participation in the Plan. Participant understands that if he or she resides in certain jurisdictions outside the United States, to the extent required by Applicable Laws he or she may, at any time, request access to Data, request additional information about the storage and*

*processing of Data, require any necessary amendments to Data or refuse or withdraw the consents given by accepting this Option, in any case without cost, by contacting in writing his or her local human resources representative. Further, Participant understands that he or she is providing these consents on a purely voluntary basis. If Participant does not consent, or if Participant later seeks to revoke his or her consent, his or her engagement as a Service Provider with the Employer will not be adversely affected; the only consequence of refusing or withdrawing Participant's consent is that the Company will not be able to grant Participant awards under the Plan or administer or maintain awards. Therefore, Participant understands that refusing or withdrawing his or her consent may affect Participant's ability to participate in the Plan. Participant understands that he or she may contact his or her local human resources representative for more information on the consequences of Participant's refusal to consent or withdrawal of consent.*

13. Miscellaneous

(a) Address for Notices. Any notice to be given to the Company under the terms of this Agreement must be addressed to the Company at Sunrun Inc., 225 Bush Street, Suite 1400, San Francisco, CA 94104, Attention: Stock Plan Administrator, until the Company designates another address in writing.

(b) Non-Transferability of Option. This Option may not be transferred other than by will or the laws of descent or distribution and may be exercised during the lifetime of Participant only by Participant.

(c) Binding Agreement. If the Option is transferred, this Agreement will be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties to this Agreement.

(d) Additional Conditions to Issuance of Stock. If the Company determines that the listing, registration, qualification or rule compliance of the Shares upon any securities exchange or under any state, federal or foreign law, the tax code and related regulations or the consent or approval of any governmental regulatory authority is necessary or desirable as a condition to the purchase by, or issuance of Shares to, Participant (or his or her estate) under the Option, no purchase or issuance will occur until such condition has been satisfied in a manner acceptable to the Company. The Company will try to meet the requirements of any such state, federal or foreign law or securities exchange and to obtain any such consent or approval of any such governmental authority or securities exchange.

(e) Captions. Captions provided in this Agreement are for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

(f) Agreement Severable. If any provision of this Agreement is held invalid or unenforceable, that provision will be severed from the remaining provisions of this Agreement and the invalidity or unenforceability will have no effect on the remainder of the Agreement.

(g) Modifications to the Agreement. Modifications to this Agreement or the Plan can be made only in an express written contract (including a unilateral contract) executed by a duly authorized officer of the Company. The Company reserves the right to revise this Agreement as it deems necessary or advisable, in its sole discretion and without the consent of Participant, to comply with Code Section 409A or to otherwise avoid imposition of any additional tax or income recognition under Code Section 409A in connection to this Option, and to comply with other Applicable Laws.

(h) Non-U.S. Appendix. The Option is subject to any special terms and conditions set forth in any appendix to this Agreement for Participant's country (the "**Appendix**"). If Participant relocates to a country included in the Appendix, the special terms and conditions for that country will apply to

Participant to the extent the Company determines that applying such terms and conditions is necessary or advisable for legal or administrative reasons.

(i) Choice of Law; Choice of Forum. The Plan, all Awards and all determinations made and actions taken under the Plan, to the extent not otherwise governed by the laws of the United States, will be governed by the laws of the State of Delaware without giving effect to principles of conflicts of law. For purposes of litigating any dispute that arises under this Plan, a Participant's acceptance of an Award is his or her consent to the jurisdiction of the State of Delaware, and agree that any such litigation will be conducted in Delaware Court of Chancery, or the federal courts for the United States for the District of Delaware, and no other courts, regardless of where a Participant's services are performed. Notwithstanding anything in this Section 13(i) to the contrary,

(i) if Participant is employed by the Company or its Subsidiaries outside of California, the provisions of Section 1 of ~~Annex A~~ shall be governed by the law of the state of Utah, and Participant irrevocably consents and agrees that any action, proceeding, or other litigation by or against any other Party or Parties with respect to any claim or cause of action based upon or arising out of or related to this Section 1 of ~~Annex A~~, shall be brought and tried exclusively in the state and federal courts located in the City of Salt Lake, County of Salt Lake, in the State of Utah, and any such legal action or proceeding may be removed to the aforesaid courts;

(ii) if Participant is employed by the Company or its Subsidiaries in California, the provisions of Section 1 of ~~Annex A~~ shall be governed by the law of the state of California, and Participant irrevocably consents and agrees that any action, proceeding, or other litigation by or against any other Party or Parties with respect to any claim or cause of action based upon or arising out of or related to this Section 1 of ~~Annex A~~, shall be brought and tried exclusively in the state and federal courts located in the City of Los Angeles, in the State of California, and any such legal action or proceeding may be removed to the aforesaid courts.

(j) **Waiver.** Participant acknowledges that a waiver by the Company of a breach of any provision of this Award Agreement will not operate or be construed as a waiver of any other provision of this Award Agreement, or of any subsequent breach by Participant or any other Participant.

14. **Restrictive Covenants.** Participant acknowledges and recognizes the highly competitive nature of the businesses of the Company and accordingly agrees, in Participant's capacity as an investor and equity holder in the Company, to the Restrictive Covenants contained in ~~Annex A~~ to this Agreement and/or incorporated herein by reference. The Participant acknowledges and agrees that the Company's remedies at law for a breach or threatened breach of any of the provisions of ~~Annex A~~ would be inadequate and the Company would suffer irreparable damages as a result of such breach or threatened breach. In recognition of this fact, Participant agrees that, in the event of such a breach or threatened breach by the Participant, and in addition to any remedies at law, the Company, without posting any bond, shall be entitled to cease making any payments or providing any benefit otherwise required by this Agreement and obtain equitable relief in the form of specific performance, temporary restraining order, temporary or permanent injunction or any other equitable remedy which may then be available.

**EXHIBIT B****APPENDIX TO STOCK OPTION AGREEMENT*****Terms and Conditions***

This Appendix to Stock Option Agreement (the **Appendix**) includes additional terms and conditions that govern the Option granted to Participant under the Plan if Participant resides in one of the countries listed below at the time of grant or Participant moves to one of the listed countries. Capitalized terms used but not defined in this Appendix have the meanings set forth in the Plan and/or the Agreement.

***Notifications***

This Appendix may also include information regarding exchange controls and certain other issues of which Participant should be aware with respect to participation in the Plan. The information is based on the securities, exchange control, and other laws in effect in the respective countries as of [N/A]. Such laws are often complex and change frequently. As a result, the Company strongly recommends that Participant not rely on the information in this Appendix as the only source of information relating to the consequences of participation in the Plan because the information may be out of date at the time Participant exercises the Option or sells Shares acquired under the Plan.

In addition, the information contained in this Appendix is general in nature and may not apply to Participant's particular situation, and the Company is not in a position to assure Participant of a particular result. Participant is advised to seek appropriate professional advice as to how the relevant laws in Participant's country may apply to Participant's situation.

Finally, if Participant is a citizen or resident of a country other than the one in which Participant is currently working, transfers employment after the Option is granted, or is considered a resident of another country for local law purposes, the information in this Appendix may not apply to Participant, and the Administrator will determine to what extent the terms and conditions in this Appendix apply.

**EXHIBIT C**  
**SUNRUN-VSI**  
**2014 EQUITY INCENTIVE PLAN**  
**EXERCISE NOTICE**

Sunrun Inc.  
 225 Bush Street, Suite 1400  
 San Francisco, CA 94104

Attention: Stock Administration

Purchaser Name:	
Stock Option Grant Date:	
Exercise Date:	
Number of Shares Exercised:	
Per Share Exercise Price:	
Total Exercise Price:	
Exercise Price Payment Method:	
Tax-Related Items Payment Method:	

The information in the table above is incorporated in this Exercise Notice.

1. **Exercise of Option.** Effective as the Exercise Date, I elect to purchase Number of Shares Exercised (~~Exercised Shares~~) under the referenced Stock Option Agreement (the "**Agreement**") for the Total Exercise Price.

2. **Delivery of Payment** With this Exercise Notice, I am delivering the Total Exercise Price and any required Tax-Related Items to be paid in connection with purchase of the Exercised Shares. I am paying my total purchase price by Purchase Price Payment Method and the Tax-Related Items by Tax-Related Items Payment Method.

3. **Representations of Purchaser.** I acknowledge

(a) I have received, read and understood the Plan and the Agreement and agree to be bound by their terms and conditions.

(b) The exercise will not be completed until this Exercise Notice, Total Exercise Price, and all Tax-Related Payments are received by the Company.

(c) I have no rights as a stockholder of the Company, including as to voting Shares and the receipt of dividends and distributions on such Shares until certificates representing Shares have been issued, recorded on the records of the Company or its transfer agents or registrars, and delivered to me.

(d) That no adjustment will be made for a dividend or other right for which the record date is prior to the date of issuance, except as provided in Section 13 of the Plan.

(e) There may be adverse tax consequences to exercising the Option and I am not relying on the Company for tax advice but have had an opportunity to obtain the advice of personal tax, legal and financial advisors prior to exercising.

(f) The modification and choice of law provisions of the Agreement also govern this Exercise Notice.

4. **Entire Agreement; Governing Law** The Plan and Agreement are incorporated by reference. This Exercise Notice, the Plan and the Agreement are the entire agreement of the parties with respect to the Options and this exercise and supersede in their entirety all prior undertakings and agreements of the Company and Purchaser with respect to their subject matter.

Submitted by:  
PARTICIPANT

\_\_\_\_\_  
Signature

ADDRESS:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



**CREDIT AGREEMENT**

dated as of April 20, 2021

among

SUNRUN LUNA PORTFOLIO 2021, LLC,  
as Borrower,

CREDIT SUISSE AG, NEW YORK BRANCH,  
as Administrative Agent  
for the financial institutions that may from time to time  
become parties hereto as Lenders,

WELLS FARGO BANK, NATIONAL ASSOCIATION,  
as Collateral Agent and as Paying Agent

LENDERS

from time to time party hereto,

and

FUNDING AGENTS

from time to time party hereto

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## CREDIT AGREEMENT

THIS CREDIT AGREEMENT (this "*Agreement*") is entered into as of April 20, 2021, by and among SUNRUN LUNA PORTFOLIO 2021, LLC, a Delaware limited liability company (the "*Borrower*"), the financial institutions from time to time parties hereto, as lenders (each such financial institution (including any Conduit Lender), a "*Lender*" and collectively, the "*Lenders*"), each Funding Agent representing a group of Lenders, CREDIT SUISSE AG, NEW YORK BRANCH, a national banking association, as administrative agent (in such capacity, the "*Administrative Agent*"), and WELLS FARGO BANK, NATIONAL ASSOCIATION, as collateral agent (in such capacity, the "*Collateral Agent*") and as paying agent (in such capacity, the "*Paying Agent*").

### RECITALS

WHEREAS, the Borrower has requested that the Lenders make Advances from time to time to the Borrower; and

WHEREAS, the Lenders are willing to provide Advances upon the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and the mutual agreements contained herein, the parties hereto agree as follows:

### ARTICLE I

#### CERTAIN DEFINITIONS

*Section 1.1 Certain Definitions.* Capitalized terms used but not otherwise defined herein have the meanings given to them in Exhibit A attached hereto.

*Section 1.2 Computation of Time Periods.* In this Agreement, in the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including," the words "to" and "until" each means "to but excluding" and the word "through" means "through and including."

*Section 1.3 Construction.* The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise, (A) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth therein), (B) any reference herein to any Person shall be construed to include such Person's successors and permitted assigns, (C) the words "herein," "hereof" and "hereunder," and words

of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (D) all references herein to Sections, Schedules and Exhibits shall be construed to refer to Sections of, and Schedules and Exhibits to, this Agreement, (E) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all real property, tangible and intangible assets and properties, including cash, securities, accounts and contract rights, and interests in any of the foregoing, (F) any reference to a statute, rule or regulation is to that statute, rule or regulation as now enacted or as the same may from time to time be amended, re-enacted or expressly replaced and (G) “or” is not exclusive.

*Section 1.4 Accounting Terms.* All accounting terms not specifically or completely defined herein shall be construed in conformity with GAAP applied on a consistent basis, as in effect from time to time.

*Section 1.5 Interest Rates.* The Administrative Agent does not warrant, nor accept responsibility for, nor shall the Administrative Agent have any liability with respect to, the administration, submission or any other matter related to the rates in the definition of “Eurodollar Rate” or with respect to any rate that is an alternative or replacement for or successor to any of such rate (including any Benchmark Replacement) or the effect of any of the foregoing, or of any Benchmark Replacement Conforming Changes.

## ARTICLE II

### AMOUNTS AND TERMS OF THE ADVANCES

*Section 2.1 Establishment of the Credit Facilities.* On the Closing Date, and subject to and upon the terms and conditions set forth in this Agreement and the other Transaction Documents, the Administrative Agent and the Lenders agree to establish the credit facility set forth in this Agreement for the benefit of the Borrower.

*Section 2.2 The Advances.* Subject to the terms and conditions set forth herein, each Committed Lender agrees, severally and not jointly, to make one or more loans (each such loan, an “Advance”) to the Borrower, from time to time during the Availability Period, in an amount, for each Lender Group, equal to its Lender Group Percentage of the aggregate Advances requested by the Borrower pursuant to Section 2.4; *provided*, that the Advances made by any Lender Group shall not exceed its Lender Group Percentage of the lesser of (i) the Aggregate Commitment effective at such time and (ii) the Borrowing Base as of the Borrowing Date; *provided, further*, that a Committed Lender shall be deemed to have satisfied its obligation to make an Advance hereunder (solely with respect to such Advance) to the extent any Conduit Lender in such Lender Group funds such Advance in place of such Committed Lender in accordance with this Agreement, it being understood that such Conduit Lender may fund an Advance in its sole discretion.

*Section 2.3 Use of Proceeds.* Proceeds of the Advances shall only be used by the Borrower to (i) make distributions in accordance with Section 5.2(E), (ii) make deposits into the Reserve Accounts and (iii) pay certain fees and expenses incurred in connection with the

establishment of the credit facility set forth in this Agreement or the making of any Advances hereunder.

*Section 2.4 Making the Advances.* (A) Except as otherwise provided herein, the Borrower may request the Lenders to make Advances to the Borrower up to twelve times in any calendar year (provided that the Borrower may not request that the Lenders make Advances to the Borrower more than (i) once during any fifteen-day period or (ii) twice during any calendar month)) by the delivery to the Administrative Agent, each Funding Agent, each Conduit Lender and the Paying Agent, not later than 12:00 P.M. (New York City time) on a date that is at least five (5) Business Days prior to the proposed Borrowing Date of a written notice of such request substantially in the form of Exhibit B-2 attached hereto (each such notice, a “*Notice of Borrowing*”). Such Notice of Borrowing shall be accompanied by a duly completed Borrowing Base Certificate signed by a Responsible Officer of the Borrower unless the proposed Borrowing Date is more than five (5) Business Days after the date of such Notice of Borrowing, in which case Borrower shall deliver such Borrowing Base Certificate on the date that is five (5) Business Days prior to the proposed Borrowing Date. Any Notice of Borrowing or Borrowing Base Certificate received by the Administrative Agent, the Funding Agents, the Conduit Lenders or the Paying Agent after the time specified in the immediately preceding sentence shall be deemed to have been received on the next Business Day, and to the extent that results in the proposed Borrowing Date being earlier than five (5) Business Days after the date of delivery of such Notice of Borrowing, then the date specified in such Notice of Borrowing as the proposed Borrowing Date of an Advance shall be deemed to be the Business Day immediately succeeding the proposed Borrowing Date of such Advance specified in such Notice of Borrowing. The proposed Borrowing Date specified in a Notice of Borrowing shall be no earlier than five (5) Business Days, and no later than thirty (30) days, after the date of delivery of such Notice of Borrowing. Unless otherwise provided herein, each Notice of Borrowing may not be revoked; *provided*, that the only consequence for the failure of the Borrower to borrow Advances on a Borrowing Date shall be its obligation to pay Breakage Costs as provided in Section 2.12(A). For the avoidance of doubt, the failure of the Borrower to borrow Advances on a Borrowing Date shall count against the caps on the number of requested Advances set forth in the first sentence of this Section 2.4. The aggregate principal amount of the Advances requested by the Borrower for any Borrowing Date shall not be less than the lower of (x) \$2,500,000 and any multiple of \$100,000 in excess thereof and (y) the remaining amount necessary in order for the Borrower to borrow the maximum aggregate amount of Advances then permitted under Section 3.2(A)(vii).

(B) The Notice of Borrowing shall specify (i) the aggregate amount of the requested Advances and the amount of such Advances allocated to each Lender Group based on its Lender Group Percentage and (ii) the proposed Borrowing Date.

(C) With respect to the Advances to be made on any Borrowing Date, each Lender shall remit the amount of its Advance to the Funding Account by wire transfer of immediately available funds no later than 12:00 P.M. (New York City time) on the Borrowing Date. The Paying Agent shall receive and hold such Advances in the Funding Account in escrow for the benefit of the Lenders. Upon a determination by the Administrative Agent that all conditions precedent to the Advances to be made on any Borrowing Date set forth in Article III have been



satisfied or otherwise waived, the Administrative Agent shall direct the Paying Agent to distribute the Advances to be made on any such any Borrowing Date in accordance with the Borrower's written instructions provided in the related Notice of Borrowing.

(D) Notwithstanding any provision to the contrary herein or in any other Transaction Document, with respect to the Advances to be made on any Borrowing Date, each of the Administrative Agent and the Paying Agent are obligated only to perform their respective duties specifically set forth in Section 2.4(C) or otherwise in the related Notice of Borrowing, which shall be deemed purely ministerial in nature. Under no circumstance will the Administrative Agent or the Paying Agent be deemed to be a fiduciary to any Person with respect to the Advances to be made on any Borrowing Date or the Administrative Agent's or the Paying Agent's duties under Section 2.4(C) or the related Notice of Borrowing. With respect to the Advances to be made on any Borrowing Date, neither the Administrative Agent nor the Paying Agent shall be responsible for, nor chargeable with, knowledge of the terms and conditions of any other agreement, instrument, or document other than Section 2.4(C) and the related Notice of Borrowing, whether or not an original or a copy of such agreement has been provided to the Administrative Agent or the Paying Agent; and neither the Administrative Agent nor the Paying Agent shall have any duty to know or inquire as to the performance or nonperformance of any provision of any such agreement, instrument, or document. With respect to the Advances to be made on any Borrowing Date, neither the Administrative Agent nor the Paying Agent will be responsible to determine or to make inquiry into any term, capitalized, or otherwise, not defined herein. Section 2.4(C) and the related Notice of Borrowing set forth all matters pertinent to the escrow of the Advances to be made on any Borrowing Date contemplated hereunder, and no additional obligations of the Administrative Agent or the Paying Agent with respect thereto shall be inferred or implied from the terms of this Agreement or any other agreement.

*Section 2.5. Fees.*

(A) *Transaction Manager Fee.* On each Payment Date, the Borrower shall pay the Transaction Manager Fee to the initial Transaction Manager and after the resignation or replacement of the initial Transaction Manager, the Borrower shall pay the Transaction Manager Fee to a Successor Transaction Manager appointed in accordance with the Transaction Management Agreement.

(B) *Custodial Fee.* On each Payment Date, the Borrower shall pay the Custodial Fee to the Custodian.

(C) *Paying Agent Fee.* On each Payment Date, the Borrower shall pay the Paying Agent Fee to the Paying Agent.

(D) *Collateral Agent Fee.* On each Payment Date, the Borrower shall pay the Collateral Agent Fee to the Collateral Agent.

(E) *Transaction Transition Manager Fee.* On each Payment Date, the Borrower shall pay the Transaction Transition Manager Fee to the Transaction Transition Manager.

(F) *Unused Line Fees.* On each Payment Date, the Borrower agrees to pay to the Paying Agent, for the benefit of each Committed Lender and as consideration for the Commitment of such Committed Lender (subject to Section 2.19(A)(i)), unused line fees in Dollars (the “*Unused Line Fee*”) for each day of the Availability Period occurring during the Interest Accrual Period ending on the day preceding such Payment Date, computed as (i) the Unused Line Fee Percentage for such day *multiplied by* (ii) the Unused Portion of the Commitments for such day.

(G) *Payment of Fees.* All accrued and unpaid fees set forth in Section 2.5(A) through (F) above shall be payable on each Payment Date by the Borrower in the order of priority established pursuant to Section 2.7(B) in accordance with the related Quarterly Transaction Manager Report.

(H) *Upfront Fee and other Fees.* The Borrower agrees to pay the Administrative Agent, the Funding Agents and the Lenders such other fees, if any, as provided for in the Transaction Documents, including the Upfront Fee, when and as due.

*Section 2.6. Reduction/Increase of the Commitments.*

(A) *Reductions.* The Borrower may, on any Business Day, upon written notice given to the Administrative Agent and each of the Funding Agents not later than 11:00 A.M. (New York City time) three (3) Business Days prior to the date of the proposed action (which notice may be conditioned upon any event), terminate in whole or reduce in part, on a pro rata basis based on its Lender Group Percentage, the Unused Portion of the Commitments with respect to each Lender Group (and on a pro rata basis with respect to each Committed Lender in such Lender Group); *provided*, that (i) any partial reduction for a Lender Group shall be in the amount of \$1,000,000 or an integral multiple thereof and (ii) any Unused Portion of the Commitments so reduced may not be increased again without the written consent of the related Committed Lenders in such Lender Group.

(B) *Increases.*

(i) [\*\*\*]

(ii) The Borrower may, on any Business Day prior to the Commitment Termination Date, upon written notice given to the Administrative Agent and each of the Funding Agents, request that the Commitments be increased (each, a “*Commitment Increase*”). Each Commitment Increase shall be effective on or before the date specified in the related notice to the Administrative Agent and each of the Funding Agents (such date, the “*Commitment Increase Date*”) so long as the conditions set forth in Section 3.5 are satisfied.

(1) The Administrative Agent shall promptly notify each of the Lenders and one or more Eligible Assignees (each such Eligible Assignee, an “*Assuming Lender*”) as are identified by the Borrower to receive the invitation to participate in the requested Commitment Increase, which notice shall include (i) the proposed amount of such requested Commitment Increase, (ii) the proposed Commitment Increase Date and (iii) the date by which such Lenders

or Assuming Lenders wishing to participate in the Commitment Increase must commit to increase the amount of their respective Commitments or to establish their respective Commitments, as the case may be (the “*Commitment Date*”); *provided, however*, that the Commitment Increase shall be in an amount of \$50,000,000 or more. Each Lender that is willing to participate in such requested Commitment Increase (each an “*Increasing Lender*”) shall, in its sole discretion, give written notice to the Administrative Agent on or prior to the Commitment Date of the amount by which it is willing to increase its Commitment. The requested Commitment Increase shall be allocated among the Lenders willing to participate therein and the Assuming Lenders in such amounts as are agreed between the Borrower and the Administrative Agent; *provided*, that each Lender described in clause (i) of the definition of Super-Majority Lenders shall have the right to participate in each Commitment Increase in an amount sufficient to allow it to remain such a Super-Majority Lender after giving effect to such Commitment Increase. Notwithstanding the foregoing, prior to accepting the offer of any other financial institutions or banks not party hereto to participate in a Commitment Increase, the Borrower agrees to first give existing Lenders ten (10) Business Days to express interest in participating in the requested Commitment Increase and an additional twenty (20) Business Days from the expression of interest to confirm internal credit approval.

(2) On each Commitment Increase Date, each Assuming Lender shall become a Lender party to this Agreement as of such Commitment Increase Date and the Commitment of each Increasing Lender for such requested Commitment Increase shall be so increased by such amount (or by the amount allocated to such Lender pursuant to Section 2.6(B)(ii)(1) as of such Commitment Increase Date); *provided*, that each Increasing Lender and Assuming Lender shall have received payment of any, fees including upfront fees associated with the Commitment Increase and the Administrative Agent shall have received on or before such Commitment Increase Date the following, each dated such date:

(a) a consent of the Borrower Subsidiaries;

(b) an assumption agreement from each Assuming Lender, if any, in form and substance satisfactory to the Borrower and the Administrative Agent (each an “Assumption Agreement”), duly executed by such Assuming Lender, the Administrative Agent and the Borrower; and

(c) confirmation from each Increasing Lender of the increase in the amount of its Commitment in a writing satisfactory to the Borrower and the Administrative Agent.

(iii) On the [\*\*\*] and each Commitment Increase Date, upon fulfillment of the conditions set forth in Section 2.6(B)(i) and Section 2.6(B)(ii), respectively, the Administrative Agent shall notify the Funding Agents and the Lenders (including each Assuming Lender) and the Borrower of the occurrence of the [\*\*\*] or Commitment Increase to be effected on the [\*\*\*] and such Commitment Increase Date, respectively, and each related Funding Agent shall record in the Register the relevant information with respect to [\*\*\*], each Increasing Lender and each Assuming Lender on such date. With respect to a [\*\*\*] or Commitment Increase, if any Advances are outstanding on the [\*\*\*] or such Commitment Increase Date, as applicable, the Lenders immediately after effectiveness of such [\*\*\*] or Commitment Increase, as applicable,

shall purchase and assign at par such amounts of the Advances outstanding at such time as the Administrative Agent may require such that each Lender holds its pro rata share of all Advances outstanding after giving effect to all such assignments.

*Section 2.7. Repayment of the Advances.* (A) The Aggregate Outstanding Advances and the other Obligations owing under this Agreement, together with all accrued but unpaid interest thereon, shall be due and payable in full, if not due and payable earlier, on the Maturity Date.

(B) On each Payment Date and each date on which the Borrower is making a prepayment in accordance with Section 2.8(A), the Paying Agent shall apply (a) with respect to Payment Dates only, all amounts deposited in the Revenue Account with respect to the related Collection Period (including (1) Collections deposited therein during the related Collection Period, (2) amounts deposited therein from the Liquidity Reserve Account, the Supplemental Reserve Account, Post-PTO Reserve Account and the ITC Insurance Proceeds Account, in each case in accordance with Section 8.2, (3) any amounts deposited therein by the Depositor or the Sponsor pursuant to the Depositor Contribution Agreement or the Performance Guaranty, respectively, and (4) any other amounts deposited therein by any Transaction Party pursuant to a Transaction Document) (the “*Distributable Revenue*”), and (b) any other amounts paid or received from the Borrower, including pursuant to Sections 2.8(A), 2.12 and 2.13, as applicable, based solely on information contained in the Quarterly Transaction Manager Report (or such other report or direction agreed to by the Administrative Agent) for such related Collection Period (it being understood that Borrower Subsidiary Distributions in respect of any Collection Period that are collected in or distributed to the Revenue Account after a Collection Period but prior to the Determination Date related to the Payment Date for such Collection Period shall be deemed to be received or distributed during such Collection Period) to the Obligations in the following order of priority:

(i) *first*, to the Servicers any amounts then due and payable by any Wholly-Owned Subsidiaries under the applicable Services Agreements, pro rata based on the amounts then owed to the Servicers thereunder;

(ii) *second*, ratably and on a *pari passu* basis (a) to the Collateral Agent, the Custodian, the Transaction Transition Manager and the Paying Agent, any accrued and unpaid Collateral Agent Fees, Custodial Fees, Transaction Transition Manager Fees and Paying Agent Fees then due and payable by the Borrower and (b) any out of pocket expenses and indemnities due and payable by the Borrower to the Collateral Agent, the Custodian, the Transaction Transition Manager and the Paying Agent pursuant to the Transaction Documents and not reimbursed, *provided*, that any amounts pursuant to this clause (ii)(b) will be limited to \$100,000 per calendar year so long as no Event of Default has occurred and is continuing;

(iii) *third*, to the Transaction Manager, any accrued and unpaid Transaction Manager Fees then due and payable by the Borrower;

(iv) *fourth*, ratably and on a *pari passu* basis (a) to the Funding Agents on behalf of the Lenders in their respective Lender Groups, all Interest Distribution Amounts then due and payable and (b) to the Hedge Counterparties, the Ordinary Course Settlement Payments then due and payable to the Hedge Counterparties under any Hedge Agreements;

(v) *fifth*, to the Funding Agents on behalf of the Lenders in their respective Lender Groups, any accrued and unpaid Unused Line Fees then due and payable by the Borrower;

(vi) *sixth*, ratably and on a *pari passu* basis (a) to the Funding Agents on behalf of the Lenders in their respective Lender Groups, all principal under or in respect of the Transaction Documents then due and payable by the Borrower for application as a repayment of Advances, in accordance with Section 2.9(A), to cure any Borrowing Base Deficiency and (b) to the Hedge Counterparties, any Hedge Termination Payments then due and payable to the Hedge Counterparties under the Hedge Agreements (including in connection with such repayment of the Advances) other than (x) payments required to be made pursuant to clause (viii) or (ix) below and (y) any Hedge Termination Payments then due and payable to the Hedge Counterparties as a result of the default of such Hedge Counterparties under the related Hedge Agreements;

(vii) *seventh*, if such date is a Payment Date not occurring during the Amortization Period, in the following order (a) to the Liquidity Reserve Account, the amount necessary to cause the amount on deposit therein to equal the Liquidity Reserve Account Required Balance, (b) to the Post-PTO Reserve Account, the amount necessary to cause the amount on deposit therein to equal the Post-PTO Reserve Account Required Balance and (c) to the Supplemental Reserve Account, the Supplemental Reserve Account Deposit for such Payment Date;

(viii) *eighth* in connection with any principal prepayment made in accordance with Section 2.8(A), ratably and on a *pari passu* basis (a) to the Funding Agents on behalf of the Lenders in their respective Lender Groups, any such principal prepayment and any Liquidation Fees related thereto and (b) to the Hedge Counterparties, any Hedge Termination Payments then due and payable to the Hedge Counterparties under the Hedge Agreements in connection with such repayment of the Advances;

(ix) *ninth*, if such date is a Payment Date is during the Amortization Period, all remaining Distributable Revenue, ratably and on a *pari passu* basis (a) to the Funding Agents on behalf of the Lenders in their respective Lender Groups, as a repayment of the principal amount of the Advances and (b) to the Hedge Counterparties, any Hedge Termination Payments then due and payable to the Hedge Counterparties under the Hedge Agreements;

(x) *tenth*, ratably and on a *pari passu* basis, to the Hedge Counterparties, any Hedge Termination Payments then due and payable to the Hedge Counterparties under the Hedge Agreements;

(xi) *eleventh*, ratably and on a *pari passu* basis, to the Administrative Agent, Funding Agents, Lenders and the Hedge Counterparties, the aggregate amount of all Obligations (including any Breakage Costs and all Liquidation Fees) then due and payable to the extent not paid pursuant to the foregoing clauses until paid in full;

(xii) *twelfth*, ratably and on a *pari passu* basis, to the Collateral Agent, the Custodian, the Transaction Transition Manager, the Paying Agent any accrued and unpaid amounts not paid pursuant to clause (ii) above; and

(xiii) *thirteenth*, the remaining Distributable Revenue to or at the direction of the Borrower.

(C) The Paying Agent shall apply all amounts on deposit in the Takeout Transaction Account on any Business Day to the Obligations in the following order of priority:

(i) *first*, ratably and on *pari passu* basis, to the Funding Agents on behalf of the Lenders in their respective Lender Groups, the excess, if any, of the Interest Distribution Amount accrued with respect to the amount of Advances prepaid on such day for the related Interest Accrual Period over, if such day is a Payment Date, the amount distributed (or distributable) to the Funding Agents on such day pursuant to Section 2.7(B)(iv);

(ii) *second*, ratably and on *pari passu* basis, to the Funding Agents on behalf of the Lenders in their respective Lender Groups, to the prepayment of Advances in an amount equal to the Required Advance Repayment Amount with respect to such Takeout Transaction);

(iii) *third*, to the Funding Agents on behalf of the Lenders in their respective Lender Groups, all Liquidation Fees, if any, due and payable with respect to the amount of Advances prepaid on such day;

(iv) *fourth*, to the Administrative Agent and the Funding Agents on behalf of themselves and the Lenders in their respective Lender Groups, the aggregate amount of all Obligations (including, for the avoidance of doubt, any amounts set forth in the definition of Minimum Payoff Amount) accrued with respect to the amount of Advances prepaid on such day (other than those provided for in other clauses of this Section 2.7(C)) then due and payable by the Borrower hereunder or under any other Transaction Document;

(v) *fifth*, to the Hedge Counterparties, any Hedge Termination Payments then due and payable to the Hedge Counterparties in connection with such Takeout Transaction; and

(vi) *sixth*, all proceeds of such Takeout Transaction remaining in the Takeout Transaction Account to an account specified by the Borrower.

(D) Notwithstanding anything to the contrary set forth in this Section 2.7 or Section 8.2, the Paying Agent shall not be obligated to make any determination or calculation with respect to the payments or allocations to be made pursuant to either of such Sections, and in making the payments and allocations required under such Sections, the Paying Agent shall be entitled to rely exclusively and conclusively upon the information in the latest Quarterly Transaction Manager Report (or such other report or direction delivered by the Administrative Agent) received by the Paying Agent pursuant to either such Section prior to the applicable payment date. Any payment direction to be acted upon by the Paying Agent pursuant to either such Section on a payment date other than a Payment Date shall be delivered to the Paying Agent at least one (1) Business Day prior to the date on which any payment is to be made.

(E) The Administrative Agent, each Lender and the Borrower (with respect to itself and each other Person entitled to receive payments pursuant to this Section 2.7 other than the Administrative Agent or the Lenders) shall provide or cause to be provided to the Paying Agent wire instructions for the receipt of funds pursuant to this Section 2.7. The wire instructions as of the Closing Date are set forth on Exhibit I.

*Section 2.8. Certain Prepayments.* (A) The Borrower may upon written notice to the Administrative Agent, the Funding Agents and the Paying Agent, and subject to the priority of payments set forth in Section 2.7(B), prepay all or any portion of the balance of the principal amount of the Advances based on the outstanding principal amounts thereof, which notice shall be given by 11:00 A.M. at least three (3) Business Days prior to the proposed date of such prepayment. Each such prepayment (which need not be on a Payment Date) that is a partial prepayment of the Advances shall be in an amount of not less than \$1,000,000 or an integral multiple of \$100,000 in excess thereof, and shall be accompanied by (a) the payment of all accrued but unpaid interest on the amounts to be so prepaid, (b) any Liquidation Fee in connection with such prepayment if such prepayment is not made on a Payment Date and (c) the payment of all fees then due and payable to the Administrative Agent, the Lenders, the Collateral Agent, the Paying Agent, the Custodian, the Transaction Manager and the Transaction Transition Manager.

(B) The Borrower shall deposit, or cause to be deposited, into the Takeout Transaction Account from the net proceeds of each Takeout Transaction and from any capital contributions from the Sponsor an amount equal to at least the Minimum Payoff Amount with respect to each Takeout Transaction and the Paying Agent shall apply such amount in accordance with Section 2.7(C).

*Section 2.9. Mandatory Prepayments of Advances.*

(A) If, as of any Borrowing Base Calculation Date, the aggregate outstanding principal amount of all Advances exceeds the lesser of (i) the amount of the Aggregate Commitment in effect as of such date and (ii) the Borrowing Base as of such Borrowing Base Calculation Date (as such Borrowing Base is set forth in the applicable Borrowing Base Certificate delivered with respect to such Borrowing Base Calculation Date) (the occurrence of any such excess being referred to herein as a "*Borrowing Base Deficiency*"), then except as otherwise provided in Section 2.9(C) below, the Borrower shall, in accordance with Section

2.9(B), pay to the Paying Agent for the account of the Lenders (and direct the Paying Agent to pay to the Lenders) the amount of any such excess (to be applied to the reduction of Advances ratably among all Lender Groups based on their Lender Group Percentages to the extent necessary to cure such Borrowing Base Deficiency), together with accrued but unpaid interest on the amount required to be so prepaid to the date of such prepayment and any Breakage Costs or Liquidation Fees in connection with such prepayment if such prepayment is not made on a Payment Date.

(B) Any amounts required to be paid in connection with a Borrowing Base Deficiency pursuant to Section 2.9(A) shall be due and payable (i) if the applicable Borrowing Base Calculation Date referred to in Section 2.9(A) is a Payment Date, on such Payment Date or (ii) if the applicable Borrowing Base Calculation Date is not a Payment Date, within two Business Days following the Borrower's delivery of the Borrowing Base Certificate indicating the existence of such Borrowing Base Deficiency.

(C) Notwithstanding anything contained herein to the contrary, in lieu of prepaying Advances to cure a Borrowing Base Deficiency pursuant to Section 2.9(A), the Borrower may instead cure such Borrowing Base Deficiency (or a portion thereof) by causing additional Eligible Solar Assets to be contributed to a Wholly-Owned Subsidiary (through the Borrower) under the applicable Contribution Agreements and/or acquired by a Tax Equity Opco under the related Project Documents, as the case may be, in an aggregate amount sufficient to cure such Borrowing Base Deficiency (or portion thereof), so long as (i) such acquisition occurs on or before the date on which a payment would otherwise be due under Section 2.9(B), (ii) the Borrower provides written notice to Administrative Agent of such contribution or acquisition, together with a pro forma Borrowing Base Certificate giving effect to such acquisition and (iii) the related Custodian File for such additional Eligible Solar Assets are delivered to the Custodian pursuant to and in accordance with Section 3 of the Custodial Agreement and the Custodian shall have confirmed receipt of such Custodian File pursuant to and in accordance with Section 4(a) of the Custodial Agreement on or before the date such payment is due under Section 2.9(B). For the avoidance of doubt, to the extent any Borrowing Base Deficiency remains after giving effect to such contribution or acquisition of additional Eligible Solar Assets pursuant to this Section 2.9(C) and satisfaction of the applicable conditions specified herein, the Borrower shall be obligated to cure such remaining Borrowing Base Deficiency by making the requisite payments with respect thereto in accordance with Sections 2.9(A) and (B) above.

*Section 2.10. Interest.* Advances shall bear interest (including after the commencement of an Insolvency Event) on the unpaid principal amount thereof in respect of each Interest Accrual Period at a rate per annum equal to the Cost of Funds Rate plus the Applicable Margin, in each case, for such Interest Accrual Period. If any amounts required to be paid by the Borrower under this Agreement or any other Transaction Documents (including principal or interest payable on any Advance, and any fees or other amounts payable to the Administrative Agent, Collateral Agent, Funding Agents or a Lender) remain unpaid after such amounts are due, whether by acceleration or otherwise, the Borrower shall pay interest on the aggregate, outstanding balance of such overdue amount from the date due until the amounts are paid in full at a rate per annum equal to the Cost of Funds Rate plus the Applicable Margin. The Lenders



shall be entitled to such accrued interest in an amount equal to the applicable Interest Distribution Amount payable on each Payment Date in accordance with Section 2.7(B) and, if applicable, Section 2.7(C).

*Section 2.11. Inability to Determine Rates.*

(A) If (i) the Administrative Agent determines that (a) Dollar deposits are not being offered to banks in the London interbank market for an Interest Accrual Period or (b) (x) adequate and reasonable means do not exist for determining the Eurodollar Rate for an Interest Accrual Period and (y) the circumstances described in Section 2.11(C) do not apply or (ii) (x) the Administrative Agent or the Majority Lenders determine that for any reason the Cost of Funds Rate based on the Benchmark for an Interest Accrual Period does not adequately and fairly reflect the cost to such Lenders of funding the Advances and (y) the circumstances described in Section 2.11(C) do not apply, the Administrative Agent will promptly so notify the Borrower and each Lender. Thereafter, the obligation of the Lenders to make or maintain Advances that bear interest at a Cost of Funds Rate based on the Eurodollar Rate shall be suspended and the Advances shall bear interest at a Cost of Funds Rate based on the Base Rate until the Administrative Agent (or, in the case of a determination by the Majority Lenders described in clause (ii) of Section 2.11(A), until the Administrative Agent upon instruction of the Majority Lenders) revokes such notice. Upon receipt of such notice, the Borrower may revoke any pending request for the making of an Advance or, failing that, will be deemed to have converted such request into a request for an Advance bearing interest at a Cost of Funds Rate based on the Base Rate in the amount specified therein.

(B) Notwithstanding the foregoing, if the Administrative Agent has made the determination described in clause (i) of Section 2.11(A), the Administrative Agent, in consultation with the Borrower, may establish an alternative interest rate for the Advances, in which case, such alternative rate of interest shall apply as the Cost of Funds Rate with respect to the Advances until (i) the Administrative Agent revokes the notice delivered with respect to the Advances under clause (i) of the first sentence of Section 2.11(A), (ii) the Administrative Agent notifies the Borrower, or the Majority Lenders notify the Administrative Agent and the Borrower that such alternative interest rate does not adequately and fairly reflect the cost to such Lenders of funding the Advances, or (iii) any Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for such Lender or its applicable Lending Office to make, maintain or fund Advances whose interest is based on a Cost of Funds Rate determined by reference to such alternative rate of interest or to determine or charge interest rates based upon such rate or any Governmental Authority has imposed material restrictions on the authority of such Lender to do any of the foregoing and provides the Administrative Agent and the Borrower written notice thereof.

(C) Notwithstanding anything to the contrary in this Agreement or any other Transaction Documents,

(i) On the earlier of (a) the date that all Available Tenors of USD LIBOR have either permanently or indefinitely ceased to be provided by the ICE Benchmark Administration or have been announced by the Financial Conduct Authority pursuant to

public statement or publication of information to be no longer representative and (b) the Early Opt-in Effective Date, if the then-current Benchmark is the Adjusted Eurodollar Rate, the Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Transaction Document in respect of any setting of such Benchmark on such day and all subsequent settings without any amendment to, or further action or consent of any other party to this Agreement or any other Transaction Document.

(ii) Upon the occurrence of a Benchmark Transition Event, the Benchmark Replacement will replace the then-current Benchmark for all purposes hereunder and under any Transaction Document in respect of any Benchmark setting at or after 5:00 p.m. on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Lenders without any amendment to, or further action or consent of any other party to, this Agreement or any other Transaction Document so long as the Administrative Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lenders comprising the Majority Lenders. At any time that the administrator of the then-current Benchmark has permanently or indefinitely ceased to provide such Benchmark or such Benchmark has been announced by the regulatory supervisor for the administrator of such Benchmark pursuant to public statement or publication of information to be no longer representative of the underlying market and economic reality that such Benchmark is intended to measure and that representativeness will not be restored, the Borrower may revoke any request for a borrowing of, conversion to or continuation of Advances to be made, converted or continued that would bear interest by reference to such Benchmark until the Borrower's receipt of notice from the Administrative Agent that a Benchmark Replacement has replaced such Benchmark, and, failing that, the Borrower will be deemed to have converted any such request into a request for a borrowing of or conversion to Advances that bear interest at the Base Rate.

(iii) In connection with the implementation and administration of a Benchmark Replacement, the Administrative Agent will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Transaction Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement.

(iv) The Administrative Agent will promptly notify the Borrower and the Lenders of (i) the implementation of any Benchmark Replacement and (ii) the effectiveness of any Benchmark Replacement Conforming Changes. Any determination, decision or election that may be made by the Administrative Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action, will be conclusive and binding absent manifest error and may be made in its or their sole

discretion and without consent from any other party hereto, except, in each case, as expressly required pursuant to this Section 2.11(C).

(v) At any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate (including Term SOFR or USD LIBOR), then the Administrative Agent may remove any tenor of such Benchmark that is unavailable or non-representative for Benchmark (including Benchmark Replacement) settings and (ii) the Administrative Agent may reinstate any such previously removed tenor for Benchmark (including Benchmark Replacement) settings.

(vi) None of the Paying Agent, Collateral Agent, Custodian or Transaction Transition Manager shall be (i) responsible for making any decisions or determinations in connection with any Benchmark Replacement, Benchmark Replacement Conforming Changes or other matters under this Section 2.11(C), or (ii) have any liability for any determination, decision or election made by or on behalf of the Administrative Agent (or other similar role) or the Borrower in connection with any a Benchmark Replacement or Benchmark Replacement Conforming Changes. The Administrative Agent and each Lender shall be deemed to waive and release any and all claims against the Paying Agent, Collateral Agent, Custodian or Transaction Transition Manager relating to any such determination, decision or election by the Administrative Agent.

*Section 2.12. Breakage Costs; Liquidation Fees; Increased Costs; Capital Adequacy; Illegality; Additional Indemnifications.*

(A) *Breakage Costs and Liquidation Fees.* (i) If (x) any Advance is not made on the date specified by the Borrower in a Notice of Borrowing (or deemed specified pursuant to Section 2.4(A)) for any reason other than default by one or more Lenders, the Borrower agrees to pay applicable Breakage Costs, if any, with respect thereto and (y) any Advance (other than an Advance bearing interest at the Base Rate or Daily Simple SOFR) is repaid on a date prior to the last day of any Interest Accrual Period applicable to that Advance, the Borrower hereby agrees to pay the Liquidation Fees associated with such repayment. The Borrower shall not be responsible for any Liquidation Fees or any other loss, cost, or expenses arising at the time of, and arising solely as a result of, any assignment made pursuant to Section 10.8 and the reallocation of any portion of an Advance of the applicable Lender making such assignment unless, in each case, such assignment is requested by the Borrower and the applicable Lender is not a Defaulting Lender. Except for any Liquidation Fees, all payments and prepayments hereunder shall be made without any penalty or premium.

(B) *Increased Costs.* If any Change in Law (a) shall subject any Lender, the Administrative Agent, or any Affiliate thereof (each of which, an “Affected Party”) to any Taxes (other than (x) Indemnified Taxes, (y) Taxes described in clauses (ii) through (iv) of the definition of Excluded Taxes and (z) Connection Income Taxes) on its loans, loan principal, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto, (b) shall impose, modify or deem applicable any reserve requirement (including any reserve requirement imposed by the Board of Governors of the Federal Reserve System), special

deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Affected Party, or (c) shall impose any other condition affecting the Collateral or the rights of any Lender and the Administrative Agent hereunder, the result of which is to increase the cost to any Affected Party under this Agreement or to reduce the amount of any sum received or receivable by an Affected Party under this Agreement, then within ten (10) Business Days after written demand by such Affected Party, the Borrower shall pay directly to such Affected Party such additional amount or amounts as will compensate such Affected Party for such additional or increased cost incurred or such reduction suffered to the extent such additional or increased costs or reduction are incurred or suffered in connection with the Collateral, any obligation to make Advances hereunder, any of the rights of such Lender, or the Administrative Agent hereunder, or any payment made hereunder in accordance with Section 2.7(B) or Section 2.7(C); *provided*, that the Borrower shall not be required to compensate an Affected Party pursuant to this Section 2.12(B) for any additional or increased costs or reductions incurred more than one hundred and eighty (180) days prior to the date that such Lender notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Affected Party's intention to claim compensation therefor; *provided further* that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the one hundred eighty (180) day period referred to above shall be extended to include the period of retroactive effect thereof.

(C) *Capital Adequacy.* If any Change in Law has or would have the effect of reducing the rate of return on the capital of any Affected Party as a consequence of its obligations hereunder or arising in connection herewith to a level below that which any such Affected Party could have achieved but for such Change in Law (taking into consideration the policies of such Affected Party with respect to capital adequacy) by an amount deemed by such Affected Party to be material, then from time to time, within ten (10) Business Days after written demand by such Affected Party (which demand shall be accompanied by a statement setting forth the basis for such demand), the Borrower shall pay directly to such Affected Party such additional amount or amounts as will compensate such Affected Party for such reduction in accordance with Section 2.7(B) or Section 2.7(C); *provided*, that the Borrower shall not be required to compensate an Affected Party pursuant to this Section 2.12(C) for any amounts or additional amounts incurred more than one hundred and eighty (180) days prior to the date that such Lender notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Affected Party's intention to claim compensation therefor; *provided further* that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the one hundred eighty (180) day period referred to above shall be extended to include the period of retroactive effect thereof.

(D) *Compensation.* If as a result of any event or circumstance similar to those described in Section 2.12(A), 2.12(B), or 2.12(C), any Affected Party is required to compensate a bank or other financial institution providing liquidity support, credit enhancement or other similar support to such Affected Party in connection with this Agreement or the funding or maintenance of Advances hereunder, then within ten (10) Business Days after written demand by such Affected Party, the Borrower shall pay to such Affected Party such additional amount or amounts as may be necessary to reimburse such Affected Party for any amounts paid by it; *provided*, that the Borrower shall not be required to compensate an Affected Party pursuant to

this Section 2.12(D) for any amounts or additional amounts incurred more than one hundred and eighty (180) days prior to the date that such Lender notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Affected Party's intention to claim compensation therefor; *provided further* that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the one hundred eighty (180) day period referred to above shall be extended to include the period of retroactive effect thereof.

(E) In determining any amount provided for in this Section 2.12, the Affected Party may use any reasonable averaging and attribution methods. Any Affected Party making a claim under this Section 2.12 shall submit to the Borrower a certificate as to such additional or increased cost or reduction, which certificate shall be conclusive absent manifest error.

(F) If the Borrower is required to pay amounts under Section 2.12(B), (C) or (D), then the applicable Lender shall, to the extent not inconsistent with the internal policies of such Lender and any applicable legal or regulatory restrictions, use reasonable efforts to (i) file any certificate or document reasonably requested in writing by the Borrower or (ii) assign its rights and delegate and transfer its obligations hereunder to another of its offices, branches or affiliates, if such filing or assignment would avoid or minimize any additional costs, taxes, expense or obligation which would otherwise be imposed on the Borrower pursuant to such Sections; provided, however, that no Lender shall be required to take any such action that, as determined by such Lender in its sole discretion, would adversely affect the making, issuing, funding or maintaining of such Advances or the interests of such Lender; provided, further, however, that such efforts shall not cause the imposition on any Lender of any additional costs or expenses, unless the Borrower agrees to pay such additional costs and expenses.

(G) If (i) the Borrower incurs any liability to a Lender under Section 2.12(B), (C) or (D) or Section 2.17 or (ii) any Lender is a Defaulting Lender, then the Borrower, at its sole expense may, upon notice to such Lender and the Administrative Agent, require such Lender subject to this Section 2.12(G) to assign and delegate, without recourse, all its interests, rights and obligations under this Agreement and under the Advances, and Commitments of the Lender being replaced hereunder to an assignee that shall assume all those rights and obligations; provided, however, that (w) such assignment shall not conflict with any law, rule or regulation or order of any court or other Governmental Authority having valid jurisdiction, (x) the Borrower shall have received the prior written consent of the Administrative Agent, which consent shall not be unreasonably withheld or delayed, (y) the Borrower or such assignee shall have paid to the replaced Lender in immediately available funds an amount equal to the sum of the principal of and interest accrued to the date of such payment on the outstanding Advances of such Lender plus all fees and other amounts accrued for the account of such Lender hereunder with respect thereto, and (z) the Borrower shall have paid to the Administrative Agent the assignment fee (if any) specified in Section 10.8(A).

A Lender subject to this Section 2.12(G) shall not be required to make any such assignment and delegation if (A) prior to any such assignment and delegation the circumstances entitling the Borrower to require such assignment and delegation have ceased to apply, (B) such Lender shall waive its right to claim compensation or payment under Section 2.12 or 2.17, if

applicable, or (C) any Potential Default, Event of Default or Early Amortization Event then exists.

Each party hereto agrees that (a) an assignment required pursuant to this Section 2.12(G) may be effected pursuant to an Assignment and Assumption executed by the Borrower, the Administrative Agent and the assignee and (b) the Lender required to make such assignment need not be a party to such Assignment and Assumption in order for such assignment to be effective and shall be deemed to have consented to and be bound by the terms thereof; provided that, following the effectiveness of any such assignment, the other parties to such assignment agree to execute and deliver such documents necessary to evidence such assignment as reasonably requested by the applicable Lender, provided, further that any such documents shall be without recourse to or warranty by the parties thereto.

Nothing in this Section 2.12(G) shall be deemed to prejudice any rights that the Borrower may have against any Lender that is a Defaulting Lender. The Administrative Agent and each Lender hereby agree to cooperate with the Borrower to effectuate the assignment of any Defaulting Lender's interest hereunder.

*Section 2.13. Payments and Computations. (A) General.* All payments to be made by the Borrower under this Agreement shall be made on the date when due without presentment, demand, protest or notice of any kind (all of which are hereby expressly waived by the Borrower), free and clear of and without condition or deduction (other than with respect to Taxes pursuant to Section 2.17) for any counterclaim, defense, recoupment or setoff. The Borrower (through the Paying Agent pursuant to Sections 2.7(B) and (C) and as otherwise permitted in this Agreement) shall make each payment and prepayment in respect of principal, interest, expenses, indemnities, fees or other Obligations due from the Borrower not later than 12:00 P.M. (New York City time) on the day when due in U.S. Dollars to the Paying Agent at its address referred to in Section 10.3 or to such account provided by the Paying Agent in immediately available, same-day funds. Payments on Obligations may also be made by application of funds in the Revenue Account as provided in Section 2.7(B) or application of funds in the Takeout Transaction Account as provided in Section 2.7(C). All computations of interest for Advances while such Advances bear interest at the Base Rate shall be made on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed (including the first day but excluding the last day) occurring in the period for which such interest is payable. All other computations of fees and interest provided hereunder (including all computations of interest for Advances while such Advances bear interest at the Benchmark) shall be made on the basis of a 360-day year and actual days elapsed (including the first day but excluding the last day) occurring in the period for which such interest is payable. Each determination by the Administrative Agent of an interest rate hereunder shall be conclusive and binding for all purposes, absent manifest error. The Borrower agrees that, to the extent there are insufficient funds in the Revenue Account, to make any payment under this clause (A) when due, the Borrower shall immediately pay to the Paying Agent all amounts due that remain unpaid.

(B) *Failure to Satisfy Conditions Precedent.* If any Lender makes available to the Paying Agent funds for any Advance to be made by such Lender as provided in the foregoing

provisions of this Article II, and such funds are not made available to the Borrower by the Paying Agent because the conditions to the applicable Advance set forth in Article III are not satisfied or waived in accordance with the terms hereof, the Paying Agent shall return such funds (in like funds as received from such Lender) to such Lender, without interest.

(C) *Obligations of Lenders Several.* The obligations of the Lenders hereunder to make Advances, and to make payments pursuant to Section 2.2 are several and not joint. The failure of any Lender to make any Advance or to make any payment under Section 2.2 on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its Advance, or to make its payment under Section 10.5(B).

(D) *Funding Source.* Subject to Applicable Law, nothing herein shall be deemed to obligate any Lender to obtain the funds for any Advance in any particular place or manner or to constitute a representation by any Lender that it has obtained or will obtain the funds for any Advance in any particular place or manner.

*Section 2.14. Payment on Non-Business Days.* Whenever any payment hereunder or under the Advances shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of payment of interest.

*Section 2.15. Non-Consenting Lenders.*

(A) If any Lender is a Non-Consenting Lender, then the Borrower, at its sole expense may, upon notice to such Lender and the Administrative Agent, require such Lender subject to this Section 2.15 to assign and delegate, without recourse, all its interests, rights and obligations under this Agreement and under the Advances, and Commitments of the Lender being replaced hereunder to an assignee that shall assume all those rights and obligations; provided, however, that (w) such assignment shall not conflict with any law, rule or regulation or order of any court or other Governmental Authority having valid jurisdiction, (x) the Borrower shall have received the prior written consent of the Administrative Agent, which consent shall not be unreasonably withheld or delayed, (y) the Borrower or such assignee shall have paid to the replaced Lender in immediately available funds an amount equal to the sum of the principal of and interest accrued to the date of such payment on the outstanding Advances of such Lender plus all fees and other amounts accrued for the account of such Lender hereunder with respect thereto, and (z) the Borrower shall have paid to the Administrative Agent the assignment fee (if any) specified in Section 10.8(A).

(B) A Lender subject to this Section 2.15 shall not be required to make any such assignment and delegation if (i) prior to any such assignment and delegation the circumstances entitling the Borrower to require such assignment and delegation have ceased to apply or (ii) such Lender approves or consents to the waiver or amendment that made such Lender a Non-Consenting Lender.

(C) Each party hereto agrees that (i) an assignment required pursuant to this Section 2.15 may be effected pursuant to an Assignment and Assumption executed by the Borrower, the Administrative Agent and the assignee and (ii) the Lender required to make such assignment need not be a party to such Assignment and Assumption in order for such assignment to be effective and shall be deemed to have consented to and be bound by the terms thereof; provided that, following the effectiveness of any such assignment, the other parties to such assignment agree to execute and deliver such documents necessary to evidence such assignment as reasonably requested by the applicable Lender, provided, further that any such documents shall be without recourse to or warranty by the parties thereto.

(D) Nothing in this Section 2.15 shall be deemed to prejudice any rights that the Borrower may have against any Lender that is a Non-Consenting Lender. The Administrative Agent and each Lender hereby agree to cooperate with the Borrower to effectuate the assignment of any Non-Consenting Lender's interest hereunder.

*Section 2.16. Extension of the Scheduled Commitment Termination Date.* From time to time, prior to the then Scheduled Commitment Termination Date, the Borrower may deliver written notice to the Administrative Agent and each Funding Agent requesting an extension of such Scheduled Commitment Termination Date. The Administrative Agent shall respond to such request no later than thirty (30) days following the date of its receipt of such request, indicating whether it is considering such request and preliminary conditions precedent to any extension of the Scheduled Commitment Termination Date as the Administrative Agent determines to include in such response. The Administrative Agent's failure to respond to a request delivered by the Borrower pursuant to this Section 2.16 shall not be deemed to constitute any agreement by the Administrative Agent to any such extension. The granting of any extension of the Scheduled Commitment Termination Date requested by the Borrower shall be in the mutual discretion of the Borrower and the Administrative Agent (on behalf of the Lenders with the consent of all Lender Groups).

*Section 2.17. Taxes.*

(A) *Defined Terms.* For purposes of this Section 2.17 the term "applicable Law" includes FATCA.

(B) *Payments Free of Taxes.* Any and all payments by or on account of any obligation of the Borrower under any Transaction Document shall be made without deduction or withholding for any Taxes, except as required by applicable Law. If any applicable Law (as determined in the good faith discretion the Withholding Agent) requires the deduction or withholding of any Tax from any such payment by the Withholding Agent, then the Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable Law and, if such Tax is an Indemnified Tax, then the sum payable by the Borrower shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.



(C) *Payment of Other Taxes by the Borrower.* The Borrower shall timely pay to the relevant Governmental Authority in accordance with applicable Law, or at the option of a Funding Agent timely reimburse it for the payment of, any Other Taxes.

(D) *Indemnification by the Borrower.* The Borrower shall indemnify each Recipient, within ten (10) days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Recipient (with a copy to each Funding Agent), or by a Funding Agent on its own behalf or on behalf of a Recipient, shall be conclusive absent manifest error.

(E) *Indemnification by the Lenders.* Each Committed Lender shall severally indemnify the Administrative Agent and each Funding Agent, within ten (10) days after demand therefor, for (i) any Indemnified Taxes attributable to such Committed Lender's Lender Group (but only to the extent that the Borrower has not already indemnified such Administrative Agent or Funding Agent for such Indemnified Taxes and without limiting the obligation of the Borrower to do so), (ii) any Taxes attributable to the failure of such Committed Lender's Lender Group to comply with the provisions of Section 10.8(D), and (iii) any Excluded Taxes attributable to such Committed Lender's Lender Group, in each case, that are payable or paid by the Administrative Agent or a Funding Agent in connection with any Transaction Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Committed Lender by its Funding Agent or the Administrative Agent shall be conclusive absent manifest error. Each Committed Lender hereby authorizes its Funding Agent to set off and apply any and all amounts at any time owing to such Committed Lender or its Lender Group under any Transaction Document or otherwise payable by such Funding Agent to the Committed Lender or its Lender Group from any other source against any amount due to such Funding Agent under this paragraph (E).

(F) *Evidence of Payments.* As soon as practicable after any payment of Taxes by the Borrower to a Governmental Authority pursuant to this Section 2.17, the Borrower shall deliver to each Funding Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to such Funding Agent.

(G) *Status of Recipients.* Any Recipient that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Transaction Document shall deliver to the Borrower, the Paying Agent, the Administrative Agent and the related Funding Agent, at the time or times reasonably requested by the Borrower, the Paying Agent, the Administrative Agent or such Funding Agent, such properly completed and executed documentation reasonably requested by the Borrower, the Paying Agent, the Administrative

Agent or such Funding Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Recipient, if reasonably requested by the Borrower, the Paying Agent, the Administrative Agent or the related Funding Agent, shall deliver such other documentation prescribed by applicable Law or reasonably requested by the Borrower, the Paying Agent, the Administrative Agent or such Funding Agent as will enable the Borrower, the Paying Agent, the Administrative Agent or such Funding Agent to determine whether or not such Recipient is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in clauses (ii)(a), (ii)(b) and (ii)(d) below) shall not be required if in the Recipient's reasonable judgment such completion, execution or submission would subject such Recipient to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Recipient.

(ii) Without limiting the generality of the foregoing,

(a) any Recipient that is a U.S. Person shall deliver to the Borrower, the Paying Agent, the Administrative Agent and the related Funding Agent on or prior to the date on which such Recipient becomes a Recipient under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower, the Paying Agent, the Administrative Agent or such Funding Agent), executed copies of IRS Form W-9 certifying that such Recipient is exempt from U.S. federal backup withholding tax;

(b) any Recipient that is not a U.S. Person shall, to the extent it is legally entitled to do so, deliver to the Borrower, the Paying Agent, the Administrative Agent and the related Funding Agent (in such number of copies as shall be requested by the Borrower, the Paying Agent, the Administrative Agent or such Funding Agent) on or prior to the date on which such Recipient becomes a Recipient under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower, the Paying Agent, the Administrative Agent or such Funding Agent), whichever of the following is applicable:

(1) in the case of a Recipient claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Transaction Document, executed copies of IRS Form W8BEN or W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Transaction Document, IRS Form W-8BEN or W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(2) executed copies of IRS Form W-8ECI;

(3) in the case of a Recipient claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Internal Revenue

Code, (x) a certificate substantially in the form of Exhibit N to the effect that such Recipient is not a “bank” within the meaning of Section 881(c)(3)(A) of the Internal Revenue Code, a “10 percent shareholder” of the Borrower within the meaning of Section 881(c)(3)(B) of the Internal Revenue Code, or a “controlled foreign corporation” described in Section 881(c)(3)(C) of the Internal Revenue Code (a “U.S. Tax Compliance Certificate”) and (y) executed copies of IRS Form W-8BEN or W-8BEN-E; or

(4) to the extent a Recipient is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN or W-8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit N, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; *provided* that if the Recipient is a partnership and one or more direct or indirect partners of such Recipient are claiming the portfolio interest exemption, such Recipient may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit N on behalf of each such direct and indirect partner;

(c) any Recipient which is not a U.S. Person shall, to the extent it is legally entitled to do so, deliver to the Borrower, the Paying Agent, the Administrative Agent and the related Funding Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Recipient becomes a Recipient under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower, the Paying Agent, the Administrative Agent or such Funding Agent), executed copies of any other form prescribed by applicable Law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable Law to permit the Borrower, the Paying Agent, the Administrative Agent or such Funding Agent to determine the withholding or deduction required to be made; and

(d) if a payment made to a Recipient under any Transaction Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Recipient were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Internal Revenue Code, as applicable), such Recipient shall deliver to the Borrower, the Paying Agent, the Administrative Agent and the related Funding Agent at the time or times prescribed by Law and at such time or times reasonably requested by the Borrower, the Paying Agent, the Administrative Agent or such Funding Agent such documentation prescribed by applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Internal Revenue Code) and such additional documentation reasonably requested by the Borrower, the Paying Agent, the Administrative Agent or such Funding Agent as may be necessary for the Borrower, the Paying Agent, the Administrative Agent and such Funding Agent to comply with their obligations under FATCA and to determine that such Recipient has complied with such Recipient’s obligations under FATCA or to determine the amount to deduct and withhold

from such payment. Solely for purposes of this clause (d), “FATCA” shall include any amendments made to FATCA after the date of this Agreement.

Each Recipient agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower, the Paying Agent, the Administrative Agent and the related Funding Agent in writing of its legal inability to do so.

(H) *Forms for Administrative Agent.* The Administrative Agent and each Funding Agent shall deliver to the Paying Agent on or before the first Payment Date, executed copies of IRS Form W-9 or W-8, as applicable, certifying that the Administrative Agent or such Funding Agent is exempt from U.S. federal backup withholding tax.

(I) *Treatment of Certain Refunds.* If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 2.17 (including by the payment of additional amounts pursuant to this Section 2.17), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (I) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (I), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (I) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(J) *Survival.* Each party’s obligations under this Section 2.17 shall survive the resignation or replacement of a Funding Agent or the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Transaction Document.

*Section 2.18. [Reserved].*

*Section 2.19. Defaulting Lender.*

(A) *Defaulting Lender Adjustments.* Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall

apply for so long as such Lender is a Defaulting Lender, to the extent permitted by applicable Law:

and (i) the Unused Line Fee shall cease to accrue on any Commitment of such Defaulting Lender pursuant to Section 2.5;

(ii) the Commitments of such Defaulting Lender shall not be included in determining whether 100% of the Lenders, the Majority Lenders or the Super-Majority Lenders, as applicable, have taken or may take any action hereunder (including any consent to any amendment or waiver pursuant to Section 10.2); *provided*, that any waiver, amendment or modification requiring the consent of 100% of the Lenders or each affected Lender which affects such Defaulting Lender differently than other affected Lenders shall require the consent of such Defaulting Lender.

(B) *Defaulting Lender Waterfall.* Any payment of principal, interest, fees or other amounts due to a Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article VI or otherwise) or payable by a Defaulting Lender pursuant to Section 10.7 shall be applied at such time or times as may be determined by the Administrative Agent as follows: first, to the payment of any amounts owing by such Defaulting Lender to the Paying Agent hereunder; second, as the Borrower may request (so long as no Potential Default or Event of Default exists), to the funding of any Advance in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; third, if so determined by the Administrative Agent and the Borrower, to be held in a deposit account and released pro rata in order to satisfy such Defaulting Lender's potential future funding obligations with respect to Advances under this Agreement; fourth, to the payment of any amounts owing to the Lenders as a result of any judgment of a court of competent jurisdiction obtained by any Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; fifth, so long as no Potential Default or Event of Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and sixth, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; *provided* that if (x) such payment is a payment of the principal amount of any Advances in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Advances were made at a time when the conditions set forth in Section 3.2 were satisfied or waived, such payment shall be applied solely to pay the Advances of all non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Advances of such Defaulting Lender until such time as all Advances are held by the Lenders pro rata in accordance with the Commitments hereunder. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender pursuant to this Section 2.19(B) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(C) *Defaulting Lender Cure.* If the Borrower and the Administrative Agent agree in writing that a Lender is no longer a Defaulting Lender, the Administrative Agent shall

so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein, that Lender shall purchase at par, as applicable, such of the Advances of the other Lenders as Administrative Agent shall determine may be necessary in order for such Lender to hold such Advances in accordance with its Lender Group Percentage, whereupon such Lender will cease to be a Defaulting Lender; *provided*, that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while that Lender was a Defaulting Lender; *provided, further*, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender having been a Defaulting Lender.

*Section 2.20. Pro Rata Treatment Amongst Lenders.*

Except as otherwise provided herein each borrowing, each payment of principal or interest on the Advances, each payment of fees contemplated hereunder and each reduction of the Commitments shall be made or shared among the Lenders *pro rata* according to their respective applicable Commitments (or, if such Commitments shall have expired or terminated, other than with respect to payment of Unused Line Fees, in accordance with the respective principal amounts of their outstanding Advances). Each Lender agrees that in computing each Lender's portion of any Advance to be made hereunder, the Borrower may (with the consent of the Administrative Agent) round each Lender's percentage of such Advance out to 9 decimal places.

### ARTICLE III

#### CONDITIONS OF LENDING AND CLOSING

*Section 3.1. Conditions Precedent to Closing.* The following conditions shall be satisfied on or before the Closing Date:

(A) *Closing Documents.* Administrative Agent shall have received each of the following documents, in form and substance satisfactory to Administrative Agent and each Lender, duly executed, and each such document shall be in full force and effect, and all consents, waivers and approvals necessary for the consummation of the transactions contemplated thereby shall have been obtained:

- (i) this Agreement;
- (ii) the Depositor Contribution Agreement;
- (iii) a Loan Note for each Lender Group that has requested the same;
- (iv) the Transaction Management Agreement;
- (v) the Transaction Manager Transition Agreement;
- (vi) the Custodial Agreement;

- (vii) the Depositor Pledge Agreement;
- (viii) the Guaranty, Pledge and Security Agreement;
- (ix) the Performance Guaranty;
- (x) the EU Risk Retention Side Letter;
- (xi) copies of the Initial ITC Insurance Policies; and
- (xii) the Borrower LLC Agreement.

(B) *Certificates*. Administrative Agent shall have received: (i) an incumbency certificate from Wells Fargo, (ii) a certificate from a Responsible Officer of Sunrun (a) attesting to the minutes of the board of directors of Sponsor authorizing its execution, delivery, and performance of this Agreement and the other Transaction Documents to which the Transaction Parties are a party, (b) attesting to the absence of any (x) material breach by any Transaction Party (or any Affiliate thereof) of any Material Project Documents to which it is a party or (y) breach of any Other Project Documents that could have a Material Adverse Effect, (c) attesting to the satisfaction (or waiver by the Administrative Agent and each Lender) of all conditions precedent to the Closing Date in accordance with the terms and conditions hereof, and (d) attesting to the incumbency and signatures of the Responsible Officers authorized to execute the same; (iii) copies of the Organizational Documents, as amended, modified, or supplemented prior to the Closing Date of each Transaction Party, in each case certified by a Responsible Officer of such Person; and (iv) a certificate of status with respect to each Transaction Party, dated within fifteen (15) days of the Closing Date, such certificate to be issued by the appropriate officer of the jurisdiction of organization of such entity, which certificate shall indicate that such entity is in good standing in such jurisdiction.

(C) *Legal Opinions*. Administrative Agent shall have received customary opinions addressed to the Administrative Agent, the Collateral Agent, each Funding Agent and each Lender including but not limited to opinions related to (a) authorization and enforceability of the Transaction Documents and other corporate matters, (b) security interest and UCC matters, (c) investment company matters and (d) true sale and substantive consolidation matters.

(D) *No Material Adverse Effect*. Since December 31, 2020, no event or circumstance has occurred which would reasonably be expected to have Material Adverse Effect.

(E) *Know Your Customer Information*. The Administrative Agent, the Collateral Agent, the Paying Agent and each Lender shall have received all documentation and other information required by regulatory authorities under applicable “Know Your Customer” and Anti-Money Laundering Laws, including the Patriot Act. If the Borrower qualifies as a “legal entity customer” under the Beneficial Ownership Regulation, the Borrower shall have delivered a Beneficial Ownership Certification to the Administrative Agent, the Collateral Agent, the Paying Agent and each Lender.

(F) *Payment of Fees and Expenses.* The Borrower shall have, concurrently with the satisfaction or waiver of all the other conditions precedent in this Section 3.1, paid all fees and expenses *previously* agreed in writing to be paid on or prior to the Closing Date and invoiced at least one Business Day prior to the Closing Date, including, subject to Section 10.6, the reasonable and documented fees and expenses of Kramer Levin Naftalis & Frankel LLP, counsel to the Administrative Agent, in connection with the transactions contemplated hereby.

(G) *Evidence of Insurance.* The Administrative Agent shall have received certification evidencing coverage under the insurance policies referred to in Section 5.1(Q).

(H) *Taxes.* All sales, use and property taxes, and any other taxes in connection with any period prior to the Closing Date, that are due and owing with respect to each Borrower Subsidiary prior to the Closing Date have been paid or provided for by the Sponsor.

(I) *Closing Date Certificate of the Borrower.* The Administrative Agent shall have received a certificate of a Responsible Officer of the Borrower (in his or her capacity as such) in form satisfactory to Administrative Agent certifying:

(i) that its representations and warranties set forth in the Transaction Documents to which it is a party are true and correct in all material respects as of the Closing Date (except to the extent such representations and warranties expressly relate to any earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date), other than, in each case, those representations and warranties which are modified by materiality by their own terms, which shall be true and correct in all respects as of the Closing Date;

(ii) that no Early Amortization Event, Event of Default or Potential Default has occurred and is continuing or would result from the execution and delivery of the Transaction Document;

(iii) as to the absence of any Insolvency Event with respect any Transaction Party or any Tax Equity Opco; and

(iv) that the Sponsor was in compliance with the Financial Covenant as of December 31, 2020.

(J) *UCC Search Results.* The Administrative Agent shall have received the results of a recent search of all effective UCC financing statements (or equivalent filings) made with respect to the Sponsor, Sunrun Luna Holdco 2021, LLC, Developer, Borrower, the Depositor, the Borrower Subsidiaries and the Tax Equity Opco in all appropriate jurisdictions together with copies of all such filings disclosed by such search.

(K) *Collateral.* The UCC financing statements relating to the Collateral being secured as of the Closing Date shall have been duly filed in each office and in each jurisdiction where required in order to create and perfect the first Lien and security interest set forth in the Collateral Documents and to perfect (i) the sale and/or contribution of any and all assets directly



or indirectly to the Depositor, (ii) the sale and/or contribution of any and all assets from the Depositor to the Borrower, and (iii) the Collateral Agent's interests in the Collateral. The Borrower shall have properly delivered or caused to be delivered to the Collateral Agent all Collateral that may perfect the Lien and security interest described above by possession or control along with blank transfer powers and proxies. The Borrower shall have filed proper financing statement amendments (or the equivalent thereof in any applicable foreign jurisdiction, as applicable), if any, necessary to release all security interests and other rights of any Person in the Collateral previously granted by the Depositor, the Borrower or any of their respective affiliates.

(L) *Accounts.* All Paying Agent Accounts shall have been opened in the name of the Borrower.

(M) *Reserved.*

(N) *No Litigation.* There shall be no ongoing actions, suits or proceedings, pending or threatened in writing with respect to the Borrower, any Borrower Subsidiary, the Depositor, a Tax Equity Opco or, except as would not reasonably be expected to have a Material Adverse Effect, the Sponsor.

(O) *Approvals and Consents.* Each Transaction Party shall have obtained all approvals (to the extent required to have been obtained by such time) and all consents, in each case that are necessary for its entry into the Transaction Documents to which it is a party and implementation of the transactions contemplated in the Transaction Documents, each of which is listed on Schedule IX.

(P) *Independent Engineering Report.* The Borrower, the Administrative Agent and the Lenders shall have received an Independent Engineering Report from the Independent Engineer that is in form and substance satisfactory to the Administrative Agent and each Lender.

(Q) *ITC Insurance Policy.* The Initial Tax Equity Fund shall be covered under an ITC Insurance Policy.

(R) *Project Documents.* The Administrative Agent shall have received copies of the Material Project Documents with respect to the Initial Tax Equity Fund.

(S) *Policies.* The Administrative Agent shall have received true and complete copies of the Sponsor's Customer Collection Policy and Service Transfer Policy in effect on the Closing Date.

(T) *Due Diligence.* Each of the Administrative Agent and the Lenders shall be satisfied with the results of any due diligence of Sunrun and its Affiliates, the Collateral and any matters related thereto.

(U) *Other Information.* The Administrative Agent shall have received a true and complete Target Fund Matrix, Advance Model and Tax Equity Model for the Initial Tax Equity

Fund and such other information related to the Initial Tax Equity Fund (including the Solar Assets owned by the Initial Tax Equity Fund) and any other Borrower Subsidiaries as the Administrative Agent may reasonably request.

*Section 3.2. Conditions Precedent to All Advances.* (A) Except as otherwise expressly provided below, the obligation of each Committed Lender to make or participate in each Advance (including the initial Advances made on the Closing Date) shall be subject, at the time thereof, to the satisfaction of the following conditions:

(i) *Funding Documents.* The Administrative Agent and the Paying Agent shall have received a completed Notice of Borrowing and a Borrowing Base Certificate in accordance with Section 2.4, each in form and substance satisfactory to the Administrative Agent.

(ii) *Updated Advance Model.* The Borrower shall have delivered an updated Advance Model (reasonably acceptable to the Administrative Agent) and Data Tape File, incorporating each Solar Asset owned by a Wholly-Owned Subsidiary or Tax Equity Fund as of such date, in form and substance reasonably satisfactory to the Administrative Agent.

(iii) *Borrowing Date Certifications of the Borrower.* The Administrative Agent shall have received a certification from the Borrower that, as of such Borrowing Date (or, in the case of (a) below, such earlier date or period specifically stated in a representation or warranty):

(a) each of the representations and warranties of each Transaction Party contained in this Agreement or any other Transaction Document shall be true and correct in all material respects (except for those representations and warranties that are qualified by materiality, in which case such representations and warranties shall be true and correct in all respects), including the representation and warranty contained in Section 4.1(BB) hereof;

(b) no Early Amortization Event, Event of Default or Potential Default has occurred and is continuing or would result from the borrowing of any requested Advances or from the application of the proceeds therefrom;

(c) after giving effect to such Advances and the application of the proceeds therefrom, the Borrower will be Solvent;  
and

(d) no Insolvency Event has occurred with respect to any Transaction Party.

(iv) *Custodial Certificate.* All certifications then required to be delivered by the Custodian pursuant to Sections 4(a) and (b) of the Custodial Agreement for each Solar Asset then included in the Borrowing Base Pool shall have been received by the Administrative Agent.

(v) *Hedge Requirements.* The Borrower shall be in compliance with all applicable Hedge Requirements.

(vi) *Reserve Accounts.* The amount on deposit in the Liquidity Reserve Account shall not be less than the Liquidity Reserve Account Required Balance, taking into account the application of the proceeds of the Advances on the Borrowing Date. The Supplemental Reserve Account Deposit for such Borrowing Date shall have been deposited into the Supplemental Reserve Account, taking into account the application of the proceeds of the Advances on the Borrowing Date. The amount on deposit in the Post-PTO Reserve Account shall not be less than the Post-PTO Reserve Account Required Balance, taking into account the application of the proceeds of the Advances on the Borrowing Date.

(vii) *Aggregate Commitment/Borrowing Base.* After giving effect to such Advance, the Aggregate Outstanding Advances shall not exceed the lesser of (a) the Aggregate Commitment in effect as of such Borrowing Date and (b) the Borrowing Base as of such Borrowing Date.

(viii) *Availability Period.* The Availability Period shall be in effect as of such Borrowing Date (including as the result of having been restored in accordance with the proviso to the definition of Early Amortization Event) and the making of such Advance shall not cause the Availability Period to terminate.

(ix) *Collateral.* The UCC financing statements relating to the Collateral as of such Borrowing Date shall have been duly filed in each office and in each jurisdiction where required in order to create and perfect the first Lien and security interest set forth in the Collateral Documents and to perfect (i) the sale and/or contribution any and all assets directly or indirectly to the Depositor, (ii) the sale (if any) of assets from the Depositor to the Borrower, (iii) the sale (if any) of Solar Assets from the Borrower to a Wholly-Owned Subsidiary and (iv) the Collateral Agent's interest in the Collateral. The Borrower shall have properly delivered or caused to be delivered to the Collateral Agent all Collateral that may perfect the Lien and security interest described above by possession or control along with blank transfer powers and proxies. The Borrower shall have filed proper financing statement amendments (or the equivalent thereof in any applicable foreign jurisdiction, as applicable), if any, necessary to release all security interests and other rights of any Person in the Collateral previously granted by the Depositor, the Borrower or any of their respective affiliates.

(x) *No Material Adverse Effect.* Since the Closing Date no event or circumstance has occurred that would reasonably be expected to result in a Material Adverse Effect.

(xi) *Fees and Other Costs.* All amounts then due and payable to, or required to be deposited with, any Secured Party hereunder or under any other Transaction Document, and all taxes, fees and other costs payable in connection with the execution, delivery, recordation and filing of the documents and instruments required to

be filed as a condition precedent to Section 3.1 and this Section 3.2, shall have been so paid or deposited in full (or shall be paid or deposited concurrently with the occurrence of such Advance) or arrangements for the payment thereof from the Advances shall have been made, which arrangements shall be acceptable to the Administrative Agent.

(xii) *Taxes*. All sales, use and property taxes, and any other taxes in connection with any period prior to a Transfer Date, that are due and owing with respect to each Borrower Subsidiary prior to a Transfer Date have been paid or provided for by the Sponsor.

(xiii) *Tax Equity Required Consents*. To the extent a Tax Equity Required Consent was required in respect of any Tax Equity Fund, such Tax Equity Required Consents have been executed and delivered and all conditions to the effectiveness of such Tax Equity Required Consents are satisfied.

(xiv) *Project Documents*. Each Material Project Document, each ITC Insurance Policy with respect to each Tax Equity Fund that is an ITC Cash Sweep Fund and each Tax Equity Required Consent shall be in full force and effect.

(xv) *Other Documents*. The Borrower shall have provided the Administrative Agent with all documents reasonably requested by the Administrative Agent related to a Solar Asset or a Borrower Subsidiary being acquired on such Borrowing Date.

(xvi) *Initial Collateral Review*. If such Borrowing Date is on or after the initial Payment Date, the Initial Collateral Review shall have been completed to the satisfaction of the Administrative Agent.

(xvii) *Initial Collateral Review Remediation Period*. An Initial Collateral Review Remediation Period shall not be in effect.

(B) Each Notice of Borrowing submitted by the Borrower after the Closing Date shall be deemed to be a representation and warranty that the conditions specified in this Section 3.2 have been satisfied on and as of the applicable Borrowing Date; *provided*, that the Borrower makes no representation or warranty as to any item that must be reasonably satisfactory to the Administrative Agent.

*Section 3.3. [Reserved].*

*Section 3.4. Conditions Precedent to Inclusion of New Tax Equity Fund and New Wholly-Owned Subsidiary.*

(A) From time to time after the Closing Date and during the Availability Period, the Borrower may acquire the membership interests in a managing member (any such managing member or members, the “*Target Managing Member*”) in an Eligible Tax Equity Structure or the membership interests in a company proposed to be a Wholly-Owned Subsidiary (any such

company, a “*Target Wholly-Owned Subsidiary*”), subject to the satisfaction of the conditions, and in accordance with the procedures set forth in, this Section 3.4(A).

(i) The Borrower shall have delivered to the Administrative Agent a duly completed Acquisition Certificate along with copies of each of the documents and other items described therein with respect to the Target Fund designating the Target Fund Acquisition Date (which shall be at least two Business Days after the last day of the applicable Project Company Addition Review Period) and certifying as to the matters set forth therein. The Acquisition Certificate shall specify whether the related Target Fund is a Target Qualifying Tax Equity Fund, a Target Non-Qualifying Tax Equity Fund or a Target Wholly-Owned Subsidiary.

(ii) Following Borrower’s delivery of the Acquisition Certificate and relevant accompanying documents and items set forth in Section 3.4(A)(i), the Administrative Agent and the Lenders may, for a period expiring at the end of the Project Company Addition Review Period, conduct due diligence with respect to such Target Fund. In connection with such due diligence, the Borrower shall deliver any documentation or information with respect to such Target Fund as the Administrative Agent reasonably requests.

(iii) No later than the Business Day next following the expiration of the Project Company Addition Review Period provided in Section 3.4(A)(ii), the Administrative Agent shall deliver to the Borrower a written notice (a “*Target Fund Determination Notice*”) indicating whether the Administrative Agent and the Lenders (if applicable), acting reasonably and in consultation with their counsel and advisors, have received the applicable Target Fund Approvals.

(iv) If the Target Fund Determination Notice indicates a determination that the Target Fund has not received the applicable Target Fund Approvals and/or that one or more of the applicable conditions remains unsatisfied, such Target Fund Determination Notice shall specify the reasons for such determination (including, if applicable, the Administrative Agent’s reasons for determining why the Target Fund is not Target Qualifying Tax Equity Fund). Thereafter, if requested by the Borrower, the Administrative Agent and the Lenders shall consult with the Borrower in good faith to address the matters raised in the Target Fund Determination Notice.

(B) Following the processes set forth in (A) above, upon satisfaction of the following conditions precedent on the Target Fund Acquisition Date, the Target Managing Member shall become a Managing Member and the Target Fund shall become a Tax Equity Fund and/or the Target Wholly-Owned Subsidiary shall become a Wholly-Owned Subsidiary, as applicable:

(i) the Administrative Agent shall have received true and complete final versions of each of the updated schedules to this Agreement, the Advance Model, the Tax Equity Model and Target Fund Matrix and a certificate from the Borrower that each such schedule and model is true and correct in all material respects on the Target Fund Acquisition Date;

(ii) the Administrative Agent shall have received true and completed fully executed copies of each of the documents, agreements, certificates and opinions set forth in the Acquisition Certificate;

(iii) the Administrative Agent shall have received bring down lien search results for those search results attached to the Acquisition Certificate and such search results reveal no Liens on the membership interests of the Target Managing Member, the Target Wholly-Owned Subsidiary, any assets of the Target Managing Member, any assets of the Target Wholly-Owned Subsidiary or any assets of the related Tax Equity Opco, other than Permitted Liens (or, if any search indicates that there are any such Liens, such Liens shall be released concurrently with the addition of the Target Managing Member and/or Target Wholly-Owned Subsidiary, as applicable), in each case, as applicable; and

(iv) the Administrative Agent shall have received each other item required to be delivered on or prior to the Target Fund Acquisition Date pursuant to the Acquisition Certificate and each of the representations and warranties set forth in such Acquisition Certificate shall be true and correct on the Target Fund Acquisition Date.

(C) Simultaneously with any acquisition by the Borrower of a Target Managing Member or Target Wholly-Owned Subsidiary pursuant to this Section 3.4, the revised Schedules to this Agreement attached to the Acquisition Certificate shall be updated automatically without any further action by the parties.

(D) From time to time after the Closing Date, the Borrower may, prior to the commencement of the processes set forth in (A) above for the acquisition by the Borrower of the membership interests in a Target Managing Member or a Target Wholly-Owned Subsidiary, submit to the Administrative Agent copies of the related documents in order to solicit preliminary feedback from the Administrative Agent as to whether the related Target Fund will be acceptable. Following the submission of such documents, the Administrative Agent shall cooperate with the Borrower to identify any matters in the documents so submitted which would preclude the Administrative Agent from providing a Target Fund Determination Notice approving such Target Fund when such Target Fund is formally submitted pursuant to Section 3.4(A) above.

(E) For the avoidance of doubt, the acquisition by a Borrower Subsidiary of the membership interests of a Tax Equity Investor in a Tax Equity Fund pursuant to the exercise of a Purchase Option is not subject to this Section 3.4.

*Section 3.5. Conditions Precedent to [\*\*\*] and Commitment Increases.* The [\*\*\*] and each Commitment Increase pursuant to Section 2.6(B) is subject to satisfaction of the following conditions precedent each in form and substance reasonably satisfactory to the Administrative Agent (acting on the instructions of all Lenders):

(A) The Administrative Agent shall have received a certification that all of the representations and warranties of each Transaction Party contained in this Agreement or any other Transaction Document shall be true and correct in all material respects (except for those

representations and warranties that are qualified by materiality, in which case such representations and warranties shall be true and correct in all respects) as of the [\*\*\*] or Commitment Increase Date (or such earlier date or period specifically stated in such representation or warranty), as applicable.

(B) No Material Adverse Effect, Potential Default, Event of Default or Early Amortization Event shall exist, or would result from the [\*\*\*] or the Commitment Increase, as applicable, or from the application of the proceeds thereof.

(C) The Administrative Agent's receipt of such other documents or certifications as any Lender providing any such [\*\*\*] or Commitment Increase, as applicable, may reasonably request through the Administrative Agent.

(D) All reasonable and documented costs and expenses payable pursuant to Section 10.6 for which invoices have been presented at least one Business Day prior to the proposed [\*\*\*] and Commitment Increase Date have been paid.

#### ARTICLE IV

#### REPRESENTATIONS AND WARRANTIES

*Section 4.1. Representations and Warranties of the Borrower.* The Borrower represents and warrants to the Administrative Agent, each Lender and the Collateral Agent as of the Closing Date, as of each Borrowing Date, and, other than with respect to Sections 4.1(D) and (N), as of each Payment Date, as follows:

(A) *Organization; Corporate Powers.* Each Transaction Party (i) is a duly organized and validly existing limited liability company or corporation, as the case may be, in good standing under the laws of the State of Delaware, (ii) has the limited liability company power or corporate power, as the case may be, and authority to own its property and assets and to transact the business in which it is engaged and presently proposes to engage, and (iii) is duly qualified and is authorized to do business in all jurisdictions where it is required to be so qualified or authorized.

(B) *Authority and Enforceability.* Each Transaction Party has the limited liability company or other organizational power and authority to execute, deliver and carry out the terms and provisions of the Transaction Documents to which it is party and has taken all necessary company or other organizational action to authorize the execution, delivery and performance of the Transaction Documents to which it is party. Each Transaction Party has duly executed and delivered each Transaction Document to which it is party and each such Transaction Document to which it is party constitutes the legal, valid and binding agreement and obligation of such Transaction Party enforceable in accordance with its terms, except to the extent that the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws generally affecting creditors' rights and by equitable principles (regardless of whether enforcement is sought in equity or at law).

(C) *Government Approvals.* No order, consent, authorization, approval, license, or validation of, or filing recording, registration with, or exemption by, any Governmental Authority is required to authorize or is required as a condition to (i) the execution, delivery and performance by a Transaction Party of any Transaction Document to which it is a party or any of its obligations thereunder or (ii) the legality, validity, binding effect or enforceability of any Transaction Document to which such Transaction Party is a party.

(D) *Litigation.* There are no ongoing actions, suits or proceedings, pending or threatened in writing with respect to any Transaction Party or Tax Equity Opco which would reasonably be expected to have a Material Adverse Effect.

(E) *Applicable Law, Contractual Obligations and Organizational Documents.* Neither the execution, delivery and performance by any Transaction Party of the Transaction Documents to which it is party nor compliance with the terms and provisions thereof (i) will contravene any provision of any law, statute, rule, regulation, order, writ, injunction or decree of any Governmental Authority applicable to such Transaction Party or its properties and assets, (ii) will conflict with or result in any breach of, any of the terms, covenants, conditions or provisions of, or constitute a default under or result in the creation or imposition of (or the obligation to create or impose) any Lien (other than Permitted Liens) upon any of the property or assets of the Borrower pursuant to the terms of any contract, or (iii) will breach any provision of the Organizational Documents of such Transaction Party.

(F) *Compliance with Law.* Each Transaction Party (other than the Sponsor), and, solely with respect to the Solar Assets in the Borrowing Base Pool, the related Seller, has complied in with all applicable Laws, including consumer protection laws, in each case, except for such noncompliance as would not reasonably be expected to have a Material Adverse Effect.

(G) *Use of Proceeds.* Proceeds of the Advances have been used only as permitted under Section 2.3. No part of the proceeds of the Advances have been used directly or indirectly to purchase or carry Margin Stock, or to extend credit to others for the purpose of purchasing or carrying any Margin Stock, in violation of any of the provisions of Regulations T, U or X of the Board of Governors of the Federal Reserve System. The Borrower is not engaged in the business of extending credit for the purpose of purchasing or carrying any Margin Stock. At no time would more than 25% of the value of the assets of the Borrower that are subject to any “arrangement” (as such term is used in Section 221.2(g) of such Regulation U) hereunder be represented by Margin Stock.

(H) *Paying Agent Accounts.* The account numbers of the Paying Agent Accounts and each Wholly-Owned Subsidiary Operating Account, if any, are specified on Schedule VIII attached hereto, as updated pursuant to Section 5.1(V). Other than accounts on Schedule VIII attached hereto, as updated pursuant to Section 5.1(V), the Borrower and the Borrower Subsidiaries do not have any other accounts. For Borrower Subsidiary Distributions, the Borrower has directed, or caused to be directed, the Borrower Subsidiaries to make all payments thereon directly into the Revenue Account (other than Borrower Subsidiary Distributions consisting of Excluded Revenue). To the extent applicable, each Wholly-Owned Subsidiary has



directed Host Customers to make all payments directly to the related Wholly-Owned Subsidiary Operating Account.

(I) *ERISA.* None of the assets of the Borrower are or, prior to the repayment of all Obligations, will be subject to Title I of ERISA, Section 4975 of the Internal Revenue Code, or, by reason of any investment in the Borrower by any governmental plan, within the meaning of Section 3(32) of ERISA, or any church plan within the meaning of Section 3(33) of ERISA, that has not made an election under Section 410(d) of the Code, as the case may be, any other federal, state, or local provision similar to Section 406 of ERISA or Section 4975 of the Internal Revenue Code. Neither the Borrower nor any of its ERISA Affiliates has maintained, participated or had any liability in respect of any Plan during the past six (6) years which could reasonably be expected to subject the Borrower or any of its ERISA Affiliates to any tax, penalty or other liabilities. With respect to any Plan which is a Multi-Employer Plan, no such Multi-Employer Plan shall be in “reorganization” or shall be “insolvent,” as defined in Title IV ERISA, in each case, if the reorganization or insolvent status continues unremedied for thirty (30) days. No ERISA Event has occurred or is reasonably likely to occur.

(J) *Taxes.* Each Transaction Party and Tax Equity Opco has timely filed all federal, state, provincial, territorial, foreign and other Tax returns and reports required to be filed under applicable law, and has timely paid all federal, state, foreign and other Taxes levied or imposed upon it or its properties, income or assets otherwise due and payable, except those which are being contested in good faith by appropriate actions diligently conducted and for which adequate reserves have been provided in accordance with GAAP. No Lien (other than Permitted Liens) or similar adverse claim has been filed, and no claim is being asserted, with respect to any such Tax due from any Transaction Party and Tax Equity Opco or with respect to its Solar Assets or the assignments thereto. Any Taxes due and payable by any Transaction Party or Tax Equity Opco or its predecessors in interest in connection with the execution and delivery of this Agreement and the other Transaction Documents and the transfers and transactions contemplated hereby or thereby have been paid or shall have been paid if and when due. No Transaction Party or Tax Equity Opco is liable for Taxes payable by any other Person. For United States federal and state income tax purposes the Borrower and each Borrower Subsidiary (other than as otherwise agreed with the Administrative Agent) will be treated as a disregarded entity of Sponsor. Neither the execution nor delivery of the Transaction Documents nor the consummation of any of the transactions contemplated by such Transaction Documents will affect such status.

(K) *Material Agreements.* There are no ongoing breaches or defaults by any Transaction Party or Tax Equity Opco under the Transaction Documents or the Material Project Documents, except for breaches or defaults that would not reasonably be expected to have a Material Adverse Effect.

(L) *Accuracy of Information.* The written information (other than financial projections, forward looking statements, and information of a general economic or industry specific nature) that has been made available to the Paying Agent, the Collateral Agent, the Custodian, the Transaction Transition Manager, the Administrative Agent, or any Lender by or on behalf of the Borrower or any Affiliate thereof in connection with the transactions hereunder

including any written statement or certificate of factual information, when taken as a whole, is complete and correct in all material respects and does not, when furnished, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein not misleading in the light of the circumstances under which such statements are made (giving effect to all supplements and updates thereto).

(M) *Projections.* The forecasts and other projections in the Advance Model submitted to the Administrative Agent were when delivered (i) based on good faith estimates and commercially reasonable assumptions as to all factual matters material thereto and (ii) are materially consistent with the Project Documents, the Tax Equity Model, and other adjustments as approved by the Administrative Agent; *provided, however*, that (A) none of the Advance Model, nor the assumptions set forth therein are to be viewed as facts and that actual results during the term of the Advances may differ from the Advance Model, and that the differences may be material, and (B) the Borrower believed in good faith that the Advance Model as of the relevant date of delivery was reasonable and attainable.

(N) *No Material Adverse Effect.* Since the date of delivery of the latest audited financial statements for a fiscal year of the Sponsor pursuant to Section 5.1(A)(i), no event or circumstance has occurred which would be reasonably be expected to have Material Adverse Effect.

(O) *Solvency.* Immediately following the making of each Advance on a Borrowing Date and after giving effect to the application of the proceeds thereof, the Borrower and the Borrower Subsidiaries, on a consolidated basis, are Solvent as of such Borrowing Date.

(P) *Investment Company Act.* No Relevant Party is required to register as an “investment company” under the 1940 Act, is an “investment company” or an “affiliated person” or “promoter” or “principal underwriter” for an “investment company” as such terms are defined in the 1940 Act, nor is any Relevant Party otherwise subject to regulation thereunder and no Relevant Party relies solely on the exemption from the definition of “investment company” in Section 3(c)(1) and/or 3(c)(7) of the 1940 Act (although such exemptions may be available).

(Q) *Covered Fund.* No Relevant Party is a “covered fund” under Section 13 of the Bank Holding Company Act of 1956, as amended.

(R) *Properties; Security Interest.* Each Loan Party and Tax Equity Opco has good title to all of its properties and assets necessary in the ordinary conduct of its business, free and clear of Liens other than Permitted Liens. Once executed and delivered, the Collateral Documents create, as security for the Obligations, valid and enforceable and (coupled with this Agreement and the taking of all actions required thereunder and under the Collateral Documents for perfection) perfected security interests in and Liens on all of the Collateral in favor of the Collateral Agent, for the benefit of the Secured Parties, which are (subject to any Permitted Liens) superior to and prior to the rights of all third persons, and such Collateral is subject to no other Liens (other than Permitted Liens).

(S) *Subsidiary.* The Borrower does not have any Subsidiaries (other than any Permitted Subsidiary), and does not own or hold, directly or indirectly, any Equity Interests of any other Person (other than any Permitted Subsidiary).

(T) *OFAC and Patriot Act.* Neither any Transaction Party or any Tax Equity Opco nor, to the Knowledge of any Transaction Party or any Tax Equity Opco, any of its officers, directors or employees appears on the Specially Designated Nationals and Blocked Persons List published by the Office of Foreign Assets Control (“OFAC”) or is otherwise a person with which any U.S. person is prohibited from dealing under the laws of the United States, unless authorized by OFAC. No Transaction Party or Tax Equity Opco conducts business or completes transactions with the governments of, or persons within, any country under economic sanctions administered and enforced by OFAC. No Transaction Party or Tax Equity Opco will directly or indirectly use the proceeds from this Agreement, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person to fund any activities of or business with any person that, at the time of such funding, is the subject of economic sanctions administered or enforced by OFAC, or is in any country or territory that, at the time of such funding or facilitation, is the subject of economic sanctions administered or enforced by OFAC. No Transaction Party or Tax Equity Opco is in violation of Executive Order No. 13224 or the Patriot Act.

(U) *Insurance.* The Borrower is in compliance with Section 5.1(Q).

(V) *Sanctioned Persons.* No Transaction Party or Tax Equity Opco, (i) is currently the target of any Sanctions, (ii) is located, organized or residing in any Designated Jurisdiction, or (iii) is or has been (within the previous five (5) years in the case of the Sponsor) engaged in any transaction with any Person who is now or was then the target of Sanctions or who is located, organized or residing in any Designated Jurisdiction. No Advance, nor any part of the proceeds from any Advance, has been used or will be used, directly or indirectly, to lend, contribute, provide or otherwise make funds available (i) in violation of the United States Foreign Corrupt Practices Act of 1977, as amended, or (ii) to fund any activity or business in any Designated Jurisdiction or to fund any activity or business of any Person located, organized or residing in any Designated Jurisdiction or who is the subject of any Sanctions, or in any other manner that will result in any violation by any Person (including any Lender or the Administrative Agent) of Sanctions.

(W) *Environmental Compliance.* To the Borrower’s Knowledge, there is no: (i) past or existing material violation of any applicable Environmental Law by any Relevant Party or any Affiliate thereof relating in any way to any Collateral; (ii) Environmental Claim pending or, to any such party’s Knowledge, threatened against any Relevant Party or any Affiliate thereof; and (iii) event, condition or circumstance that would reasonably be expected to form a basis for an Environmental Claim against any Relevant Party or any Affiliate thereof, in each case as would reasonably be expected to have a Material Adverse Effect.

(X) *Business.* No Relevant Parties have conducted any business other than (i) acquisition, ownership and financing of Permitted Subsidiaries, (ii) acquisition, construction, installation, lease, ownership of, and sale of energy from, and the operation, management,

maintenance and financing of, the PV Systems and the Solar Assets related thereto and (iii) and activities related or incident to the foregoing (including those contemplated by the Transaction Documents or the Material Project Documents). No Relevant Party has any outstanding Indebtedness or other material liabilities other than as permitted under the Transaction Documents and the Material Project Documents. No Relevant Party is bound by any material contract other than Operative Documents to which it is a party.

(Y) *EEA Financial Institution.* Neither the Borrower nor any Borrower Subsidiary is an EEA Financial Institution.

(Z) *Structure Representations.*

(i) *Capital Structure.* (a) The Equity Interests of each Relevant Party have been duly authorized and validly issued and, except as otherwise provided for in such Relevant Party's Organizational Documents, are fully paid and non-assessable. There is no existing option, warrant, call, right, commitment or other agreement to which any Relevant Party is a party requiring, and there is no membership interest, partnership interest, or other Equity Interest of any Relevant Party outstanding which upon conversion or exchange would require, the issuance by such Relevant Party of any additional membership interests, partnership interests or other Equity Interests of such Relevant Party or other securities convertible into, exchangeable for or evidencing the right to subscribe for or purchase, a membership interest, a partnership interest or other Equity Interest of such Relevant Party (other than any Purchase Option or other buyout right set forth in a Tax Equity Opco LLC Agreement).

(b) All of the Equity Interests owned by each Relevant Party are set forth on Schedule XVII, and all such Equity Interests owned by such Relevant Party have been validly issued and are fully paid and are owned free and clear of all Liens except those created under the Transaction Documents. Schedule XVII sets forth the name and jurisdiction of the Depositor and each of the Relevant Parties.

(c) The only holder of Equity Interests in the Borrower is the Depositor and there are no outstanding obligations of the Borrower to repurchase, redeem, or otherwise acquire any membership or other equity interests in the Borrower or to make payments to any Person, such as "phantom stock" payments, where the amount thereof is calculated with reference to the fair market value or equity value of the Borrower. The Borrower is authorized to issue and has issued only one class of membership interests.

(AA) *Beneficial Ownership Certification.* As of the Closing Date, the information included in the Beneficial Ownership Certification is true and correct in all respects.

(BB) *Borrowing Base.* Each of the Solar Assets in the Borrowing Base Pool is an Eligible Solar Asset.

(CC) *Anti-Corruption Laws and Sanctions.* The Sponsor has (x) policies and procedures in place to ensure compliance by the Borrower, its Subsidiaries and any consolidated Affiliates, and their respective directors, officers, employees and agents with Anti-Corruption Laws and (y) procedures in place to ensure compliance by the Borrower, its Subsidiaries and any consolidated Affiliates, and their respective directors, officers, employees and agents with Sanctions. None of (a) the Borrower or its consolidated Affiliates, Subsidiaries, if any, directors, officers or employees, or (b) to the knowledge of the Borrower, any Person acting on their behalf, is a Sanctioned Person or is in violation of Anti-Corruption Laws or Sanctions. None of the Borrower or any of its Subsidiaries, if any, or consolidated Affiliates will, directly or indirectly use the Advances proceeds or the proceeds of any other transaction contemplated by this Agreement or lend, contribute or otherwise make available such proceeds to any Subsidiary, Affiliate, joint venture partner or other Person (i) to fund or facilitate any activities or business of or with any Person or in any Sanctioned Country; (ii) to fund or facilitate any activities of or business in any Sanctioned Country in violation of Sanctions or (iii) in any manner that would result in violation of Anti-Corruption Laws or Sanctions by any Person participating in the transactions contemplated hereby, whether as lender, borrower, servicer, guarantor, agent or otherwise. The Borrower represents that neither it nor any of its Subsidiaries, if any, or its consolidated Affiliates has engaged in or intends to engage in any deals or transactions with, or for the benefit of, any Sanctioned Person or with or in any Sanctioned Country.

(DD) *Anti-Money Laundering Laws.* The Borrower's operations and the operations of its Subsidiaries, if any, and consolidated Affiliates are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements, including without limitation, Anti-Money Laundering Laws, and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving it or any of its Subsidiaries, if any, and consolidated Affiliates with respect to Anti-Money Laundering Laws is pending or, to its knowledge, threatened.

## ARTICLE V

### COVENANTS

*Section 5.1. Affirmative Covenants.* The Borrower covenants and agrees that, until all Obligations (other than contingent obligations not then due) hereunder have been paid in full and the Commitments have been terminated:

(A) *Reporting Requirements.* The Borrower will furnish (or cause to be furnished) to the Administrative Agent for delivery to each Lender:

(i) within (a) one hundred fifty (150) days after the close of each fiscal year of Sponsor (beginning with the fiscal year ending December 31, 2021), the unqualified audited financial statements for such fiscal year that include the consolidated balance sheet of Sponsor and its consolidated subsidiaries as of the end of such fiscal year, the related consolidated statements of income, of stockholders' equity and of cash flows for such fiscal year, in each case, setting forth comparative figures for the preceding fiscal year, and, beginning with the fiscal year ending December 31, 2021, the

consolidated financial statements of the Borrower and the Borrower Subsidiaries as of the end of such fiscal year presented as a schedule to the financial statements of Sponsor as “Other Financial Information,” and in each case prepared in accordance with GAAP and audited by a Nationally Recognized Accounting Firm selected by Sponsor and (b) sixty (60) days after the end of each of its first three fiscal quarters, the unaudited consolidated balance sheets and income statements for such fiscal quarter on a year-to-date basis for Sponsor and its consolidated subsidiaries; provided, that the obligation of the Borrower to furnish the financial statements of the Sponsor pursuant to this clause (i) shall be satisfied so long as any such financial statements comply with the requirements of, and are provided no later than, as required by and in any manner permitted by the Securities and Exchange Commission and applicable Law and listing rules;

(ii) at any time that Sponsor is, or is an Affiliate of, the Transaction Manager, within one hundred fifty (150) days after the end of each of its fiscal years (beginning with the fiscal year ending December 31, 2021), the Accountant’s Reports pursuant to the Transaction Management Agreement to the Administrative Agent, each in form and substance satisfactory to the Administrative Agent;

(iii) as soon as possible, and in any event within five (5) Business Days, after the Borrower or any of its ERISA Affiliates knows or has reason to know that an ERISA Event has occurred, deliver to the Lenders a certificate of a Responsible Officer of the Borrower setting forth the details of such ERISA Event, the action that the Borrower or the ERISA Affiliate proposes to take with respect thereto, and, when known, any action taken or threatened by the Internal Revenue Service, Department of Labor or the Pension Benefit Guaranty Corporation;

(iv) to the extent any such notice has not been separately provided by a Transaction Party other than the Borrower, (a) promptly, and in any event within five (5) Business Days, after a Responsible Officer of any Transaction Party obtains Knowledge thereof, notice of the occurrence of any event that constitutes an Event of Default, a Potential Default or an Early Amortization Event, which notice shall specify the nature thereof, the period of existence thereof and what action the Borrower proposes to take with respect thereto and (b) promptly, and in any event within five (5) Business Days after a Responsible Officer of any Transaction Party obtains Knowledge thereof, notice of any other material development concerning any litigation, governmental or regulatory proceeding (including Environmental Law) or labor matter (including ERISA Event) pending or threatened in writing against the Borrower;

(v) promptly, and in any event within five (5) Business Days, after a Responsible Officer of any Transaction Party obtains Knowledge thereof, notice that a Solar Asset is a Defective Solar Asset;

(vi) to the extent any such notice has not been separately provided by a Transaction Party other than the Borrower, promptly, and in any event within five (5) Business Days, after receipt thereof by any Transaction Party, copies of all material

notices, requests, and other documents (excluding regular periodic reports) delivered or received by the Borrower under or in connection with any Transaction Document;

(vii) to the extent any such notice has not been separately provided by a Transaction Party other than the Borrower, promptly, and in any event within five (5) Business Days, after receipt thereof by any Transaction Party, copies of all notices and other documents delivered or received by the Borrower with respect to any tax Liens on Solar Assets held by a Loan Party or Tax Equity Opco (either individually or in the aggregate); and

(viii) together with the delivery of each Borrowing Base Certificate, an updated Schedule XV and an updated Schedule XVI, in each case, to reflect the acquisition or disposition of Solar Assets by a Tax Equity Fund or a Wholly-Owned Subsidiary since the last such delivery; and

(ix) upon the Sponsor becoming a borrower under any Sunrun Credit Facility that includes a financial covenant of the type described in clause (iii) of the definition of "Financial Covenant", a notice setting forth the amount of the required Quarter-End Liquidity set forth in such credit facility and any other related material terms.

Documents required to be delivered pursuant to Section 5.1(A)(i) (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date (i) on which the Borrower posts such documents, or (ii) on which such documents are posted on the Borrower's behalf on an Internet or intranet website, if any, to which each Lender and the Administrative Agent have access (whether a commercial, third-party website or whether sponsored by the Administrative Agent); provided that: (i) the Borrower shall deliver paper copies of such documents to the Administrative Agent or any Lender upon its request to the Borrower to deliver such paper copies until a written request to cease delivering paper copies is given by the Administrative Agent or such Lender and (ii) the Borrower shall notify the Administrative Agent and each Lender (by telecopier or electronic mail) of the posting of any such documents and provide to the Administrative Agent by electronic mail electronic versions (i.e., soft copies) of such documents. The Administrative Agent shall have no obligation to request the delivery of or to maintain paper copies of the documents referred to above, and in any event shall have no responsibility to monitor compliance by the Borrower with any such request by a Lender for delivery, and each Lender shall be solely responsible for requesting delivery to it or maintaining its copies of such documents.

(B) *Other Notices.* Promptly, upon acquiring notice or giving notice, as the case may be, or obtaining Knowledge thereof, give written notice to the Administrative Agent and each Lender of:

(i) any filing or commencement of, or any threat or notice of intention of any person to file or commence, any action, suit, litigation, Environmental Claim, investigation or proceeding, whether at law or in equity by or before any Governmental

Authority or any other material written notice from a Governmental Authority, in each case, with respect to any Transaction Party or Tax Equity Opco, any Transaction Document or any Material Project Document, except to the extent that such action, suit, litigation, Environmental Claim, investigation, proceeding or notice would not reasonably be expected to have a Material Adverse Effect;

(ii) any dispute or disputes between a Transaction Party or Tax Equity Opco, on the one hand, and any Person, on the other hand, which could reasonably be expected to have a Material Adverse Effect and that involve (i) claims against such Transaction Party or Tax Equity Opco, (ii) injunctive or declaratory relief, or (iii) revocation, material modification, or suspension of any applicable Permit or imposition of additional material conditions with respect thereto;

(iii) the occurrence of any event or circumstance which has, or could reasonably be expected to have, a Material Adverse Effect; and

(iv) (x) the occurrence of, or notice given or received by a Transaction Party or a Tax Equity Opco of, any event of default or termination in respect of any breach, default or claim under a Material Project Document and (y) the occurrence of, or notice given or received by a Transaction Party or a Tax Equity Opco in respect of, any breach, default or claim under any Other Project Document that could reasonably be expected to have a Material Adverse Effect.

(C) *Reports; Other Information.* Except, in the case of clause (i), (iii) and (v), to the extent prohibited by Applicable Law, the Borrower will furnish to the Administrative Agent for delivery to each Lender:

(i) promptly after receipt thereof, copies of any material documents and reports related to the Tax Equity Funds or the Wholly-Owned Subsidiaries furnished to the Borrower or a Managing Member by a Governmental Authority or by any counterparty to a Material Project Document, or furnished by the Borrower to such Governmental Authority or such counterparty;

(ii) promptly after receipt thereof, a copy of any “management letter” received by the Borrower, any Managing Member or in respect of any Tax Equity Fund from its independent accounts and management’s response thereto;

(iii) promptly, from time to time, such other information regarding the operations, business affairs and financial condition of any Transaction Party or Tax Equity Opco, or compliance with the terms of any Transaction Document or Material Project Document, as the Administrative Agent or any Lender may reasonably request through the Administrative Agent;

(iv) no later than five (5) Business Days after (A) the date forty-five (45) days after the end of each calendar quarter and (B) the end of each calendar quarter, Sponsor’s current form Customer Agreements;



(v) (A) at least once per calendar year but no less than once every fifteen months, an Independent Engineering Report in a substantially similar form, and regarding substantially similar substance, as the Independent Engineering Report provided to the Administrative Agent in accordance with Section 3.1(P), and (B) promptly, to the extent a Transaction Party or Tax Equity Opco has obtained an additional Independent Engineering Report, such report; and

(vi) as promptly as practicable (but in no event later than 10 Business Days following receipt or delivery thereof), copies of all material notices, documents or reports received or sent by the Borrower, any other Relevant Party, the Sponsor or any Affiliate thereof pursuant to any Project Document, which shall include any project purchase and sale confirmation notice, bill of sale and notices, documents or reports in relation to (A) any call, withdrawal or put option, (B) the achievement of any flip or cash reversion dates under any applicable LLC Agreement, (C) true-up requirements (including any interim and final true-ups or other updates to the financial model in respect of any Tax Equity Opco as delivered to the applicable Tax Equity Investor), (D) the transfer of membership interests, (E) claims against the Sponsor or any Relevant Party under any indemnity, (F) the threatened or actual removal of any Managing Member as a managing member, (G) final true-up or tracking models delivered to the Tax Equity Investor in respect of any Tax Equity Opco.

(D) *Quarterly Transaction Manager Reporting.* The Borrower shall enforce the provisions of the Transaction Management Agreement which require the Transaction Manager to furnish, in each case to the Administrative Agent, each Funding Agent and the Paying Agent, the Quarterly Transaction Manager Report on each Determination Date pursuant to and in accordance with the terms of the Transaction Management Agreement.

(E) *Tax Equity Fund Annual Reporting Packages.* The Borrower shall deliver (or shall cause to be delivered) to the Administrative Agent for further distribution to each Lender, no later than ten (10) Business Days following the date of delivery to any Tax Equity Investor, duplicate copies of any annual reporting package required to be delivered to any Tax Equity Investor with respect to a Tax Equity Fund pursuant to the Tax Equity Fund's Material Project Documents.

(F) *Borrowing Base Certificate.* The Borrower shall deliver a fully executed and complete Borrowing Base Certificate to the Administrative Agent, each Funding Agent and each Lender (a) in respect of a Borrowing Base Calculation Date that is a Borrowing Date, upon delivery of each Notice of Borrowing in accordance with, or such later date as provided in, Section 2.4(A), (b) in respect of a Borrowing Base Calculation Date that is a Payment Date, on the related Determination Date, (c) in respect of a Borrowing Base Calculation Date that is related to a Takeout Transaction, two Business Days prior to the consummation of such Takeout Transaction and (d) within 5 Business Days of the date on which a Managing Member receives notice or has Knowledge of a Limited Step-Up Event.

(G) *UCC Matters; Protection and Perfection of Security Interests.* The Borrower agrees to notify the Administrative Agent in writing of any change (i) in any Loan Party's or any

Tax Equity Opco's legal name, (ii) in any Loan Party's or any Tax Equity Opco's identity or type of organization or corporate structure, or (iii) in the jurisdiction of any Loan Party's or any Tax Equity Opco's organization, in each case, within ten (10) Business Days of such change. The Borrower agrees that from time to time, at its sole cost and expense, it will promptly execute and deliver all further instruments and documents, and take all further action necessary or reasonably required by the Administrative Agent (a) to complete all assignments under the applicable Contribution Agreements, (b) to perfect, protect or more fully evidence the Collateral Agent's security interest in the Collateral, or (c) to enable the Administrative Agent and the Collateral Agent to exercise or enforce any of its rights hereunder, under the Collateral Documents or under any other Transaction Document. Without limiting the Borrower's obligation to do so, the Borrower hereby irrevocably authorizes the filing of such financing or continuation statements, or amendments thereto or assignments thereof, and such other instruments or notices, as may be necessary or reasonably required by the Administrative Agent to perfect the Collateral Agent's interest in the Collateral. The Borrower hereby authorizes the Administrative Agent and the Collateral Agent to file one or more financing or continuation statements, and amendments thereto and assignments thereof, naming the Depositor, the Borrower or the applicable Borrower Subsidiary as debtor, relative to all or any of the Collateral now existing or hereafter arising without the signature of the Depositor, the Borrower or the applicable Borrower Subsidiary where permitted by law. A carbon, photographic or other reproduction of the Collateral Documents or any financing statement covering the Collateral or any part thereof shall be sufficient as a financing statement. Notwithstanding anything in this Section 5.1(G) to the contrary, the Collateral Agent shall not be responsible for the filing of financing or continuation statements, or amendments thereto or assignments thereof, or for the monitoring of any such instruments or notices.

(H) *Access to Certain Documentation and Information Regarding the Solar Assets.* The Borrower shall permit and shall cause each other Transaction Party and Tax Equity Opco to permit the Administrative Agent and each Lender or its duly authorized representatives or independent contractors, upon reasonable advance notice to such Transaction Party or Tax Equity Opco, (i) access to documentation that such Transaction Party or Tax Equity Opco may possess regarding the Solar Assets and the Tax Equity Funds, (ii) to visit such Transaction Party or Tax Equity Opco and to discuss their respective affairs, finances and accounts (as they relate to their respective obligations under this Agreement and the other Transaction Documents) with such Transaction Party or Tax Equity Opco, their respective officers, and independent accountants (subject to such accountants' customary policies and procedures), and (iii) to examine the books of account and records of such Transaction Party or Tax Equity Opco as they relate to the Solar Assets and the Tax Equity Funds, to make copies thereof or extracts therefrom, in each case, at such reasonable times and during regular business hours of such Transaction Party or Tax Equity Opco. The frequency of the granting of such access, such visits and such examinations, and the party to bear the expense thereof, shall be governed by the provisions of Section 7.17 with respect to the reviews of the Loan Parties' and Tax Equity Opcos' business operations described in such Section 7.17. The Administrative Agent and each Lender shall and shall cause their representatives or independent contractors to use commercially reasonable efforts to avoid interruption of the normal business operations of the Loan Parties or Tax Equity Opcos, as applicable. Notwithstanding anything to the contrary in this Section 5.1(H), (i) none

of the Loan Parties or Tax Equity Opco's will be required to disclose, permit the inspection, examination or making copies or abstracts of, or discussion of, any document, information or other matter that (x) constitutes non-financial trade secrets or non-financial proprietary information, (y) in respect of which disclosure to the Administrative Agent or any Lender (or their respective representatives or contractors) is prohibited by law or any binding confidentiality agreement, or (z) is subject to attorney-client or similar privilege or constitutes attorney work product, and (ii) each Transaction Party or Tax Equity Opco shall have the opportunity to participate in any discussions with such Transaction Party's or Tax Equity Opco's independent accountants.

(I) *Existence and Rights; Compliance with Laws.* The Borrower shall preserve and keep in full force and effect each Relevant Party's (x) limited liability company existence and (y) any material rights, permits, patents, franchises, licenses and qualifications, except (with respect to clause (y) only) to the extent that the failure to be so qualified could not reasonably be expected to have a Material Adverse Effect. The Borrower shall comply, and cause its directors (acting in their capacity as such), officers, and employees, and each other Relevant Party and their directors (acting in their capacity as such), officers, and employees to, comply with all applicable Laws, including Anti-Money Laundering Laws, Anti-Corruption Laws, Sanctions, consumer protection laws, and all orders, writs, injunctions and decrees applicable to it or to its business or property and maintain in place all permits, licenses, approvals and qualifications required for each of them to conduct its business activities, except (other than with respect to Anti-Money Laundering Laws, Anti-Corruption Laws, Sanctions) to the extent such non-compliance or failures to maintain as would not be reasonably expected to have a Material Adverse Effect.

(J) *Preservation of Rights; Further Assurance.*

(a) (i) Maintain in full force and effect, preserve, protect and defend the material rights of each Loan Party and Tax Equity Opco and (ii) take all actions necessary to prevent termination or cancellation (except as required by the Operative Documents) by, and enforce against, other parties the material terms of each Material Project Document of the applicable Tax Equity Fund, including enforcement of any claims with respect thereto, except in each case to the extent the failure to do so could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(b) Preserve and maintain the security interests granted under the Collateral Documents and undertake all actions that are necessary or appropriate to (a) maintain the Collateral Agent's security interest in the Collateral in full force and effect at all times (including the priority thereof), (b) preserve and protect the Collateral and (c) protect and enforce the Borrower's rights and title and the rights of the Collateral Agent and the other Secured Parties to the Collateral, including the making or delivery of all filings and recordations, the payment of all fees and other charges and the issuance of supplemental documentation.

(c) From time to time as reasonably requested by the Administrative Agent, execute, acknowledge, record, register, deliver and/or file all such notices, statements,

instruments and other documents (including any financing statement, continuation statement, certificate of title or estoppel certificate) as are necessary or appropriate to carry out the interest and purposes of the Transaction Documents or necessary to maintain the Collateral Agent's perfected security interest in the Collateral to the extent and in the priority required pursuant to the Collateral Documents.

(K) *Books and Records.* The Borrower shall maintain, and cause (if it is an Affiliate of the Borrower) the Transaction Manager to maintain, proper and complete financial and accounting books and records. The Borrower shall maintain or shall cause to be maintained (i) with respect to Solar Assets held by any Borrower Subsidiary or Tax Equity Opco, accounts and records as to each Solar Asset that are proper, complete, accurate and sufficiently detailed so as to permit (x) the reader thereof to know as of the most recently ended calendar month the status of each Solar Asset including payments made and payments owing (and whether or not such payments are past due), and (y) reconciliation of payments on each Solar Asset held by a Wholly-Owned Subsidiary and the amounts from time to time deposited in respect thereof in the Wholly-Owned Subsidiary Operating Account or the Revenue Account and (ii) with respect to the Borrower Subsidiaries and Tax Equity Funds, accounts and records as to the Borrower Subsidiaries and Tax Equity Funds that are proper, complete, accurate and sufficiently detailed so as to permit (x) the reader thereof to know as of the most recently ended calendar quarter the status of the Borrower Subsidiaries and Tax Equity Funds, including payments made and payments owing (and whether or not such payments are past due) and (y) the amounts from time to time deposited in respect of the Borrower Subsidiary Distributions in the Revenue Account.

(L) *Taxes.* (i) The Borrower shall pay, or cause to be paid, when due all Taxes imposed upon any Relevant Party or any of its properties, and provide evidence of such payment to the Administrative Agent if requested; *provided*, that no Relevant Party shall be required to pay any such Tax that is being contested in good faith by proper actions diligently conducted if (i) they have maintained adequate reserves with respect thereto in accordance with GAAP and (ii) in the case of a Tax that has or may become a Lien against any of the Collateral, such proceedings conclusively operate to stay the sale of any portion of the Collateral to satisfy such Tax.

(ii) The Borrower and each Borrower Subsidiary (other than as otherwise agreed with the Administrative Agent) shall at all times be classified as disregarded entities for U.S. federal income tax purposes.

(M) *Maintenance of Properties.* The Borrower shall ensure that each Relevant Party's material properties and equipment used or useful in each of their business in whomsoever's possession they may be, are kept in reasonably good repair, working order and condition, normal wear and tear excepted, and that from time to time there are made in such properties and equipment all needful and proper repairs, renewals, replacements, extensions, additions, betterments and improvements thereto, in each case, to the extent and in the manner customary for companies in similar businesses.

(N) *ERISA.* The Borrower shall deliver to the Administrative Agent such certifications or other evidence from time to time prior to the repayment of all Obligations and

the termination of all Commitments, as requested by the Administrative Agent in its sole discretion, that (i) no Relevant Party is an “employee benefit plan” as defined in Section 3(3) of ERISA, which is subject to Title I of ERISA or a plan within the meaning of Section 4975 of the Internal Revenue Code, or a “governmental plan” within the meaning of Section 3(32) of ERISA or a “church plan” within the meaning of Section 3(33) of ERISA, (ii) no Relevant Party is subject to state statutes regulating investments and fiduciary obligations with respect to governmental plans or church plans, and (iii) assets of the Borrower do not constitute “plan assets” within the meaning of 29 C.F.R. Section 2510.3-101, as modified in application by Section 3(42) of ERISA of any “benefit plan investor” as defined in Section 3(42) of ERISA.

(O) *Use of Proceeds.* The proceeds of the Advances shall be used only as permitted under Section 2.3. No part of the proceeds of the Advances shall be used directly or indirectly to purchase or carry Margin Stock, or to extend credit to others for the purpose of purchasing or carrying any Margin Stock, in violation of any of the provisions of Regulations T, U or X of the Board of Governors of the Federal Reserve System or in violation of Sanctions.

(P) *Collections; Names.* In the event that the Borrower or any Affiliated Entity thereof receives any Collections owing to any Wholly-Owned Subsidiary, the Borrower shall hold, or cause such Affiliated Entity to hold, all such Collections in trust for the benefit of the Secured Parties and deposit, or cause such Affiliated Entity to deposit, such Collections into the Revenue Account or the applicable Wholly-Owned Subsidiary Operating Account, as soon as practicable, but in no event later than (x) with respect to Collections that are Non-Recurring Payments or PBI Payments, five (5) Business Days after its receipt thereof and (y) with respect to all other Collections, two (2) Business Days after its receipt thereof.

(Q) *Insurance.* The Borrower shall (i) maintain or cause to be maintained, at its own expense, insurance coverage by such insurers and in such forms and amounts and against such risks as are generally consistent with the insurance coverage maintained by the Borrower as of the Closing Date as set forth in Exhibit A of the Transaction Management Agreement or as is customary, reasonable and prudent in light of the size and nature of the Borrower’s business as of any date after the Closing Date, (ii) cause each Managing Member and each Wholly-Owned Subsidiary to maintain the property insurance required to be maintained under the related Material Project Documents and (iii) with respect to any Tax Equity Funds that are ITC Cash Sweep Funds, maintain or cause to be maintained the related ITC Insurance Policies in accordance with the terms thereof and require that either the related Managing Member or the related Tax Equity Opco is listed as the loss payee thereunder (unless the applicable Tax Equity Opco LLC Agreement requires the applicable Tax Equity Investor to be named as loss payee). The Borrower shall be deemed to have complied with clauses (i) and (ii) of this provision if one of its Affiliates has such policy coverage and, by the terms of any such policies, the coverage afforded thereunder extends to the Borrower, the Depositor and the Sponsor. Upon the request of the Administrative Agent at any time subsequent to the Closing Date, the Borrower shall cause to be delivered to the Administrative Agent, a certification evidencing the Borrower’s and the Sponsor’s coverage under any such policies described in clauses (i) and (ii).

(R) *Maintenance of Independent Manager.* The Borrower shall maintain at least one individual to serve as an independent manager (the “Independent Manager”) of the Borrower,

which individual meets the definition set forth in the Borrower's LLC Agreement on the Closing Date.

(S) *The Contribution Agreements.* The Borrower shall make such reasonable requests for information and reports or for action under the Contribution Agreements to the applicable Loan Parties as the Administrative Agent may reasonably request to the extent that the Borrower is entitled to do the same thereunder.

(T) *Acquisitions from Depositor and the Borrower.* With respect to (i) each Borrower Subsidiary the ownership of which is acquired by the Borrower from the Depositor, (ii) each Solar Asset the ownership of which is acquired by the Borrower from the Depositor and (iii) each Solar Asset which is a acquired by a Wholly-Owned Subsidiary from the Borrower, each of the Borrower and such Borrower Subsidiary shall (i) acquire such ownership pursuant to and in accordance with the terms of the Contribution Agreements, (ii) take all action necessary to perfect, protect and more fully evidence such ownership, including (a) filing and maintaining effective financing statements (Form UCC-1) naming, with respect to each Borrower Subsidiary acquired by the Borrower, the Depositor as debtor, the Borrower as assignor/secured party and the Collateral Agent as secured party, and naming, with respect to Solar Assets acquired by a Wholly-Owned Subsidiary, the Depositor as debtor, the Borrower as assignor/secured party, such Wholly-Owned Subsidiary as second assignor/secured party and the Collateral Agent, as secured party, in each case, in all necessary filing offices, and filing continuation statements, amendments or assignments with respect thereto in such filing offices and (b) executing or causing to be executed such other instruments or notices as may be necessary or reasonably requested by the Administrative Agent, and (iii) take all additional action that the Administrative Agent may reasonably request, in each case to perfect, protect and more fully evidence the respective interests of the parties to this Agreement.

(U) *Maintenance of Separate Existence.* The Borrower shall take, and shall cause each Borrower Subsidiary to take, all reasonable steps to continue its identity as separate legal entity and to make it apparent to third Persons that it is an entity with assets and liabilities distinct from those of the Affiliated Entities or any other Person, and that it is not a division of any of the Affiliated Entities or any other Person. In that regard the Borrower shall and shall cause each Borrower Subsidiary to:

- (i) maintain its assets in a manner which facilitates their identification and segregation from those of any of the other Affiliated Entities;
- (ii) conduct all intercompany transactions with the other Affiliated Entities on terms which the Borrower reasonably believes to be on an arm's length basis;
- (iii) not guarantee any obligation of any of the other Affiliated Entities, nor have any of its obligations guaranteed by any other Affiliated Entity (other than an Borrower Subsidiary) or hold itself out as responsible for the debts of any other Affiliated Entity or for the decisions or actions with respect to the business and affairs of any other Affiliated Entity;

(iv) except as expressly otherwise permitted hereunder or contemplated under any of the other Transaction Documents, not permit the commingling or pooling of its funds or other assets with the assets of any other Affiliated Entity;

(v) maintain separate deposit and other bank accounts to which no other Affiliated Entity has any access;

(vi) compensate (either directly or through reimbursement of its allocable share of any shared expenses) all employees, consultants and agents, and Affiliated Entities, to the extent applicable, for services provided to the Borrower by such employees, consultants and agents or Affiliated Entities, in each case, either directly from such Borrower's own funds or indirectly through documented capital contributions from the Sponsor, the Depositor or any other direct or indirect parent of the Borrower;

(vii) pay for its own account, directly from such Borrower's own funds or indirectly through documented capital contributions from Sponsor, Depositor or any other direct or indirect parent of the Borrower, for accounting and payroll services, rent, lease and other expenses (or its allocable share of any such amounts provided by one or more other Affiliated Entity) and not have such operating expenses (or the Borrower's allocable share thereof) paid by any of the Affiliated Entities; provided, that the Sponsor or another Affiliated Entity shall be permitted to pay the initial organizational expenses of the Borrower;

(viii) conduct its business (whether in writing or orally) solely in its own name through its duly authorized officers, employees and agents, including the any Servicer; and

(ix) otherwise practice and adhere to corporate formalities such as complying with its organizational documents and member and manager resolutions, the holding of regularly scheduled meetings of members and managers, and maintaining complete and correct books and records and minutes of meetings and other proceedings of its members and managers.

Nothing otherwise expressly permitted or contemplated by any provision in any Transaction Document shall be prohibited by this Section 5.1(U).

(V) *Updates to Account Schedule.* Schedule VIII attached hereto shall be updated by the Borrower and delivered to the Administrative Agent immediately to reflect any changes as to which the notice and other requirements specified in Section 5.2(K) have been satisfied.

(W) *Deposits into the Paying Agent Accounts.* (i) The Borrower shall direct, or cause to be directed, all Borrower Subsidiary Distributions (other than Borrower Subsidiary Distributions constituting Excluded Revenue) to the Revenue Account at least once per calendar quarter. The Borrower shall direct, or cause to be directed, all amounts on deposit in a Wholly-Owned Subsidiary Operating Account in excess of the Retention Amount to be swept to the Revenue Account at least once every 5 Business Days.

(ii) The Borrower shall not, and shall not permit any Borrower Subsidiary or Tax Equity Opco to, deposit or otherwise credit (or cause to be deposited or credited), or consent to or fail to object to any such deposit or credit of, cash or cash proceeds into the Revenue Account, other than Borrower Subsidiary Distributions, Collections, payments by the Depositor pursuant to the Depositor Contribution Agreement or capital contributions or payments or by the Sponsor (including pursuant to the Performance Guaranty); *provided*, that the inadvertent depositing of funds into the Revenue Account or a Wholly-Owned Subsidiary Operating Account shall not constitute a breach of this provision.

(X) *Hedging*. The Borrower shall at all times satisfy the Hedge Requirements.

(Y) *Update to Solar Assets*. The Borrower shall notify the Transaction Manager and the Administrative Agent in writing of any PV System achieving PTO and additions or deletions to the Schedule of Solar Assets, no later than each Borrowing Date and each Payment Date (which in the case of the update delivered on any Payment Date shall be prepared as of a date no earlier than the last day of the related Collection Period).

(Z) *[Reserved]*.

(AA) *Amendments; Other Agreements*. Promptly after the execution and delivery thereof, the Borrower shall furnish the Administrative Agent with copies of (i) all material waivers, amendments, supplements or modifications of any Material Project Document and, subject to any applicable Laws and within four (4) Business Days of the execution and delivery thereof, any amendment, supplement or modification thereto and (ii) all waivers, amendments, supplements or modifications of any Other Project Documents and any additional material contracts or agreements to which the Borrower becomes a party after the Closing Date, in the case of this clause (ii), to the extent such waivers, amendments, supplements or modifications would reasonably be expected to have a Material Adverse Effect.

(BB) *Data Room*. The Borrower shall maintain an electronic data room for which the Administrative Agent and the Lenders shall have access and to which the Borrower shall upload any documents required to be delivered by a Loan Party or the Transaction Manager under the Transaction Documents and any other material documents related to the Transaction Documents or Tax Equity Funds. Any documents required to be "delivered" pursuant the Transaction Documents shall be deemed to have been "delivered" if posted to such data room.

(CC) *Borrower Subsidiaries and Tax Equity Opcos*. So long as any of the Advances remain outstanding, the Borrower agrees, as the owner of the 100% of the Equity Interests of each Borrower Subsidiary, that it will:

(i) cause each Managing Member (A) to cause the related Tax Equity Opco to make all Borrower Subsidiary Distributions with respect to such Managing Member directly to the Revenue Account and (B) to deliver to the Paying Agent for deposit into the Revenue Account any Borrower Subsidiary Distributions received by such Managing Member;



(ii) cause each Borrower Subsidiary to comply with the provisions of the related Operative Documents and not to take any action that would cause such Borrower Subsidiary to violate the provisions of such Operative Documents;

(iii) cause each Borrower Subsidiary to maintain all licenses and permits required to carry on its business as now conducted and in accordance with the related Operative Documents, except to the extent the failure to do so could not reasonably be expected to have a Material Adverse Effect;

(iv) not permit or consent to the admission of any new member of such Borrower Subsidiary other than a successor independent member in accordance with the provisions of its LLC Agreement;

(v) not make any amendment to the related Operative Documents of such Borrower Subsidiary that could reasonably be expected to have a Material Adverse Effect;

(vi) so long as a Managing Member is the managing member of a Tax Equity Opco, cause or permit such Managing Member to cause the related Tax Equity Opco to (A) comply with the provisions of the related Project Documents and (B) not take any action that would violate the provisions of such Project Documents;

(vii) cause each Managing Member with respect to an ITC Cash Sweep Fund (A) to comply with and enforce the provisions of the related ITC Insurance Policy, if any and (B) not to consent to any amendment to the related ITC Insurance Policy to the extent relating to an ITC Cash Sweep Fund, if any, to the extent that such amendment could reasonably be expected to have a Material Adverse Effect;

(viii) so long as a Managing Member is the managing member of a Tax Equity Opco that is an ITC Cash Sweep Fund, cause such Tax Equity Opco to comply with and enforce the provisions of the related ITC Insurance Policy, if any;

(ix) so long as a Managing Member is the managing member of a Tax Equity Opco, cause such Managing Member to cause the related Tax Equity Opco to maintain all licenses and permits required to carry on its business as now conducted and in accordance with the provisions of the related Project Documents, except to the extent the failure to do so could not reasonably be expected to have a Material Adverse Effect;

(x) not permit a Managing Member to consent to the admission of any new member of the related Tax Equity Opco other than in connection with (i) an exercise of the related Purchase Option or any other buyout right set forth in a Tax Equity Opco LLC Agreement or (ii) a transfer by the related Tax Equity Investor of its interests in the related Tax Equity Opco in accordance with the terms of the Tax Equity Opco LLC Agreement;

(xi) cause each Managing Member to not consent to or approve any amendment to the related Material Project Documents that could reasonably be expected to have a Material Adverse Effect; and

(xii) cause each Managing Member to not consent to or approve any termination or removal of the related Servicer unless approved by the Super-Majority Lenders.

(DD) *Liquidated Damages.* The Borrower shall promptly enforce all obligations of the Depositor and the Performance Guarantor to pay Liquidated Damages with respect to Defective Solar Assets under the terms of the Depositor Contribution Agreement and the Performance Guaranty, respectively, and shall cause all proceeds thereof to be remitted to or otherwise deposited into the Revenue Account.

(EE) *Beneficial Owner Certification.* Promptly following any request therefor, Borrower shall provide such information and documentation with respect to the Loan Parties as may be reasonably requested by the Administrative Agent or any Lender for purposes of compliance with applicable “know your customer” requirements under the PATRIOT Act, the Beneficial Ownership Regulation or other applicable Anti-Money Laundering Laws.

(FF) *Wholly-Owned Subsidiaries.* Upon (x) the purchase by a Managing Member from a Tax Equity Fund of the outstanding “class A” membership interests of a Tax Equity Opco or any membership interests held by a Tax Equity Investor in such Tax Equity Opco (whether pursuant to Purchase Option, Withdrawal Option or other similar mechanism) or (y) the termination of a Master Lease Agreement with respect to a Tax Equity Opco, the Borrower shall, and shall cause the applicable Managing Member and Tax Equity Opco to:

(i) establish a Wholly-Owned Subsidiary Operating Account with respect to the such Tax Equity Opco which has become a Wholly-Owned Subsidiary and enter into an Account Control Agreement with respect thereto;

(ii) direct the Host Customers with respect to such Wholly-Owned Subsidiary to make all payments directly to the applicable Wholly-Owned Subsidiary Operating Account;

(iii) cause such Wholly-Owned Subsidiary to enter into an Accession Agreement; and

(iv) amend each related Services Agreement such that the fees payable thereunder are payable solely out of the proceeds available therefor pursuant to Section 2.7(B) hereof.

(GG) *ITC Insurance Policy.* To the extent any proceeds of an ITC Insurance Policy are paid to a Tax Equity Opco, the Borrower shall cause the applicable Managing Member to apply such proceeds as required pursuant to the related Tax Equity Opco LLC Agreement. To the extent any proceeds of an ITC Insurance Policy that are paid to a Tax Equity Opco are

distributable to a Managing Member, the Borrower shall cause such Managing Member to deposit such amounts into the Revenue Account in an amount equal to the lesser of (x) the amount of any ITC Loss Indemnity paid to the related Tax Equity Investor as a result of a Limited Step-Up Event and (y) the amount of such proceeds, and otherwise distribute any remaining amounts to or at the direction of the Borrower.

*Section 5.2. Negative Covenants.* The Borrower covenants and agrees that, until all Obligations (other than contingent obligations not then due) hereunder have been paid in full and the Commitments have been terminated, Borrower will not:

(A) *Business Activities.* Conduct, or permit any Borrower Subsidiary to conduct, any business other than:

(i) (x) the acquisition, ownership and financing of Permitted Subsidiaries, (y) the acquisition, construction, installation, lease, ownership of, and sale of energy from, and the operation, management, maintenance and financing of, the PV Systems and the Solar Assets related thereto, and (z) activities related or incidental to the foregoing (including those contemplated by the Transaction Documents or the Material Project Documents);

(ii) the conveyance from time to time (a) of Host Customer Purchased Asset to the applicable Host Customer, (b) of Cancelled Solar Assets to the applicable Seller, (c) of Defective Solar Assets to Depositor to the extent Liquidated Damages have been paid therefor pursuant to the terms of the Depositor Contribution Agreement or the Performance Guaranty, and (d) of SRECs (including pursuant to Permitted SREC Contracts) and any other Excluded Collateral to Sponsor or its Affiliates;

(iii) the conveyance by the Borrower or a Borrower Subsidiary from time to time of any interest in a Borrower Subsidiary and/or Solar Assets in connection with a Takeout Transaction or to a Borrower Subsidiary pursuant to a Borrower Contribution Agreement;

(iv) sales, transfers and other dispositions of Capacity Attribute and Ancillary Services pursuant to Excluded Ancillary/Capacity Contracts;

(v) the execution and delivery by the Borrower and any Borrower Subsidiary from time to time of purchase and distribution agreements, related to the sale of securities (including interests in a Borrower Subsidiary) or Solar Assets by the Borrower or any of its Affiliates in connection with a Takeout Transaction;

(vi) the performance by the Borrower and each Borrower Subsidiary of all of its obligations and the exercise of its rights under the aforementioned agreements and under this Agreement, the other Transaction Documents, the Material Project Documents and any documentation related thereto;

(vii) the preparation, execution and delivery of any and all other documents and agreements as may be required in connection with the performance of the activities of the Sponsor, the Borrower and each Borrower Subsidiary; and

(viii) to engage in any lawful act or activity and to exercise any powers permitted under the Delaware Limited Liability Company Act that are reasonably related, incidental, necessary, or advisable to accomplish the foregoing.

Notwithstanding the foregoing, after the Closing Date and at any time on or prior to the earlier of (a) the Maturity Date and (b) the date on which all Obligations (other than contingent obligations not then due) of the Borrower hereunder have been paid in full and the Commitments have been terminated, the Borrower shall not, and shall not permit any Borrower Subsidiary or Tax Equity Opco to, without the prior written consent of the Administrative Agent, (1) purchase or otherwise acquire any Solar Assets or interests therein or the Equity Interests in Borrower Subsidiaries or interests therein, except for acquisitions made in accordance with (or as expressly permitted by) the Transaction Documents and the Material Project Documents or (2) establish or acquire any Subsidiary other than Permitted Subsidiaries.

(B) *Sales, Liens, Etc.* Except as permitted hereunder (including Takeout Transactions and transfers permitted pursuant to Section 5.2(A)) (i) sell, assign (by operation of law or otherwise) or otherwise dispose of, or create or suffer to exist any Lien upon or with respect to any portion of the Collateral, or upon or with respect to the Revenue Account or any other account owned by or in the name of the Borrower or any Borrower Subsidiary to which any Collections are sent, or assign any right to receive income in respect thereof, (ii) permit any Borrower Subsidiary take any of the actions described in clause (i), or (iii) create or suffer to exist, or allow any Borrower Subsidiary to create or suffer to exist, any Lien upon or with respect to any of its properties, whether now owned or hereafter acquired, or assign any right to receive income, to secure or provide for the payment of any Indebtedness of any Person or for any other reason (in each case, except to the extent such property or income constitutes Excluded Collateral); *provided* that notwithstanding anything to the contrary herein, this Section 5.2(B) shall not prohibit any Lien that constitutes a Permitted Lien.

(C) *Indebtedness.* Incur or assume, or permit any Relevant Party to incur or assume, any Indebtedness, except Permitted Indebtedness.

(D) *Loans and Advances.* Make, or permit any Relevant Party to originate any loans or make any advances to any Person. For the avoidance of doubt, notes issued by the Sponsor or any Borrower Subsidiary to a Tax Equity Opco representing its obligation to make capital contributions in accordance with the applicable Project Documents shall not violate this provision.

(E) *Dividends, Etc.* Declare or make any dividend payment or other distribution of assets, properties, cash, rights, obligations or securities on account of any interest in the Borrower, or purchase, redeem or otherwise acquire for value any interest in the Borrower held by any Affiliated Entities or any rights or options to acquire any such interest, except:

- (i) distributions of cash by the Borrower in accordance with Section 2.7(B) and (C);
- (ii) distributions of the proceeds of any Advances (net of any required deposits to the Reserve Accounts);
- (iii) so long as no Potential Default, Event of Default, or Early Amortization Event has occurred or would result therefrom, during the Availability Period, transfers, dividends or other distributions of Transferable Solar Assets and the related Solar Assets to the Depositor;
- (iv) transfers, dividends or other distributions of Excluded Collateral; and
- (v) distributions of (i) any Solar Asset, Wholly-Owned Subsidiary or Tax Equity Opco in connection with any Takeout Transaction or (ii) the proceeds of any Takeout Transaction other than the portion thereof required to be deposited into the Takeout Transaction Account.

(F) *Mergers, Etc.* Merge or consolidate with or into, or convey, transfer, lease or otherwise dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) to, or acquire all or substantially all of the assets of, any Person (or permit any Borrower Subsidiary or Tax Equity Opco to consummate any such transaction), except in connection with (i) the acquisition or sale of Collateral and similar property pursuant to the Contribution Agreements or pursuant to a Takeout Transaction or an acquisition or sale where all the Advances associated with such Collateral and related Obligations have been paid in full with all accrued but unpaid interest thereon and any related Liquidation Fees, if any, and (ii) in the case of any Borrower Subsidiary or Tax Equity Opco, to the extent any such merger, consolidation, conveyance, transfer, lease or disposition, is effected with or to the Borrower or any other Borrower Subsidiary or Tax Equity Opco.

(G) *Fundamental Changes.* Liquidate or dissolve, or sell or lease or otherwise transfer or dispose of, all or any substantial part of its or any Borrower Subsidiary's or Tax Equity Opco's property, assets or business, or combine, merge or consolidate with or into any other entity (in each case, whether in one transaction or a series of transactions) other than in accordance with a Takeout Transaction or a transaction permitted under Section 5.2(F) above.

(H) *Investments.* Make any investment of capital (other than Permitted Investments) in any Person, other than any Permitted Subsidiary, either by purchase of stock or securities, contributions to capital, property transfer or otherwise or acquire or agree to acquire by any manner any business of any Person other than a Borrower Subsidiary or Tax Equity Opco.

(I) *Change in Organizational Documents.* Amend, modify or otherwise change, or permit any Borrower Subsidiary, in any material respect to amend, modify or otherwise change, any of the terms or provisions in its organizational documents as in effect on the date hereof without the consent of the Administrative Agent and the Super-Majority Lenders.

(J) *Transactions with Affiliates.* Enter into, or be a party to, or permit any Borrower Subsidiary or any Tax Equity Opco to enter into, or be a party to, any transaction with any of its Affiliates, except (i) the Transaction Documents and the transactions contemplated thereby or any conveyance agreement entered into in connection with a Takeout Transaction, (ii) the Project Documents and any transactions contemplated thereby, (iii) Permitted SREC Contracts and (iii) any other transactions (including the lease of office space or computer equipment or software by the Borrower from an Affiliate and the sharing of employees and employee resources and benefits) (a) in the ordinary course of business or as otherwise permitted hereunder, (b) pursuant to the reasonable requirements and purposes of the Borrower's business, (c) upon fair and reasonable terms (and, to the extent material, pursuant to written agreements) that are consistent with market terms for any such transaction, or (d) permitted by Sections 5.2(B), (C), (E) or (F).

(K) *Addition, Termination or Substitution of Accounts.* Add, terminate or substitute, or permit any Borrower Subsidiary to add, terminate or substitute, or consent to the addition, termination or substitution of a Paying Agent Account or Wholly-Owned Subsidiary Operating Account unless, (x) the Administrative Agent shall have consented thereto after having received at least thirty (30) days' prior written notice thereof, which consent shall not be unreasonably withheld, and (y) prior to directing any Host Customer or PBI Obligor related to a Wholly-Owned Subsidiary to remit Host Customer Payments or PBI Payments, as applicable, thereto, all actions requested by the Administrative Agent to protect and perfect the interest of the Secured Parties in the Collections in respect of the affected Solar Assets have been taken; provided that a Wholly-Owned Subsidiary Operating Account may be established in connection with the acquisition by the Borrower of membership interests therein or in connection with a Tax Equity Opco becoming a Wholly-Owned Subsidiary so long as an Account Control Agreement is executed in connection with such establishment.

(L) *Collections.* (i) Deposit, or permit any Wholly-Owned Subsidiary to deposit, at any time Collections received by it into any bank account other than its Wholly-Owned Subsidiary Operating Account or the Revenue Account; provided that the inadvertent depositing of funds into any other account shall not constitute a breach of this provision so long as the Borrower or the applicable Borrower Subsidiary transfers such funds to the Revenue Account or applicable Wholly-Owned Subsidiary Operating Account no later than the (x) with respect Collections that constitute Non-Recurring Payments or PBI Payments, fifth (5<sup>th</sup>) Business Day after its receipt thereof and (y) with respect to all other Collections, second (2<sup>nd</sup>) Business Days after its receipt thereof, or (ii) deposit, or permit any Managing Member to deposit, at any time Borrower Subsidiary Distributions (other than Borrower Subsidiary Distributions constituting Excluded Collateral) into any bank account other than the Revenue Account.

(M) *Borrower Membership Interests.* Issue Equity Interests in the Borrower to any Person other than the Depositor.

(N) *Name and Jurisdiction; Fiscal Year.* Change its name, its jurisdiction of organization, accounting policies (except as permitted or required by GAAP) or its fiscal year without the Administrative Agent's prior written consent.

(O) *Amendments to Policies.* Except as required by Applicable Law, revise or modify or permit the Sponsor or any affiliate thereof to revise or modify its Customer Collection Policy, Credit Underwriting Policy or Service Transfer Policy in such a manner as would be reasonably expected to have a material adverse effect on the Lenders without the prior written consent of the Super-Majority Lenders. To the extent the Customer Collection Policy, Credit Underwriting Policy or Service Transfer Policy is required to be revised or modified by any Applicable Law, the Borrower shall provide the Administrative Agent and the Lenders with the correspondence, if any, from the applicable Governmental Authority requiring such revisions or modifications promptly upon receipt thereof and copies of such revised policies within five (5) Business Days of when such policies are revised or modified.

(P) *Anti-Corruption Laws, Anti-Money Laundering Laws and Sanctions.* The Borrower shall not, nor shall the Borrower's Subsidiaries, if any, or consolidated Affiliates, request any Advance, or, directly or indirectly use, the proceeds of any Advance or lend, contribute or otherwise make available such proceeds to any Subsidiary, Affiliate, joint venture partner or other Person (i) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (ii) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Person, or in any Sanctioned Country, (iii) to fund or facilitate any activities or business in any Sanctioned Country in violation of Sanctions, (iv) in any manner that would result in the violation of any Sanctions applicable to any Person participating in the transactions contemplated hereby, and (v) in any manner that would result in the violation of any Anti-Money Laundering Laws applicable to any Person participating in the transactions contemplated hereby.

## ARTICLE VI

### EVENTS OF DEFAULT

*Section 6.1. Events of Default.* The occurrence of any of the following specified events shall constitute an event of default under this Agreement (each, an "*Event of Default*"):

(A) *Non-Payment.* (i) The Borrower shall fail to make any required payment of principal (including any payment required to be made to cure a Borrowing Base Deficiency) when due hereunder and such failure shall continue unremedied for three (3) Business Days after the day such payment is due, (ii) the Borrower shall fail to make any required payment of interest when due hereunder and such failure shall continue unremedied for three (3) Business Days after the day such payment is due, (iii) the Borrower shall fail to pay the Aggregate Outstanding Advances made to the Borrower on the Maturity Date, or (iv) the Borrower shall fail to make any required payment on any other Obligation when due hereunder or under any other Transaction Document and such failure under this subclause (iv) shall continue unremedied for five (5) Business Days after the earlier of (a) written notice of such failure shall have been given to the Borrower by the Administrative Agent or any Lender or (b) the date upon which a Responsible Officer of the Borrower obtained Knowledge of such failure.

(B) *Representations.* Any representation or warranty made or deemed made by any Transaction Party herein or in any other Transaction Document (after giving effect to any qualification as to materiality set forth therein, if any, and excluding any representation or warranty that could or does give rise to a Solar Asset being a Defective Solar Asset so long as Depositor or the Performance Guarantor (as applicable) duly complies with its obligations under Section 8 of the Depositor Contribution Agreement or Section 2 of the Performance Guaranty, respectively, pertaining to such Defective Solar Asset) shall fail to have been accurate in any material respect when made and, to the extent such failure can be cured, such failure shall continue unremedied for a period of thirty (30) calendar days; *provided* that, an Event of Default under this clause (B) shall not arise solely as a result of a misrepresentation with respect whether a Solar Asset is an Eligible Asset or is included in the Borrowing Base Pool (including any such misrepresentation under Section 4.1BB) (it being understood that, other than any rights that may accrue to Indemnitees under Section 10.5 in respect of any such misrepresentation, neither the Administrative Agent nor the Lenders shall have any remedies with respect to any such misrepresentation).

(C) *Covenants.* Any Loan Party or the Transaction Manager shall fail to perform or observe any other term, covenant or agreement contained in this Agreement or in any other Transaction Document, which, for covenants under Section 5.1 only, has not been cured within thirty (30) days from the earlier of the date of receipt by such Loan Party or the Transaction Manager, as the case may be, of written notice from the Administrative Agent of such failure, or Knowledge thereof; *provided* that, for covenants under Section 5.1, if (i) such failure is not cured within such cure period, (ii) such failure is susceptible to cure and (iii) such Loan Party or the Transaction Manager, as applicable, commences cure of such failure within such 30-day period and thereafter diligently seeks to remedy the failure, then such cure period shall be extended to sixty (60) days.

(D) *Validity of Transaction Documents.* Any material provision of any Transaction Document, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder or as a result of acts or omissions by the Administrative Agent, the Collateral Agent or any Lender or upon the occurrence of the termination date of the Credit Agreement after all Obligations have been paid in full, shall cease to be in full force and effect, or any Transaction Party shall contest in writing the validity or enforceability of any provision of any Transaction Document, or any Transaction Party shall deny in writing that it has any or further liability or obligation under any Transaction Document (other than as a result of repayment in full of the Obligations and termination of the Commitments), or any Transaction Party shall purport in writing to revoke or rescind any Transaction Document.

(E) *Insolvency Event.* An Insolvency Event shall occur with respect to any Transaction Party or any Tax Equity Opco.

(F) *Liquidated Damages.* The Depositor or the Performance Guarantor, as applicable, shall fail to pay any Liquidated Damages with respect to a Defective Solar Asset when due in accordance with the terms of the Depositor Contribution Agreement or the Performance Guaranty, as applicable.



(G) *Breach of Performance Guaranty.* Any failure by Sponsor to perform under the Performance Guaranty (other than a failure to pay Liquidated Damages covered in clause (F) above or breach of the Financial Covenant) after giving effect to any cure periods therein.

(H) *ERISA Event.* Either (i) any ERISA Event shall have occurred that could result in a Material Adverse Effect or (ii) the Borrower is or becomes or the assets of the Borrower are or become “plan assets” within the meaning of 29 C.F.R. § 2510.3-101 of an employee benefit plan (as defined in Section 3(3) of ERISA) which are subject to Title I of ERISA, Section 4975 of the Internal Revenue Code, or, by reason of any investment in the Borrower by any governmental plan or church plan, as the case may be, any other federal, state, or local provision similar to Section 406 of ERISA or Section 4975 of the Internal Revenue Code.

(I) *Security Interest.* The Collateral Agent, for the benefit of the Secured Parties, ceases to have a first priority perfected security interest in the Collateral except to the extent expressly permitted hereunder or under the other Transaction Documents.

(J) *Judgments.* There shall remain in force, undischarged, unsatisfied, and unstayed for more than thirty (30) consecutive days, any final non-appealable judgment against the Borrower or any Borrower Subsidiary in excess of \$100,000 over and above the amount of insurance coverage available from a financially sound insurer that has not denied coverage.

(K) *1940 Act.* Any Relevant Party becomes, or becomes controlled by, an entity required to register as an “investment company” under the 1940 Act.

(L) *[Reserved.]*

(M) *Hedging.* (i) Failure of the Borrower to maintain Hedge Agreements satisfying the Hedge Requirements and such failure continues for five (5) Business Days or (ii) any Hedge Counterparty ceases to be a Qualifying Hedge Counterparty and such Hedge Counterparty is not replaced with a Qualifying Hedge Counterparty within ten (10) Business Days.

(N) *Borrower Change of Control.* The occurrence of a Borrower Change of Control.

(O) *Cross Default.* The occurrence of an event of default and acceleration of any indebtedness of the Borrower or any Borrower Subsidiary in excess of \$1,000,000.

(P) *Tax Equity Transaction Documents.* Any Relevant Party shall (i) fail to observe or perform any of its material obligations or breach any representation, warranty, term or condition of the Material Project Documents applicable to it or (ii) fail to observe or perform any of its obligations or otherwise breach any representation, warranty, term or condition of the Other Project Documents applicable to it the effect of which failure or breach could reasonably be expected to have a Material Adverse Effect, in each case, which failure or breach has not been cured (to the extent such breach can be cured and the Relevant Party is diligently pursuing such cure) within thirty (30) days from the earlier of the date of receipt by such Relevant Party of written notice from the Administrative Agent of such failure, or Knowledge thereof.

*Section 6.2. Remedies.* If any Event of Default shall then be continuing, the Administrative Agent shall, upon the written request of the Super-Majority Lenders, by written notice to the Borrower and the Lenders, take any or all of the following actions, without prejudice to the rights of the Administrative Agent or any Lender to enforce its claims against the Borrower in any manner permitted under applicable law:

(A) declare the Commitments terminated, whereupon the Commitment of each Lender and such obligations shall forthwith terminate immediately without any other notice of any kind;

(B) declare the principal of and any accrued interest in respect of the Advances and all other Obligations owing hereunder and thereunder to be, whereupon the same shall become, immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower; provided, that, upon the occurrence of an Insolvency Event with respect to the Borrower, the principal of and any accrued interest in respect of the Advances and all other Obligations owing hereunder shall be immediately due and payable without any notice to the Borrower or Lenders;

(C) prohibit distributions from the Paying Agent Accounts, or the Wholly-Owned Subsidiary Operating Accounts to the Borrower or any Affiliate thereof;

(D) if the Transaction Manager is an Affiliate of the Sponsor, replace the Transaction Manager with a Successor Transaction Manager in accordance with the Transaction Management Agreement; and/or

(E) direct the Collateral Agent to foreclose on and liquidate the Collateral and pursue all other remedies available under the Collateral Documents.

*Section 6.3. Sale of Collateral.* (A) The power to effect any sale of any portion of the Collateral upon the occurrence and during the continuance of an Event of Default pursuant to this Article VI and the Collateral Documents shall not be exhausted by any one or more sales as to any portion of the Collateral remaining unsold, but shall continue unimpaired until all Obligations (other than contingent obligations not then due) hereunder have been paid in full or, if such Obligations have not been paid full, until all Collateral shall have been sold. The Administrative Agent acting on its own or through an agent, may from time to time postpone any sale by public announcement made at the time and place of such sale.

(B) Upon the occurrence and during the continuation of an Event of Default, the Collateral Agent shall, upon the written direction of the Administrative Agent (acting at the written request of the Super-Majority Lenders), by written notice to the Borrower and the Lenders sell the Collateral or any part thereof in one or more parcels at public or private sale, at any of the Collateral Agent's offices or elsewhere, for cash, on credit (including pursuant to a "credit sale" to a Lender or an assignee thereof) or for future delivery, and upon such other terms as the Collateral Agent (acting upon the written direction of Super-Majority Lenders) may require.

## ARTICLE VII

### THE ADMINISTRATIVE AGENT AND FUNDING AGENTS

*Section 7.1. Appointment; Nature of Relationship.* The Administrative Agent is appointed by the Funding Agents and the Lenders (and by each Hedge Counterparty by execution of a Hedge Counterparty Joinder, if applicable) as the Administrative Agent hereunder and under each other Transaction Document, and each of the Funding Agents and the Lenders and each Hedge Counterparty irrevocably authorizes the Administrative Agent to act as the contractual representative of such Funding Agent and such Lender and such Hedge Counterparty with the rights and duties expressly set forth herein and in the other Transaction Documents. The Administrative Agent agrees to act as such contractual representative upon the express conditions contained in this Article VII. Notwithstanding the use of the defined term “Administrative Agent,” it is expressly understood and agreed that the Administrative Agent shall not have any fiduciary responsibilities to any Funding Agent or Lender or any Hedge Counterparty by reason of this Agreement and that the Administrative Agent is merely acting as the representative of the Funding Agents, the Lenders and each Hedge Counterparty with only those duties as are expressly set forth in this Agreement and the other Transaction Documents. In its capacity as the Funding Agents’, the Lenders’ and each Hedge Counterparty’s contractual representative, the Administrative Agent (A) does not assume any fiduciary duties to any of the Funding Agents, the Lenders or any Hedge Counterparty, (B) is a “representative” of the Funding Agents, the Lenders and each Hedge Counterparty within the meaning of Section 9-102 of the UCC as in effect in the State of New York, and (C) is acting as an independent contractor, the rights and duties of which are limited to those expressly set forth in this Agreement and the other Transaction Documents. Each of the Funding Agents, the Lenders and each Hedge Counterparty agree to assert no claim against the Administrative Agent on any agency theory or any other theory of liability for breach of fiduciary duty, all of which claims each Funding Agent, each Lender and each Hedge Counterparty waives.

*Section 7.2. Powers.* The Administrative Agent shall have and may exercise such powers under the Transaction Documents as are specifically delegated to the Administrative Agent by the terms thereof, together with such powers as are reasonably incidental thereto. The Administrative Agent shall have no implied duties or fiduciary duties to the Funding Agents, the Lenders or to any Hedge Counterparty, or any obligation to the Funding Agents, the Lenders or any Hedge Counterparty to take any action hereunder or under any of the other Transaction Documents except any action specifically provided by the Transaction Documents required to be taken by the Administrative Agent.

*Section 7.3. General Immunity; Exculpatory Provisions.* Neither the Administrative Agent nor any of its directors, officers, agents or employees shall be liable to the Borrower, the Funding Agents, the Lenders, or any Hedge Counterparty for any action taken or omitted to be taken by it or them hereunder or under any other Transaction Document or in connection herewith or therewith except to the extent such action or inaction is found in a final non-appealable judgment by a court of competent jurisdiction to have arisen solely from the gross negligence or willful misconduct of such Person. The Administrative Agent shall not have

any duties or obligations except those expressly set forth herein and in the other Transaction Documents, and its duties hereunder shall be administrative in nature. Without limiting the generality of the foregoing, the Administrative Agent:

(A) shall not be subject to any fiduciary or other implied duties, regardless of whether a Potential Default, an Event of Default, or an Early Amortization Event has occurred and is continuing;

(B) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Transaction Documents that the Administrative Agent is required to exercise as directed in writing by the Majority Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Transaction Documents), *provided* that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Transaction Document or Applicable Law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law;

(C) shall not, except as expressly set forth herein and in the other Transaction Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity; and

(D) shall be deemed not to have knowledge of any Potential Default, Event of Default, or Early Amortization Event unless and until notice describing such is given to the Administrative Agent by the Borrower, a Funding Agent, or a Lender.

*Section 7.4. No Responsibility for Advances, Creditworthiness, Collateral, Recitals, Etc.* Neither the Administrative Agent nor any of its directors, officers, agents or employees shall be responsible for or have any duty to ascertain, inquire into, or verify (A) any statement, warranty or representation made in connection with any Transaction Document or any borrowing hereunder, (B) the performance or observance of any of the covenants or agreements of any obligor under any Transaction Document, (C) the satisfaction of any condition specified in Article III, except receipt of items required to be delivered solely to the Administrative Agent, (D) the existence or possible existence of any Potential Default or Event of Default, or (E) the validity, effectiveness or genuineness of any Transaction Document or any other instrument or writing furnished in connection therewith. The Administrative Agent shall not be responsible to any Funding Agent, any Lender or any Hedge Counterparty for any recitals, statements, representations or warranties herein or in any of the other Transaction Documents, for the perfection or priority of any of the Liens on any of the Collateral, or for the execution, effectiveness, genuineness, validity, legality, enforceability, collectability, or sufficiency of this Agreement or any of the other Transaction Documents or the transactions contemplated thereby,

or for the financial condition of any guarantor of any or all of the Obligations, the Borrower or any of their respective Affiliates.

*Section 7.5. Action on Instructions of Lenders.* The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, hereunder and under any other Transaction Document in accordance with written instructions signed by the Majority Lenders or the Super-Majority Lenders, as applicable, and such instructions and any action taken or failure to act pursuant thereto shall be binding on all of the Lenders and on all holders of Loan Notes. The Administrative Agent shall be fully justified in failing or refusing to take any action hereunder and under any other Transaction Document unless it shall first be indemnified to its satisfaction by the Lenders pro rata against any and all liability, cost and expense that it may incur by reason of taking or continuing to take any such action.

*Section 7.6. Employment of Agents and Counsel; Delegation of Duties.* The Administrative Agent may execute any of its duties as the Administrative Agent hereunder and under any other Transaction Document by or through employees, agents, and attorneys-in-fact. The Administrative Agent and any such employees, agents, and attorneys-in-fact may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article VII shall apply to any such employees, agents, and attorneys-in-fact and to the Related Parties of the Administrative Agent and any such employees, agents, and attorneys-in-fact, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent. The Administrative Agent shall not be responsible for the negligence or misconduct of any employees, agents, and attorneys-in-fact except to the extent that a court of competent jurisdiction determines in a final and nonappealable judgment that the Administrative Agent acted with gross negligence or willful misconduct in the selection of such employees, agents, and attorneys-in-fact. The Administrative Agent shall be entitled to advice of counsel concerning the contractual arrangement between the Administrative Agent and the Funding Agents, the Lenders or any Hedge Counterparty and all matters pertaining to the Administrative Agent's duties hereunder and under any other Transaction Document.

*Section 7.7. Reliance by Administrative Agent.* The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of an Advance that by its terms must be fulfilled to the satisfaction of a Lender, the Administrative Agent may presume that such condition is satisfactory to such Lender unless the Administrative Agent shall have received notice to the contrary from such Lender prior to the making of such Advance. The Administrative Agent may consult with legal counsel (who may be counsel for any Transaction Party), independent accountants and other experts selected by it, and shall not be

liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

*Section 7.8. The Administrative Agent's Reimbursement and Indemnification.* The Committed Lenders agree to reimburse and indemnify (on a pro rata basis based on the Lender Group Percentages) the Administrative Agent (A) for any amounts not reimbursed by the Borrower for which the Administrative Agent is entitled to reimbursement by the Borrower under the Transaction Documents, (B) for any other expenses incurred by the Administrative Agent on behalf of the Lenders, in connection with the preparation, execution, delivery, administration and enforcement of the Transaction Documents, and (C) for any liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind and nature whatsoever which may be imposed on, incurred by or asserted against the Administrative Agent in any way relating to or arising out of the Transaction Documents or any other document delivered in connection therewith or the transactions contemplated thereby, or the enforcement of any of the terms thereof or of any such other documents, *provided*, that no Lender shall be liable for any of the foregoing to the extent any of the foregoing is found in a final non-appealable judgment by a court of competent jurisdiction to have arisen solely from the gross negligence or willful misconduct of the Administrative Agent.

*Section 7.9. Rights as a Lender.* With respect to its Commitment and Advances made by it and the Loan Notes (if any) issued to it, in its capacity as a Lender, the Administrative Agent shall have the same rights and powers hereunder and under any other Transaction Document as any Lender and may exercise the same as though it were not the Administrative Agent, and the term "Lender" or "Lenders," as applicable, shall, unless the context otherwise indicates, include the Administrative Agent in its individual capacity. The Administrative Agent may accept deposits from, lend money to, and generally engage in any kind of trust, debt, equity or other transaction, in addition to those contemplated by this Agreement or any other Transaction Document, with the Borrower or any of its Affiliates in which such Person is not prohibited hereby from engaging with any other Person.

*Section 7.10. Lender Credit Decision.* Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender and based on the financial statements prepared by the Borrower and such other documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement and the other Transaction Documents. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement and the other Transaction Documents.

*Section 7.11. Resignation and Removal of Administrative Agent; Successor Administrative Agent.*

(A) The Administrative Agent may resign at any time by giving written notice thereof to the Lenders, the Funding Agents, each Hedge Counterparty, the Custodian, the Collateral Agent and the Borrower. Upon any such resignation, the Majority Lenders shall have the right to

appoint, on behalf of the Borrower and the Lenders, a successor Administrative Agent. If no successor Administrative Agent shall have been so appointed by the Majority Lenders and shall have accepted such appointment within thirty (30) days after the exiting Administrative Agent's giving notice of resignation, then the exiting Administrative Agent may appoint, on behalf of the Borrower and the Lenders, a successor Administrative Agent (but only if such successor is reasonably acceptable to the Majority Lenders) or petition a court of competent jurisdiction to appoint a successor Administrative Agent; *provided* that in no event shall any such successor Administrative Agent be a Defaulting Lender. No such resignation shall become effective until a successor has been appointed in accordance with this Section 7.11(A) ("*Resignation Effective Date*").

(B) If the Person serving as Administrative Agent is a Defaulting Lender pursuant to clause (d) of the definition thereof, the Majority Lenders may, to the extent permitted by Applicable Law, by notice in writing to the Borrower and such Person remove such Person as Administrative Agent and appoint a successor. No such removal shall become effective until a successor has been appointed in accordance with this Section 7.11(B) ("*Removal Effective Date*").

(C) So long as no Early Amortization Event or Event of Default shall have occurred and be continuing, the right of the Majority Lenders to appoint a successor Administrative Agent (or to consent to the appointment of a successor Administrative Agent by the exiting Administrative Agent) pursuant to this Section 7.11 shall be subject to the prior written consent of the Borrower (such consent not to be unreasonably withheld, conditioned or delayed); provided that such right of consent shall expire if the Borrower has not consented to a proposed replacement within 30 days of the first day that a proposed replacement is proposed by the Majority Lenders or the exiting Administrative Agent as the case may be.

(D) With effect from the Resignation Effective Date or the Removal Effective Date (as applicable) (1) the retiring or removed Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Transaction Documents and (2) except for any indemnity payments or other amounts then owed to the retiring or removed Administrative Agent, all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender directly, until such time, if any, as the Majority Lenders appoint a successor Administrative Agent as provided for above. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or removed) Administrative Agent (other than as provided in Section 2.17(G) and other than any rights to indemnity payments or other amounts owed to the retiring or removed Administrative Agent as of the Resignation Effective Date or the Removal Effective Date, as applicable), and the retiring or removed Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Transaction Documents (if not already discharged therefrom as provided above in this Section 7.11). The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring or removed Administrative Agent's resignation or removal hereunder and under the other Transaction

Documents, the provisions of this Article VII and Sections 10.5 and 10.6 shall continue in effect for the benefit of such retiring or removed Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them (i) while the retiring or removed Administrative Agent was acting as Administrative Agent and (ii) after such resignation or removal for as long as any of them continues to act in any capacity hereunder or under the other Transaction Documents, including in respect of any actions taken in connection with transferring the agency to any successor Administrative Agent.

*Section 7.12. Transaction Documents; Further Assurances.* Each Committed Lender, each Funding Agent and each Hedge Counterparty authorizes the Administrative Agent to enter into each of the Transaction Documents to which it is a party and each Lender, each Funding Agent and each Hedge Counterparty authorizes the Administrative Agent to take all action contemplated by such documents in its capacity as Administrative Agent. Each Lender, each Funding Agent and each Hedge Counterparty agrees that no Lender, no Funding Agent and no Hedge Counterparty, respectively, shall have the right individually to seek to realize upon the security granted by any Transaction Document, it being understood and agreed that such rights and remedies may be exercised solely by the Administrative Agent for the benefit of the Lenders, the Funding Agents and each Hedge Counterparty upon the terms of the Transaction Documents.

*Section 7.13. Administrative Agent May File Proofs of Claim; Credit Bidding.* In case of the pendency of any proceeding under any Debtor Relief Laws or any other judicial proceeding relative to any Transaction Party, the Administrative Agent (irrespective of whether the principal of any Advance shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered, by intervention in such proceeding or otherwise (a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Advances and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders and the Administrative Agent and their respective agents and counsel) and all other amounts due the Lenders and the Administrative Agent under Sections 2.5, 10.5 and 10.6 allowed in such judicial proceeding; and (b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same; and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to the Administrative Agent and, if the Administrative Agent shall consent to the making of such payments directly to the Lenders, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Sections 2.5, 10.5 and 10.6.

Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender to



authorize the Administrative Agent to vote in respect of the claim of any Lender or in any such proceeding.

The Secured Parties hereby irrevocably authorize the Administrative Agent, at the direction of the Majority Lenders, to credit bid all or any portion of the Obligations (including accepting some or all of the Collateral in satisfaction of some or all of the Obligations pursuant to a deed in lieu of foreclosure or otherwise) and in such manner purchase (either directly or through one or more acquisition vehicles) all or any portion of the Collateral (a) at any sale thereof conducted under the provisions of the Bankruptcy Code of the United States, including under Sections 363, 1123 or 1129 of the Bankruptcy Code of the United States, or any similar Laws in any other jurisdictions to which a Transaction Party is subject, (b) at any other sale or foreclosure or acceptance of collateral in lieu of debt conducted by (or with the consent or at the direction of) the Administrative Agent (whether by judicial action or otherwise) in accordance with any Applicable Law. In connection with any such credit bid and purchase, the Obligations owed to the Secured Parties shall be entitled to be, and shall be, credit bid on a ratable basis (with Obligations with respect to contingent or unliquidated claims receiving contingent interests in the acquired assets on a ratable basis that would vest upon the liquidation of such claims in an amount proportional to the liquidated portion of the contingent claim amount used in allocating the contingent interests) in the asset or assets so purchased (or in the Equity Interests or debt instruments of the acquisition vehicle or vehicles that are used to consummate such purchase). In connection with any such bid (i) the Administrative Agent shall be authorized to form one or more acquisition vehicles to make a bid, (ii) to adopt documents providing for the governance of the acquisition vehicle or vehicles (provided that any actions by the Administrative Agent with respect to such acquisition vehicle or vehicles, including any disposition of the assets or Equity Interests thereof shall be governed, directly or indirectly, by the vote of the Majority Lenders, irrespective of the termination of this Agreement and without giving effect to the limitations on actions by the Majority Lenders contained in clauses (i) through (iv) of Section 10.2 of this Agreement), (iii) the Administrative Agent shall be authorized to assign the relevant Obligations to any such acquisition vehicle pro rata by the Lenders, as a result of which each of the Lenders shall be deemed to have received a pro rata portion of any Equity Interests and/or debt instruments issued by such an acquisition vehicle on account of the assignment of the Obligations to be credit bid, all without the need for any Secured Party or acquisition vehicle to take any further action, and (iv) to the extent that Obligations that are assigned to an acquisition vehicle are not used to acquire Collateral for any reason (as a result of another bid being higher or better, because the amount of Obligations assigned to the acquisition vehicle exceeds the amount of debt credit bid by the acquisition vehicle or otherwise), such Obligations shall automatically be reassigned to the Lenders pro rata and the Equity Interests and/or debt instruments issued by any acquisition vehicle on account of the Obligations that had been assigned to the acquisition vehicle shall automatically be cancelled, without the need for any Secured Party or any acquisition vehicle to take any further action.

*Section 7.14. Collateral and Guaranty Matters.* Without limiting the provisions of Section 7.13, each of the Lenders, irrevocably authorizes the Administrative Agent, at its option and in its discretion, (a) to cause the Collateral Agent to release any Lien on any property granted to or held by the Collateral Agent under any Transaction Document (i) upon termination of the

Aggregate Commitments and payment in full of all Obligations (other than (x) contingent indemnification obligations and (y) obligations and liabilities under Hedge Agreements as to which arrangements satisfactory to the applicable Hedge Counterparty shall have been made), (ii) that is sold or otherwise disposed of or to be sold or otherwise disposed of as part of or in connection with any sale or other disposition permitted hereunder or under any other Transaction Document, (iii) that constitutes “Excluded Collateral,” or (iv) if approved, authorized or ratified in writing in accordance with Section 10.2; and (b) if the Partial Release Conditions are satisfied, release any Borrower Subsidiary from its obligations under the Guaranty, Pledge and Security Agreement (and to release any Lien on any property of such Borrower Subsidiary or on the Equity Interests of such Borrower Subsidiary granted to or held by the Administrative Agent and/or Collateral Agent under any Transaction Document) if such party ceases to be a Borrower Subsidiary as a result of a Takeout Transaction or if such Person otherwise ceases to be a Borrower Subsidiary as a result of a transaction permitted under the Transaction Documents.

Upon request by the Administrative Agent at any time, the Majority Lenders will confirm in writing the Administrative Agent’s authority to cause the Collateral Agent to release its interest in particular types or items of property or to release any Borrower Subsidiary from its obligations under the Guaranty, Pledge and Security Agreement pursuant to this Section 7.14. In each case as specified in this Section 7.14, the Administrative Agent will, at the Borrower’s expense, cause the Collateral Agent to execute and deliver to the applicable Loan Party such documents as such Loan Party may reasonably request to evidence the release of such item of Collateral from the assignment and security interest granted under the Collateral Documents or to release such Borrower Subsidiary from its obligations under the Guaranty, Pledge and Security Agreement in each case in accordance with the terms of the Transaction Documents and this Section 7.14.

The Administrative Agent shall not be responsible for or have a duty to ascertain or inquire into any representation or warranty regarding the existence, value or collectability of the Collateral, the existence, priority or perfection of the Collateral Agent’s Lien thereon, or any certificate prepared by any Loan Party in connection therewith, nor shall the Administrative Agent be responsible or liable to the Lenders for any failure to monitor or maintain any portion of the Collateral.

*Section 7.15. Hedge Agreements.* No Hedge Counterparty that obtains the benefits of any Collateral by virtue of the provisions hereof or of any Collateral Document shall have any right to notice of any action or to consent to, direct or object to any action hereunder or under any other Transaction Document or otherwise in respect of the Collateral (including the release or impairment of any Collateral) other than in its capacity as a Lender and, in such case, only to the extent expressly provided in the Transaction Documents. Notwithstanding any other provision of this Article VII to the contrary, the Administrative Agent shall not be required to verify the payment of, or that other satisfactory arrangements have been made with respect to, Obligations arising under Hedge Agreements unless the Administrative Agent has received written notice of such Obligations, together with such supporting documentation as the Administrative Agent may request, from the applicable Hedge Counterparty, as the case may be.

*Section 7.16. Certain ERISA Matters.*

(a) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Transaction Party, that at least one of the following is and will be true:

(i) such Lender is not using “plan assets” (within the meaning of Section 3(42) of ERISA or otherwise) of one or more Benefit Plans with respect to such Lender’s entrance into, participation in, administration of and performance of the Advances, the Commitments or this Agreement,

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender’s entrance into, participation in, administration of and performance of the Advances, the Commitments and this Agreement,

(iii) (A) such Lender is an investment fund managed by a “Qualified Professional Asset Manager” (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Advances, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Advances, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender’s entrance into, participation in, administration of and performance of the Advances, the Commitments and this Agreement, or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(b) In addition, unless either (1) sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or (2) a Lender has provided another representation, warranty and covenant in accordance with sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Transaction Party, that the Administrative Agent is not a fiduciary with respect to the assets of such Lender involved in such Lender’s entrance into, participation in, administration of and performance of

the Advances, the Commitments and this Agreement (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Transaction Document or any documents related hereto or thereto).

*Section 7.17. Collateral Review.* (A) No later than the initial Payment Date (the "*Initial Collateral Review*") and not more than one (1) time during any given twelve (12) month period so long as no Event of Default has occurred and is continuing, the Administrative Agent, each Lender and/or its designated agent may (at the expense of the Borrower), upon reasonable notice, perform (i) reviews of each Transaction Party's and Tax Equity Opco's business operations in accordance with (and subject to the limitations of) Section 5.1(H) and (ii) audits of the Collateral, the scope of which shall be determined by the Administrative Agent and each Lender in its reasonable discretion; *provided*, that the Administrative Agent shall consult with the Borrower regarding the costs and expenses of such field audits and examinations and appraisals.

(B) At any time during which an Event of Default has occurred and is continuing, the Administrative Agent, each Lender or its designated agent may, in its sole discretion regarding frequency (at the expense of the Borrower), upon reasonable notice, perform (i) reviews of each Transaction Party's and Tax Equity Opco's business operations in accordance with (and subject to the limitations of) Section 5.1(H) and (ii) audits or any other review of the Collateral, the scope of which shall be determined by the Administrative Agent or each Lender in its reasonable discretion.

(C) To the extent the Initial Collateral Review produces findings described in any of clauses (i) or (ii) of the definition of "Initial Collateral Review Remediation Period", the Borrower shall take all necessary action to remedy the circumstances that caused such adverse findings or reconcile the discrepancies produced by the Initial Collateral Review within thirty (30) days of the delivery of any related report and in connection therewith deliver a revised Borrowing Base Certificate (agreed to by the Administrative Agent) to the Administrative Agent, the Funding Agents and the Paying Agent. During such 30-day period, the Discounted Solar Asset Balances initially calculated by the Borrower with respect to the Solar Assets subject to the Initial Collateral Review shall remain in effect.

*Section 7.18. Funding Agent Appointment; Nature of Relationship.* To the extent a Lender Group shall have a Conduit Lender and a Committed Lender, such Lenders shall appoint a Funding Agent for such Lender Group and such Funding Agent shall be their agent hereunder, and such Lenders irrevocably authorize such Funding Agent to act as the contractual representative of such Lenders with the rights and duties expressly set forth herein and in the other Transaction Documents. Each Funding Agent agrees to act as such contractual representative upon the express conditions contained in this Article VII. Notwithstanding the use of the defined term "Funding Agent," it is expressly understood and agreed that no Funding Agent shall have any fiduciary responsibilities to any Lender by reason of this Agreement and that each Funding Agent is merely acting as the representative of the Lenders in its Lender Group with only those duties as are expressly set forth in this Agreement and the other Transaction Documents. In its capacity as the related Lenders' contractual representative, each Funding Agent (A) does not assume any fiduciary duties to any of the Lenders, (B) is a

“representative” of the Lenders in its Lender Group within the meaning of Section 9102 of the UCC as in effect in the State of New York and (C) is acting as an independent contractor, the rights and duties of which are limited to those expressly set forth in this Agreement and the other Transaction Documents. Each of the Lenders agrees to assert no claim against their Funding Agent on any agency theory or any other theory of liability for breach of fiduciary duty, all of which claims each Lender waives.

*Section 7.19. Funding Agent Powers.* Each Funding Agent shall have and may exercise such powers under the Transaction Documents as are specifically delegated to such Funding Agent by the terms thereof, together with such powers as are reasonably incidental thereto. No Funding Agent shall have any implied duties or fiduciary duties to the Lenders in its Lender Group, or any obligation to such Lenders to take any action hereunder or under any of the other Transaction Documents except any action specifically provided by the Transaction Documents required to be taken by such Funding Agent.

*Section 7.20. Funding Agent General Immunity.* Neither any Funding Agent nor any of its directors, officers, agents or employees shall be liable to the Borrower, the Lenders or any Lender for any action taken or omitted to be taken by it or them hereunder or under any other Transaction Document or in connection herewith or therewith except to the extent such action or inaction is found in a final non-appealable judgment by a court of competent jurisdiction to have arisen solely from (A) the gross negligence or willful misconduct of such Person or (B) breach of contract by such Person with respect to the Transaction Documents.

*Section 7.21. Funding Agent Responsibility for Advances, Creditworthiness, Collateral, Recitals, Etc.* Neither any Funding Agent nor any of its directors, officers, agents or employees shall be responsible for or have any duty to ascertain, inquire into, or verify (A) any statement, warranty or representation made in connection with any Transaction Document or any borrowing hereunder, (B) the performance or observance of any of the covenants or agreements of any obligor under any Transaction Document, (C) the satisfaction of any condition specified in Article III, except receipt of items required to be delivered solely to the Funding Agents, (D) the existence or possible existence of any Potential Default, Event of Default, or Early Amortization Event, or (E) the validity, effectiveness or genuineness of any Transaction Document or any other instrument or writing furnished in connection therewith. No Funding Agent shall be responsible to any Lender for any recitals, statements, representations or warranties herein or in any of the other Transaction Documents, for the perfection or priority of any of the Liens on any of the Collateral, or for the execution, effectiveness, genuineness, validity, legality, enforceability, collectability, or sufficiency of this Agreement or any of the other Transaction Documents or the transactions contemplated thereby, or for the financial condition of any guarantor of any or all of the Obligations, the Borrower or any of their respective Affiliates.

*Section 7.22. Funding Agent Action on Instructions of Lenders.* Each Funding Agent shall in all cases be fully protected in acting, or in refraining from acting, hereunder and under any other Transaction Document in accordance with written instructions signed by each of the Lenders in its Lender Group, and such instructions and any action taken or failure to act pursuant thereto shall be binding on all of such Lenders. Each Funding Agent shall be fully justified in

failing or refusing to take any action hereunder and under any other Transaction Document unless it shall first be indemnified to its satisfaction by the Lenders in its Lender Group pro rata against any and all liability, cost and expense that it may incur by reason of taking or continuing to take any such action.

*Section 7.23. Funding Agent Employment of Agents and Counsel.* Each Funding Agent may execute any of its duties as a Funding Agent hereunder by or through employees, agents, and attorneys-in-fact and shall not be answerable to the Lenders in its Lender Group, except as to money or securities received by it or its authorized agents, for the default or misconduct of any such agents or attorneys-in-fact selected by it with reasonable care. Each Funding Agent, at the expense of the Committed Lenders in the related Lender Group, shall be entitled to advice of counsel concerning the contractual arrangement between such Funding Agent and the Lenders in its Lender Group and all matters pertaining to such Funding Agent's duties hereunder and under any other Transaction Document.

*Section 7.24. Funding Agent Reliance on Documents; Counsel.* Each Funding Agent may execute any of its duties as a Funding Agent hereunder by or through employees, agents, and attorneys-in-fact and shall not be answerable to the Lenders in its Lender Group, except as to money or securities received by it or its authorized agents, for the default or misconduct of any such agents or attorneys-in-fact selected by it with reasonable care. Each Funding Agent, at the expense of the Committed Lenders in the related Lender Group, shall be entitled to advice of counsel concerning the contractual arrangement between such Funding Agent and the Lenders in its Lender Group and all matters pertaining to such Funding Agent's duties hereunder and under any other Transaction Document.

*Section 7.25. Funding Agent's Reimbursement and Indemnification.* The Committed Lenders in each Lender Group agree to reimburse and indemnify (on a pro rata basis based upon the applicable Lender Group Percentages) the Funding Agent in their Lender Group (A) for any amounts not reimbursed by the Borrower for which such Funding Agent is entitled to reimbursement by the Borrower under the Transaction Documents, (B) for any other expenses incurred by such Funding Agent on behalf of the Lenders, in connection with the preparation, execution, delivery, administration and enforcement of the Transaction Documents, and (C) for any liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind and nature whatsoever which may be imposed on, incurred by or asserted against such Funding Agent in any way relating to or arising out of the Transaction Documents or any other document delivered in connection therewith or the transactions contemplated thereby, or the enforcement of any of the terms thereof or of any such other documents, *provided*, that no Lender shall be liable for any of the foregoing to the extent any of the foregoing is found in a final non-appealable judgment by a court of competent jurisdiction to have arisen solely from the gross negligence or willful misconduct of such Funding Agent.

*Section 7.26. Funding Agent Rights as a Lender.* With respect to its Commitment and Advances made by it and the Loan Notes (if any) issued to it, in its capacity as a Lender, each Funding Agent shall have the same rights and powers hereunder and under any other Transaction Document as any Lender and may exercise the same as though it were not a Funding Agent, and

the term “Lender” or “Lenders,” as applicable, shall, unless the context otherwise indicates, include such Funding Agent in its individual capacity. Each Funding Agent may accept deposits from, lend money to, and generally engage in any kind of trust, debt, equity or other transaction, in addition to those contemplated by this Agreement or any other Transaction Document, with the Borrower or any of its Affiliates in which such Person is not prohibited hereby from engaging with any other Person.

*Section 7.27. Funding Agent Lender Credit Decision.* Each Lender acknowledges that it has, independently and without reliance upon its Funding Agent or any other Lender and based on the financial statements prepared by the Borrower and such other documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement and the other Transaction Documents. Each Lender also acknowledges that it will, independently and without reliance upon its Funding Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement and the other Transaction Documents.

*Section 7.28. Funding Agent Successor Funding Agent.* Any Funding Agent may resign at any time by giving written notice thereof to the Lenders in its Lender Group, the Administrative Agent and the Borrower, and such Funding Agent may be removed at any time for cause by written notice received by the Lenders in its Lender Group. Upon any such resignation or removal, the Lenders in a Lender Group shall have the right, in consultation with the Borrower, to appoint a successor Funding Agent. If no successor Funding Agent shall have been so appointed by such Lenders and shall have accepted such appointment within thirty (30) days after the exiting Funding Agent’s giving notice of resignation or receipt of notice of removal, then the exiting Funding Agent may appoint, on behalf of the Lenders in its Lender Group, a successor Funding Agent (but only if such successor is reasonably acceptable to each such Lender) or petition a court of competent jurisdiction to appoint a successor Funding Agent. Upon the acceptance of any appointment as a Funding Agent hereunder by a successor Funding Agent, such successor Funding Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the exiting Funding Agent, and the exiting Funding Agent shall be discharged from its duties and obligations hereunder and under the other Transaction Documents. After any exiting Funding Agent’s resignation hereunder as Funding Agent, the provisions of this Article VII shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as the Funding Agent hereunder and under the other Transaction Documents. Notwithstanding any provision in this Section 7.24 to the contrary, any Funding Agent that has provided notice of its resignation or has been provided notice of its removal shall be required to serve as Funding Agent until its successor has assumed such role.

*Section 7.29. Funding Agent Transaction Documents; Further Assurances.* Each Lender authorizes the Funding Agent in its Lender Group to enter into each of the Transaction Documents to which it is a party and each Lender authorizes the Funding Agent in its Lender Group to take all action contemplated by such documents in its capacity as Funding Agent.

*Section 7.30. Acknowledgment of Collateral Documents.* The Administrative Agent acknowledges the execution and delivery by the Collateral Agent on the Closing Date of the Guaranty, Pledge and Security Agreement and the Depositor Pledge Agreement.

## ARTICLE VIII

### MANAGEMENT OF BORROWER

*Section 8.1. Transaction Management Agreement.* (A) The Transaction Management Agreement, duly executed counterparts of which have been delivered to the Administrative Agent, sets forth the covenants and obligations of the Transaction Manager with respect to the Collateral and other matters addressed in the Transaction Management Agreement, and reference is hereby made to the Transaction Management Agreement for a detailed statement of said covenants and obligations of the Transaction Manager thereunder. The Borrower agrees that the Administrative Agent, in its name or (to the extent required by law) in the name of the Borrower, may (but is not, unless so directed and indemnified by the Majority Lenders, required to) enforce all rights of the Borrower under the Transaction Management Agreement for and on behalf of the Lenders whether or not an Event of Default has occurred and is continuing.

(B) Promptly following a request from the Administrative Agent (acting at the direction of the Majority Lenders to do so), the Borrower shall take all such lawful action as the Administrative Agent may request to compel or secure the performance and observance by the Transaction Manager of each of its obligations to the Borrower and with respect to the Solar Assets under or in connection with the Transaction Management Agreement, in accordance with the terms thereof, and in effecting such request shall exercise any and all rights, remedies, powers and privileges lawfully available to the Borrower under or in connection with the Transaction Management Agreement to the extent and in the manner directed by the Administrative Agent, including the transmission of notices of default on the part of the Transaction Manager thereunder and the institution of legal or administrative actions or proceedings to compel or secure performance by the Transaction Manager of each of its obligations under the Transaction Management Agreement.

(C) The Borrower shall not waive any default by the Transaction Manager under the Transaction Management Agreement without the written consent of the Administrative Agent (which shall be given at the written direction of the Majority Lenders).

(D) The Administrative Agent does not assume any duty or obligation of the Borrower under the Transaction Management Agreement, and the rights given to the Administrative Agent thereunder are subject to the provisions of Article VII.

(E) With respect to the Transaction Manager's obligations under Section 4.3 of the Transaction Management Agreement, the Administrative Agent shall not have any responsibility to the Borrower, any Borrower Subsidiary, the Transaction Manager or any party hereunder to make any inquiry or investigation as to, and shall have no obligation in respect of, the terms of any engagement of an independent accountant by the Transaction Manager; *provided* that the Administrative Agent shall be authorized, upon receipt of written direction from the Transaction



Manager directing the Administrative Agent, to execute any acknowledgment or other agreement with the independent accountant required for the Administrative Agent to receive any of the reports or instructions provided for herein, which acknowledgment or agreement may include, among other things, (i) acknowledgement that the Transaction Manager has agreed that the procedures to be performed by the independent accountant are sufficient for the Borrower's purposes, (ii) acknowledgment that the Administrative Agent has agreed that the procedures to be performed by an independent accountant are sufficient for the Administrative Agent's purposes and that the Administrative Agent's purposes is limited solely to receipt of the report, (iii) releases by the Administrative Agent (on behalf of itself and the Lenders) of claims against the independent accountant and acknowledgement of other limitations of liability in favor of the independent accountant, and (iv) restrictions or prohibitions on the disclosure of information or documents provided to it by such firm of independent accountants (including to the Lenders). Notwithstanding the foregoing, in no event shall the Administrative Agent be required to execute any agreement in respect of the independent accountant that the Administrative Agent determines adversely affects it in its individual capacity or which is in a form that is not reasonably acceptable to the Administrative Agent.

*Section 8.2. Accounts.*

(A) *Establishment.* The Borrower has established and shall maintain or cause to be maintained:

(i) for the benefit of the Secured Parties, in the name of the Borrower, by the Paying Agent, a segregated non-interest bearing account (such account, as more fully described on Schedule VIII attached hereto, the "*Revenue Account*"), bearing a designation clearly indicating that the funds deposited therein are held for the benefit of the Borrower and the Secured Parties;

(ii) for the benefit of the Secured Parties, in the name of the Borrower, by the Paying Agent, a segregated non-interest bearing account (such account, as more fully described on Schedule VIII attached hereto, being the "*Supplemental Reserve Account*"), bearing a designation clearly indicating that the funds deposited therein as described below are held for the benefit of the Borrower and the Secured Parties;

(iii) for the benefit of the Secured Parties, in the name of the Borrower, by the Paying Agent, a segregated non-interest bearing account (such account, as more fully described on Schedule VIII attached hereto, being the "*Supplemental Reserve Account*"), bearing a designation clearly indicating that the funds deposited therein as described below are held for the benefit of the Borrower and the Secured Parties;

(iv) for the benefit of the Secured Parties, in the name of the Borrower, by the Paying Agent, a segregated non-interest bearing account (such account, as more fully described on Schedule VIII attached hereto, being the "*ITC Insurance Proceeds Account*"), bearing a designation clearly indicating that the funds deposited therein as described below are held for the benefit of the Borrower and the Secured Parties;

(v) for the benefit of the Secured Parties, in the name of the Borrower, by the Paying Agent, a segregated non-interest bearing account (such account, as more fully described on Schedule VIII attached hereto, being the “*Takeout Transaction Account*”), bearing a designation clearly indicating that the funds deposited therein as described below are held for the benefit of the Borrower and the Secured Parties;

(vi) for the benefit of the Secured Parties, in the name of the Borrower, by the Paying Agent, a segregated non-interest bearing account (such account, as more fully described on Schedule VIII attached hereto, being the “*Post-PTO Account*”), bearing a designation clearly indicating that the funds deposited therein as described below are held for the benefit of the Borrower and the Secured Parties; and

(vii) for the benefit of the Secured Parties, in the name of the Borrower, by the Paying Agent, a segregated non-interest bearing account (such account, as more fully described on Schedule VIII attached hereto, being the “*Funding Account*” and together with the Revenue Account, the Supplemental Reserve Account, the Liquidity Reserve Account, the ITC Insurance Proceeds Reserve Account, the Takeout Transaction Account and the Post-PTO Account, each a “*Paying Agent Account*” and collectively the “*Paying Agent Accounts*”), bearing a designation clearly indicating that the funds deposited therein as described below are held for the benefit of the Borrower and the Secured Parties.

(B) *Deposits and Withdrawals from the Revenue Account.* Deposits into, and withdrawals from, the Revenue Account shall be made in the following manner:

- (i) The Borrower shall, and shall cause each Transaction Party to, deposit into the Revenue Account the following:
  - (a) all Borrower Subsidiary Distributions;
  - (b) payments by the Depositor pursuant to the Depositor Contribution Agreement and payments by the Sponsor pursuant to the Performance Guaranty;
  - (c) all proceeds of Ordinary Course Settlement Payments and Hedge Termination Payments (other than Hedge Termination Payments included in Net Proceeds);
  - (d) if applicable, such funds in the other Paying Agent Accounts as are required to be transferred to the Revenue Account pursuant to this Agreement and such funds in the Wholly-Owned Subsidiary Operating Account as are required to be transferred to the Revenue Account pursuant to this Agreement; and
  - (e) any other income or other amount that is received by or on behalf of the Borrower and/or any Borrower Subsidiary (other than any Excluded Revenue and any other amounts the application of which is specifically provided for in the Transaction Documents) that is not required to be deposited in or

credited to another Paying Agent Account or into a Wholly-Owned Subsidiary Operating Account, or applied directly to the Obligations, in accordance with this Agreement; provided that:

(1) an amount up to the Retention Amount may be retained in each Wholly-Owned Subsidiary Operating Account;

(2) amounts in any Wholly-Owned Subsidiary Operating Account may be debited by the related Servicer from time to time to (x) pay Account Bank fees and charges (not otherwise payable out of the Retention Amount), (y) to pay amounts due under production guaranties (not otherwise debited under the related Host Customer's bill) and/or (z) to pay promotional credits granted to Host Customers (not otherwise debited under the related Host Customer's bill); and

(3) unless an Event of Default has occurred and is continuing, concurrently with the termination of any Wholly-Owned Subsidiary Operating Account in accordance herewith, the Borrower may (with the consent of the Administrative Agent) direct an amount on deposit in such Account no greater than the applicable Retention Amount to be distributed to an account specified by the Borrower.

(ii) If any of the amounts described in clause (i) required to be deposited with the Paying Agent in accordance with the terms of this Agreement are received by any Transaction Party, the Borrower shall cause such Transaction Party to hold such payments in trust for the Collateral Agent and shall remit such amounts to the Paying Agent within (x) with respect to amounts that constitute Non-Recurring Payments or PBI Payments, five (5) Business Days after its receipt thereof and (y) with respect to all other amounts, two (2) Business Days after its receipt thereof, in each case for deposit in the Revenue Account, in the form received, with any necessary endorsements.

(iii) In the event the Paying Agent receives monies without adequate instruction with respect to the proper Paying Agent Account into which such monies are to be deposited, the Paying Agent shall deposit such monies into the Revenue Account. The Borrower shall, within five (5) Business Days after the receipt of notice from the Paying Agent of such receipt, deliver to the Paying Agent a duly executed and completed certificate specifying the proper Paying Agent Account(s) into which such monies are to be deposited. Absent receipt by the Paying Agent from the Borrower of a duly executed and completed certificate instructing the Paying Agent as to the appropriate transfer of funds among Paying Agent Accounts to give effect thereto, such monies shall remain in the Revenue Account and be otherwise subject to the provisions of this Section 8.2(B).

(iv) The Paying Agent shall make withdrawals from the Revenue Account only in accordance with Section 2.7(B).

(C) *Deposits and Withdrawals from the Liquidity Reserve Account.* Deposits into, and withdrawals from, the Liquidity Reserve Account shall, subject to Section 2.7(D), be made in the following manner:

(i) On each Borrowing Date, the Borrower shall by delivery of a portion of the proceeds of the Advances made on such Borrowing Date to the Paying Agent for deposit into the Liquidity Reserve Account, cause the amount on deposit in the Liquidity Reserve Account to equal the Liquidity Reserve Account Required Balance (giving effect to all Advances made on such Borrowing Date). In addition, funds shall be deposited into the Liquidity Reserve Account pursuant to and accordance with Section 2.7(B) until the amounts on deposit therein shall equal the Liquidity Reserve Account Required Balance.

(ii) On any Payment Date when Distributable Revenue is insufficient to pay the amounts then due and owing at clauses (i) through (iv) of Section 2.7(B) (after giving effect to any transfer made pursuant to Section 8.2(G)), the Paying Agent shall (in accordance with the related Quarterly Transaction Manager Report) withdraw funds from the Liquidity Reserve Account and deposit an amount equal to the lesser of such insufficiency and the amount on deposit in the Liquidity Reserve Account to the Revenue Account to be used as Distributable Revenue for such Payment Date. The Paying Agent shall promptly notify the Administrative Agent and the Collateral Agent if, at any time, there are insufficient funds on deposit in the Liquidity Reserve Account to make the payments required by this clause (ii).

(iii) So long as no Event of Default has occurred and is continuing or would result therefrom, if on any Payment Date or the date on which a Takeout Transaction is consummated, funds on deposit in the Liquidity Reserve Account are in excess of the Liquidity Reserve Account Required Balance, the Paying Agent shall (in accordance with the related Quarterly Transaction Manager Report or in a report delivered in connection with such Takeout Transaction) transfer such amounts at the direction of the Borrower.

(iv) On the earliest to occur of (a) the Maturity Date, (b) an Early Amortization Event and (c) the date on which the outstanding balance of the Advances is reduced to zero, the Paying Agent shall withdraw all amounts on deposit in the Liquidity Reserve Account and deposit such amounts into the Revenue Account, as directed by the Administrative Agent.

Notwithstanding anything in this Section 8.2(C) to the contrary, in lieu of or in substitution for moneys otherwise required to be deposited to the Liquidity Reserve Account, the Borrower (or the Transaction Manager on behalf of the Borrower) may deliver or cause to be delivered to the Paying Agent a Letter of Credit; *provided* that any deposit into the Liquidity Reserve Account required to be made by the Borrower (or the Transaction Manager on behalf of the Borrower) after the replacement of amounts on deposit in the Liquidity Reserve Account with a Letter of Credit shall be made by the Borrower (or the Transaction Manager on behalf of the Borrower) by way of cash deposits to the Liquidity Reserve Account as provided in Section 2.7(B) or otherwise, or pursuant to the Borrower's (or the Transaction Manager's on behalf of

the Borrower) causing an increase in the Letter of Credit or the delivery to the Paying Agent of an additional Letter of Credit.

If at any time a Letter of Credit is held by the Paying Agent as an asset of the Liquidity Reserve Account, and if any withdrawals from the Liquidity Reserve Account will be required under this Section 8.2(C) or otherwise, the Administrative Agent (or the Borrower with the written consent of the Administrative Agent) shall, no later than three (3) Business Days prior to the applicable Payment Date or payment date, direct the Paying Agent in writing to draw on the Letter of Credit, which direction shall provide the required draw amount. The Administrative Agent (or the Borrower with the written consent of the Administrative Agent) shall direct the Paying Agent to submit the drawing documents to the applicable Eligible Letter of Credit Bank no later than 5:00 P.M. (New York City time) on the second (2nd) Business Day after the Paying Agent receives such direction. Upon the receipt of the proceeds of any such drawing, the Paying Agent shall deposit such proceeds into the Liquidity Reserve Account. Any (A) references in the Transaction Documents to amounts on deposit in the Liquidity Reserve Account or amounts in or credited to the Liquidity Reserve Account shall include or be deemed to include the aggregate available amount of the Letters of Credit delivered to the Paying Agent pursuant to this Section 8.2(C), and (B) Letter of Credit delivered by the Borrower (or the Transaction Manager on behalf of the Borrower) to the Paying Agent pursuant to this Section 8.2(C) shall be held as an asset of the Liquidity Reserve Account and valued for purposes of determining the amount on deposit in the Liquidity Reserve Account at the amount as of any date then available to be drawn on such Letter of Credit.

If at any time a Letter of Credit is held by the Paying Agent as an asset of the Liquidity Reserve Account, then: (i) if the Letter of Credit is scheduled to expire by its terms and ten (10) days prior to the scheduled expiration date such Letter of Credit has not been extended or replaced, then the Borrower (or the Transaction Manager on behalf of the Borrower) or the Administrative Agent shall on such tenth (10th) day prior to the scheduled expiration date notify the Paying Agent in writing of such failure to extend or replace the Letter of Credit, and the Paying Agent shall, submit the drawing documents delivered to it by the Borrower (or the Transaction Manager on behalf of the Borrower) or the Administrative Agent to the Eligible Letter of Credit Bank no later than 5:00 P.M. (New York City time) on the second (2nd) Business Day prior to the scheduled expiration date and draw the full amount of such Letter of Credit and deposit the proceeds of such drawing into the Liquidity Reserve Account, and (ii) if the Borrower (or the Transaction Manager on behalf of the Borrower) or the Administrative Agent notifies the Paying Agent in writing that the financial institution issuing the Letter of Credit ceases to be an Eligible Letter of Credit Bank or a Responsible Officer of the Paying Agent otherwise receives written notice that the financial institution issuing the Letter of Credit ceases to be an Eligible Letter of Credit Bank, then the Paying Agent shall, no later than the second (2nd) Business Day after receipt of any such written notice by a Responsible Officer of the Paying Agent submit the drawing documents delivered to it by the Borrower (or the Transaction Manager on behalf of the Borrower) or the Administrative Agent to draw the full amount of such Letter of Credit and deposit the proceeds of such drawing into the Liquidity Reserve Account.

If at any time a Letter of Credit is held by the Paying Agent as an asset of the Liquidity Reserve Account, the stated amount of the Letter of Credit may be reduced from time to time, to the extent of any reduction in the dollar amount of the Liquidity Reserve Account Required Balance. Upon receipt by the Paying Agent of the Quarterly Transaction Manager Report or a report prepared by Borrower in connection with the consummation of a Takeout Transaction that shows a reduction in the Liquidity Reserve Account Required Balance, then the Borrower (or the Transaction Manager on behalf of the Borrower) or the Administrative Agent shall, prior to the related Payment Date or concurrently with the consummation of such Takeout Transaction, direct the Paying Agent to send the Eligible Letter of Credit Bank a letter in the form provided in the Letter of Credit to reduce the stated amount of the Letter of Credit. The Borrower (or the Transaction Manager on behalf of the Borrower) or the Administrative Agent shall ensure that the letter submitted shall provide for the reduction to be effective as of the close of business on the related Payment Date or the date of the consummation of such Takeout Transaction. The reduction shall be in the amount shown on the Quarterly Transaction Manager Report or such other report as the Liquidity Reserve Account "reductions" and the remaining stated amount of the Letter of Credit shall be equal to the Liquidity Reserve Account Required Balance "ending required amount" as shown on the Quarterly Transaction Manager Report or such other report. Any drawing on the Letter of Credit may be reimbursed by the Borrower only from amounts remitted to the Borrower pursuant to Section 2.7(B)(xiii).

Notwithstanding the foregoing or any other provision to the contrary in this Agreement or any other Transaction Document, in no event shall the Paying Agent be required to report, track, calculate or monitor the value, available amount or any other information regarding any Letter of Credit for any party hereto or beneficiary of or under the Liquidity Reserve Account, except as expressly required pursuant to this Section 8.2(C).

(D) *Deposits and Withdrawals from the Supplemental Reserve Account.* Deposits into, and withdrawals from, the Supplemental Reserve Account shall, subject to Section 2.7(D), be made in the following manner:

- (i) On each Borrowing Date, the Borrower shall deliver to the Paying Agent for deposit into the Supplemental Reserve Account, a portion of the Advances equal to the related Supplemental Reserve Account Deposit for such Borrowing Date.
- (ii) On each Payment Date, the related Supplemental Reserve Account Deposit shall be deposited into the Supplemental Reserve Account pursuant to and accordance with Section 2.7(B).
- (iii) So long as no Event of Default has occurred and is continuing, the Transaction Manager may (no more than once per calendar month and by delivery of an officer's certificate) direct the Paying Agent to the transfer amounts on deposit in the Supplemental Reserve Account to pay the following amounts in the following order of priority:
  - (a) to the Maintenance Services Provider or the Operator, as applicable, for the reimbursement of the cost (inclusive of labor costs) of the

replacement of any Inverter or energy storage device that no longer has the benefit of a manufacturer warranty and for which the Maintenance Services Provider is not obligated under the related Maintenance Services Agreement or the Operator is not obligated under the related MOMA, as applicable, to cover the replacement costs of such Inverter or energy storage device (or if so obligated, fails to pay such costs); and

(b) to the ITC Insurance Proceeds Account, the amount of the difference, if any, between (a) the amount of a ITC Indemnity minus (b) the sum of the amount of proceeds of the related Tax Loss Insurance Policy received by the loss payee under such Tax Loss Insurance Policy with respect to such ITC Indemnity.

(iv) On the earliest to occur of (a) the Maturity Date, (b) an Early Amortization Event and (c) the date on which the outstanding balance of the Advances is reduced to zero, the Paying Agent shall withdraw all amounts on deposit in the Supplemental Reserve Account and deposit such amounts into the Revenue Account, as directed by the Administrative Agent.

(v) So long as no Event of Default has occurred and is continuing or would result therefrom, if on any Payment Date or the date on which a Takeout Transaction is consummated funds on deposit in the Supplemental Reserve Account are in excess of the Supplemental Reserve Account Required Balance (after giving effect to all other distributions and disbursements and all releases and withdrawals on such Payment Date), the Transaction Manager may (by delivery of the Quarterly Transaction Manager Report or in a report delivered in connection with such Takeout Transaction) direct the Paying Agent to transfer to such account as the Borrower may direct an amount equal to the difference between (i) the aggregate total amount of all funds on deposit in the Supplemental Reserve Account and (ii) the Supplemental Reserve Account Required Balance, as set forth in the related Quarterly Transaction Manager Report or in a report delivered in connection with such Takeout Transaction.

Notwithstanding anything in this Section 8.2(D) to the contrary, in lieu of or in substitution for moneys otherwise required to be deposited to the Supplemental Reserve Account, the Borrower (or the Transaction Manager on behalf of the Borrower) may deliver or cause to be delivered to the Paying Agent a Letter of Credit; *provided* that any deposit into the Supplemental Reserve Account required to be made by the Borrower (or the Transaction Manager on behalf of the Borrower) after the replacement of amounts on deposit in the Supplemental Reserve Account with a Letter of Credit shall be made by the Borrower (or the Transaction Manager on behalf of the Borrower) by way of cash deposits to the Supplemental Reserve Account as provided in Section 2.7(B) or otherwise, or pursuant to the Borrower's (or the Transaction Manager's on behalf of the Borrower) causing an increase in the Letter of Credit or the delivery to the Paying Agent of an additional Letter of Credit.

If at any time a Letter of Credit is held by the Paying Agent as an asset of the Supplemental Reserve Account, and if any withdrawals from the Supplemental Reserve Account

will be required under this Section 8.2(D) or otherwise, the Administrative Agent (or the Borrower with the written consent of the Administrative Agent) shall, no later than three (3) Business Days prior to the applicable Payment Date or payment date, direct the Paying Agent in writing to draw on the Letter of Credit, which direction shall provide the required draw amount. The Administrative Agent (or the Borrower with the written consent of the Administrative Agent) shall direct the Paying Agent to submit the drawing documents to the applicable Eligible Letter of Credit Bank no later than 5:00 P.M. (New York City time) on the second (2nd) Business Day after the Paying Agent receives such direction. Upon the receipt of the proceeds of any such drawing, the Paying Agent shall deposit such proceeds into the Supplemental Reserve Account. Any (A) references in the Transaction Documents to amounts on deposit in the Supplemental Reserve Account or amounts in or credited to the Supplemental Reserve Account shall include or be deemed to include the aggregate available amount of the Letters of Credit delivered to the Paying Agent pursuant to this Section 8.2(D), and (B) Letter of Credit delivered by the Borrower (or the Transaction Manager on behalf of the Borrower) to the Paying Agent pursuant to this Section 8.2(D) shall be held as an asset of the Supplemental Reserve Account and valued for purposes of determining the amount on deposit in the Supplemental Reserve Account at the amount as of any date then available to be drawn on such Letter of Credit.

If at any time a Letter of Credit is held by the Paying Agent as an asset of the Supplemental Reserve Account, then (i) if the Letter of Credit is scheduled to expire by its terms and ten (10) days prior to the scheduled expiration date such Letter of Credit has not been extended or replaced, then the Borrower (or the Transaction Manager on behalf of the Borrower) or the Administrative Agent shall on such tenth (10th) day prior to the scheduled expiration date notify the Paying Agent in writing of such failure to extend or replace the Letter of Credit, and the Paying Agent shall, submit the drawing documents delivered to it by the Borrower (or the Transaction Manager on behalf of the Borrower) to the Eligible Letter of Credit Bank no later than 5:00 P.M. (New York City time) on the second (2nd) Business Day prior to the scheduled expiration date and draw the full amount of such Letter of Credit and deposit the proceeds of such drawing into the Supplemental Reserve Account, and (ii) if the Borrower (or the Transaction Manager on behalf of the Borrower) or the Administrative Agent notifies the Paying Agent in writing that the financial institution issuing the Letter of Credit ceases to be an Eligible Letter of Credit Bank or a Responsible Officer of the Paying Agent otherwise receives written notice that the financial institution issuing the Letter of Credit ceases to be an Eligible Letter of Credit Bank, then the Paying Agent shall, no later than the second (2nd) Business Day after receipt of any such written notice by a Responsible Officer of the Paying Agent submit the drawing documents delivered to it by the Borrower (or the Transaction Manager on behalf of the Borrower) or the Administrative Agent to draw the full amount of such Letter of Credit and deposit the proceeds of such drawing into the Supplemental Reserve Account.

If at any time a Letter of Credit is held by the Paying Agent as an asset of the Supplemental Reserve Account, the stated amount of the Letter of Credit may be reduced from time to time, to the extent of any reduction in the dollar amount of the Supplemental Reserve Account Required Balance. Upon receipt by the Paying Agent of the Quarterly Transaction Manager Report or a report prepared by the Borrower in connection with the consummation of a Takeout Transaction, if such Quarterly Transaction Manager Report or such other report shows a



reduction in the Supplemental Reserve Account Required Balance, then the Borrower (or the Transaction Manager on behalf of the Borrower) or the Administrative Agent shall, prior to the related Payment Date or concurrently with the consummation of a Takeout Transaction, direct the Paying Agent to send the Eligible Letter of Credit Bank a letter in the form provided in the Letter of Credit to reduce the stated amount of the Letter of Credit. The Borrower (or the Transaction Manager on behalf of the Borrower) or the Administrative Agent shall ensure that the letter submitted shall provide for the reduction to be effective as of the close of business on the related Payment Dated or the date of the consummation of such Takeout Transaction. The reduction shall be in the amount shown on the Quarterly Transaction Manager Report or such other report as the Supplemental Reserve Account “reductions” and the remaining stated amount of the Letter of Credit shall be equal to the Supplemental Reserve Account Required Balance “ending required amount” as shown on the Quarterly Transaction Manager Report or such other report. Any drawing on the Letter of Credit may be reimbursed by the Borrower only from amounts remitted to the Borrower pursuant to Section 2.7(B)(xiii).

Notwithstanding the foregoing or any other provision to the contrary in this Agreement or any other Transaction Document, in no event shall the Paying Agent be required to report, track, calculate or monitor the value, available amount or any other information regarding any Letter of Credit for any party hereto or beneficiary of or under the Supplemental Reserve Account, except as expressly required pursuant to this Section 8.2(D).

(E) *Deposits and Withdrawals from the ITC Insurance Proceeds Account.* Deposits into, and withdrawals from, the ITC Insurance Proceeds shall, subject to Section 2.7(D), be made in the following manner:

(i) The Borrower shall deposit, or cause to be deposited, in the ITC Insurance Proceeds Account, all ITC Insurance Policy Proceeds.

(ii) Upon deposit into the ITC Insurance Proceeds Account of any ITC Insurance Policy Proceeds, the Paying Agent shall, upon written instruction from the Transaction Manager (a) pay all applicable amounts on deposit in the ITC Insurance Proceeds Account (x) to the related Tax Equity Opco for distribution by such Tax Equity Opco to its members in accordance with the terms of the applicable Tax Equity Opco LLC Agreement, (y) directly to the applicable Tax Equity Investor in the amount of the related ITC Loss Indemnity or (z) to the Tax Equity Opco to pay the taxes owed so as to resolve such ITC Loss Indemnity and (b) once the applicable ITC Loss Indemnity has been paid in full, the Paying Agent shall, upon written instruction from the Transaction Manager (x) deposit into the Revenue Account for distribution pursuant to Section 2.7(B) an amount of any remaining ITC Insurance Policy Proceeds equal to the lesser of (1) such remaining amount and (2) the aggregate amounts paid to the related Tax Equity Investor in respect of such ITC Loss Indemnity as a result of a Limited Step-Up Event and (y) pay any remaining amounts after giving effect to clause (x) at the direction of the Borrower.

(F) *Deposits and Withdrawals from Takeout Transaction Account.*

- (i) The Borrower shall make deposits into the Takeout Transaction Account in accordance with Section 2.8(B).
- (ii) The Paying Agent shall make withdrawals from the Takeout Transaction Account only in accordance with Section 2.7(C).

(G) *Deposits and Withdrawals from the Post-PTO Reserve Account.* Deposits into, and withdrawals from, the Post-PTO Reserve Account shall, subject to Section 2.7(D), be made in the following manner:

(i) On each Borrowing Date, the Borrower shall by delivery of a portion of the proceeds of the Advances made on such Borrowing Date to the Paying Agent for deposit into the Post-PTO Reserve Account, cause the amount on deposit in the Post-PTO Reserve Account to equal the Post-PTO Reserve Account Required Balance. In addition, funds shall be deposited into the Post-PTO Reserve Account pursuant to and accordance with Section 2.7(B) until the amounts on deposit therein shall equal the Post-PTO Reserve Account Required Balance.

(ii) On any Payment Date when Distributable Revenue is insufficient to pay the amounts then due and owing at clauses (i) through (iv) of Section 2.7(B), the Paying Agent shall (in accordance with the related Quarterly Transaction Manager Report) withdraw funds from the Post-PTO Reserve Account and deposit an amount equal to the lesser of such insufficiency and the amount on deposit in the Post-PTO Reserve Account to the Revenue Account to be used as Distributable Revenue for such Payment Date. The Paying Agent shall promptly notify the Administrative Agent and the Collateral Agent if, at any time, there are insufficient funds on deposit in the Post-PTO Reserve Account to make the payments required by this clause (ii).

(iii) So long as no Event of Default has occurred and is continuing or would result therefrom, if on any Payment Date or the date on which a Takeout Transaction is consummated, funds on deposit in the Post-PTO Reserve Account are in excess of the Post-PTO Required Balance, the Paying Agent shall (in accordance with the related Quarterly Transaction Manager Report or in a report delivered in connection with such Takeout Transaction) transfer such amounts at the direction of the Borrower.

(iv) On the earliest to occur of (a) the Maturity Date, (b) an Early Amortization Event and (c) the date on which the outstanding balance of the Advances is reduced to zero, the Paying Agent shall withdraw all amounts on deposit in the Post-PTO Reserve Account and deposit such amounts into the Revenue Account, as directed by the Administrative Agent.

(H) *Deposits and Withdrawals from the Funding Account.* Deposits and withdrawals from the Funding Account shall be made in accordance with Section 2.4(C).

(I) *Paying Agent Account Control.* (i) Each Paying Agent Account shall be established and at all times maintained by the Paying Agent with an Eligible Institution which

shall act as a “securities intermediary” (as defined in Section 8-102 of the UCC) and a “bank” (as defined in Section 9-102 of the UCC) hereunder (in such capacities, the “*Securities Intermediary*”) with respect to each Paying Agent Account. The Paying Agent hereby confirms that, as of the Closing Date it is the Securities Intermediary and the account numbers of each of the Paying Agent Accounts are as described on Schedule VIII attached hereto.

(ii) Each Paying Agent Account shall be a “securities account” as defined in Section 8-501 of the UCC and shall be maintained by the Paying Agent as a securities intermediary for and in the name of the Borrower, subject to the lien of the Administrative Agent, for the benefit of the Secured Parties. The Paying Agent shall treat the Collateral Agent as the “entitlement holder” (within the meaning of Section 8-102(a)(7) of the UCC) in respect of all “financial assets” (within the meaning of Section 8-102(a)(9) of the UCC) credited to the Paying Agent Accounts.

(iii) The Paying Agent hereby confirms and agrees that:

(a) the Paying Agent shall not change the name or account number of any Paying Agent Account without the prior written consent of the Administrative Agent, the Collateral Agent (acting at the written direction of the Administrative Agent) and the Borrower;

(b) all securities or other property underlying any financial assets (as hereinafter defined) credited to a Paying Agent Account shall be registered in the name of the Paying Agent, indorsed to the Paying Agent or indorsed in blank or credited to another securities account maintained in the name of the Paying Agent, and in no case will any financial asset credited to a Paying Agent Account be registered in the name of the Borrower or any other Person, payable to the Borrower or specially indorsed to the Borrower or any other Person, except to the extent the foregoing have been specially indorsed to the Collateral Agent, for the benefit of the Secured Parties, or in blank;

(c) all property transferred or delivered to the Paying Agent pursuant to this Agreement will be credited to the appropriate Paying Agent Account in accordance with the terms of this Agreement;

(d) each Paying Agent Account is an account to which financial assets are or may be credited, and the Paying Agent shall, subject to the terms of this Agreement, treat each of the Borrower and the Transaction Manager as entitled to exercise the rights that comprise any financial asset credited to each such Paying Agent Account; and

(e) notwithstanding the intent of the parties hereto, to the extent that any Paying Agent Account shall be determined to constitute a “deposit account” within the meaning of Section 9-102(a)(29) of the UCC, such Paying Agent Account shall be subject to the exclusive control of the Collateral Agent, for the benefit of the Secured Parties, and the Paying Agent will comply with instructions

originated by the Collateral Agent (acting at the written direction of the Administrative Agent) directing disposition of the funds in such Paying Agent Account, without further consent by the Borrower or the Transaction Manager; provided that, notwithstanding the foregoing, the Collateral Agent hereby authorizes the Paying Agent to honor withdrawal, payment, transfer or other instructions directing disposition of the funds in the Revenue Account received from the Borrower or the Transaction Manager, on its behalf, pursuant to Section 2.7 or this Section 8.2.

(iv) The Paying Agent hereby agrees that each item of property (including any investment property, financial asset, security, instrument or cash) credited to any Paying Agent Account shall be treated as a “financial asset” within the meaning of Section 8-102(a)(9) of the UCC.

(v) If at any time the Paying Agent shall receive an “entitlement order” (as defined in Section 8-102(a)(8) of the UCC) (an “*Entitlement Order*”) from the Collateral Agent (i.e., an order directing a transfer or redemption of any financial asset in any Paying Agent Account), or any “instruction” (within the meaning of Section 9-104 of the UCC), originated by the Collateral Agent, the Paying Agent shall comply with such Entitlement Order or instruction without further consent by the Borrower, the Transaction Manager or any other Person. Neither the Transaction Manager nor the Borrower shall make any withdrawals from any Paying Agent Account, except pursuant to Section 2.7 or this Section 8.2.

(vi) In the event that the Paying Agent has or subsequently obtains by agreement, by operation of law or otherwise a security interest in any Paying Agent Account or any financial assets, funds, cash or other property credited thereto or any security entitlement with respect thereto, the Paying Agent hereby agrees that such security interest shall be subordinate to the security interest of the Collateral Agent, for the benefit of the Secured Parties. Notwithstanding the preceding sentence, the financial assets, funds, cash or other property credited to any Paying Agent Account will not be subject to deduction, set-off, banker’s lien, or any other right in favor of any Person other than the Collateral Agent, for the benefit of the Secured Parties (except that the Paying Agent may set-off (i) all amounts due to the Paying Agent in its capacity as securities intermediary in respect of customary fees and expenses for the routine maintenance and operation of the Paying Agent Accounts, and (ii) the face amount of any checks that have been credited to the Paying Agent Accounts but are subsequently returned unpaid because of uncollected or insufficient funds).

(vii) Regardless of any provision in any other agreement, for purposes of the UCC, New York shall be deemed to be the “bank’s jurisdiction” (within the meaning of Section 9-304 of the UCC) and the “security intermediary’s jurisdiction” (within the meaning of Section 8-110 of the UCC).

(viii) If, at any time, the Paying Agent resigns, is removed hereunder or ceases to meet the eligibility requirements of an Eligible Institution, the Transaction Manager,

for the benefit of the Collateral Agent and the Lenders, shall within thirty (30) days establish a new Revenue Account, Supplemental Reserve Account, Liquidity Reserve Account, ITC Insurance Proceeds Account, Takeout Transaction Account, Post-PTO Reserve Account and Funding Account meeting the conditions specified above with an Eligible Institution reasonably acceptable to the Administrative Agent and transfer any cash and/or any investments held therein or with respect thereto to such new Revenue Account, Supplemental Reserve Account, Liquidity Reserve Account, ITC Insurance Proceeds Account, Takeout Transaction Account, Post-PTO Reserve Account or Funding Account, as applicable. From the date such new Revenue Account, Supplemental Reserve Account, Liquidity Reserve Account, ITC Insurance Proceeds Account, Takeout Transaction Account, Post-PTO Reserve Account or Funding Account is established, it shall be the “Revenue Account,” “Supplemental Reserve Account,” “Liquidity Reserve Account,” “ITC Insurance Proceeds Account,” “Takeout Transaction Account,” “Post-PTO Reserve Account,” or “Funding Account” hereunder, as applicable.

(J) *Permitted Investments.* Prior to an Event of Default, the Transaction Manager (and after an Event of Default, the Administrative Agent) may direct each banking institution at which the Revenue Account, the Liquidity Reserve Account, Supplemental Reserve Account, Post-PTO Reserve Account or Takeout Transaction Account shall be established, in writing, to invest the funds held in such accounts in one or more Permitted Investments. Absent such written direction, such funds shall remain uninvested. All investments of funds on deposit in the Revenue Account, the Liquidity Reserve Account, Supplemental Reserve Account, Post-PTO Reserve Account or Takeout Transaction Account shall be uninvested so that such funds will be available on the Business Day immediately preceding the date on which the funds are to be disbursed from such account, unless otherwise expressly set forth herein. All interest derived from such Permitted Investments shall be deemed to be “investment proceeds” and shall be deposited into such account to be distributed in accordance with the requirements hereof. The taxpayer identification number associated with the Revenue Account, the Liquidity Reserve Account, Supplemental Reserve Account, Post-PTO Reserve Account and Takeout Transaction Account shall be that of the Borrower, and the Borrower shall report for federal, state and local income tax purposes the income, if any, earned on funds in such accounts. Funds on deposit in the ITC Insurance Proceeds Account and the Funding Account shall not be invested.

(K) *Exercise of Purchase Options.* Notwithstanding anything to the contrary contained herein, the Sponsor or any Affiliate thereof (other than the Borrower or any Subsidiary thereof) may fund the exercise of a Purchase Option by paying such amount directly to the applicable Tax Equity Investor and no such amount shall be required to be actually contributed to the Borrower or any Subsidiary thereof or deposited into any Paying Agent Account (it being understood that such direct payment is constructively, and shall be treated for accounting purposes as, a capital contribution to the applicable Managing Member through the Depositor and the Borrower).

*Section 8.3. Sharing.*

(A) Except as excluded in Section 8.3(B), if any Secured Party (other than the Administrative Agent or the Collateral Agent) shall obtain any amount (whether (i) by way of voluntary or involuntary payment, (ii) by virtue of an exercise of any right of set-off, banker's lien or counterclaim, (iii) as proceeds of any insurance policy covering any properties or assets of the Borrower or any other Transaction Party, (iv) from proceeds of liquidation or dissolution of the Borrower or any other Transaction Party or distribution of its assets among their respective creditors (however such liquidation, dissolution or distribution may occur), (v) as payment following the acceleration of any Obligation, (vi) from any realization on Collateral, (vii) by virtue of the application of any provision of any of the Transaction Documents (other than this Agreement) or (viii) in any other manner) in respect of any Obligations owed to such Secured Party under any Transaction Document (other than any amount distributed pursuant to and in accordance with the express terms of the Transaction Documents), such Secured Party shall forthwith notify the Collateral Agent thereof and shall promptly, and in any event within five (5) Business Days of its so obtaining the same, pay such amount (less any reasonable costs and expenses incurred by such Secured Party in obtaining such amount) to the Collateral Agent for the account of the Secured Parties, to be shared pro rata to the Secured Parties based on the amounts owing to each Secured Party.

(B) Notwithstanding any other provision of this Agreement or any other Transaction Document to the contrary (x) the Liquidity Reserve Account and the Post-PTO Reserve Account shall only be for the benefit of the Lenders and (y) no Secured Party shall have any obligation to share:

(i) any amounts subject to payment netting or close-out netting permitted pursuant to a Hedge Agreement;

(ii) any payment made by any Person to such Secured Party pursuant to a contract of participation or assignment or any other arrangement by which a direct or indirect interest of such Secured Party under the Transaction Document is transferred (other than any such contract or other arrangement entered into with the Borrower or any Affiliate thereof);

(iii) any amounts received or deemed received by a Secured Party in respect of any Obligation owed to it from separate insurance, credit default swap protection or other similar protection against loss arranged by such Secured Party for its own account in respect of any such Obligation (which amounts shall be for the sole benefit of such Secured Party); or

(iv) any payment made pursuant to and in accordance with the express terms of this Agreement.

*Section 8.4. Adjustments.* If the Transaction Manager makes a mistake with respect to the amount of any Collection or payment and deposits, pays or causes to be deposited or paid, an amount that is less than or more than the actual amount thereof, the Transaction Manager shall appropriately adjust the amounts subsequently deposited into the applicable account or paid out

to reflect such mistake for the date of such adjustment. Any Eligible Solar Asset in respect of which a dishonored check is received shall be deemed not to have been paid.

*Section 8.5. Erroneous Payments.*

(A) If the Administrative Agent or the Paying Agent notifies a Lender or other Secured Party, or any Person who has received funds on behalf of a Lender or other Secured Party (any such Lender, other Secured Party or other recipient, a “*Payment Recipient*”) that the Administrative Agent or the Paying Agent, as applicable, has determined in its sole discretion (whether or not after receipt of any notice under immediately succeeding clause (B)) that any funds received by such Payment Recipient from the Administrative Agent, the Paying Agent or any of their respective Affiliates were erroneously transmitted to, or otherwise erroneously or mistakenly received by, such Payment Recipient (whether or not known to such Payment Recipient) (any such funds, whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise, individually and collectively, an “*Erroneous Payment*”) and demands the return of such Erroneous Payment (or a portion thereof), such Erroneous Payment shall at all times remain the property of the Administrative Agent or the Paying Agent, as applicable, and shall be segregated by the Payment Recipient and held in trust for the benefit of the Administrative Agent or the Paying Agent, as applicable, and such Lender or other Secured Party shall (or, with respect to any Payment Recipient who received such funds on its behalf, shall cause such Payment Recipient to) promptly, but in no event later than two Business Days thereafter, return to the Administrative Agent or the Paying Agent, as applicable, the amount of any such Erroneous Payment (or portion thereof) as to which such a demand was made, in same day funds (in the currency so received), together with interest thereon in respect of each day from and including the date such Erroneous Payment (or portion thereof) was received by such Payment Recipient to the date such amount is repaid to the Administrative Agent or the Paying Agent, as applicable, in same day funds at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect. A notice of the Administrative Agent or the Paying Agent to any Payment Recipient under this clause (A) shall be conclusive, absent manifest error.

(B) Without limiting immediately preceding clause (A), each Lender, each other Secured Party, or any Person who has received funds on behalf of a Lender or other Secured Party, hereby further agrees that if it receives a payment, prepayment or repayment (whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise) from the Administrative Agent or the Paying Agent (or any of their respective Affiliates) (x) that is in a different amount than, or on a different date from, that specified in a notice of payment, prepayment or repayment sent by the Borrower, the Administrative Agent or the Paying Agent (or any of their respective Affiliates) with respect to such payment, prepayment or repayment, (y) that was not preceded or accompanied by a notice of payment, prepayment or repayment sent by the Borrower, the Administrative Agent or the Paying Agent (or any of their respective Affiliates), or (z) that such Lender or other Secured Party, or other such recipient, otherwise becomes aware was transmitted, or received, in error or by mistake (in whole or in part) in each case:

(i) (a) in the case of immediately preceding clauses (x) or (y), an error shall be presumed to have been made (absent written confirmation from the Administrative Agent or the Paying Agent to the contrary) or (b) an error has been made (in the case of immediately preceding clause (z)), in each case, with respect to such payment, prepayment or repayment; and

(ii) such Lender or other Secured Party shall (and shall cause any other recipient that receives funds on its respective behalf to) promptly (and, in all events, within one Business Day of its knowledge of such error) notify the Administrative Agent and the Paying Agent of its receipt of such payment, prepayment or repayment, the details thereof (in reasonable detail) and that it is so notifying the Administrative Agent and the Paying Agent pursuant to this Section 8.5(B).

(C) Each Lender and each other Secured Party hereby authorizes the Administrative Agent and the Paying Agent to set off, net and apply any and all amounts at any time owing to such Lender or other Secured Party under any Transaction Document, or otherwise payable or distributable by the Administrative Agent or the Paying Agent to such Lender or other Secured Party from any source, against any amount due to the Administrative Agent or the Paying Agent, as applicable, under immediately preceding clause (A) or under the indemnification provisions of this Agreement.

(D) In the event that an Erroneous Payment (or portion thereof) is not recovered by the Administrative Agent or the Paying Agent, as applicable, for any reason, after demand therefor by the Administrative Agent or the Paying Agent, as applicable, in accordance with immediately preceding clause (A), from any Lender that has received such Erroneous Payment (or portion thereof) (and/or from any Payment Recipient who received such Erroneous Payment (or portion thereof) on its respective behalf) (such unrecovered amount, an “*Erroneous Payment Return Deficiency*”), upon the Administrative Agent’s notice to such Lender at any time, (i) such Lender shall be deemed to have assigned its Advances (but not its Commitments) with respect to which such Erroneous Payment was made (the “*Erroneous Payment Impacted Advance*”) in an amount equal to the Erroneous Payment Return Deficiency (or such lesser amount as the Administrative Agent may specify) (such assignment of the Advances (but not Commitments) of the Erroneous Payment Impacted Advance, the “*Erroneous Payment Deficiency Assignment*”) at par plus any accrued and unpaid interest (with the assignment fee to be waived by the Administrative Agent in such instance), and is hereby (together with the Borrower) deemed to execute and deliver an Assignment and Assumption with respect to such Erroneous Payment Deficiency Assignment, and such Lender shall deliver any Loan Notes evidencing such Advances to the Borrower or the Administrative Agent, as applicable, (ii) the Administrative Agent, as the assignee Lender shall be deemed to acquire the Erroneous Payment Deficiency Assignment, (iii) upon such deemed acquisition, the Administrative Agent, as the assignee Lender shall become a Lender hereunder with respect to such Erroneous Payment Deficiency Assignment and the assigning Lender shall cease to be a Lender hereunder with respect to such Erroneous Payment Deficiency Assignment, excluding, for the avoidance of doubt, its obligations under the indemnification provisions of this Agreement and its applicable Commitments which shall survive as to such assigning Lender and (iv) the Administrative Agent



may reflect in the Register its ownership interest in the Advances subject to the Erroneous Payment Deficiency Assignment. The Administrative Agent may, in its discretion, sell any Advances acquired pursuant to an Erroneous Payment Deficiency Assignment and upon receipt of the proceeds of such sale, the Erroneous Payment Return Deficiency owing by the applicable Lender shall be reduced by the net proceeds of the sale of such Advance (or portion thereof), and the Administrative Agent shall retain all other rights, remedies and claims against such Lender (and/or against any recipient that receives funds on its respective behalf). For the avoidance of doubt, no Erroneous Payment Deficiency Assignment will reduce the Commitments of any Lender and such Commitments shall remain available in accordance with the terms of this Agreement. In addition, each party hereto agrees that, except to the extent that the Administrative Agent has sold an Advance (or portion thereof) acquired pursuant to an Erroneous Payment Deficiency Assignment, and irrespective of whether the Administrative Agent may be equitably subrogated, the Administrative Agent shall be contractually subrogated to all the rights and interests of the applicable Lender or other Secured Party under the Transaction Documents with respect to each Erroneous Payment Return Deficiency (the “*Erroneous Payment Subrogation Rights*”).

(E) The parties hereto agree that an Erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any Obligations owed by the Borrower or any other Transaction Party, except, in each case, to the extent such Erroneous Payment is, and solely with respect to the amount of such Erroneous Payment that is, comprised of funds received by the Administrative Agent or the Paying Agent from the Borrower or any other Transaction Party for the purpose of making such Erroneous Payment.

(F) To the extent permitted by applicable Law, no Payment Recipient shall assert any right or claim to an Erroneous Payment, and hereby waives, and is deemed to waive, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Administrative Agent or the Paying Agent for the return of any Erroneous Payment received, including without limitation waiver of any defense based on “discharge for value” or any similar doctrine.

(G) Each party’s obligations, agreements and waivers under this Section 8.5 shall survive the resignation or replacement of the Administrative Agent or the Paying Agent, as applicable, any transfer of rights or obligations by, or the replacement of, a Lender, the termination of the Commitments and/or the repayment, satisfaction or discharge of all Obligations (or any portion thereof) under any Transaction Document.

(H) Notwithstanding anything in this Section 8.5 to the contrary, the Paying Agent shall have no obligations or liabilities with respect to determining any Erroneous Payments or enforcing the return of, or any other remedies related to, any Erroneous Payments. The Paying Agent shall make payments to any Funding Agent or other Secured Party in accordance with the Quarterly Transaction Manager Report or such other written direction as is provided to the Paying Agent in accordance with the terms of this Agreement.

## ARTICLE IX

### THE PAYING AGENT AND THE COLLATERAL AGENT

*Section 9.1. Appointment.* The Administrative Agent, the Funding Agents and the Lenders (and each Hedge Counterparty by execution of a Hedge Counterparty Joinder, if applicable) hereby appoint Wells Fargo as the Paying Agent and the Collateral Agent and Wells Fargo accepts such appointments subject to the terms of this Agreement. The Collateral Agent is hereby irrevocably appointed and authorized to act as the agent of the Administrative Agent, each Funding Agent, each Lender and each Hedge Counterparty for purposes of acquiring, holding and enforcing any and all Liens on Collateral granted by any of the Loan Parties to secure any of the Obligations, together with such powers and discretion as are reasonably incidental thereto. In its capacity as the Administrative Agent's, the Funding Agents', the Lenders' and each Hedge Counterparty's contractual representative, the Collateral Agent is a "representative" of the Administrative Agent, the Funding Agents, the Lenders and each Hedge Counterparty within the meaning of Section 9102 of the UCC as in effect in the State of New York. In this connection, the Collateral Agent and any co-agents, sub-agents and attorneys-in-fact appointed by the Collateral Agent pursuant to Section 9.4(K) for purposes of holding or enforcing any Lien on the Collateral (or any portion thereof granted under the Collateral Documents, or for exercising any rights and remedies thereunder at the written direction of the Administrative Agent), shall be entitled to the benefits of all provisions of this Article IX and Article X (including Section 10.5 and 10.6, as though such co-agents, sub-agents and attorneys-in-fact were the "collateral agent" under the Transaction Documents) as if set forth in full herein with respect thereto.

*Section 9.2. Representations and Warranties.* Wells Fargo represents to the other parties hereto as follows:

(A) *Organization; Corporate Powers.* Wells Fargo is a national banking association, duly organized and validly existing under the laws of the United States, and has all requisite power and authority to conduct its business, to own its property and to execute, deliver and perform all of its obligations under this Agreement, and no license, permit, consent or approval, is required to be obtained, effective or given by the Paying Agent or the Collateral Agent to enable it to perform its obligations hereunder.

(B) *Authority.* The execution, delivery and performance by Wells Fargo of this Agreement and each other Transaction Document to which it is a party have been duly authorized by all necessary action on the part of Wells Fargo.

(C) *Enforcement.* This Agreement and each other Transaction Document to which it is a party constitutes the legal, valid and binding obligation of Wells Fargo, enforceable against Wells Fargo in accordance with its terms except as such enforcement may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally and general principles of equity, regardless of whether such enforcement is sought at equity or at law.

(D) *No Conflict.* Wells Fargo is not in violation of any law, rule, or regulation governing the banking or trust powers of the Wells Fargo applicable to it or any indenture, lease, loan or other agreement to which the Wells Fargo is a party or by which it or its assets may be bound or affected, except for such laws, rules or regulations or indentures, leases, loans or other agreements the violation of which would not have a material adverse effect on the Wells Fargo's abilities to perform its obligations in accordance with the terms of this Agreement or and any other Transaction Document to which it is a party.

*Section 9.3. Limitation of Liability of the Wells Fargo.* Notwithstanding anything contained herein to the contrary, this Agreement has been executed by Wells Fargo, not in its individual capacity, but solely as the Paying Agent and as the Collateral Agent, and in no event shall Wells Fargo have any liability for the representations, warranties, covenants, agreements or other obligations of the other parties hereto or in any of the certificates, notices or agreements delivered pursuant hereto, as to all of which recourse shall be had solely to the assets of the party responsible therefor.

*Section 9.4. Certain Matters Affecting the Paying Agent and the Collateral Agent.* Notwithstanding anything herein to the contrary:

(A) The Paying Agent and the Collateral Agent each undertakes to perform such duties and only such duties as are specifically set forth in this Agreement. Neither the Paying Agent nor the Collateral Agent shall have any duties or responsibilities except those expressly set forth in this Agreement or the other Transaction Documents to which they are a party.

(B) Neither the Paying Agent nor the Collateral Agent shall be subject to any fiduciary or other implied duties, obligations or covenants regardless of whether an Event of Default has occurred and is continuing.

(C) Neither the Paying Agent nor the Collateral Agent shall be liable for any action taken or any error of judgment made in good faith by an officer or officers of the Paying Agent or the Collateral Agent, as applicable, unless it shall be conclusively determined by the final judgment of a court of competent jurisdiction not subject to appeal or review that the Paying Agent or the Collateral Agent, as applicable, was grossly negligent or acted with willful misconduct in ascertaining the pertinent facts.

(D) Neither the Paying Agent nor the Collateral Agent shall be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with any direction given or certificate or other document delivered to the Paying Agent or the Collateral Agent under this Agreement or any other Transaction Document.

(E) None of the provisions of this Agreement or any other Transaction Document shall require the Paying Agent or the Collateral Agent to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers if it shall

have reasonable grounds for believing that repayment of such funds or indemnity satisfactory to it against such risk or liability is not assured to it.

(F) The Paying Agent and the Collateral Agent may each conclusively rely and shall be fully protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties, and shall be under no obligation to inquire as to the adequacy, content, accuracy or sufficiency of any such information or be under any obligation to make any calculation (or re-calculation), certification, or verification in respect of any such information and shall not be liable for any loss that may be occasioned thereby. The Paying Agent and the Collateral Agent may each also, but shall not be required to, rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper person, and shall not incur any liability for relying thereon.

(G) Whenever in the administration of the provisions of this Agreement or any other Transaction Document the Paying Agent or the Collateral Agent shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action to be taken hereunder, such matter may, in the absence of gross negligence, willful misconduct or bad faith on the part of the Paying Agent or the Collateral Agent, as applicable, be deemed to be conclusively proved and established by a certificate delivered to the Paying Agent or the Collateral Agent, as applicable, hereunder, and such certificate, in the absence of gross negligence, willful misconduct or bad faith on the part of the Paying Agent or the Collateral Agent, as applicable, shall be full warrant to the Paying Agent or the Collateral Agent, as applicable, for any action taken, suffered or omitted by it under the provisions of this Agreement or any other Transaction Document.

(H) The Paying Agent and the Collateral Agent, at the expense of the Borrower, may each consult with counsel, and the advice or any opinion of counsel shall be full and complete authorization and protection in respect of any action taken or omitted by it hereunder in good faith and in accordance with such advice or opinion of counsel; provided however that such costs of counsel are reasonable and documented. Before the Paying Agent or the Collateral Agent acts or refrains from acting hereunder, it may require and shall be entitled to receive an officer's certificate and/or an opinion of counsel, the costs of which (including the Paying Agent's and the Collateral Agent's reasonable and documented attorney's fees and expenses) shall be paid by the party requesting that the Paying Agent or Collateral Agent act or refrain from acting. Neither the Paying Agent nor the Collateral Agent shall be liable for any action it takes or omits to take in good faith in reliance on such officer's certificate or opinion of counsel.

(I) Neither the Paying Agent nor the Collateral Agent shall be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, entitlement order, approval or other paper or document.

(J) Except as provided expressly in Section 8.2(I) hereof, the Paying Agent shall have no obligation to invest and reinvest any cash held in any of the accounts hereunder in the absence of a timely and specific written investment direction pursuant to the terms of this Agreement. In no event shall the Paying Agent be liable for the selection of investments or for investment losses incurred thereon. The Paying Agent shall have no liability in respect of losses incurred as a result of the liquidation of any investment prior to its stated maturity or the failure of another party to timely provide a written investment direction pursuant to the terms of this Agreement. Investments in any Permitted Investments are not obligations or recommendations of, or endorsed or guaranteed by, the Paying Agent or its Affiliates. The Paying Agent and its Affiliates may provide various services for Permitted Investments and may be paid fees for such services. Each party hereto understands and agrees that proceeds of the sale of investments of the funds in any account maintained with the Paying Agent will be deposited by the Paying Agent into the applicable accounts on the Business Day on which the Paying Agent receives appropriate instructions hereunder, if such instructions received by the Paying Agent prior to the deadline for same day sale of such investments. If the Paying Agent receives such instructions after the applicable deadline for the sale of such investments, such proceeds will be deposited by the Paying Agent into the applicable account on the next succeeding Business Day. The parties hereto agree that notifications after the completion of purchases and sales of investments shall not be provided by the Paying Agent hereunder, and the Paying Agent shall make available, upon request and in lieu of notifications, periodic account statements that reflect such investment activity. No statement shall be made available if no investment activity has occurred during such period.

(K) Each of the Paying Agent and the Collateral Agent may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, affiliates, custodians or nominees appointed with due care, and shall not be responsible for any action or omission on the part of any agent, attorney, custodian or nominee so appointed.

(L) Any corporation or entity into which the Paying Agent or the Collateral Agent may be merged or converted or with which it may be consolidated, or any corporation or entity resulting from any merger, conversion or consolidation to which the Paying Agent shall be a party, or any corporation or entity succeeding to the business of the Paying Agent or the Collateral Agent shall be the successor of the Paying Agent or the Collateral Agent, as applicable, hereunder without the execution or filing of any paper with any party hereto or any further act on the part of any of the parties hereto except where an instrument of transfer or assignment is required by law to effect such succession, anything herein to the contrary notwithstanding.

(M) In no event shall the Paying Agent or the Collateral Agent be liable for punitive, special, indirect or consequential loss or damage of any kind whatsoever (including lost profits), even if the Paying Agent or the Collateral Agent has been advised of such loss or damage and regardless of the form of action.

(N) In no event shall the Paying Agent or the Collateral Agent be liable for any failure or delay in the performance of its obligations under this Agreement or any related documents because of circumstances beyond the Paying Agent's or the Collateral Agent's control, including a failure, termination, or suspension of a clearing house, securities depository, settlement system or central payment system in any applicable part of the world or acts of God, flood, war (whether declared or undeclared), civil or military disturbances or hostilities, nuclear or natural catastrophes, political unrest, explosion, severe weather or accident, earthquake, terrorism, fire, riot, labor disturbances, strikes or work stoppages for any reason, embargo, government action, including any laws, ordinances, regulations or the like (whether domestic, federal, state, county or municipal or foreign), disease, epidemic or pandemic, quarantine, national emergency, utility failure, malware or ransomware attack, which delay, restrict or prohibit the providing of the services contemplated by this Agreement or any other Transaction Document or any related documents, or the unavailability of communications or computer facilities, the failure of equipment or interruption of communications or computer facilities, or the unavailability of the Federal Reserve Bank wire or telex or other wire or communication facility, or any other causes beyond the Paying Agent's or the Collateral Agent's control whether or not of the same class or kind as specified above. The Paying Agent and Collateral Agent further agree that they shall give prompt notice (including a reasonable description of such force majeure event) to the other related parties hereto upon the Paying Agent and Collateral Agent having notice or knowledge of such force majeure event and use its best efforts to resume performance as promptly as practicable under the circumstances.

(O) Knowledge of the Paying Agent or the Collateral Agent shall not be attributed or imputed to any affiliate, line of business, or other division of Wells Fargo Bank, National Association (and vice versa).

(P) The right of the Paying Agent or the Collateral Agent to perform any permissive or discretionary act enumerated in this Agreement or any other Transaction Document shall not be construed as a duty.

(Q) Absent gross negligence, bad faith or willful misconduct (in each case as conclusively determined by a court of competent jurisdiction pursuant to a final order or verdict not subject to appeal) on the part of Wells Fargo in acting in each of its capacities under this Agreement and the related Transaction Documents shall not constitute impermissible self-dealing or a conflict of interest, and the parties hereto hereby waive any conflict of interest presented by such service. Wells Fargo may act as agent for, provide banking, custodial, collateral agency, verification and other services to, and generally engage in any kind of business, with others to the same extent as if Wells Fargo were not a party hereto. Nothing in this Agreement or any other Transaction Document shall in any way be deemed to restrict the right of Wells Fargo to perform such services for any other person or entity, and the performance of such services for others will not, in and of itself, be deemed to violate or give rise to any duty or obligation to any party hereto not specifically undertaken by Wells Fargo hereunder or under any other Transaction Document.

(R) Neither the Paying Agent nor the Collateral Agent shall be responsible for preparing or filing any reports or returns relating to federal, state or local income taxes with respect to this Agreement or any other Transaction Document other than for the Paying Agent's or the Collateral Agent's compensation.

(S) Neither the Paying Agent nor the Collateral Agent shall be deemed to have notice or knowledge of, or be required to act based on, any event or information (including any Event of Default, Early Amortization Event or any other default and including the sending of any notice) unless a Responsible Officer of the Paying Agent or the Collateral Agent has actual knowledge or shall have received written notice thereof. In the absence of such actual knowledge or receipt of such notice, the Paying Agent and the Collateral Agent may conclusively assume that none of such events have occurred and the Paying Agent and the Collateral Agent shall not have any obligation or duty to determine whether any Event of Default, Early Amortization Event or any other default has occurred. The delivery or availability of reports or other documents to the Paying Agent and the Collateral Agent (including publicly available reports or documents) shall not constitute actual or constructive knowledge or notice of information contained in or determinable from those reports or documents, except for such information provided to be delivered under this Agreement to the Paying Agent or the Collateral Agent and which the Paying Agent or the Collateral Agent is contractually obligated to review; and knowledge or information acquired by any Responsible Officer of the Paying Agent or the Collateral Agent in any of their respective capacities hereunder or under any other document related to this transaction, provided that the foregoing shall not relieve the Person acting as Paying Agent or as Collateral Agent, as applicable, from its obligations to perform or responsibility for the manner of performance of its duties in a separate capacity under the Transaction Documents.

(T) Except as otherwise provided in this Article IX:

(i) except as expressly required pursuant to the terms of this Agreement, neither the Paying Agent nor the Collateral Agent shall be required to make any initial or periodic examination of any documents or records for the purpose of establishing the presence or absence of defects, the compliance by the Borrower or any other Person with its representations and warranties or for any other purpose except as expressly required pursuant to the terms of this Agreement;

(ii) whether or not therein expressly so provided, every provision of this Agreement relating to the conduct or affecting the liability of or affording protection to the Paying Agent or the Collateral Agent shall be subject to the provisions of this Article IX;

(iii) neither the Paying Agent nor the Collateral Agent shall have any liability with respect to the acts or omissions of any other Person, and may assume compliance by each of the other parties to the Transaction Documents with their obligations thereunder unless a Responsible Officer of the Paying Agent or the Collateral Agent, as applicable, is notified of any such noncompliance in writing;

(iv) under no circumstances shall the Paying Agent or the Collateral Agent be personally liable for any representation, warranty, covenant, obligation or indebtedness of any other party to the Transaction Documents;

(v) neither the Paying Agent nor the Collateral Agent shall be held responsible or liable for or in respect of, and makes no representation or warranty with respect to (A) any recording, filing or depositing of this Agreement or any agreement referred to herein or any financing statement, continuation statement or amendments to a financing statement or continuation statement evidencing a security interest, or to see to the maintenance of any such recording or filing or depositing or to any re-recording, refiling or redepositing of any thereof, or (B) the existence, genuineness, value or protection of any collateral, for the legality, enforceability, effectiveness or sufficiency of the Transaction Documents or for the monitoring, creation, maintenance, enforceability, existence, status, validity, priority or perfection of any security interest, lien or collateral or the performance of any collateral; and

(vi) neither the Paying Agent nor the Collateral Agent shall be required to take any action hereunder if it shall have reasonably determined, or shall have been advised by its counsel, that such action is likely to result in liability on the part of the Paying Agent or the Collateral Agent, as applicable, or is contrary to the terms hereof or any other Transaction Document to which it is a party or is not in accordance with applicable laws.

(U) It is expressly understood and agreed by the parties hereto that neither the Paying Agent nor the Collateral Agent (i) has provided nor will it provide in the future, any advice, counsel or opinion regarding the tax, financial, investment, securities law or insurance implications and consequences of the consummation, funding and ongoing administration of this Agreement and the matters contemplated herein, including, but not limited to, income, gift and estate tax issues, and the initial and ongoing selection and monitoring of financing arrangements, (ii) has made any investigation as to the accuracy of any representations, warranties or other obligations of any other party to this Agreement or the other Transaction Documents or any other document or instrument and shall not have any liability in connection therewith and (iii) has prepared or verified, or shall be responsible or liable for, any information, disclosure or other statement in any disclosure or offering document delivered in connection with this Agreement or the other Transaction Documents.

(V) The recitals contained herein shall not be taken as the statements of the Paying Agent or the Collateral Agent, and neither the Paying Agent nor the Collateral Agent shall assume any responsibility for their correctness. Neither the Paying Agent nor the Collateral Agent makes any representation regarding the validity, sufficiency or enforceability of this Agreement or the other Transaction Documents or as to the perfection or priority of any security interest therein, except as expressly set forth in Section 9.2(C).



(W) In the event that (i) the Paying Agent or the Collateral Agent is unsure as to the application or interpretation of any provision of this Agreement or any other Transaction Document, (ii) this Agreement is silent or is incomplete as to the course of action that the Paying Agent or the Collateral Agent is required or permitted to take with respect to a particular set of facts, or (iii) more than one methodology can be used to make any determination or calculation to be performed by the Paying Agent or the Collateral Agent hereunder, then the Paying Agent or the Collateral Agent, as applicable, may give written notice to the Administrative Agent (with a copy to each Lender) requesting written instruction and, to the extent that the Paying Agent or the Collateral Agent acts or refrains from acting in good faith in accordance with any such written instruction, neither the Paying Agent nor the Collateral Agent shall be personally liable to any Person. If the Paying Agent or the Collateral Agent shall not have received such written instruction within ten (10) calendar days of delivery of notice to the Administrative Agent (or within such shorter period of time as may reasonably be specified in such notice or as may be necessary under the circumstances) it may, but shall be under no duty to, take or refrain from taking any action, and shall have no liability to any Person for such action or inaction.

(X) Neither the Paying Agent nor the Collateral Agent shall be under any obligation to exercise any of the rights or powers vested in it by this Agreement or any other Transaction Document or to institute, conduct or defend any litigation hereunder or thereunder or in relation hereto or thereto at the request, order or direction of any of any Person, unless such Person with the requisite authority shall have offered to the Paying Agent or the Collateral Agent, as applicable, security or indemnity satisfactory to the Paying Agent or the Collateral Agent, as applicable, against the costs, expenses and liabilities (including the reasonable and documented fees and expenses of the Paying Agent's or the Collateral Agent's, as applicable, counsel and agents) which may be incurred therein or thereby.

(Y) Neither the Paying Agent nor the Collateral Agent shall have any duty (i) to maintain or monitor any insurance or (ii) to see to the payment or discharge of any tax, assessment, or other governmental charge or any lien or encumbrance of any kind owing with respect to, assessed or levied against, any part of the Collateral.

(Z) Notwithstanding anything to the contrary in this Agreement, neither the Paying Agent nor the Collateral Agent shall be required to take any action that is not in accordance with applicable law.

(AA) Nothing in this Agreement gives rise to any right, expectation, or other entitlement on the part of any Person to inspect, examine, access, or visit any data center or other secure facility or system of the Paying Agent or Collateral Agent.

(BB) The rights, benefits, protections, immunities and indemnities afforded the Paying Agent and the Collateral Agent hereunder shall extend to the Paying Agent and the Collateral Agent (in any of their capacities) under any other Transaction Document or related agreement as though set forth therein in their entirety *mutatis mutandis*.

*Section 9.5. Indemnification.* The Borrower agrees to reimburse and indemnify, defend and hold harmless the Paying Agent and the Collateral Agent, in their individual and representative capacities, and its officers, directors, agents and employees (collectively, the “*Wells Fargo Indemnified Parties*”) against any and all fees, costs, damages, losses, suits, claims, judgments, liabilities, obligations, penalties, actions, expenses (including the reasonable and documented fees and expenses of counsel and court costs) or disbursements of any kind and nature whatsoever, regardless of the merit, which may be imposed on, incurred by or demanded, claimed or asserted against any of them in any way directly or indirectly relating to or arising out of or in connection with this Agreement or any other Transaction Document or any other document delivered in connection herewith or therewith or the transactions contemplated hereby or thereby, or the enforcement of any of the terms hereof or thereof or of any such other documents, including in connection with any enforcement (including any action, claim or suit brought) by any Wells Fargo Indemnified Party of its rights hereunder or thereunder (including rights to indemnification), *provided*, that the Borrower shall not be liable for any of the foregoing to the extent arising from the gross negligence, willful misconduct or bad faith of the Paying Agent or the Collateral Agent, as determined by the final judgment of a court of competent jurisdiction, no longer subject to appeal or review. The provisions of this Section 9.5 shall survive the discharge, termination or assignment of this Agreement or any related agreement or the earlier of the resignation or removal of the Paying Agent or the Collateral Agent, as applicable. This Section 9.5 shall not apply with respect to Taxes other than any Taxes that represent losses, liabilities, claims and damages arising from any non-Tax Proceeding. The Wells Fargo Indemnified Parties’ reasonable and documented expenses are intended as expenses of administration.

*Section 9.6. Successor Paying Agent/Collateral Agent.* Each of the Paying Agent and the Collateral Agent may individually resign at any time by giving at least thirty (30) days’ prior written notice thereof to the other parties hereto; *provided*, that no such resignation shall become effective until a successor Paying Agent or successor Collateral Agent, as applicable, that is satisfactory to the Administrative Agent and, to the extent no Event of Default or Amortization Event has occurred and is continuing, the Borrower, has been appointed hereunder. Each of the Paying Agent and the Collateral Agent may be removed at any time for cause by at least thirty (30) days’ prior written notice received by the Paying Agent or the Collateral Agent, as applicable, from the Administrative Agent. Upon any such resignation or removal, the Administrative Agent shall have the right to appoint a successor Paying Agent or successor Collateral Agent, as applicable, that is satisfactory to the Borrower (unless an Event of Default or Amortization Event has occurred and is continuing). If no successor Paying Agent or successor Collateral Agent, as applicable, shall have been so appointed and shall have accepted such appointment within thirty (30) days after the exiting Paying Agent’s or exiting Collateral Agent’s, as applicable, giving notice of resignation or receipt of notice of removal, then the exiting Paying Agent or exiting Collateral Agent, as applicable, may, at the sole expense (including all fees, costs and expenses (including attorneys’ reasonable and documented fees and expenses) incurred in connection with such petition) of the Borrower, petition a court of competent jurisdiction to appoint a successor Paying Agent or successor Collateral Agent, as applicable. Upon the acceptance of any appointment as the Paying Agent hereunder by a successor Paying Agent, such successor Paying Agent shall thereupon succeed to and become

vested with all the rights, powers, privileges and duties of the exiting Paying Agent, and the exiting Paying Agent shall be discharged from its duties and obligations hereunder. Upon the acceptance of any appointment as the Collateral Agent hereunder by a successor Collateral Agent, such successor Collateral Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the exiting Collateral Agent, and the exiting Collateral Agent shall be discharged from its duties and obligations hereunder. After any exiting Paying Agent's or any exiting Collateral Agent's resignation hereunder, the provisions of this Article IX shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as the Paying Agent or as the Collateral Agent, as applicable, hereunder. If the Paying Agent or the Collateral Agent consolidates with, merges or converts into, or transfers or sells all or substantially all its corporate trust business or assets to, another Person, the resulting, surviving or transferee Person without any further act shall be the successor Paying Agent or the successor Collateral Agent, as applicable.

## ARTICLE X

### MISCELLANEOUS

*Section 10.1 Survival.* All representations and warranties made by the Borrower herein and all indemnification obligations of the Borrower hereunder shall survive, and shall continue in full force and effect, after the making and the repayment of the Advances hereunder and the termination of this Agreement.

*Section 10.2 Amendments, Etc.* No amendment to or waiver of any provision of any Transaction Document (other than a Hedge Agreement), nor consent to any departure therefrom by the parties hereto, shall in any event be effective unless the same shall be in writing and signed by the Majority Lenders and the Borrower, and acknowledged by the Administrative Agent and each Funding Agent; *provided further*, no such amendment or waiver shall:

(i) extend the Scheduled Commitment Termination Date, reduce the amount of or extend the maturity of any Advance or reduce the rate or extend the time of payment of interest thereon, or reduce or alter the timing or priority of any other amount payable to any Lender hereunder, including amending or modifying any of the definitions related to such terms, in each case without the consent of the Lenders affected thereby; provided that this Section 10.2(i) shall not apply to any matter governed by Section 2.11(C);

(ii) amend, modify or waive any provision of this Section 10.2, reduce the percentage specified in the definition of the Majority Lenders or Super-Majority Lenders, or otherwise modify any provision of any Transaction Document (other than a Hedge Agreement) specifying the number or percentage of Lenders required to amend, waive or otherwise modify any rights hereunder or thereunder or make any determination or grant any consent hereunder or thereunder, in each case without the written consent of all Lenders;

(iii) amend, modify or waive any provision of Section 3.2, Section 3.4 or Section 3.5, in each case without the written consent of the Super-Majority Lenders

(other than any waiver of any timing requirements under Section 3.4 (including any such requirement arising as result of a timing requirement set forth in any defined term used in Section 3.4));

(iv) amend, modify or waive any provision of Sections 7.18 through Section 7.29 hereof without the written consent of all Funding Agents;

(v) affect the rights or duties of the Administrative Agent, the Paying Agent, the Collateral Agent, the Custodian, Transaction Manager or the Transaction Transition Manager under this Agreement without the written consent of the Administrative Agent, the Paying Agent, the Collateral Agent, the Custodian, Transaction Manager or the Transaction Transition Manager, respectively;

(vi) amend, modify or waive any provision of Article II or any other provision hereof in a manner that would alter the pro rata sharing of payments required thereunder, without the written consent of each Lender adversely affected thereby;

(vii) change or otherwise modify the eligibility criteria set forth in the Transaction Documents relating to Eligible Solar Assets, Eligible Tax Equity Structures, or Target Qualifying Tax Equity Funds, in each case, without the written consent of the Super-Majority Lenders;

(viii) amend or modify any provision of Article VI;

(ix) waive any Event of Default under Article VI with respect to any breach of any representation, warranty or covenant without the requisite number of Lenders that would be required to amend the provision which was breached;

(x) modify fees payable by the Borrower or any Relevant Party without the consent of the Super Majority Lenders;

(xi) amend the definitions of “Approved Existing Tax Equity Fund”, “Availability Period”, “Borrowing Base”, “Borrowing Base Calculation Date”, “Collateral”, “Competitor”, “Custodian File”, “DSCR”, “Early Amortization Event”, “Eligible Solar Asset”, “Excess Concentration Amount”, “Excluded Covenant”, “Financial Covenant”, “Hedge Requirements”, “Independent Engineering Report”, “Liquidity Reserve Account Required Balance”, “Materially Adverse Cash Sweep Provisions”, “Material Adverse Effect”, “Material Project Documents”, “Minimum Payoff Amount”, “Partial Release Conditions”, “Post-PTO Reserve Account Required Balance”, “Solar Asset Portfolio Value”, “Supplemental Reserve Account Deposit”, “Supplemental Reserve Account Required Balance”, “Takeout Transaction”, “Target Fund”, “Target Fund Approvals”, “Target Non-Qualifying Tax Equity Fund”, “Target Qualifying Tax Equity Fund”, “Target Tax Equity Opco”, “Target Wholly-Owned Subsidiary”, “Tax Equity Required Consent” or any of the component definitions of any thereof in a manner that would have the effect of increasing the Borrowing Base in any material respect without the written consent of the Super-Majority Lenders, except for

any amendment to any such definition to (x) correct any scrivener error(s) or (y) clarify the meaning of any such definition;

(xii) amend the definition of Commitment or Exhibit E hereto without the consent of the Lender whose Commitment would be impacted thereby (it being understood that reductions of Commitments pursuant to Section 2.6(A) and increases in Commitments pursuant to Section 2.6(B) shall be governed by such Sections); or

(xiii) release or subordinate all or any material portion of the Collateral, or any Relevant Party from its obligations under the Collateral Documents or any Membership Interests without the written consent of each Lender, in each case, other than in connection with a disposition permitted hereunder.

The Borrower agrees to provide notice to each party hereto of any amendments to or waivers of any provision of this Agreement; *provided* that the Borrower shall provide the Conduit Lender with prompt written notice of any amendment to any provision of this Agreement, prior to such amendment becoming effective.

Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder (and any amendment, waiver or consent which by its terms requires the consent of all Lenders or each affected Lender may be effected with the consent of the applicable Lenders other than Defaulting Lenders), except that (x) the Commitment of any Defaulting Lender may not be increased or extended, the maturity date of any of its Advances may not be extended, the rate of interest on any of its Advances may not be reduced and the principal amount of any of its Advances may not be forgiven, in each case without the consent of such Defaulting Lender and (y) any waiver, amendment, consent or modification requiring the consent of all Lenders or each affected Lender that by its terms affects any Defaulting Lender more adversely relative to other affected Lenders shall require the consent of such Defaulting Lender.

Notwithstanding any provision herein to the contrary, if the Administrative Agent and the Borrower acting together identify any ambiguity, omission, mistake, typographical error or other defect in any provision of this Agreement or any other Transaction Document (including the schedules and exhibits thereto), then the Administrative Agent and the Borrower shall be permitted to amend, modify or supplement such provision to cure such ambiguity, omission, mistake, typographical error or other defect, and such amendment shall become effective without any further action or consent of any other party to this Agreement. In addition, the Lenders hereby consent to the incorporation from time to time on and after the Closing Date of specific provisions not materially adverse to the Lenders into the Guaranty, Pledge and Security Agreement with respect to a particular Tax Equity Fund to the extent agreed by the Collateral Agent and the applicable Managing Member with respect to such Tax Equity Fund in the applicable Accession Agreement to the Guaranty, Pledge and Security Agreement.

Notwithstanding any provision herein to the contrary, any Lender may request the parties to this Agreement to enter into an amendment to this Agreement for the purpose of sub-dividing the Advances and the Commitments of such Lender(s) into separate tranches and each party

hereto shall consider such request in good faith; *provided*, that any such amendment shall be at the expense of the directing Lender(s) and none of the Borrower, the Administrative Agent, the Collateral Agent, the Paying Agent or any other Lender shall be required to enter into such amendment if any such party, after considering such request in good faith, determines in its sole discretion that such subdivision could have an adverse effect on it, including (i) with respect to the Borrower, an adverse effect on the economics of the equity of the Borrower and (ii) on the payments, economics or obligations of any such party. Upon such request by a Lender and unless the Borrower, after having considered such request in good faith, has determined in its sole discretion that any such subdivision would have an adverse effect on it, the Borrower shall cooperate with such Lender and any intended assignee (if any) thereof, as may be reasonably requested by such Lender, to effect such subdivision, including through the issuance of replacement Loan Notes having terms (including changes to advance rates or margin) as may be reasonably requested by such Lender.

*Section 10.3 Notices, Etc.* All notices and other communications provided for hereunder shall be in writing and mailed or delivered by courier or facsimile: (A) if to the Borrower, at its address at Sunrun Luna Portfolio 2021, LLC c/o Sunrun Inc., 225 Bush Street, Suite 1400, San Francisco, CA 94104, Attention: [\*\*\*]; (B) if to the Administrative Agent, Credit Suisse AG, New York Branch, 11 Madison Avenue, 4th Floor, New York, NY 10010; Conduit and Warehouse Financing [\*\*\*]; email address: [\*\*\*]; (C) if to the Collateral Agent or the Paying Agent, Wells Fargo Bank, National Association, 600 S. 4th Street, MAC N9300-061, Minneapolis, Minnesota 55415, Attention: Corporate Trust Services – Asset-Backed Administration, email address: [\*\*\*]; and (D) in the case of any party, at such address or other address as shall be designated by such party in a written notice to each of the other parties hereto. Notwithstanding the foregoing, each Quarterly Transaction Manager Report described in Section 5.1(D) and the Borrowing Base Certificate described in Section 5.1(F) may be delivered by electronic mail; *provided*, that such electronic mail is sent by a Responsible Officer and each such Quarterly Transaction Manager Report or the Borrowing Base Certificate is accompanied by an electronic reproduction of the signature of a Responsible Officer of the Borrower. All such notices and communications shall be effective, upon receipt, *provided*, that notice by facsimile or email shall be effective upon electronic or telephonic confirmation of receipt from the recipient.

The Administrative Agent, the Collateral Agent, and the Lenders shall be entitled to rely and act upon any notices (including telephonic notices, Notices of Borrowing) purportedly given by or on behalf of the Borrower even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The Borrower shall indemnify the Administrative Agent, each Lender and the Related Parties of each of them from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of the Borrower. All telephonic notices to and other telephonic communications with the Administrative Agent may be recorded by the Administrative Agent, and each of the parties hereto hereby consents to such recording.

*Section 10.4 No Waiver; Remedies.* No failure on the part of the Administrative Agent or any Lender to exercise, and no delay in exercising, any right hereunder or under the Loan

Notes shall operate as a waiver thereof; nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

*Section 10.5 Indemnification.*

(A) *Indemnification.* The Borrower agrees to indemnify the Administrative Agent, the Collateral Agent, the Funding Agents, the Lenders, the Paying Agent and their respective Related Parties (collectively, the “*Indemnitees*”) from and hold each of them harmless against any and all losses, liabilities, claims, damages or expenses (including reasonable fees and expenses of counsel and court costs), including in connection with any enforcement (including any action, suit or claim brought by an Indemnatee) of the Borrower’s indemnification obligations hereunder, to which such Indemnatee may become subject arising out of, resulting from or in connection with any claim, litigation, investigation or proceeding (each, a “*Proceeding*” (including any Proceedings under environmental laws)) relating to the Transaction Documents or any other agreement, document, instrument or transaction related thereto, the use of proceeds of any Advance, and the transactions contemplated hereby, regardless of whether any Indemnatee is a party thereto and whether or not such Proceedings are brought by the Borrower, its equity holders, affiliates, creditors or any other third party, and to reimburse each Indemnatee upon written demand therefor (together with reasonable back-up documentation supporting such reimbursement request) for any reasonable and documented legal or other out-of-pocket expenses incurred in connection with investigating or defending any of the foregoing of one law firm to all such Indemnitees, taken as a whole, and, in the case of a conflict of interest, of one additional counsel to the affected Indemnatee taken as a whole (and, if reasonably necessary, of one local counsel and/or one regulatory counsel in any material relevant jurisdiction); *provided*, that the foregoing indemnity and reimbursement obligation will not, as to any Indemnatee, apply to (A) losses, claims, damages, liabilities or related expenses (i) to the extent they are found in a final non-appealable judgment of a court of competent jurisdiction to arise from the willful misconduct, bad faith or gross negligence of, material breach of the Transaction Documents by, such Indemnatee (other than Wells Fargo in any of its capacities under the Transaction Documents) or any of its affiliates or controlling persons or any of the officers, directors, employees, advisors or agents of any of the foregoing or (ii) arising out of any claim, litigation, investigation or proceeding that does not involve an act or omission of the Borrower or any of its Affiliates and that is brought by such Indemnatee against another Indemnatee or (B) any settlement entered into by such Indemnatee without the Borrower’s written consent (such consent not to be unreasonably withheld or delayed). This Section 10.5 shall not apply with respect to Taxes other than any Taxes that represent losses, liabilities, claims and damages arising from any non-Tax Proceeding. The provisions of this Section 10.5 shall survive the discharge, termination or assignment of this Agreement or any related agreement or the earlier of the resignation or removal of the Administrative Agent, the Funding Agents, the Collateral Agent or the Paying Agent, as applicable. Notwithstanding anything to the contrary in this Section 10.5, the provisions of this Section shall be applied without prejudice to, and the provisions shall not have the effect of diminishing, the rights of the Paying Agent, the Collateral Agent and any Wells Fargo Indemnified Parties under Section 9.5 of this Agreement or any other provision of any Transaction Document providing for the indemnification of any such Persons.

(B) *Reimbursement by Lenders.* To the extent that the Borrower for any reason fails to indefeasibly pay any amount required under clause (a) of this Section 10.5 or Section 10.6 to be paid by it to the Administrative Agent (or any sub-agent thereof), the Collateral Agent, the Funding Agents, or any Related Party of any of the foregoing, each Lender severally agrees to pay to the Administrative Agent (or any sub-agent thereof), the Collateral Agent, the Funding Agents, or any Related Party, as the case may be, such Lender's pro rata share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought based on each Lender's share of the Aggregate Commitment of all Lenders at such time) of such unpaid amount (including any such unpaid amount in respect of a claim asserted by such Lender), such payment to be made severally among them based on such Lenders' Lender Group Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought), provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent), the Collateral Agent, or each Funding Agent, in its capacity as such, or against any Related Party of any of the foregoing acting for the Administrative Agent (or any such sub-agent), the Collateral Agent, or any Funding Agent, in connection with such capacity. The obligations of the Lenders under this clause (B) are subject to the provisions of Section 2.13(C).

(C) *Waiver of Consequential Damages, Etc.* To the fullest extent permitted by Applicable Law, none of the parties hereto shall assert, and each party hereto hereby waives, and acknowledges that no other Person shall have, any claim against any other party hereto or any other Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Transaction Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Advance or the use of the proceeds thereof; provided, however, that the limitations set forth in this clause (C) shall not be applicable with respect to any and all losses, liabilities, claims, damages or expenses (including reasonable fees and expenses of counsel and court costs) suffered by an Indemnitee resulting from damages awarded to any third party. No Indemnitee referred to in clause (A) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed to such unintended recipients by such Indemnitee through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Transaction Documents or the transactions contemplated hereby or thereby.

(D) *Payments.* All amounts due and payable under this Section 10.5 shall be payable not later than ten Business Days after receipt of a demand therefor; *provided, however,* that the applicable Indemnitee shall promptly refund such amount to the extent that there is a final judicial or arbitral determination that such Indemnitee was not entitled to indemnification rights with respect to such payment pursuant to the express terms of this Section 10.5.

( E ) *Survival.* The agreements and the indemnity provisions set forth in this Section 10.5 shall survive the resignation of the Administrative Agent, the Collateral Agent, the



replacement of any Lender, the termination of the Aggregate Commitments and the repayment, satisfaction or discharge of all the other Obligations.

*Section 10.6 Costs, Expenses and Taxes.* The Borrower agrees to pay all reasonable and documented costs and expenses in connection with the preparation, execution, delivery, filing, recording, administration, modification, amendment or waiver of this Agreement, the Loan Notes and the other documents to be delivered hereunder, including the reasonable fees and out-of-pocket expenses of counsel for the Administrative Agent, the Collateral Agent and the Paying Agent with respect thereto; *provided*, that the Administrative Agent shall promptly consult with Borrower in the event the fees and out-of-pocket expenses of counsel for the Administrative Agent and the Collateral Agent incurred in connection with the addition of (i) any Target Qualifying Tax Equity Fund exceed or are anticipated to exceed \$25,000 or (ii) any Target Wholly-Owned Subsidiary exceed or are anticipated to exceed \$5,000. The Borrower further agrees to pay on demand all costs and expenses, if any (including reasonable and documented counsel fees and expenses) (A) in connection with the enforcement (whether through negotiations, legal proceedings or otherwise) of this Agreement, the Loan Notes and the other documents to be delivered hereunder and (B) incurred by the Administrative Agent or the Collateral Agent in connection with the transactions described herein and in the other Transaction Documents (including any increase pursuant to Section 2.6), or any potential Takeout Transaction, including in any case reasonable and documented counsel fees and expenses in connection with the enforcement of rights under this Section 10.6. Without limiting the foregoing, the Borrower acknowledges and agrees that the Administrative Agent or its counsel may at any time after an Event of Default shall have occurred and be continuing, engage professional consultants selected by the Administrative Agent to conduct additional due diligence with respect to the transactions contemplated hereby, including (A) review and independently assess the existing methodology employed by the Borrower in allocating Collections with respect to the Collateral, assess the reasonableness of the methodology for the equitable allocation of those Collections and make any recommendations to amend the methodology, if appropriate, (B) review the financial forecasts submitted by the Borrower to the Administrative Agent and assess the reasonableness and feasibility of those forecasts and make any recommendations based on that review, if appropriate, and (C) verify the asset base of the Borrower and the Borrower's valuation of its assets, as well as certain matters related thereto. The reasonable and documented fees and expenses of such professional consultants, in accordance with the provisions of this Section 10.6, shall be at the sole cost and expense of the Borrower. In addition, the Borrower shall pay any and all Other Taxes and agrees to save the Administrative Agent, the Collateral Agent and each Lender harmless from and against any and all liabilities with respect to or resulting from any delay in paying or omission to pay such Other Taxes.

*Section 10.7 Right of Set-off; Ratable Payments; Relations Among Lenders.* (A) Upon the occurrence and during the continuance of any Event of Default, and subject to the prior payment of Obligations owed to the parties to the Transaction Documents, each of the Administrative Agent and the Lenders are hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held by and other indebtedness at any time

owing to the Administrative Agent or such Lender to or for the credit or the account of the Borrower against any and all of the obligations of the Borrower now or hereafter existing under this Agreement and the Loan Notes, whether or not the Administrative Agent or such Lenders shall have made any demand under this Agreement or the Loan Notes and although such obligations may be unmatured. The Administrative Agent and each Lender agrees promptly to notify the Borrower after any such set-off and application; *provided* that the failure to give such notice shall not affect the validity of such set-off and application. The rights of the Administrative Agent and the Lenders under this Section 10.7(A) are in addition to other rights and remedies (including other rights of set-off) which the Administrative Agent and the Lenders may have.

(B) If any Lender, whether by setoff or otherwise, has payment made to it upon its Advances in a greater proportion than that received by any other Lender, such other Lender agrees, promptly upon demand, to purchase a portion of the Advances held by the Lenders so that after such purchase each Lender will hold its ratable share of Advances. If any Lender, whether in connection with setoff or amounts which might be subject to setoff or otherwise, receives collateral or other protection for its Obligations or such amounts which may be subject to setoff, such Lender agrees, promptly upon written demand, to take such action necessary such that all Lenders share in the benefits of such collateral ratably in proportion to the obligations owing to them. In case any such payment is disturbed by legal process, or otherwise, appropriate further adjustments shall be made.

(C) Except with respect to the exercise of set-off rights of any Lender in accordance with Section 10.7(A), the proceeds of which are applied in accordance with this Agreement, each Lender agrees that it will not take any action, nor institute any actions or proceedings, against the Borrower or any other obligor hereunder or with respect to any Collateral or Transaction Document, without the prior written consent of the other Lenders or, as may be provided in this Agreement or the other Transaction Documents, at the direction of the Administrative Agent.

(D) The Lenders are not partners or co-venturers, and no Lender shall be liable for the acts or omissions of, or (except as otherwise set forth herein in case of the Administrative Agent) authorized to act for, any other Lender.

*Section 10.8 Binding Effect; Assignment.*

(A) This Agreement shall be binding upon and inure to the benefit of the Borrower, the Collateral Agent, the Paying Agent and the Administrative Agent and each Lender, and their respective successors and assigns, except that the Borrower shall not have the right to assign its rights hereunder or any interest herein without the prior written consent of the Administrative Agent and the Lenders, and any assignment by the Borrower in violation of this Section 10.8 shall be null and void. Notwithstanding anything to the contrary in the first sentence of this Section 10.8, any Lender may at any time, without the consent of the Borrower or the Administrative Agent, assign all or any portion of its rights and obligations under this Agreement and any Loan Note to a Federal Reserve Bank and each Conduit Lender may assign its rights and obligations under this Agreement to a Program Support Provider; provided, that no such assignment or pledge shall release the transferor Lender from its obligations hereunder. Each

Lender may assign to one or more Eligible Assignees all or any part or portion of, or may grant participations to one or more banks or other entities in all or any part or portion of its rights and obligations hereunder (including its Commitment, its Loan Notes or its Advances); *provided*, that each such assignment (A) shall be made pursuant to an Assignment and Assumption, (B) shall be made either (i) to a Permitted Assignee or (ii) to any other Person that is acceptable to the Administrative Agent in its reasonable discretion (such consent not to be unreasonably withheld, conditioned or delayed) unless an Event of Default or Early Amortization Event shall have occurred and be continuing, and (C) shall require the consent of the Borrower (such consent not to be unreasonably withheld, conditioned or delayed) if made during the Availability Period (it being understood that the Borrower shall be deemed to have acted reasonably in withholding, conditioning or delaying any proposed assignment to a Competitor during the Availability Period) unless such assignment is to a Lender or an Affiliate of a Lender or an Event of Default or Early Amortization Event shall have occurred and be continuing; *provided*, that the Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within five (5) Business Days after having received notice thereof. The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee in the amount of \$3,500; *provided, however*, that the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment.

(B) In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrower and the Administrative Agent, the applicable pro rata share of Advances previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent, or any Lender hereunder (and interest accrued thereon) and (y) acquire (and fund as appropriate) its full pro rata share of all Advances in accordance with its Lender Group Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under Applicable Law without compliance with the provisions of this clause (vi), then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

(C) Upon, and to the extent of, any assignment (unless otherwise stated therein) made by any Lender hereunder, the assignee or purchaser of such assignment shall be a Lender hereunder for all purposes of this Agreement and shall have all the rights, benefits and obligations (including the obligation to provide documentation pursuant to Section 2.17(G)) of a Lender hereunder. Each Funding Agent, acting solely for this purpose as an agent of the Borrower, shall maintain at one of its offices a register (the "*Register*") for the recordation of the names and addresses of the Lenders in its Lender Group, the outstanding principal amounts (and accrued interest) of the Advances owing to each Lender in its Lender Group pursuant to the

terms hereof from time to time and any assignment of such outstanding Advances. The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower, the Administrative Agent and any Lender, at any reasonable time and from time to time upon reasonable prior notice

(D) Any Lender may, without the consent of the Borrower, sell participation interests in its Advances and obligations hereunder (each such recipient of a participation a “Participant”); *provided*, so long as no Event of Default has occurred and is continuing, the Borrower's consent shall be required for a Lender to sell participation interests in its Advances and obligations hereunder to a Competitor; *provided, further*, that after giving effect to the sale of such participation, such Lender’s obligations hereunder and rights to consent to any waiver hereunder or amendment hereof shall remain unchanged, such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, all amounts payable to such Lender hereunder and all rights to consent to any waiver hereunder or amendment hereof shall be determined as if such Lender had not sold such participation interest, and the Borrower and the Administrative Agent and the other parties hereto shall continue to deal solely and directly with such Lender and not be obligated to deal with such Participant. Each Lender that sells a participation shall, acting solely for this purpose as an agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the outstanding principal amounts (and accrued interest) of each Participant’s interest in the Advances or other obligations under the Transaction Documents (the “Participant Register”); *provided* that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant’s interest in any commitments, loans, letters of credit or its other obligations under any Transaction Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, none of the Administrative Agent, the Collateral Agent or the Paying Agent shall have responsibility for maintaining a Participant Register. Each recipient of a participation shall, to the fullest extent permitted by law, have the same rights, benefits and obligations (including the obligation to provide documentation pursuant to Section 2.17(G)) hereunder with respect to the rights and benefits so participated as it would have if it were a Lender hereunder, except that no Participant shall be entitled to receive any greater payment under Sections 2.12 or 2.17 than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation.

(E) Notwithstanding any other provision of this Agreement to the contrary, (i) a Lender may pledge as collateral, or grant a security interest in, all or any portion of its rights in, to and under this Agreement to a security trustee in connection with the funding by such Lender

of Advances without the consent of the Borrower; *provided* that no such pledge or grant shall release such Lender from its obligations under this Agreement and (ii) a Conduit Lender may at any time, without any requirement to obtain the consent of the Administrative Agent or the Borrower, pledge or grant a security interest in all or any portion of its rights (including rights to payment of capital and yield) under this Agreement to a collateral agent or trustee for its commercial paper program.

*Section 10.9 Governing Law.* This Agreement shall, in accordance with Section 5-1401 of the General Obligations Law of the State of New York, be governed by, and construed in accordance with, the laws of the State of New York, without regard to conflicts of law principles thereof that would call for the application of the laws of any other jurisdiction.

*Section 10.10 Jurisdiction.* Any legal action or proceeding with respect to this Agreement may be brought in the courts of the State of New York (New York County) or of the United States for the Southern District of New York, and by execution and delivery of this Agreement, each of the parties hereto consents, for itself and in respect of its property, to the exclusive jurisdiction of those courts. Each of the parties hereto irrevocably waives any objection, including any objection to the laying of venue or based on the grounds of forum non conveniens, or any legal process with respect to itself or any of its property, which it may now or hereafter have to the bringing of any action or proceeding in such jurisdiction in respect of this Agreement or any document related hereto. Each of the parties hereto waives personal service of any summons, complaint or other process, which may be made by any other means permitted by New York law.

*Section 10.11 Waiver of Jury Trial.* All parties hereunder hereby knowingly, voluntarily and intentionally waive any rights they may have to a trial by jury in respect of any litigation based hereon, or arising out of, under, or in connection with, this Agreement, or any course of conduct, course of dealing, statements (whether oral or written) or actions of the parties in connection herewith or therewith. All parties acknowledge and agree that they have received full and significant consideration for this provision and that this provision is a material inducement for all parties to enter into this Agreement.

*Section 10.12 Section Headings.* All section headings are inserted for convenience of reference only and shall not affect any construction or interpretation of this Agreement.

*Section 10.13 Tax Characterization.* The parties hereto intend for the transactions effected hereunder to constitute a financing transaction for U.S. federal income tax purposes.

*Section 10.14 [Reserved].*

*Section 10.15 Limitations on Liability.* None of the members, managers, general or limited partners, officers, employees, agents, shareholders, directors, Affiliates or holders of limited liability company interests of or in the Borrower shall be under any liability to the Administrative Agent or the Lenders, respectively, any of their successors or assigns, or any other Person for any action taken or for refraining from the taking of any action in such capacities or otherwise pursuant to this Agreement or for any obligation or covenant under this

Agreement, it being understood that this Agreement and the obligations created hereunder shall be, to the fullest extent permitted under applicable law, with respect to the Borrower, solely the limited liability company obligations of the Borrower. The Borrower and any member, manager, partner, officer, employee, agent, shareholder, director, Affiliate or holder of a limited liability company interest of or in the Borrower may rely in good faith on any document of any kind prima facie properly executed and submitted by any Person (other than the Borrower) respecting any matters arising hereunder.

*Section 10.16 Confidentiality.* (A) Except as otherwise provided herein, the fees payable by the Transaction Parties (including such information set forth in any engagement letter, term sheet or proposal prior to the Closing Date that contains fees similar in nature to those in the Transaction Documents) (collectively, “*Confidential Information*”) are confidential. Each of the Borrower, the Collateral Agent and the Paying Agent agree:

- (i) to keep all Confidential Information confidential and to disclose Confidential Information only to those Affiliates, officers, employees, agents, accountants, equity holders, legal counsel and other representatives of the Borrower, the Collateral Agent and the Paying Agent or their respective Affiliates (collectively, “*Representatives*”) who have a need to know such Confidential Information for the purpose of assisting in the negotiation, completion and administration of this Facility;
- (ii) to use the Confidential Information only in connection with the Facility and not for any other purpose; and
- (iii) to maintain and keep in force procedures reasonably designed to cause its Representatives to comply with these provisions and to be responsible for any failure of any Representative to follow those procedures.

The provisions of this section 10.16(A) shall not apply to Confidential Information that (a) has been approved for release by written authorization of the appropriate party, (b) is or hereafter becomes (through a source other than the Borrower, the Collateral Agent, the Paying Agent or their respective Affiliates or Representatives) generally available to the public and shall not prohibit the disclosure of Confidential Information to the extent required by applicable Law or by any Governmental Authority (including pursuant to a court of competent jurisdiction pursuant to a subpoena or valid court order or to its regulators and/or any authorized government agency in connection with any audit or regulatory examination) or to the extent necessary in connection with the enforcement of any Transaction Document or (c) that is required to be disclosed by Applicable Law so long as such disclosure of Confidential Information is limited to the portions of such Confidential Information that are required to be disclosed by Applicable Law.

(B) Each Lender, each Funding Agent, and the Administrative Agent agrees to maintain the confidentiality of all nonpublic information with respect to the parties herein or any other matters furnished or delivered to it pursuant to or in connection with this Agreement or any other Transaction Document; *provided*, that such information may be disclosed (i) to such party’s Affiliates or such party’s or its Affiliates’ officers, directors, employees, agents,

accountants, legal counsel and other representatives (collectively “*Lender Representatives*”), in each case, who have a need to know such information for the purpose of assisting in the negotiation, completion and administration of the Facility and on a confidential basis, (ii) to any assignee of or participant in, or any prospective assignee of or participant in, the Facility or any of its rights or obligations under this Agreement, in each case on a confidential basis, (iii) to any financing source, insurer or insurance broker, dealer, hedge counterparty or other similar party in connection with financing, insurance or risk management activities related to the Facility, (iv) to any Commercial Paper rating agency (including by means of a password protected internet website maintained in connection with Rule 17g-5), (v) to the extent required by applicable Law or required or requested by any Governmental Authority, self-regulatory authority, regulator or supervisory authority having jurisdiction over such party and (vi) to the extent necessary in connection with the enforcement of any Transaction Document.

The provisions of this Section 10.16 shall not apply to information that (i) is or hereafter becomes (through a source other than the applicable Lender, Funding Agent, or the Administrative Agent or any Lender Representative associated with such party) generally available to the public, (ii) was rightfully known to the applicable Lender, applicable Funding Agent, or the Administrative Agent or any Lender Representative or was rightfully in their possession prior to the date of its disclosure pursuant to this Agreement, (iii) becomes available to the applicable Lender, applicable Funding Agent, or the Administrative Agent or any Lender Representative from a third party unless to their knowledge such third party disclosed such information in breach of an obligation of confidentiality to the applicable Lender, applicable Funding Agent, or the Administrative Agent or any Lender Representative, (iv) has been approved for release by written authorization of the parties whose information is proposed to be disclosed, or (v) has been independently developed or acquired by any Lender, any Funding Agent, or the Administrative Agent or any Lender Representative without violating this Agreement. The provisions of this Section 10.16 shall not prohibit any Lender, any Funding Agent, or the Administrative Agent from filing with or making available to any judicial, governmental or regulatory agency or providing to any Person with standing any information or other documents with respect to the Facility as may be required by applicable Law or requested by such judicial, governmental or regulatory agency.

*Section 10.17 Limited Recourse.* All amounts payable by the Borrower on or in respect of the Obligations shall constitute limited recourse obligations of the Borrower secured by, and payable solely from and to the extent of, the Collateral; *provided* that (A) the foregoing shall not limit in any manner the ability of the Administrative Agent or any other Lender to seek specific performance of any Obligation (other than the payment of a monetary obligation in excess of the amount payable solely from the Collateral), (B) the provisions of this Section 10.17 shall not limit the right of any Person to name the Borrower as party defendant in any action, suit or in the exercise of any other remedy under this Agreement or the other Transaction Documents, and (C) when any portion of the Collateral is transferred as permitted under this Agreement, the security interest in and Lien on such Collateral shall automatically be released, and the Lenders under this Agreement will no longer have any security interest in, lien on, or claim against such Collateral.

*Section 10.18 Customer Identification - USA Patriot Act Notice.* The Administrative Agent and each Lender hereby notifies the Borrower that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (as the same may be amended from time to time, and corresponding provisions of future laws, the “Patriot Act”), and the Administrative Agent’s and each Lender’s policies and practices, the Administrative Agent and the Lenders are required to obtain, verify and record certain information and documentation that identifies the Borrower and, which information includes the name and address of the Borrower and such other information that will allow the Administrative Agent or such Lender to identify the Borrower in accordance with the Patriot Act.

*Section 10.19 Paying Agent Compliance with Applicable Anti-Terrorism and Anti-Money Laundering Regulations.* In order to comply with laws, rules, regulations and executive orders in effect from time to time applicable to banking institutions, including, but not limited to those relating to funding of terrorist activities and money laundering, each of the Paying Agent and Collateral Agent is required to obtain, verify and record certain information relating to individuals and entities which maintain a business relationship with the Paying Agent or Collateral Agent. Accordingly, each of the parties agrees to provide to the Paying Agent and the Collateral Agent upon its request from time to time such identifying information and documentation as may be available for such party in order to enable the Paying Agent and the Collateral Agent to comply with such laws, rules, regulations and executive orders in effect from time to time applicable to banking institutions, including, but not limited to those relating to funding of terrorist activities and money laundering.

*Section 10.20 Non-Petition.* Each party hereto hereby covenants and agrees that it will not institute against or join any other Person in instituting against the Conduit Lender any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings or other similar proceeding under the laws of the United States or of any state of the United States or of any other jurisdiction prior to the date which is one year and one day after the payment in full of all outstanding indebtedness of the Conduit Lender. The agreements set forth in this Section 10.20 and the parties’ respective obligations under this Section 10.20 shall survive the termination of this Agreement.

*Section 10.21 No Recourse.* (A) Notwithstanding anything to the contrary contained in this Agreement, the parties hereto hereby acknowledge and agree that all transactions with a Conduit Lender hereunder shall be without recourse of any kind to such Conduit Lender. A Conduit Lender shall have no liability or obligation hereunder unless and until such Conduit Lender has received such amounts pursuant to this Agreement. In addition, the parties hereto hereby agree that (i) a Conduit Lender shall have no obligation to pay the parties hereto any amounts constituting fees, reimbursement for expenses or indemnities (collectively, “Expense Claims”) and such Expense Claims shall not constitute a claim (as defined in Section 101 of Title 11 of the United States Bankruptcy Code or similar laws of another jurisdiction) against such Conduit Lender, unless or until such Conduit Lender has received amounts sufficient to pay such Expense Claims pursuant to this Agreement and such amounts are not required to pay the outstanding indebtedness of such Conduit Lender and (ii) no recourse shall be sought or had for



the obligations of a Conduit Lender hereunder against any Affiliate, director, officer, shareholders, manager or agent of such Conduit Lender.

(B) The agreements set forth in this Section 10.21 and the parties' respective obligations under this Section 10.21 shall survive the termination of this Agreement.

*Section 10.22 Schedules XV and XVI.* Notwithstanding anything to the contrary contained herein, Schedules XV and XVI may be provided and updated by the Borrower by emailing copies thereof to the Administrative Agent in electronic format using an excel spreadsheet.

*Section 10.23 Additional Custodian Provisions.* The parties hereto acknowledge that the Custodian shall not be required to act as a "commodity pool operator" as defined in the Commodity Exchange Act, as amended, or be required to undertake regulatory filings related to this Agreement in connection therewith.

*Section 10.24 [Reserved].*

*Section 10.25 No Advisory or Fiduciary Responsibility.* In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Transaction Document), the Borrower acknowledges and agrees, and acknowledges its Affiliates' understanding, that: (i) (A) the arranging and other services regarding this Agreement provided by the Administrative Agent and the Lenders are arm's-length commercial transactions between the Borrower, and its Affiliates, on the one hand, and the Administrative Agent and the Lenders, on the other hand, (B) the Borrower has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (C) the Borrower is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Transaction Documents; (ii) (A) the Administrative Agent and the Lenders each is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for the Borrower or any of its Affiliates, or any other Person and (B) neither the Administrative Agent nor any Lender has any obligation to the Borrower or any of its Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Transaction Documents; and (iii) the Administrative Agent, the Lenders, and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Borrower and its Affiliates, and neither the Administrative Agent nor any Lender has any obligation to disclose any of such interests to the Borrower or its Affiliates. To the fullest extent permitted by law, the Borrower hereby waives and releases any claims that it may have against the Administrative Agent and the Lenders with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

*Section 10.26 Electronic Execution of Assignments and Certain other Documents.* This Agreement shall be valid, binding, and enforceable against a party only when executed and delivered by an authorized individual on behalf of the party by means of (i) any electronic signature permitted by the federal Electronic Signatures in Global and National Commerce Act,

state enactments of the Uniform Electronic Transactions Act, and/or any other relevant electronic signatures law, including relevant provisions of the Uniform Commercial Code (collectively, "Signature Law"); (ii) an original manual signature; or (iii) a faxed, scanned, or photocopied manual signature. Each electronic signature or faxed, scanned, or photocopied manual signature shall for all purposes have the same validity, legal effect, and admissibility in evidence as an original manual signature. Each party hereto shall be entitled to conclusively rely upon, and shall have no liability with respect to, any faxed, scanned, or photocopied manual signature, or other electronic signature, of any party and shall have no duty to investigate, confirm or otherwise verify the validity or authenticity thereof. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but such counterparts shall, together, constitute one and the same instrument. For avoidance of doubt, original manual signatures shall be used for execution or indorsement of writings and authentication of Certificates when required under the Uniform Commercial Code or other Signature Law due to the character or intended character of the writings.

*Section 10.27 Acknowledgement and Consent to Bail-In of Affected Financial Institutions.* Solely to the extent any Lender that is an Affected Financial Institution is a party to this Agreement and notwithstanding anything to the contrary in any Transaction Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Lender that is an Affected Financial Institution arising under any Transaction Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of an applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

- (A) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and
- (B) the effects of any Bail-in Action on any such liability, including, if applicable:
  - (i) a reduction in full or in part or cancellation of any such liability;
  - (ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Transaction Document; or
  - (iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of the applicable Resolution Authority.

*Section 10.28 Acknowledgement Regarding Any Supported QFCs .* To the extent that the Transaction Documents provide support, through a guarantee or otherwise, for Hedge

Agreements or any other agreement or instrument that is a QFC (such support, “*QFC Credit Support*” and each such QFC a “*Supported QFC*”), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the “*U.S. Special Resolution Regimes*”) in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Transaction Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

In the event a Covered Entity that is party to a Supported QFC (each, a “*Covered Party*”) becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Transaction Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Transaction Documents were governed by the laws of the United States or a state of the United States. Without limiting of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

SUNRUN LUNA PORTFOLIO 2021, as Borrower

By: Sunrun Luna Depositor 2021, LLC  
Its: Sole Member

By: Sunrun Luna Holdco 2021, LLC  
Its: Sole Member

By: Sunrun Inc.  
Its: Sole Member

By: /s/ Tom vonReichbauer  
Name: Tom vonReichbauer  
Title: Chief Financial Officer

*Signature Page to Project Luna Credit Agreement*

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CREDIT SUISSE AG, NEW YORK BRANCH,  
as Administrative Agent

By: /s/ Jeffrey Traola  
Name: Jeffrey Traola  
Title: Director

By: /s/ Marcus DiBrito  
Name: Marcus DiBrito  
Title: Vice President

*Signature Page to Project Luna Credit Agreement*

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WELLS FARGO BANK, NATIONAL ASSOCIATION,  
not in its individual capacity but solely as Collateral Agent and Paying Agent

By: /s/ Chad Schafer  
Name: Chad Schafer  
Title: Vice President

*Signature Page to Project Luna Credit Agreement*

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CREDIT SUISSE AG, NEW YORK BRANCH,  
as Funding Agent

By: /s/ Jeffrey Traola  
Name: Jeffrey Traola  
Title: Director

By: /s/ Marcus DiBrito  
Name: Marcus DiBrito  
Title: Vice President

*Signature Page to Project Luna Credit Agreement*

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CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH,  
as a Committed Lender

By: /s/ Jeffrey Traola  
Name: Jeffrey Traola  
Title: Director

By: /s/ Marcus DiBrito  
Name: Marcus DiBrito  
Title: Vice President

*Signature Page to Project Luna Credit Agreement*

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ALPINE SECURITIZATION LTD., as a Conduit Lender

By: CREDIT SUISSE AG, NEW YORK BRANCH, AS ATTORNEY-IN-FACT

By: /s/ Jeffrey Traola  
Name: Jeffrey Traola  
Title: Director

By: /s/ Marcus DiBrito  
Name: Marcus DiBrito  
Title: Vice President

*Signature Page to Project Luna Credit Agreement*

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MOUNTCLIFF FUNDING LLC, as a Conduit Lender

By: /s/ Josh Borg  
Name: Josh Borg  
Title: Authorized Signatory

*Signature Page to Project Luna Credit Agreement*

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DEUTSCHE BANK AG, NEW YORK BRANCH,  
as a Committed Lender

By: /s/ Kai Ang  
Name: Kai Ang  
Title: Director

By: /s/ James Spencer  
Name: James Spencer  
Title: Vice President

*Signature Page to Project Luna Credit Agreement*

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TRUIST BANK,  
as a Committed Lender

By: /s/ Michael Canavan  
Name: Michael Canavan  
Title: Managing Director

*Signature Page to Project Luna Credit Agreement*

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KEYBANK NATIONAL ASSOCIATION,  
as a Committed Lender

By: /s/ Lisa A. Ryder  
Name: Lisa A. Ryder  
Title: Senior Vice President

*Signature Page to Project Luna Credit Agreement*

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SILICON VALLEY BANK,  
as a Committed Lender

By: /s/ Samuel Barton  
Name: Samuel Barton  
Title: Vice President

*Signature Page to Project Luna Credit Agreement*

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## Schedule I

### **Solar Asset Representations**

With respect to any Solar Asset, as of the related Transfer Date and each Borrowing Base Calculation Date:

1. Accuracy of Schedule of Solar Assets. All information with respect to such Solar Asset set forth on the most recent Schedule of Solar Assets and the Advance Model is complete, accurate, true and correct in all material respects.
2. Customer Agreement. The Customer Agreement relating to such Solar Asset is an Approved Customer Agreement.
3. Modifications to Customer Agreement. The related Customer Agreement has not been amended, waived, extended, or modified in any material respect except (i) for change orders made in the ordinary course of business or (ii) in compliance with the Customer Collections Policy (including pursuant to a Payment Facilitation Agreement) or Service Transfer Policy.
4. Customer Agreement. The related Customer Agreement:
  - a. by its terms, constitutes the legal, valid, binding, and enforceable obligations of the related Host Customer, except as such enforceability may be limited by applicable bankruptcy, reorganization, insolvency, moratorium or other laws affecting creditors' rights generally, and except as such enforceability may be limited by general principles of equity (whether considered in a suit at law or in equity);
  - b. is, by its terms, an absolute and unconditional obligation of the related Host Customer to (a) pay for electricity generated and delivered or that will be generated and delivered by the related PV System to such Host Customer or (b) to make scheduled lease payments, in each case, after the related PV System is placed in service, and the payment obligations under the related Customer Agreement do not provide for offset for any reason under such Customer Agreement;
  - c. except for Customer Agreements in respect of Prepaid Projects, provides that the Host Customer thereunder is required to make periodic Host Customer Payments, which are due and payable on a monthly basis, during the term of such Customer Agreement;
  - d. provides that the related Host Customer is obligated per the terms of the related Customer Agreement to make payments in U.S. Dollars to the owner of such Customer Agreement or its designee;

- e. provides, in the case of power purchase agreements, that the Host Customer is required to pay for all energy produced by the related PV System;
  - f. except for Customer Agreements in respect of Prepaid Projects, provides, in the case of lease agreements, that the Host Customer is required to pay the applicable monthly payment specified in the Customer Agreement;
  - g. is not cancelable after installation of the related PV System;
  - h. except for Customer Agreements in respect of Prepaid Projects, is prepayable only with a prepayment amount equal to an amount determined by discounting all projected Host Customer Payments remaining after such date of determination at a discount rate that is no greater than [\*\*\*]%;
  - i. is governed by the laws of the state or where the System is installed (or, if the System is installed in Puerto Rico, governed by the laws of Puerto Rico) and is not subject to any laws which made unlawful the sale, transfer or assignment of the related Customer Agreement under the Transaction Documents or Project Documents, as applicable;
  - j. by its terms, is assignable without consent of the Host Customer or any other Person, or, to the extent any consent is required for such assignment, such consent has been obtained subject to the terms and conditions thereof;
  - k. was, at the time of origination by the related Seller, entered into with a Host Customer that satisfied the related Seller's then applicable Customer Underwriting Policy; and
  - l. does not have a remaining initial term that exceeds [\*\*\*].
5. Legal Compliance. The origination of the related Customer Agreement and installation of the related PV Systems was in compliance in all material respects with Applicable Law, in the case of the Customer Agreement, at the time of origination and, in the case of the PV System, at the time of installation.
6. No Defaults or Terminations. Such Solar Asset is not a Defaulted Solar Asset (or, with respect to the related Transfer Date only, the related Host Customer is not more than [\*\*\*] past due on any portion of a contractual payment due under the related Customer Agreement), a Cancelled Solar Asset or a Terminated Solar Asset.
7. PV System and Customer Agreement Status. As of the related Transfer Date, the related PV System has not been turned off due to a Host Customer delinquency. The related PV System has not been purchased by the related Host Customer.
8. Full Force and Effect. The related Customer Agreement is in full force and effect in accordance with its respective terms with respect to the applicable Tax Equity Opco or the Wholly-Owned Subsidiary, and to the Borrower's Knowledge, as of the related



Transfer Date, with respect to the related Host Customer. The related Tax Equity Opco or Wholly-Owned Subsidiary, as applicable is not in material breach under such Customer Agreement. The related Host Customer has not rescinded, cancelled or otherwise terminated such Customer Agreement.

9. Ordinary Course of Business. The related Customer Agreement relates to the sale of power from or the leasing of a PV System originated in the ordinary course of business of the related Seller.
10. PV System. The related PV System was properly delivered to and installed by related Seller or an Approved Installer for the related Host Customer in good repair, without defects and in satisfactory order. The related Host Customer has accepted the related PV System, and such Host Customer has not notified the Approved Installer or any Affiliate thereof of any existing defects therein which will not be addressed in accordance with its or the Seller's standard policies and operating procedures. Either (i) the Solar Photovoltaic Panels, Inverters and batteries (if any) with respect to the related PV System were manufactured by an Approved Supplier or (ii) the inclusion of the related Solar Asset as an Eligible Solar Asset will not result in the aggregate Securitization Share of DSAB attributable to Eligible Solar Assets whose related PV Systems utilize any Solar Photovoltaic Panels, Inverters or batteries that were not manufactured by an Approved Supplier (as defined in Exhibit J to the Credit Agreement) exceeding [\*\*\*] ([\*\*\*]%) of the Securitization Share of ADSAB of all Eligible Solar Assets. The PV System is located in a state of the United States or Puerto Rico, in each case, which is covered in an Independent Engineering Report.
11. Insurance. If the related PV System is owned by a Tax Equity Opco, it is insured in compliance with the related Project Documents, and if the related PV System is owned by a Wholly-Owned Subsidiary, it is insured under insurance policies in respect of amounts, coverage and monitoring compliance thereof are consistent with insurance consultant recommendations based on probable maximum loss projections and with the Sunrun's historic loss experience, taking into account what is commercially reasonable and available in the market on commercially reasonable terms. All foregoing required insurance is in full force and effect.
12. Warranties. As of the related Transfer Date, to Borrower's Knowledge, all manufacturer warranties relating to the related Customer Agreement and the related PV System are in full force and effect (other than with respect to those manufacturer warranties that are no longer being honored by the relevant manufacturer with respect to all customers generally).
13. True Lease. The related Customer Agreement in the form of a Customer Lease Agreement is a "true" lease, as defined in Article 2-A of the UCC.
14. Ownership and Liens. The related PV System is owned by the related Tax Equity Opco or Wholly-Owned Subsidiary, as applicable, and the related Customer Agreement has been assigned to the related Tax Equity Opco, the Inverted Lease Tenant or Wholly-

Owned Subsidiary, as applicable, in each case free and clear of Liens other than Permitted Liens.

15. Notices of Ownership. If the related PV System is located in California, a NOISEPC has been filed with respect to such PV System pursuant to and in compliance with Cal. Pub. Util. Code §§ 2868-2869. If the related PV System is not located in California, either (i) the Sponsor utilizes a multiple listing service monitoring platform to monitor potential upcoming changes to the ownership of the real property underlying the PV System or (ii) a precautionary fixture filing on a form UCC-1 has been filed with respect to such PV System in the applicable real property records concerning third-party ownership of the PV System.
16. PTO. The design, engineering, construction and installation of the related PV System has been completed and either (1) such PV System has achieved PTO, or (2) no more than [\*\*\*] have passed since the installation of such PV System was completed. For PV Systems that have obtained PTO, all licenses, permits, and governmental approvals as may be reasonably necessary to perform under the related Customer Agreement have been duly obtained.
17. No Condemnation. As of the related Transfer Date, (i) no condemnation is pending or threatened in writing, with respect to the related PV System, or any portion thereof material to the ownership or operation of the related PV System, and (ii) no unrepaired casualty exists with respect to the related PV System or any portion thereof material to the ownership or operation of the System or the sale of electricity therefrom.
18. No Unpaid Fees. There are no unpaid fees owed by any Relevant Party to third parties relating to the origination of the related Customer Agreement or the design or installation of such PV System other than, if such Solar Asset is owned by a Tax Equity Opco, fees payable to Approved Installers that will be paid in the ordinary course and as required by the Project Documents.
19. Custodian Files. The related Customer Agreement and any amendments or modifications have been converted into an electronic form (an “*Electronic Copy*”) and any original Customer Agreement and any amendments or modifications thereto have been destroyed in compliance with the Sponsor’s document storage policies. To the extent, such Solar Asset is owned by a Tax Equity Fund, an Electronic Copy is being maintained by the related Servicer on behalf of such Tax Equity Fund. The Borrower has delivered the Custodian File required to be delivered pursuant to Section 3 of the Custodial Agreement with respect to such Solar Asset. The Custodian has delivered:
  - a. the certification required to be delivered under Section 4(a) of the Custodial Agreement with respect to such Solar Asset;
  - b. the certification required to be delivered under Section 4(b) of the Custodial Agreement with respect to such Solar Asset and such Solar Asset is not listed as an exception or such exception has been cleared, unless (i) no more than 60 days

have passed since the Closing Date if such Solar Asset was owned by the Initial Tax Equity Fund on the Closing Date or (ii) no more than 30 days have passed from the applicable Borrowing Date with respect to any Custodian File delivered after the Closing Date; and

- c. if the related PV System had not achieved PTO as of the date on which the original Custodian File was delivered to the Custodian and 230 or more days have passed since the installation of the related PV System was completed, an on-hand report pursuant to Section 4(c) of the Custodial Agreement showing that the Custodian has received Electronic Copies of documents evidencing the related PTO of the related PV System.
20. Covered Assets. Such Solar Asset is covered by either (a) a Maintenance Services Agreement and an Administrative Services Agreement or (b) a MOMA, in each case with the related Servicer which is obligated to provide certain maintenance and administrative services associated with such Solar Asset and a Backup Servicing Agreement.
21. Transfers to Tax Equity Opco or Wholly-Owned Subsidiary. Such Solar Asset was either (a) owned by the related Tax Equity Opco or a Wholly-Owned Subsidiary as of the applicable Transfer Date with respect thereto or (b) was acquired after the Closing Date (x) by the related Tax Equity Opco pursuant to the relevant Project Documents or (y) by the related Wholly-Owned Subsidiary pursuant to the Contribution Agreements. All conditions to the purchase of such Solar Asset by the related Tax Equity Opco or Wholly-Owned Subsidiary under the Project Documents or the Contribution Agreements (as the case may be) were satisfied as of the related Transfer Date for such Solar Assets (or for which any failures to satisfy such conditions have since been remedied).
22. PBI Payments.
- a. All applications, forms and other filings required to be submitted in connection with the procurement of PBI Payments have been properly made in all material respects under applicable law, rules and regulations and the related PBI Obligor has provided a written reservation approval (which may be in the form of electronic mail from the related PBI Obligor) for the payment of PBI Payments.
  - b. All conditions to the payment of PBI Payments by the related PBI Obligor (including but not limited to the size of the PV Systems, final site visits, provision of data, installation of metering, proof of project completion, production data and execution and delivery of final forms and related agreements (each, a "*Performance Based Incentive Agreement*")) have been satisfied or approved, as applicable, and the PBI Obligor's payment obligation is an absolute and unconditional obligation of the PBI Obligor that is not subject to offset for any reason.
  - c. Copies of all PBI Documents, including any Performance Based Incentive Agreement, for PBI Payments are maintained by a Servicer on behalf of the

related Financed Fund and copies thereof shall have been delivered to the Custodian in accordance with the Custodial Agreement.

- d. The rights to receive PBI Payments and the rights to enforce collection of the PBI Payments under the related PBI Documents are enforceable by the applicable Financed Fund (or by an agent for such Financed Fund), and either any consent required in connection with such enforcement is not to be unreasonably withheld or the requirement for such consent is not enforceable under applicable law (including, if applicable, Sections 9-406 and 9-408 of the UCC). The PBI Payments are not subject to any law, rule or regulation that would make unlawful the sale, transfer, pledge or assignment of any rights to the PBI Payments. The related Financed Fund has full legal and equitable title to such rights, free and clear of any Liens and encumbrances.
- e. If a Performance Based Incentive Agreement is required by the laws, rules or regulations governing the obligations of the PBI Obligor to pay the PBI Payments, such Performance Based Incentive Agreement is, to the Knowledge of the Depositor, the legal valid and binding payment obligation of the PBI Obligor, enforceable against such PBI Obligor in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, reorganization, insolvency, moratorium or other laws affecting creditors' rights generally, and except as such enforceability may be limited by general principles of equity (whether considered at law or in equity).

## Schedule II

### **Tax Equity Representations (Transfer Date and each Borrowing Base Calculation Date)**

With respect to any Tax Equity Fund, as of the related Transfer Date for such Tax Equity Fund and each Borrowing Base Calculation Date which includes a Solar Asset from such Tax Equity Fund:

1. Managing Member as Special Purpose Bankruptcy Remote Vehicle. The related Managing Member (i) is a special purpose limited liability company that is disregarded for federal income tax purposes and has been duly formed in accordance with and, is in good standing under, the laws of its jurisdiction of formation, (ii) owns no assets other than (x) its Equity Interests in one Tax Equity Opco as set forth on Schedule XI of the Credit Agreement, (y) its contractual rights arising from the Project Documents related to such Tax Equity Structure and (z) related assets. The LLC Agreement for the related Managing Member (1) contains customary separateness covenants and (2) prohibits, without the prior written consent of its independent members or managers (x) the incurrence or assumption of indebtedness other than indebtedness incurred under or expressly permitted by the Operative Documents, (y) the consolidation, merger, disposition of assets other than pursuant to or as permitted by the Operative Documents or (z) the institution of any bankruptcy or insolvency proceedings in respect of the related Managing Member.
2. Borrower Sole Member of Related Managing Member; Managing Member Membership Interests. Other than any independent member, the Borrower is the sole member of the related Managing Member and has good and valid legal and beneficial title to all of the membership interests (other than any membership interests of an independent member) issued thereby free and clear of all Liens other than Permitted Liens. All of such issued and outstanding membership interests have been duly authorized and validly issued and are owned of record and beneficially by the Borrower and were not issued in violation of any preemptive right. There are no voting agreements or other similar agreements with respect to such membership interests. There are no outstanding options, warrants or rights for conversion into or acquisition, purchase or transfer of any of the membership interests in the related Managing Member.
3. Managing Member Ownership of Tax Equity Opco; Tax Equity Opco Membership Interests. The related Managing Member has full legal and equitable title to all of the membership interests in the related Tax Equity Opco, other than membership interests of a Tax Equity Investor or an independent member. All of such issued and outstanding membership interests have been duly authorized and validly issued and are owned of record and beneficially by the Managing Member and were not issued in violation of any preemptive right. There are no voting agreements or other similar agreements with respect to such membership interests. Other than a Purchase Option or buy-out rights of the related Managing Member or the related Tax Equity Investor, there are no outstanding options, warrants or rights for conversion into or acquisition, purchase or transfer of any of the membership interests in the related Tax Equity Opco.

4. No Other Business. Neither the related Managing Member nor the related Tax Equity Opco has conducted any business other than the business contemplated by the Project Documents applicable to such Managing Member and such Tax Equity Opco.
5. Tax Equity Opco Assets. The related Tax Equity Opco owns no material assets other than the PV Systems and the contractual rights and other assets related thereto.
6. No Tax or Governmental Charge. The transfer, assignment and the pledge of the interests in the related Managing Member and their interests in the related Tax Equity Opco, Inverted Lease Lessor pursuant to a Contribution Agreement or the Guaranty, Pledge and Security Agreement is not subject to and will not result in any tax, fee or governmental charge payable by any transferor or the Borrower to any federal, state or local government except as paid. No tax or governmental charge is owed in connection with the sale to the Borrower of the related Managing Member except as paid.
7. Advances. The incurrence by the Borrower of the indebtedness pursuant to the Credit Agreement does not violate the Project Documents with respect to such Tax Equity Structure.
8. Managing Member Authority. The related Managing Member had the requisite power and authority to enter into the applicable Material Project Documents to which it is a party and authority to perform its obligations thereunder.
9. No Material Agreements other than Material Project Documents. The related Managing Member is not a party to any material agreement other than the Transaction Documents and the Material Project Documents listed on Schedule VII to the Credit Agreement.
10. Managing Member and Tax Equity Opco Debt. Neither the related Managing Member nor the related Tax Equity Opco has incurred any Debt or other obligations or liabilities in violation of the Credit Agreement or the Material Project Documents.
11. Assignability of Tax Equity Opco Interests. The indirect transfer of the related Managing Member's ownership interests in the related Tax Equity Opco to the Borrower is permitted in accordance with the applicable Project Documents and the granting of a security interest in such Managing Member's ownership interests in the related Tax Equity Opco in each case as contemplated by the Transaction Documents is permitted, without the consent of any Person or, to the extent any consent is required for such assignment, such consent has been obtained subject to the terms and conditions thereof. The foreclosure by the Collateral Agent on such Managing Member's ownership interests in the related Tax Equity Opco, subject to the terms and conditions set forth in the applicable Tax Equity Opco LLC Agreement, is permitted.
12. Inverted Lease. If the Tax Equity Structure with respect to such Tax Equity Fund is an Inverted Lease Structure, the related PV System has been leased to the applicable Inverted Lease Tenant pursuant to the related Master Lease Agreement and the related Master Lease Agreement satisfies each of the following criteria:

- a. the related Inverted Lease Tenant is obligated per the terms of the related Master Lease Agreement to make payments in U.S. dollars to the Borrower or its designee,
  - b. the related Master Lease Agreement is by its terms an absolute and unconditional obligation of the related Inverted Lease Tenant to pay rent as required thereunder and such payment obligations do not provide for offset for any reason, including non-payment by Host Customers in respect of Solar Assets or the non-payment or non-performance by the related Tax Equity Opco of its obligations under the related Master Lease Agreement; and
  - c. the related Master Lease Agreement has not been satisfied, subordinated or rescinded, and no lawsuit is pending by or against the applicable Inverted Lease Lessor or the applicable Lessee with respect to the Master Lease Agreement.
13. Legal, Valid and Binding. Each related Material Project Document is the legal, valid, and binding obligation of the Sponsor or Affiliate thereof that is a party thereto, the related Managing Member, the related Tax Equity Opco and related Inverted Lease Tenant that is a party thereto, except as such enforceability may be limited by applicable bankruptcy, reorganization, insolvency, moratorium or other laws affecting creditors' rights generally, and except as such enforceability may be limited by general principles of equity (whether considered in a suit at law or in equity).
14. Full Force and Effect. The related Tax Equity Opco LLC Agreement is in full force and effect. No breach, default or event of default by (x) the related Managing Member under the related Tax Equity Opco LLC Agreement, (y) the Sponsor under the related Tax Equity Fund Guaranty (if any) or (z) the Sponsor or Servicer that is a party thereto under any other related Material Project Document, except in either case to the extent that such breach, default or event of default could not reasonably be expected to have a Material Adverse Effect.
15. Tax Equity Structure Characteristics. Each of the Tax Equity Structure Characteristics is true and correct with respect to such Tax Equity Fund.
16. ITC Insurance Policy. If such Tax Equity Fund is an ITC Cash Sweep Fund, an ITC Insurance Policy is in full force and effect in accordance with its terms.
17. Material Project Documents. None of the related Material Project Documents have been amended or modified since the effective date of such Material Project Document other than as set forth in Schedule XIII unless copies have been provided to the Administrative Agent and, if required under the Credit Agreement, have been approved by the Majority Lenders.
18. No Loans. As of the related Transfer Date, no loan to the related Tax Equity Opco required or permitted to be made under the related LLC Agreement of such Tax Equity

Opco has been made and remains outstanding, except loans required to be made under such LLC Agreement that are set forth on Schedule X of the Credit Agreement.

19. Removal of Managing Member. Neither the related Managing Member nor any Affiliate of the Borrower serving as a managing member of Tax Equity Opco has been removed as managing member under the related Tax Equity Opco LLC Agreement nor has such Managing Member or any such Affiliate given or received notice of an action, claim or threat of removal. As of the related Transfer Date, no event has occurred under the related Tax Equity Opco LLC Agreement that would allow the related Tax Equity Investor or another member to remove, or give notice of removal, of such Managing Member or any Affiliate of the Borrower serving as a managing member of such Tax Equity Opco.
20. Material Actions Against Tax Equity Fund or Managing Member. As of the related Transfer Date, there are no actions, suits, proceedings, claims or disputes pending or, to the Knowledge of the Borrower, threatened in writing or contemplated, at law, in equity, in arbitration or before any Governmental Authority, by or against such Tax Equity Fund, the related Managing Member or against either of their properties or revenues that, either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.
21. Preferred Return Payments. As of the related Transfer Date, all preferred return payments required to be made on or prior to such date (giving effect to any grace periods) pursuant to the related Tax Equity Opco LLC Agreement have been made.
22. Tax Basis. As of the related Transfer Date for such Tax Equity Fund, no notice or action challenging the tax structure, tax basis validity, tax characterization or tax-related legal compliance of such Tax Equity Fund or the tax benefits associated with such Tax Equity Fund is ongoing or has been resolved in a manner materially adverse to such Tax Equity Fund or the related Managing Member, the Borrower or to the related Tax Equity Investor.
23. Contingent Indemnification. As of the related Transfer Date, no claim with respect to contingent indemnification obligations of (i) the related Managing Member under the related Tax Equity Opco LLC Agreement or (ii) the related Inverted Lease Lessor under the related Master Lease Agreement has been asserted and remains outstanding.
24. Cash Sweep Event. As of the related Transfer Date, no event or circumstance occurred and is continuing that has resulted or could reasonably be expected to result in or trigger any limitation, reduction, suspension or other restriction on distributions to the related Managing Member, which limitation, reduction, suspension or other restriction is set forth in the applicable Tax Equity Fund operating agreement(s) or other Material Project Document.



### **Schedule III**

#### **Tax Equity Representations (Initial Borrowing Date)**

With respect to any Tax Equity Fund as to the first Borrowing Date on which a Solar Asset held by such Tax Equity Fund is included in the Borrowing Base Pool:

1. **Material Project Documents.** All of the Material Project Documents with respect to such Tax Equity Fund that are in effect on such date are set forth on Schedule XIII and true, complete and correct copies of all such Material Project Documents have been delivered to the Administrative Agent.
2. **No Loans.** No loan to the related Tax Equity Opco required or permitted to be made under the LLC Agreement of the Tax Equity Opco has been made and remains outstanding, except loans required to be made under such LLC Agreement that are set forth on Schedule X of the Credit Agreement.
3. **Removal of Managing Member.** No event has occurred under the related Tax Equity Opco LLC Agreement that would allow the related Tax Equity Investor or another member to remove, or give notice of removal, of the related Managing Member or any Affiliate of the Borrower serving as a managing member of such Tax Equity Opco.
4. **Material Actions Against Tax Equity Fund or Managing Member.** There are no actions, suits, proceedings, claims or disputes pending or, to the Knowledge of the Borrower, threatened in writing or contemplated, at law, in equity, in arbitration or before any Governmental Authority, by or against such Tax Equity Fund, the related Managing Member or against either of their properties or revenues that, either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.
5. **Preferred Return Payments.** All preferred return payments required to be made on or prior to such date (giving effect to any grace periods) pursuant to the related Tax Equity Opco LLC Agreement have been made.
6. **Managing Member or Tax Equity Opco Outstanding Payment Due.** Neither the related Managing Member nor the related Tax Equity Opco is in breach or default under or with respect to any contractual obligation for or with respect to any outstanding amount or amounts payable under such contractual obligation that equals or exceeds \$[\*\*\*] individually or \$[\*\*\*] in the aggregate.

## Schedule IV

### **Partnership Flip Structure Characteristics**

The following are characteristics of a “Partnership Flip Structure” for purposes of the Agreement:

1. Borrower or an Affiliate shall have formed a limited liability company (the “*Tax Equity Fund*”) that has been formed for the sole purpose of owning solar photovoltaic systems that have been leased to or are producing power for sale to host customers (the “*PV Systems*”).
2. The Tax Equity Opco LLC Agreement provides that the Tax Equity Fund will make no election to be treated other than as a partnership for federal tax purposes.
3. The Tax Equity Opco LLC Agreement provides for two classes of limited liability company interests – for purposes of this Schedule IV, “*Class A Units*” and “*Class B Units*.”
4. The tax equity investor (the “*Investor*”) owns the Class A Units (as holder thereof, the “*Class A Member*”) and a wholly owned subsidiary of the Borrower owns the Class B Units (as holder thereof, the “*Class B Member*”). The Class A Member and the Class B Member are collectively referred to herein as the “*Members*.”
5. Class B Member has been appointed as the initial managing member or manager of the Tax Equity Fund (in such capacity, the “*Manager*”).
6. Manager is solely responsible for the management of the PV Systems and the Tax Equity Fund subject to certain customary approval rights of the Class A Member. The Tax Equity Fund shall be prohibited from incurring any indebtedness above a limit specified in the Tax Equity Fund operating agreement without the Class A Member’s consent and from incurring or granting or suffering to exist any liens on its assets other than such liens in the ordinary course of such business that are customarily permitted without the Class A Member’s consent.
7. The Tax Equity Opco LLC Agreement provides a standard of care that requires the Manager to manage the Tax Equity Fund in accordance with prudent industry standards or to at all times act in good faith and in the best interests of the Tax Equity Fund.
8. The Tax Equity Fund has acquired each PV System pursuant to a Master Purchase Agreement. Each PV System was acquired prior to it receiving PTO.
9. Cash available for distribution to the Members will be distributed at least quarterly (or annually with respect to certain items) in accordance with an agreed upon priority, subject to customary exceptions (including end of year true-up and curative flip allocations).

10. The Tax Equity Opco LLC Agreement may not be amended without the written consent of each Member.
11. The Class B Member's indemnification obligations do not encompass structural federal income tax risk (other than in respect of ITC basis risk) or any indemnification with respect to the performance of the Solar Assets. Any obligation of the Class B Member to indemnify the Class A Member is guaranteed by Sunrun or Vivint Solar.
12. The Tax Equity Opco LLC Agreement identifies fixed tax assumptions regarding the treatment of the Tax Equity Fund as a partnership, tax ownership of the PV Systems, depreciation, allocations of income and loss, and economic substance and, subject to customary exceptions, requires that the investor's return be calculated in accordance with the fixed tax assumptions and that tax returns be prepared in accordance with the fixed tax assumptions
13. The Tax Equity Opco LLC Agreement does not contain a Withdrawal Option.

## Schedule V

### **Inverted Lease Structure Characteristics**

The following are characteristics of an “Inverted Lease Structure” for purposes of the Agreement:

1. Borrower or an Affiliate has formed a limited liability company solely for the purpose of owning solar photovoltaic PV Systems that have been leased to or are producing power for sale to host customers (the “*PV Systems*”) (such entity, the “*Lessor*”).
2. One or more tax equity investors (the “*Investor*”) or an Affiliate has formed a limited liability company solely for the purpose of leasing the PV Systems from the Lessor, taking assignment of the Customer Agreements for the PV Systems and managing the PV Systems (the “*Lessee*”).
3. The operating agreement of the Lessor provides that such entity will be disregarded for federal income tax purposes.
4. The Investor directly or indirectly owns all of the equity interests in the Lessee (the “*Lessee Member*”).
5. The Managing Member, a wholly-owned subsidiary of the Borrower owns all of the equity interests of the Lessor.
6. The Managing Manager has been appointed as the initial managing member of the Lessor and is solely responsible for the management of the Lessor.
7. An Affiliate of the Sponsor (the “*Lessee Provider*”) has been appointed as the initial maintenance services provider for the Lessee.
8. Lessee Provider is solely responsible for the management of the PV Systems and the Lessee subject to certain customary approval rights of the Lessee Member. The Lessor and the Lessee are prohibited from incurring any indebtedness above a limit specified in the Lessor’s operating agreement or the Lessee’s operating agreement, as applicable, without the Lessee Member’s consent and from incurring or granting or suffering to exist any liens on its assets other than ordinary course liens that are customarily permitted.
9. Both the Lessor’s operating agreement and the Lessee’s operating agreement provide a standard of care that requires the Managing Member and the Lessee Provider to manage the Lessor and Lessee, respectively, in accordance with prudent industry standards or to at all times act in good faith and in the best interests of the Lessor and Lessee, as applicable. Lessee is responsible for payment of all state and local sales, use and transfer taxes on rent, for collection of any such taxes on Host Customer Payments in respect of the related Solar Assets and for payment of property taxes to the extent not borne by the related Host Customer.

10. The Lessor has acquired each PV System pursuant to an agreement with the Seller or an Affiliate thereof. Each PV System was acquired prior to it receiving PTO. Lessee has leased each PV System from Lessor pursuant to a Master Lease Agreement. A portion of the rent or power payments paid to the Lessee by the Host Customers is used to pay rent to the Lessor under the Master Lease.
11. None of the Material Project Documents (other than the Lessee's operating agreement) may be amended without the written consent of Lessor.
12. Cash available for distribution from the Lessor to the Managing Member will be distributed at least quarterly (or annually with respect to certain items) in accordance with the agreed upon priority in the Tax Equity Fund's Material Project Documents.
13. All non-contingent rent will be paid by the Lessee to the Lessor as an operating expense ahead of any distributions to Lessee Member.
14. Neither the Lessor's nor any Affiliate's indemnification obligations encompass structural federal income tax risk (other than in respect of ITC basis risk).
15. Lessor has recourse to Sunrun or Vivint Solar for any obligations to indemnify the Lessee.
16. Lessor has a first priority perfected security interest in all of the Customer Agreements, the cash flows therefrom, and any account in which such cash flows are first deposited.
17. Ownership of each Customer Agreement automatically reverts to the Lessor immediately upon termination of the Master Lease.
18. The Master Lease obligates the Lessee to, at its own cost and expense, keep all PV Systems in good repair, good operating condition, appearance and working order.
19. The Lessee is obligated to pay the applicable termination value payment in accordance with the termination of such Master Lease with respect to any PV System.
20. The Master Lease is a "true lease" as defined in Article 2A of the UCC.
21. The Lessee is party to each Customer Agreement in respect of each PV System owned by the related Lessor and leased to such Lessee and each Lessee is entitled to receive the payments made by the related Host Customer under such Customer Agreement.

## Schedule VI

### **Wholly-Owned Subsidiary Representations (Transfer Date and each Borrowing Base Calculation Date)**

With respect to any Wholly-Owned Subsidiary, as of the related Transfer Date of such Wholly-Owned Subsidiary and each Borrowing Base Calculation Date:

1. Special Purpose Bankruptcy Remote Vehicle. Such Wholly-Owned Subsidiary (i) is a special purpose limited liability company that is disregarded for federal income tax purposes and has been duly formed in accordance with and, is in good standing under, the laws of its jurisdiction of formation, and (ii) owns no assets other than PV Systems, the contractual rights and other assets related thereto. The LLC Agreement for such Wholly-Owned Subsidiary (1) contains customary separateness covenants, and (2) prohibits, without the prior written consent of its independent members or managers (x) the incurrence or assumption of indebtedness other than indebtedness incurred under or expressly permitted by the Transaction Documents, (y) the consolidation, merger, disposition of assets other than pursuant to or as permitted by the Transaction Documents, or (z) the institution of any bankruptcy or insolvency proceedings in respect of the Wholly-Owned Subsidiary.
2. Borrower Sole Member. Other than any independent member, the Borrower is the sole member of such Wholly-Owned Subsidiary and has good and valid legal and beneficial title to all of the membership interests (other than any membership interests of an independent member) issued thereby free and clear of all Liens other than Permitted Liens. All of such issued and outstanding membership interests have been duly authorized and validly issued and are owned of record and beneficially by the Borrower and were not issued in violation of any preemptive right. There are no voting agreements or other similar agreements with respect to such membership interests. There are no outstanding options, warrants or rights for conversion into or acquisition, purchase or transfer of any of the membership interests in such Wholly-Owned Subsidiary.
3. No Other Business. Such Wholly-Owned Subsidiary has not conducted any business other than the business contemplated by the Project Documents applicable to such Wholly-Owned Subsidiary (or in the case of a Tax Equity Opco that became a Wholly-Owned Subsidiary, the Project Documents with respect to such Tax Equity Opco).
4. No Tax or Governmental Charge. The transfer, assignment and the pledge of the membership interests in such Wholly-Owned Subsidiary by the Borrower pursuant to the Guaranty, Pledge and Security Agreement is not subject to and will not result in any tax, fee or governmental charge payable by the Borrower to any federal, state or local government except as paid. No tax or governmental charge is owed in connection with the sale to the Borrower of such Wholly-Owned Subsidiary except as paid.

5. Advances. The incurrence by the Borrower of the indebtedness pursuant to the Credit Agreement does not violate the Project Documents with respect to such Wholly-Owned Subsidiary.
6. Authority. Such Wholly-Owned Subsidiary had the requisite power and authority to enter into the applicable Material Project Documents to which it is a party and authority to perform its obligations thereunder
7. No Material Agreements. Such Wholly-Owned Subsidiary is not a party to any material agreement other than the Transaction Documents and the Material Project Documents with respect to such Wholly-Owned Subsidiary listed on Schedule XIII to the Credit Agreement.
8. Indebtedness. Such Wholly-Owned Subsidiary has not incurred any indebtedness or other obligations or liabilities in violation of the Credit Agreement.
9. Legal, Valid and Binding. Each related Material Project Document is the legal, valid, and binding obligation of such Wholly-Owned Subsidiary or Affiliate thereof that is a party thereto, except as such enforceability may be limited by applicable bankruptcy, reorganization, insolvency, moratorium or other laws affecting creditors' rights generally, and except as such enforceability may be limited by general principles of equity (whether considered in a suit at law or in equity).
10. Full Force and Effect. The related LLC Agreement is in full force and effect and no breach, default or event of default has occurred and is continuing under such LLC Agreement.
11. Material Project Documents. None of the related Material Project Documents with respect to such Wholly-Owned Subsidiary have been amended or modified since the effective date of such Material Project Document other than as set forth in Schedule XIII to the Credit Agreement unless copies have been provided to the Administrative Agent and if required under the Credit Agreement, have been approved by the Lenders.
12. Material Actions. On the related Transfer Date, there are no actions, suits, proceedings, claims or disputes pending or, to the Borrower's Knowledge, threatened in writing or contemplated, at law, in equity, in arbitration or before any Governmental Authority, by or against the Wholly-Owned Subsidiary or against its properties or revenues that, either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

## **Schedule VII**

### **Wholly-Owned Subsidiary Representations (Initial Borrowing Date)**

With respect to any Wholly-Owned Subsidiary (other than a Wholly-Owned Subsidiary that was initially a Financed Fund as defined in clause (ii) of the definition thereof) as to the first Borrowing Date on which a Solar Asset held by such Wholly-Owned Subsidiary is included in the Borrowing Base Pool:

1. **Material Project Documents.** All of the Material Project Documents with respect to such Wholly-Owned Subsidiary that are in effect on such date are set forth on Schedule XIII of the Credit Agreement and true, complete and correct copies of all such Material Project Documents have been delivered to the Administrative Agent.
2. **Material Actions.** There are no actions, suits, proceedings, claims or disputes pending or, to the Borrower's Knowledge, threatened in writing or contemplated, at law, in equity, in arbitration or before any Governmental Authority, by or against such Wholly-Owned Subsidiary or against its properties or revenues that, either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.
3. **Outstanding Payment Due.** Such Wholly-Owned Subsidiary is not in breach or default under or with respect to any contractual obligation for or with respect to any outstanding amount or amounts payable under such contractual obligation that equals or exceeds \$[\*\*\*] individually or \$[\*\*\*] in the aggregate.



**EXHIBIT A**  
**DEFINED TERMS**

“*1940 Act*” means the Investment Company Act of 1940, as amended.

“*Accession Agreement*” means a Security Agreement Supplement in the form of Exhibit I to the Guaranty, Pledge and Security Agreement.

“*Account Bank*” means, with respect to any Wholly-Owned Subsidiary Operating Account, the bank at which such Wholly-Owned Subsidiary Operating Account is maintained.

“*Account Control Agreement*” means, with respect to a Wholly-Owned Subsidiary, an account control agreement among the Collateral Agent, the applicable Wholly-Owned Subsidiary and the applicable Account Bank establishing control (as defined in the UCC) with respect to the applicable Wholly-Owned Subsidiary Operating Account (it being understood that any such account control agreement will grant exclusive control on a springing basis).

“*Accountant’s Reports*” means the Accountant’s Report (as defined in the Transaction Management Agreement).

“*Acquisition Certificate*” means a certificate substantially in the form of Exhibit M.

“*Adjusted Eurodollar Rate*” means a rate per annum equal to the rate (rounded upwards, if necessary, to the next higher 1/100 of 1%) obtained by dividing (i) the Eurodollar Rate by (ii) a percentage equal to 100% minus the reserve percentage (rounded upward to the next 1/100th of 1%) in effect on such day and applicable to a Committed Lender for which this rate is calculated under regulations issued from time to time by the Board of Governors of the Federal Reserve System for determining the maximum reserve requirement (including any emergency, supplemental or other marginal reserve requirement) with respect to eurocurrency funding (currently referred to as “eurocurrency liabilities”). The Adjusted Eurodollar Rate shall be adjusted automatically as of the effective date of any change in such reserve percentage.

“*Administrative Agent*” has the meaning set forth in the introductory paragraph hereof.

“*Administrative Services Agreement*” means, with respect to a Tax Equity Opco, the administrative services agreement between such Tax Equity Opco and the Administrative Services Provider whereby the Administrative Services Provider is responsible for providing (i) billing, collecting and enforcing Customer Agreements, (ii) remote monitoring of PV Systems and (iii) other routine administrative responsibilities for such Tax Equity Opco. An Administrative Services Agreement shall not include a MOMA.

“*Administrative Services Provider*” means Vivint Solar Provider, LLC, a Delaware limited liability company.

“*Advance*” has the meaning set forth in Section 2.2.

“*Advance Model*” means a model in respect of all Tax Equity Funds and the Wholly-Owned Subsidiaries in the form of Exhibit C (which Exhibit C may be updated from time to time with the addition of new Tax Equity Funds or Solar Assets in accordance with this Agreement), forecasting the Net Cash Flows to each Managing Member related to each Tax Equity Fund (including in the case of a Partnership Flip Structure, before and after the expected “Flip Date” and in the case of an Inverted Lease Structure, before and after the expiration of the Master Lease Agreement) and to each Wholly-Owned Subsidiary, and all items necessary to calculate the Borrowing Base (including Scheduled Host Customer Payments, Scheduled PBI Payments, Allocated Services Provider Fees and Scheduled Tax Equity Investor Distributions), in each case: (i) calculated in accordance with and adjusted for the Assumptions, (ii) excluding Excluded Revenues, (iii) accounting for the applicable System Information and (iv) with respect to each Tax Equity Fund and each Wholly-Owned Subsidiary financed pursuant to this Agreement on and after the Closing Date, in form and substance reasonably satisfactory to the Administrative Agent, the Lenders and the Borrower. For the avoidance of doubt, each Advance Model will be updated as of the date such model is delivered (A) to reflect any modifications required due to changes in System Information, (B) to remove any Solar Assets that are not Eligible Solar Assets, and (C) to reflect changes to the expected Tax Equity Investor Distributions, as reflected in the most recent tracking models delivered to the Tax Equity Investors under the Tax Equity Opco LLC Agreements.

“*Affected Financial Institution*” means (a) any EEA Financial Institution or (b) any UK Financial Institution.

“*Affected Party*” has the meaning set forth in Section 2.12(B).

“*Affiliate*” means, with respect to any Person, any other Person that (i) directly or indirectly controls, is controlled by, or is under direct or indirect common control with such Person or (ii) is an officer or director of such Person, and in the case of any Lender that is an investment fund, the investment advisor thereof and any investment fund having the same investment advisor. A Person shall be deemed to be “controlled by” another Person if such other Person possesses, directly or indirectly, power to (a) vote 50% or more of the securities (on a fully diluted basis) having ordinary voting power for the election of directors or managing partners of such other Person, or (b) direct or cause the direction of the management and policies of such other Person whether by contract or otherwise.

“*Affiliated Entity*” means any of the Sponsor, the Transaction Manager (if the Transaction Manager is an Affiliate of the Borrower), any Borrower Subsidiary, the Sellers, the Servicers and any of their respective direct or indirect Subsidiaries and/or Affiliates, whether now existing or hereafter created, organized or acquired.

“*Aggregate Commitment*” means, on any date of determination, the sum of the Commitments then in effect. The Aggregate Commitment as of the date hereof is equal to \$630,000,000.

“*Aggregate Discounted Solar Asset Balance*” means, as of any date of determination, an amount equal to the sum of the Discounted Solar Asset Balances for all Solar Assets which are

Eligible Solar Assets owned by a Wholly-Owned Subsidiary or a Tax Equity Opco as of such date of determination.

“*Aggregate Outstanding Advances*” means, as of any date of determination, the sum of the aggregate principal balance of all Advances outstanding as of such date of determination.

“*Agreement*” has the meaning set forth in the introductory paragraph hereof.

“*Allocated Services Provider Fees*” means for a Solar Asset with respect to each calendar month in the initial term of the related Customer Agreement, the product of (1) 1/12 and (2) the DC kW of installed nameplate capacity of the related PV System and (3) the Allocated Services Provider Fee Base Rate.

“*Allocated Services Provider Fee Base Rate*” on the Closing Date shall be \$[\*\*\*] and shall be increased by 2.0% on each July 31, commencing July 31, 2022.

“*Amortization Period*” means the period commencing at the end of the Availability Period (which may end and the Availability Period may re-start in certain circumstances when an Early Amortization Event is cured in accordance with the definition thereof).

“*A.M. Best*” means A. M. Best Company, Inc. and any successor rating agency.

“*Ancillary Customer Agreements*” means in respect of each Solar Asset, all agreements and documents, if any, ancillary to the Customer Agreement associated with such Solar Asset, which are entered into by the Sponsor, the Developer or any Affiliate thereof with a Host Customer in connection therewith.

“*Ancillary Services*” means any product or right generated or created by, associated with or appurtenant to (a) the energy generated by a PV System or (b) the Capacity Attributes of a PV System, but excluding SRECs, Capacity Attributes and Energy. By way of example, “*Ancillary Services*” may include scheduling, system control and dispatch, reactive supply and voltage control, regulation and frequency response, energy imbalance and operating reserves.

“*Anti-Corruption Laws*” means all laws, rules, and regulations of any jurisdiction applicable to the Sponsor, the Borrower or their respective Subsidiaries from time to time concerning or relating to bribery or corruption, including the United States Foreign Corrupt Practices Act of 1977 (Pub. L. No. 95-213, §§101-104), as amended and the UK Bribery Act of 2010.

“*Anti-Money Laundering Laws*” means, collectively, Title 18 U.S. Code section 1956 and 1957, the Bank Secrecy Act of 1970, otherwise known as the Currency and Foreign Transactions Reporting Act, as amended, the applicable money laundering statutes of all jurisdictions where the Borrower, the Sponsor or any of their respective Subsidiaries conduct business, the rules and regulations thereunder, and any related or similar rules, regulations or guidelines issued, administered or enforced by any governmental agency having jurisdiction over the Borrower, Sponsor or any of their respective Subsidiaries, and any international anti-money

laundrying guidelines, principles or procedures issued by an intergovernmental group or organization, such as the Financial Action Task Force on Money Laundering, of which the United States is a member and with which designation the United States representative to the group or organization continues to concur, and any Executive Order, directive, or regulation pursuant to the authority or to the enforcement of any of the foregoing, or any orders or licenses issued thereunder.

“*Applicable Law*” means all applicable laws of any Governmental Authority, including laws relating to consumer leasing and protection and any ordinances, judgments, decrees, injunctions, writs and orders or like actions of any Governmental Authority and rules and regulations of any federal, regional, state, county, municipal or other Governmental Authority.

“*Applicable Margin*” means, with respect to any day occurring: (i) during the Availability Period, the Availability Period Margin, (ii) during an Amortization Period, 3.50% and (iii) while an Event of Default shall have occurred and is continuing, 4.50%; *provided* that if the Cost of Funds Rate is determined by reference to clause (b) of the definition of Base Rate, the percentages set forth in clauses (i), (ii) and (iii) above shall be reduced by 1.00%.

“*Approved Customer Agreement*” means any Customer Agreement substantially in one of the forms attached hereto as Exhibit G and each other form approved by the Administrative Agent (acting at the direction of the Super-Majority Lenders) in its reasonable discretion; *provided* that a Customer Agreement may deviate from any such form so long as such deviation would not reasonably be expected to be materially adverse to the interests of the Lenders.

“*Approved Existing Tax Equity Fund*” means each of the Tax Equity Funds related to the following Tax Equity Opcos: (i) [\*\*\*], a Delaware limited liability company, (ii) [\*\*\*], a Delaware limited liability company, (iii) [\*\*\*], a Delaware limited liability company, (iv) [\*\*\*], a Delaware limited liability company, (v) [\*\*\*] and (vi) [\*\*\*], a Delaware limited liability company.

“*Approved Installer*” means a third party installer that has been approved by the applicable Seller in accordance with its policies and procedures, which policies and procedures include a vetting process to ensure that such installer (i) is capable of installing a PV System in a manner comparable to the Sellers, (ii) is licensed and (iii) will comply with all Applicable Laws.

“*Approved Supplier*” means a supplier listed on Exhibit J and such other suppliers as consented to by the Administrative Agent so long as the related equipment is opined on favorably in an Independent Engineering Report. Exhibit J shall be deemed to be updated upon the Administrative Agent providing such consent.

“*Assignment and Assumption*” means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 10.8(A)), and accepted by the Administrative Agent, in substantially the form of Exhibit F or any other form (including electronic documentation generated by use of an electronic platform) approved by the Administrative Agent.

[\*\*\*].

“*Assumptions*” means the assumptions that (i) no Solar Asset becomes a Defaulted Solar Asset, Terminated Solar Asset or Defective Solar Asset and there are no voluntary prepayments with respect to any Solar Asset, (ii) the production of the PV System will degrade at rate of [\*\*\*]% per annum, (iii) Pre-PTO Solar Assets will achieve PTO [\*\*\*] after installation and (iv) no Purchase Option or lease termination option is exercised.

“*Available Tenor*” means, as of any date of determination and with respect to the then-current Benchmark, as applicable, (x) if the then-current Benchmark is a term rate, any tenor for such Benchmark that is or may be used for determining the length of an Interest Accrual Period or (y) otherwise, any payment period for interest calculated with reference to such Benchmark, as applicable, pursuant to this Agreement as of such date.

“*Availability Period*” means the period from the Closing Date until the Commitment Termination Date.

“*Availability Period Margin*” means with respect to any day (i) when an Availability Period Margin Step-Up Period is not in effect, the Base Margin and (ii) when an Availability Period Margin Step-Up Period is in effect, 3.00% per annum.

“*Availability Period Margin Step-Up Period*” means each period beginning on the first date on which the Borrower fails to consummate a Qualifying Lower Threshold Takeout Transaction within any rolling 24-month period during the Availability Period and ending on the earliest to occur of (i) the date of the consummation of a Qualifying Lower Threshold Takeout Transaction, (ii) the third anniversary of the Closing Date and (iii) the date of the consummation of a Qualifying Upper Threshold Takeout Transaction.

“*Backup Servicer*” means (i) with respect to the Backup Servicing Agreements listed in clauses (i) or (ii) of the definition thereof, [\*\*\*] or (ii) with respect to any Backup Servicing Agreements listed in clause (iii) of the definition thereof, Wells Fargo or any backup servicer appointed by a Tax Equity Opco or Wholly-Owned Subsidiary, as applicable, and approved by the Administrative Agent, in its reasonable discretion.

“*Backup Servicing Agreement*” means (i) [\*\*\*], (ii) [\*\*\*], or (iii) any other backup servicing agreement approved to the Administrative Agent, in its reasonable discretion.

“*Bail-In Action*” means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

“*Bail-In Legislation*” means (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation rule or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United

Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

[\*\*\*]

[\*\*\*]

“*Bankruptcy Code*” means the U.S. Bankruptcy Code, 11 U.S.C. § 101, et seq., as amended.

“*Base Margin*” means 2.50% per annum.

“*Base Rate*” means for any day a fluctuating rate per annum equal to the highest of (a) the Federal Funds Rate plus 1/2 of 1% and (b) the prime rate of interest quoted by The Wall Street Journal as in effect for such date; *provided*, that if the Federal Funds Rate determined herein would be less than zero percent (0.00%), such rate shall be deemed zero percent (0.00%) for purposes of this Agreement; *provided, further*, that if the “prime rate” determined herein would be less than one percent (1.00%), such rate shall be deemed one percent (1.00%) for purposes of this Agreement.

“*Basel III*” means Basel III: A global regulatory framework for more resilient banks and banking systems prepared by the Basel Committee on Banking Supervision, and all national implementations thereof.

“*Benchmark*” means, initially, the Adjusted Eurodollar Rate; *provided*, that if a replacement of the Benchmark has occurred pursuant to this Section 2.11(C), then the “Benchmark” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate. Any reference to “Benchmark” shall include, as applicable, the published component used in the calculation thereof.

“*Benchmark Replacement*” means, for any Available Tenor:

- (1) for purposes of clause (i) of this Section 2.11(C), the first alternative set forth below that can be determined by the Administrative Agent:
  - (a) the sum of: (i) Term SOFR and (ii) the spread adjustment selected or recommended by the Relevant Governmental Body for U.S. dollar-denominated syndicated credit facilities at such time for the replacement of the tenor of USD LIBOR with a SOFR-based rate having approximately the same length as an Interest Accrual Period, or
  - (b) the sum of: (i) Daily Simple SOFR and (ii) the spread adjustment selected or recommended by the Relevant Governmental Body for U.S. dollar-denominated syndicated credit facilities at such time for the replacement of the tenor of USD LIBOR with a SOFR-based rate having approximately the same length as an Interest Accrual Period; and

- (2) for purposes of clause (ii) of this Section 2.11(C), the sum of (a) the alternate benchmark rate and (b) an adjustment (which may be a positive or negative value or zero), in each case, that has been selected by the Administrative Agent and the Borrower as the replacement for such Available Tenor of such Benchmark giving due consideration to any evolving or then-prevailing market convention, including any applicable recommendations made by the Relevant Governmental Body, for U.S. dollar-denominated syndicated credit facilities at such time;

*provided that*, if the Benchmark Replacement as determined pursuant to clause (1) or (2) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Transaction Documents.

*“Benchmark Replacement Conforming Changes”* means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “Base Rate,” the definition of Business Day,” the definition of “Interest Accrual Period,” timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Administrative Agent decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of such Benchmark Replacement exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Transaction Documents).

*“Benchmark Transition Event”* means, with respect to any then-current Benchmark other than the Adjusted Eurodollar Rate, the occurrence of a public statement or publication of information by or on behalf of the administrator of the then-current Benchmark, the regulatory supervisor for the administrator of such Benchmark, the Board of Governors of the Federal Reserve System, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark, a resolution authority with jurisdiction over the administrator for such Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark, announcing or stating that (a) such administrator has ceased or will cease on a specified date to provide all Available Tenors of such Benchmark, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark or (b) all Available Tenors of such Benchmark are or will no longer be representative of the underlying market and economic reality that such Benchmark is intended to measure and that representativeness will not be restored.

*“Beneficial Ownership Certification”* means a certification regarding beneficial ownership required by the Beneficial Ownership Regulation, which certification shall be substantially similar in form and substance to the form of Certification Regarding Beneficial

Owners of Legal Entity Customers published jointly, in May 2018, by the Loan Syndications and Trading Association and Securities Industry and Financial Markets Association.

“*Beneficial Ownership Regulation*” means 31 C.F.R. § 1010.230.

“*BHC Act Affiliate*” has the meaning assigned to the term "affiliate" in, and shall be interpreted in accordance with, 12 U.S.C. § 1841(k).

“*Bloomberg*” means Bloomberg Financial Markets or any official successor thereto.

“*Borrower*” has the meaning set forth in the introductory paragraph hereof.

“*Borrower Change of Control*” means, the occurrence of one or more of the following events:

(i) 100% of the issued and outstanding Equity Interests in the Depositor or the Borrower shall cease to be owned directly or indirectly by the Sponsor;

(ii) the Borrower shall cease to directly own, beneficially and of record, 100% of the issued and outstanding Equity Interests in a Borrower Subsidiary (other than as a result of a Takeout Transaction); or

(iii) a Managing Member fails to own 100% of the class of Equity Interests in the related Tax Equity Opco owned as of the date the Managing Member became subject to the Guaranty, Pledge and Security Agreement.

“*Borrower Contribution Agreement*” means each Contribution Agreement between the Borrower and a Wholly-Owned Subsidiary entered into from time to time in form and substance reasonably satisfactory to the Administrative Agent.

“*Borrower Subsidiary*” means a Managing Member or a Wholly-Owned Subsidiary, as the context requires.

“*Borrower Subsidiary Distributions*” means all distributions and payments in any form made, or due to be made, to the Borrower in connection with its ownership interest in the Borrower Subsidiaries (other than Excluded Collateral).

“*Borrowing Base*” means, as of any Borrowing Base Calculation Date, the product of (i) the Solar Asset Portfolio Value as of such date and (ii) [\*\*\*]%.

“*Borrowing Base Calculation Date*” means (i) each Payment Date, (ii) each Borrowing Date, (iii) the date on which a Takeout Transaction consummated, and (iv) with respect to any other Borrowing Base Certificate delivered hereunder, the date such Borrowing Base Certificate is required to be delivered.

“*Borrowing Base Certificate*” means a certificate in the form of Exhibit B-1 attached hereto.



“*Borrowing Base Deficiency*” has the meaning set forth in Section 2.9.

“*Borrowing Base Pool*” means, as of any date of determination, the pool of all Solar Assets included in the determination of Solar Asset Portfolio Value for purposes of calculating the Borrowing Base as reflected in the most recently delivered Borrowing Base Certificate.

“*Borrowing Date*” means any Business Day on which an Advance is made at the request of the Borrower in accordance with provisions of this Agreement (including the Closing Date).

“*Breakage Costs*” means, with respect to a failure by the Borrower, for any reason, to borrow any proposed Advance on the date specified in the applicable Notice of Borrowing (including as a result of the Borrower’s failure to satisfy any conditions precedent to such borrowing) after providing such Notice of Borrowing therefor, the resulting loss, cost, expense or liability incurred by reason of the liquidation or reemployment of deposits, actually sustained by the any Lender; *provided, however*, that such Lender shall use commercially reasonable efforts to minimize such loss or expense and shall have delivered to the Borrower a certificate as to the amount of such loss or expense, which certificate shall be conclusive in the absence of manifest error.

“*Business Day*” means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the Laws of, or are in fact closed in New York, New York, San Francisco, California, Minneapolis, Minnesota or the state where the Administrative Agent’s principal office is located and, if such day relates to the determination of LIBOR, means any such day that is also a London Banking Day.

“*Cancelled Solar Asset*” means a Solar Asset for which related PV System is transferred by the related Tax Equity Opco to the related Seller pursuant to the applicable Project Documents.

“*Capacity Attributes*” means any and all current or future defined capacity characteristics, certificates, tags, credits or accounting constructs, howsoever entitled, including any accounting construct counted toward any resource adequacy requirements, attributed to or associated with a PV System or any unit of generating capacity of a PV System.

“*Carrying Cost*” means, as of any date of determination, the sum of (i) the Current Swap Rate as of such date of determination, and (ii) the Base Margin.

“*Cash Sweep Fund*” means a Tax Equity Fund which is an ITC Cash Sweep Fund not subject to an ITC Insurance Policy.

“*Change in Law*” means the occurrence, after the Closing Date, of any of the following: (i) the adoption or taking effect of any Governmental Rule, any change in any Governmental Rule or in the administration, interpretation, implementation or the application or requirements thereof (whether such change occurs in accordance with the terms of such Governmental Rule as enacted, as a result of amendment, or otherwise), any change in the interpretation or administration of any Governmental Rule by any Governmental Authority, or (ii) the making or

issuance of any request or directive (whether or not having the force of law) of any Governmental Authority; *provided*, that, for the avoidance of doubt and notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law,” regardless of the date enacted, adopted, promulgated or issued, but only to the extent such rules, regulations, or published interpretations or directives are applied to the Borrower and any Borrower Subsidiary by the Administrative Agent or any Lender in substantially the same manner as applied generally to other similarly situated borrowers after consideration of factors as the Administrative Agent or Lender then reasonably determines to be relevant.

“*Closing Date*” means April 20, 2021.

“*Collateral*” means (i) all assets of the Borrower, including, the Equity Interests of each Borrower Subsidiary, (ii) all assets of each Borrower Subsidiary, including the Equity Interests of each Tax Equity Opco owned or acquired by a Borrower Subsidiary and all assets of each Wholly-Owned Subsidiary (including a Tax Equity Opco that becomes a Wholly-Owned Subsidiary upon the exercise of the related Purchase Option or Withdrawal Option or, in the case of an Inverted Lease, the termination of the related Master Lease Agreement under the terms of a Tax Equity Opco LLC Agreement or Master Lease Agreement), (iii) the Equity Interests of the Borrower owned by the Depositor, (iv) the Paying Agent Accounts and Wholly-Owned Subsidiary Operating Accounts, and (v) any and all property now owned or hereafter acquired upon which a Lien is or is purported to be created by any Collateral Document, in each case, except for assets or property constituting Excluded Collateral.

“*Collateral Agent*” has the meaning set forth in the Preamble.

“*Collateral Agent Fee*” means, for each Payment Date (in accordance with and subject to Section 2.7(B)), a fee paid to the Collateral Agent as part of the Paying Agent Fee.

“*Collateral Documents*” means the Guaranty, Pledge and Security Agreement, the Depositor Pledge Agreement, each Account Control Agreement, each consent, each control agreement and any other security documents, financing statements and other documentation filed or recorded in connection with the foregoing.

“*Collection Period*” means, with respect to a Payment Date, the calendar quarter ending on the last day of the month preceding the month in which such Payment Date occurs; *provided* that with respect to the first Payment Date, the Collection Period will be the period from and including the Closing Date to the end of the month preceding the month in which such Payment Date occurs.

“*Collections*” means:

(i) with respect to any Solar Asset owned by a Wholly-Owned Subsidiary, all Host Customer Payments and PBI Payments, and other cash proceeds thereof including insurance proceeds with respect to any Solar Asset that has suffered an Event of Loss and has become a Terminated Solar Asset; and

(ii) without duplication of clause (i), with respect to the Equity Interests in Borrower Subsidiaries, the Borrower Subsidiary Distributions and other cash proceeds thereof.

Without limiting the foregoing, “Collections” shall include any amounts payable to the Borrower (x) with respect to the Borrower Subsidiaries, (y) under any Hedge Agreement entered into in connection with this Agreement or (z) in connection with the disposition of any Collateral. Collections shall not include any Excluded Collateral or proceeds from a Takeout Transaction.

“*Commercial Paper*” means commercial paper, money market notes and other promissory notes and senior indebtedness issued by or on behalf of a Conduit Lender.

“*Committed Lender*” means each Person designated as a Committed Lender on Exhibit E hereto or each financial institution identified as such that may become a party hereto.

“*Commitment*” means the obligation of a Committed Lender to fund an Advance, as set forth on Exhibit E attached hereto.

“*Commitment Increase*” has the meaning set forth in Section 2.6(B).

“*Commitment Increase Date*” has the meaning set forth in Section 2.6(B).

“*Commitment Termination Date*” means the earliest to occur of (i) the Scheduled Commitment Termination Date, (ii) the occurrence of an Early Amortization Event (subject to the proviso set forth in the definition thereof pursuant to which an Availability Period re-starts) and (iii) the date of any voluntary termination of the facility by the Borrower.

“*Commodity Exchange Act*” means the Commodity Exchange Act (7 U.S.C. 1 et seq.), as amended from time to time, and any successor statute.

“*Competitor*” means (i) each Person listed on Schedule XVIII and (ii) any other Person that is in the business of developing, owning, installing, constructing or operating solar equipment and providing solar electricity from such solar equipment to residential customers located in jurisdictions where Sunrun or any Subsidiary are then doing business, primarily through power purchase agreements, customer service or lease agreements or capital loan products and not through direct sales of solar panels or any Affiliate of such a Person, but shall not include any back-up servicer (including [\*\*\*] and [\*\*\*]), or any Person engaged in the business of making passive ownership or tax equity investments in such solar equipment and associated businesses so long as such Person has in place procedures to prevent the distribution of confidential information that is prohibited under this Agreement, in each case identified by the

Borrower after the Closing Date in writing to the Administrative Agent and the Lenders and not rejected by the Administrative Agent or any Lender within five (5) Business Days of receipt thereof (such acceptance or rejection to be made in the Administrative Agent's and each Lender's commercially reasonable discretion).

“*Conduit Lender*” means each financial institution identified as such on Exhibit E that may become a party hereto.

“*Connection Income Taxes*” means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

“*Contribution Agreements*” means, collectively, the Depositor Contribution Agreement and the Borrower Contribution Agreements, if any.

“*Conveyed Property*” means the “Conveyed Property” as defined in the Depositor Contribution Agreement.

“*Cost of Funds Rate*” means, for any Interest Accrual Period or portion thereof, a rate per annum equal to the Benchmark for such Interest Accrual Period or, to the extent rendered applicable by operation of Section 2.11, the Base Rate with respect to any portion of such Interest Accrual Period.

“*Covered Entity*” means any of the following: (i) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b), (ii) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b) or (iii) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

“*Covered Party*” has the meaning set forth in Section 10.28 hereof.

“*Credit Reporting Agency*” means TransUnion, Equifax, or Experian.

“*Credit Underwriting Policy*” means the credit underwriting policy furnished by the Sponsor to the Administrative Agent on or prior to the Closing Date as amended from time to time subject to Section 5.2(O).

“*Current Swap Rate*” means, as of any date of determination, the then current weighted average of the fixed interest rates under the swap agreements then in effect in accordance with the Hedge Requirements.

“*Custodial Agreement*” means the Custodial Agreement, dated as of the Closing Date, by and among the Custodian, the Borrower, the Transaction Manager, the Sponsor, the Collateral Agent and the Administrative Agent.

“*Custodial Fee*” means a fee payable by the Borrower to the Custodian as set forth in the Custodial Fee Letter.

“*Custodial Fee Letter*” means that certain Schedule of Fees with respect to the Custodian, dated as of March 11, 2021, and acknowledged by the Sponsor as of March 29, 2021.

“*Custodian*” means Wells Fargo, in its capacity as the provider of services under the Custodial Agreement and/or any other Person or entity performing similar services for the Borrower which has been approved in writing by the Administrative Agent.

“*Custodian File*” means the file pertaining to each Solar Asset containing (i) a fully executed Electronic Copy of the related Customer Agreement, including any amendments thereto (including Electronic Copies of any related Payment Facilitation Agreement), (ii) a fully executed Electronic Copy of the related PBI Documents, if any, or, for any PBI Payments not evidenced by a signed agreement, evidence of the application, reservation and procurement of such PBI Payment, (iii) Electronic Copies of documents evidencing the related PTO of the related PV System, if any, (iv) a fully executed Electronic Copy of the related Master Turnkey Installation Agreement or the related Permits to operate the related PV systems, as applicable, and (v) Electronic Copies of any other documents reasonably required by the Borrower, from time to time to be kept on file, relating to such Solar Asset or the related Host Customer.

“*Customer Agreement*” means a Customer Lease Agreement or a Power Purchase Agreement, as the context requires, together with any related Ancillary Customer Agreements, including any related Payment Facilitation Agreements.

“*Customer Collection Policy*” means the customer collection policy furnished by the Sponsor to the Administrative Agent on or prior to the Closing Date as amended from time to time subject to Section 5.2(O).

“*Customer Deposits*” means all amounts paid by a Host Customer on or about execution of the related Customer Agreement.

“*Customer Prepayments*” means all amounts prepaid by Host Customers pursuant to the related Customer Agreement or on or about commencement of construction of the applicable PV System or the achievement of PTO with respect thereto, exclusive of Customer Deposits.

“*Customer Lease Agreement*” means an agreement between the owner of the PV System and a Host Customer whereby the Host Customer leases a PV System from such owner for fixed or escalating monthly payments.

“*Daily Simple SOFR*” means, for any day, SOFR, with the conventions for this rate (which will include a lookback) being established by the Administrative Agent in accordance with the conventions for this rate recommended by the Relevant Governmental Body for determining “Daily Simple SOFR” for syndicated business loans; provided, that if the Administrative Agent decides that any such convention is not administratively feasible for the Administrative Agent, then the Administrative Agent may establish another convention in its reasonable discretion.

“*Data Tape File*” means a data tape file containing the information with respect to the Borrowing Base Pool as contained in the data tape file provided by the Loan Parties to the Administrative Agent during due diligence and on the Closing Date. Each data tape file shall identify PV Systems that are Defaulted Solar Assets.

“*Debtor Relief Laws*” means the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect.

“*Default Right*” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“*Defaulted Solar Asset*” means, with respect to a Solar Asset, if the related Host Customer is more than [\*\*\*] past due on any portion of a contractual payment due under the related Customer Agreement.

“*Defaulting Lender*” means, subject to Section 2.19(C), any Lender that (a) has failed to (i) fund all or any portion of its Advances within two (2) Business Days of the date such Advances were required to be funded hereunder unless such Lender notifies the Administrative Agent and the Borrower in writing that such failure is the result of such Lender’s determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied or (ii) pay to the Administrative Agent or any other Lender any other amount required to be paid by it hereunder within two (2) Business Days of the date when due (b) has notified the Borrower or the Administrative Agent in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender’s obligation to fund an Advance hereunder and states that such position is based on such Lender’s determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three (3) Business Days after written request by the Administrative Agent or the Borrower, to confirm in writing to the Administrative Agent and the Borrower that it will comply with its prospective funding obligations hereunder (*provided* that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent and the Borrower), or (d) has, or has a direct or indirect parent company that has (i) had an Insolvency Event occur with respect to it, (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity or (iii) become the subject of a Bail-In Action; *provided* that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any Equity Interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender

(or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above, and of the effective date of such status, shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.19(C)) as of the date established therefor by the Administrative Agent in a written notice of such determination, which shall be delivered by the Administrative Agent to the Borrower, and each other Lender promptly following such determination.

“*Defective Solar Asset*” has the meaning set forth in the Depositor Contribution Agreement or the Performance Guaranty, as applicable.

“*Deployment Percentage*” means, with respect to each Tax Equity Fund, the percentage of the Tax Equity Investor’s total tax equity commitment to such Tax Equity Fund that has been funded by the Tax Equity Investor and utilized to purchase Solar Assets.

“*Depositor*” means Sunrun Luna Depositor 2021, LLC, a Delaware limited liability company.

“*Depositor Pledge Agreement*” means the Pledge and Security Agreement, dated as of the date hereof, by the Depositor in favor of the Collateral Agent.

“*Depositor Contribution Agreement*” means the Contribution Agreement, dated as of the Closing Date, between the Depositor and the Borrower.

“*Designated Jurisdiction*” means any country or territory to the extent that such country or territory itself is the subject of any Sanction.

“*Determination Date*” means the 5<sup>th</sup> Business Day preceding a Payment Date.

“*Developer*” means Vivint Solar Developer, LLC, a Delaware limited liability company.

“*Discount Rate*” means (i) as of the Closing Date, 6.00% and (ii) as of any other date of determination, the greater of (a) 6.00% per annum and (b) the sum of (x) the Carrying Cost as of such date of determination and (y) [\*\*\*]%.

“*Discounted Solar Asset Balance*” means, with respect to any Solar Asset as of any date of determination, an amount equal to (i) the Discounted Solar Asset Revenue, *minus* (ii) the Discounted Solar Asset Expenses, in each case as of such date of determination and for such Solar Asset; *provided*, that any Solar Asset that is a Defective Solar Asset, Defaulted Solar Asset, Cancelled Solar Asset or Terminated Solar Asset shall be deemed to have a Discounted Solar Asset Balance equal to \$0. Prepaid Projects may have a negative Discounted Solar Asset Balance.

“*Discounted Solar Asset Expenses*” means, with respect to any Solar Asset as of any date of determination, the present value of the Allocated Services Provider Fees for such Solar Asset

on or after such date of determination, based on discounting such Allocated Services Provider Fees to such date of determination at an annual rate equal to the Discount Rate.

“*Discounted Solar Asset Revenue*” means, with respect to any Solar Asset as of any date of determination, the sum of the present value of (A) the Scheduled Host Customer Payments for such Solar Asset on or after such date of determination plus (B) the Scheduled PBI Payments for such Solar Asset on and after such date of determination, in each case, based on discounting such Scheduled Host Customer Payments and Scheduled PBI Payments to such date of determination at an annual rate equal to the Discount Rate.

“*Distributable Cash*” shall, for each Tax Equity Fund, mean “Distributable Cash” or “Available Cash” or similar term, as applicable, in each case, as set forth in the related Tax Equity Opco LLC Agreement.

“*Distributable Revenue*” has the meaning set forth in Section 2.7(B).

“Dollar,” “Dollars,” “U.S. Dollars” and the symbol “\$” means the lawful currency of the United States.

“*DSCR*” means, as of any Payment Date, the ratio of:

(i) (a) the sum of (i) the aggregate Borrower Subsidiary Distributions in respect of the Collection Period ending on the Quarterly Date preceding such Payment Date (excluding the portion of any amounts paid by the related Host Customer that represent the prepayment or buyout of cash flows expected to be received during subsequent Collection Periods and any amounts paid by the related Host Customer in respect of sales, use or property taxes) and (ii) the amount on deposit in the Post-PTO Reserve Account as of the Determination Date immediately preceding such Payment Date, minus (b) the sum of the Collateral Agent Fee, the Custodian Fee, the Paying Agent Fee, the Transaction Manager Fee, the Transaction Transition Manager Fee and all amounts owed to the Servicers with respect to any Wholly-Owned Subsidiary under the applicable Servicing Agreements, in each case payable on such Payment Date, divided by

(ii) the aggregate Total Post-PTO Debt Service for such Payment Date.

“*DSCR Threshold*” means with respect to any date on which the DSCR is measured (i) if the weighted average daily Carrying Costs during the related Interest Accrual Period is less than [\*\*\*]%, 1.30, (ii) if the weighted average daily Carrying Costs during the related Interest Accrual Period is equal to or greater than [\*\*\*]% but less than 5.25%, 1.15 and (iii) if the weighted average daily Carrying Costs during the related Interest Accrual Period is equal to or greater than [\*\*\*]%, 1.10.

“*Early Amortization Event*” means the occurrence of the any of the following events:

(i) on any Payment Date, the Solar Asset Payment Ratio is less than 85.0% for the three consecutive calendar months preceding such Payment Date;



- (ii) on any Payment Date, the DSCR is less than or equal to the applicable DSCR Threshold for such Payment Date and the immediately preceding Payment Date;
- (iii) the Financial Covenant is not satisfied;
- (iv) an Event of Default has occurred and is continuing;
- (v) the Sponsor (or its applicable Affiliate) has been removed as Servicer under a Services Agreement;
- (vi) a Transaction Manager Termination Event has occurred and is continuing; or
- (vii) a Sponsor Change of Control has occurred;

*provided*, that an Early Amortization Event shall terminate (with the Availability Period and the Maturity Date being restored to the respective period and date in effect prior to giving effect to the occurrence of the Early Amortization Event), with respect to an Early Amortization Event of the type described in:

- (i) clause (i) above, on the Payment Date on which the Solar Asset Payment Ratio is equal to or greater than 85.0% for the three (3) consecutive calendar months preceding such Payment Date,
- (ii) clause (ii) above, on the Payment Date on which the DSCR is equal to or greater than the DSCR Threshold for such Payment Date,
- (iii) clause (iii) above, on the date the Financial Covenant has been satisfied,
- (iv) clause (iv) above, on the date on which the applicable Event of Default has been cured or waived; *provided*, that the Super-Majority Lenders shall have also separately waived the Early Amortization Event in clause (iv),
- (v) clause (v) above, on the earlier of (x) the date on which the Borrower has delivered a Borrowing Base Certificate removing the Solar Assets with respect to the affected Tax Equity Fund or Wholly-Owned Subsidiary from the Borrowing Base Pool and made any related payments required to be made pursuant to Section 2.9(A) in connection therewith or (y) the date of the appointment of a replacement Servicer approved by the Super-Majority Lenders.
- (vi) clause (vi) above, on the date the applicable Transaction Manager Termination Event has been cured, and
- (vii) clause (vii) above, on the date the Super-Majority Lenders expressly consent to such Sponsor Change of Control not being an Early Amortization Event.

“*Early Opt-in Effective Date*” means, with respect to any Early Opt-in Election, the sixth (6th) Business Day after the date notice of such Early Opt-in Election is provided to the Lenders, so long as the Administrative Agent has not received, by 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Early Opt-in Election is provided to the Lenders, written notice of objection to such Early Opt-in Election from Lenders comprising the Majority Lenders.

“*Early Opt-in Election*” means the occurrence of:

- (1) a notification by the Administrative Agent to (or the request by the Borrower to the Administrative Agent to notify) each of the other parties hereto that at least five currently outstanding U.S. dollar-denominated syndicated credit facilities at such time contain (as a result of amendment or as originally executed) a SOFR-based rate (including SOFR, a term SOFR or any other rate based upon SOFR) as a benchmark rate (and such syndicated credit facilities are identified in such notice and are publicly available for review), and
- (2) the joint election by the Administrative Agent and the Borrower to trigger a fallback from USD LIBOR and the provision by the Administrative Agent of written notice of such election to the Lenders.

“*EEA Financial Institution*” means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

“*EEA Member Country*” means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

“*EEA Resolution Authority*” means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

“*Electronic Copy*” means the electronic form into which Sponsor or an Affiliate, in the ordinary course of its business and in compliance with its document storage policy, originates in an electronic form or converts into an electronic form all Customer Agreements, Payment Facilitation Agreements, PBI Documents, Interconnection Agreements, Net Metering Agreements, documents evidencing the related PTO of the related PV System, in each case, if any, and any other documents reasonably required by the Borrower, from time to time to be kept on file, relating to such Solar Asset or the related Host Customer.

“*Eligible Assignee*” means any Person that is a commercial bank, insurance company, investment or mutual fund or other Person that is an “accredited investor” (as defined in

Regulation D of the Securities Act of 1933, as amended) or otherwise has a tangible net worth not less than [\*\*\*] (\$[\*\*\*]).

“*Eligible Institution*” shall mean a commercial bank or trust company having capital and surplus of not less than \$100,000,000 in the case of U.S. banks and \$100,000,000 (or the U.S. dollar equivalent as of the date of determination) in the case of foreign banks; provided that a commercial bank which does not satisfy the requirements set forth above shall nonetheless be deemed to be an Eligible Institution for purposes of holding any deposit account or any other account so long as such commercial bank is a federally or state chartered depository institution subject to regulations regarding fiduciary funds on deposit substantially similar to 12 C.F.R. §9.10(b) and such account is maintained as a segregated trust account by such bank.

“*Eligible Letter of Credit Bank*” means a financial institution having total assets in excess of \$500,000,000 and with a long term rating of at least "A-" by S&P or “A3” by Moody’s and a short term rating of at least “A-1” by S&P or “P-1 (Prime-1)” by Moody’s.

“*Eligible Solar Asset*” means, as of any date of determination, any Solar Asset:

- (i) for which all of the applicable criteria specified in Schedule I were satisfied as of such date of determination;
- (ii) to the extent such Solar Asset is owned by a Tax Equity Fund, for which all of the applicable criteria set forth in Schedule II are satisfied with respect to such Tax Equity Fund as of such date of determination;
- (iii) to the extent such Solar Asset is owned by a Tax Equity Fund and such date of determination is the first Borrowing Date on which such Solar Asset is to be included in the Borrowing Base Pool, for which all of the applicable criteria set forth in Schedule III are true and correct with respect to such Tax Equity Fund as of such date of determination;
- (iv) to the extent such Solar Asset is owned by the Wholly-Owned Subsidiary, for which all of the applicable criteria set forth in Schedule VI are satisfied as of such date of determination; and
- (v) to the extent such Solar Asset is owned by the Wholly-Owned Subsidiary and such date of determination is the first Borrowing Date on which such Solar Asset is to be included in the Borrowing Base Pool, for which all of the applicable criteria set forth in Schedule VII are satisfied as of such date of determination.

“*Eligible Tax Equity Structure*” means a (i) Partnership Flip Structure or Inverted Lease Structure as to which the Borrower can make the applicable Tax Equity Representations and (ii) any other tax equity structure approved by the Super-Majority Lenders.

“*Environmental Claim*” means any and all obligations, liabilities, losses, administrative, regulatory or judicial actions, suits, demands, decrees, claims, liens, judgments, warning notices,

notices of noncompliance or violation, investigations, proceedings, removal or remedial actions or orders, or damages, penalties, fees, out-of-pocket costs, expenses, disbursements, attorneys' or consultants' fees, relating in any way to any Environmental Law or any Permit issued under any such Environmental Law (hereafter, "*Hazard Claims*"), including (a) any and all Hazard Claims by Governmental Authorities for enforcement, cleanup, removal, response, remedial or other actions or damages pursuant to any applicable Environmental Law, and (b) any and all Hazard Claims by any third party seeking damages, contribution, indemnification, cost recovery, compensation or injunctive relief resulting from the Release of Hazardous Materials or arising from injury to health, safety or the environment.

"*Environmental Law*" means any and all federal, State, regional and local statutes, laws (including common law), regulations, ordinances, judgments, orders, codes or injunctions pertaining to the environment, human health or safety (as affected by exposure to Hazardous Materials), or natural resources, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. § 9601 et seq.) ("*CERCLA*"), and the Superfund Amendments and Reauthorization Act of 1986, the Emergency Planning and Community Right to Know Act (42 U.S.C. §§ 11001 et seq.), the Resource Conservation and Recovery Act of 1976 (42 U.S.C. §§ 6901 et seq.), and the Hazardous and Solid Waste Amendments Act of 1984, the Clean Air Act (42 U.S.C. §§ 7401 et seq.), the Federal Water Pollution Control Act (also known as the Clean Water Act) (33 U.S.C. §§ 1251 et seq.), the Toxic Substances Control Act (15 U.S.C. §§ 2601 et seq.), the Safe Drinking Water Act (42 U.S.C. §§ 300f et seq.), the Endangered Species Act (16 U.S.C. §§ 1531 et seq.), the Migratory Bird Treaty Act (16 U.S.C. §§ 703 et seq.), the Bald Eagle Protection Act (16 U.S.C. §§ 668 et seq.), the Oil Pollution Act of 1990 (33 U.S.C. §§ 2701 et seq.), the Hazardous Materials Transportation Act (49 U.S.C. §§ 1801 et seq.), and any similar or analogous state and local statutes or regulations promulgated thereunder, and legally binding decisional law of any Governmental Authority, as each of the foregoing may be amended or supplemented from time to time in the future, in each case to the extent applicable with respect to the property or operation to which application of the term "Environmental Laws" relates.

"*Equity Interests*" means shares of capital stock, partnership interests, limited liability company interests or membership interests in a limited liability company, beneficial interests in a trust or other equity interests in any Person, and any option, warrant, commitment, preemptive rights or agreements of any kind (including any members' or voting agreements) entitling the holder thereof to purchase or otherwise acquire any such equity interest.

"*ERISA*" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rulings issued thereunder. Section references to ERISA are to ERISA, as in effect at the Closing Date and any subsequent provisions of ERISA, amendatory thereof, supplemental thereto or substituted therefor.

"*ERISA Affiliate*" means each Person (as defined in Section 3(9) of ERISA), which together with the Borrower, would be deemed to be a "single employer" within the meaning of Section 414(b), (c), (m) or (o) of the Internal Revenue Code or Section 4001(a)(14) or 4001(b)(1) of ERISA.

“*ERISA Event*” means (i) that a Reportable Event has occurred with respect to any Single-Employer Plan; (ii) the institution of any steps by the Borrower or any ERISA Affiliate, the Pension Benefit Guaranty Corporation or any other Person to terminate any Single-Employer Plan or the occurrence of any event or condition described in Section 4042 of ERISA that constitutes grounds for the termination of, or the appointment of a trustee to administer, a Single-Employer Plan; (iii) the institution of any steps by the Borrower or any ERISA Affiliate to withdraw from any Multi-Employer Plan or Multiple Employer Plan or written notification of the Borrower or any ERISA Affiliate concerning the imposition of withdrawal liability; (iv) a non-exempt “prohibited transaction” within the meaning of Section 406 of ERISA or Section 4975 of the Internal Revenue Code in connection with any Plan; (v) the cessation of operations at a facility of the Borrower or any ERISA Affiliate in the circumstances described in Section 4062(e) of ERISA; (vi) with respect to a Single-Employer Plan, a failure to satisfy the minimum funding standard under Section 412 of the Internal Revenue Code or Section 302 of ERISA, whether or not waived; (vii) the conditions for imposition of a lien under Section 303(k) of ERISA shall have been met with respect to a Single-Employer Plan; (viii) a determination that a Single-Employer Plan is or is expected to be in “at-risk” status (within the meaning of Section 430(i)(4) of the Internal Revenue Code or Section 303(i)(4) of ERISA); (ix) the insolvency of or commencement of reorganization proceedings with respect to a Multi-Employer Plan or written notification that a Multi-Employer Plan is in “endangered” or “critical” status (within the meaning of Section 432 of the Internal Revenue Code or Section 305 of ERISA); or (x) the taking of any action by, or the threatening of the taking of any action by, the Internal Revenue Service, the Department of Labor or the Pension Benefit Guaranty Corporation with respect to any of the foregoing.

“*Erroneous Payment*” has the meaning assigned to it in Section 8.5(A).

“*Erroneous Payment Deficiency Assignment*” has the meaning assigned to it in Section 8.5(D).

“*Erroneous Payment Impacted Advance*” has the meaning assigned to it in Section 8.5(D).

“*Erroneous Payment Return Deficiency*” has the meaning assigned to it in Section 8.5(D).

“*Erroneous Payment Subrogation Rights*” has the meaning assigned to it in Section 8.5(D).

“*EU Bail-In Legislation Schedule*” means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

“*EU Risk Retention Side Letter*” means that certain letter, dated as of the Closing Date, by Sunrun and the Borrower to the Administrative Agent and Deutsche Bank AG, New York Branch.

1       “*Eurodollar Rate*” means, for any Interest Accrual Period, the rate per annum equal to the London Interbank Offered Rate as administered by ICE Benchmark Administration for a three (3) month period (or any other Person that takes over the administration of such rate for U.S. Dollars for a three (3) month period) (“*LIBOR*”) as published on the applicable Bloomberg screen page (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time) (the “*LIBOR Screen Rate*”) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Accrual Period, for Dollar deposits with a three (3) month term; *provided*, that if the Eurodollar Rate determined herein would be less than zero percent (0.00%), such rate shall be deemed zero percent (0.00%) for purposes of this Agreement.

“*Event of Default*” has the meaning set forth in Section 6.1.

“*Event of Loss*” means, with respect to a PV System that (i) such PV System is damaged or destroyed by fire, theft or other casualty and such PV System has become inoperable because of such event or (ii) such PV System is shut down and not producing electricity for any reason other than customer delinquency, except to the extent (1) the applicable Host Customer is being billed under its Customer Agreement (without amendment due to such shutdown) during such shut down or (2) the related Solar Asset is a Pre-PTO Solar Asset.

“*Excess Capital Contributions*” means, with respect to a Tax Equity Opco, all capital contributions to such Tax Equity Opco that (a) were made for the purpose of such Tax Equity Opco to acquire Solar Assets and (b) are permitted to be distributed to the related Managing Member; *provided*, that such capital contributions shall only be considered Excess Capital Contributions to the extent such capital contributions remain after (x) the “Final True-Up Date” in the applicable Tax Equity Opco LLC Agreement and (y) all amounts payable to (i) the Seller under the Master Purchase Agreement with respect to such Solar Asset and (ii) the installer under the Master Turnkey Installation Agreement with respect to such Solar Asset, have been paid.

“*Excess Concentration Amount*” means, as of any date of determination, [\*\*\*].

“*Excluded Ancillary/Capacity Contract*” means [\*\*\*].

“*Excluded Collateral*” means [\*\*\*].

“*Excluded Revenues*” means any proceeds of Excluded Collateral.

“*Excluded Taxes*” means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (i) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (a) imposed as a result of such Recipient being organized under the Laws of, or having its principal office or, in the case of any Lender, its applicable Lending Office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (b) that are Other Connection Taxes, (ii) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in an Advance pursuant to a Law in effect on the date on which (a) such Lender acquires such interest

in the Advance or (b) such Lender changes its Lending Office, except in each case to the extent that, pursuant to Section 2.17, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its Lending Office, (iii) Taxes attributable to such Recipient's failure to comply with Section 2.17(G) and (iv) any U.S. federal withholding Taxes imposed under FATCA.

*"Expected Amortization Profile"* means, as of any date of determination, the expected amortization schedule of the Advances set forth in the Advance Model.

*"Expense Claim"* has the meaning set forth in Section 10.21.

*"Facility"* means this Agreement together with all other Transaction Documents.

*"FATCA"* means Sections 1471 through 1474 of the Internal Revenue Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Internal Revenue Code, and any intergovernmental agreements between the United States and another country which modify the provisions of the foregoing.

*"Federal Funds Rate"* means, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) charged to the Administrative Agent on such day on such transactions as determined by the Administrative Agent.

*"FICO Score"* means, with respect to any Host Customer (other than a [\*\*\*]), a score based on the credit risk rating system established and maintained by the Fair Isaac Corporation from any Credit Reporting Agency.

*"Financed Fund"* means (i) any Wholly-Owned Subsidiary or (ii) any Tax Equity Opco financed hereunder.

*"Financial Covenant"* means [\*\*\*].

*"Fixed Date ATE"* has the meaning set forth in the definition of Fixed Date ATE Hedge Agreement.

“*Fixed Date ATE Hedge Agreement*” means any Hedge Agreement that contains an additional termination date based on the occurrence of a fixed date (such additional termination event a “*Fixed Date ATE*”).

“*Floor*” means the benchmark rate floor, if any, provided in this Agreement initially (as of the execution of this Agreement, the modification, amendment or renewal of this Agreement or otherwise) with respect to the Adjusted Eurodollar Rate.

“*Funding Account*” has the meaning set forth in Section 8.2(A)(vii).

“*Funding Agent*” means a Person appointed as a Funding Agent for a Lender Group pursuant to Section 7.18.

“*GAAP*” means generally accepted accounting principles as are in effect from time to time and applied on a consistent basis (except for changes in application in which the Borrower’s independent certified public accountants and the Administrative Agent reasonably agree) both as to classification of items and amounts.

“*Governmental Authority*” means the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

“*Governmental Rule*” means any statute, law, regulation, ordinance, rule, judgment, order, decree, permit, concession, grant, franchise, license, agreement, directive, guideline, policy requirement or other governmental restriction or any similar form of decision of or determination by, or any interpretation or administration of any of the foregoing having the force of law by, any Governmental Authority, whether now or hereafter in effect.

“*Guarantee*” of or by any Person means any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the “primary obligor”) in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment of such Indebtedness or other obligation, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment of such Indebtedness or other obligation or (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation.

“*Guaranty, Pledge and Security Agreement*” means the Guaranty, Pledge and Security Agreement, dated as of the Closing Date, by and among the Borrower, the Collateral Agent and the other grantors described therein.



“*Hazardous Materials*” means all materials, pollutants, contaminants, chemicals, compounds, constituents, substances or wastes, in any form, including petroleum or petroleum distillates, asbestos or asbestos-containing materials, polychlorinated biphenyls, radon gas, mold, electromagnetic radio frequency or microwave emissions, that are regulated pursuant to, or which could give rise to liability under, applicable Environmental Law.

“*Hedge Agreement*” means, collectively, (i) the related ISDA Master Agreement, the related Schedule to the ISDA Master Agreement, and the related confirmation or (ii) a long form confirmation, in each case in form and substance reasonably acceptable to the Administrative Agent.

“*Hedge Counterparty*” means the counterparty under a Hedge Agreement.

“*Hedge Counterparty Joinder*” means that certain accession agreement executed by a Hedge Counterparty and acknowledged by the Collateral Agent in the form attached to the Guaranty, Pledge and Security Agreement.

“*Hedge Requirements*” means the requirement that, at all times after the fifth Business Day following each Borrowing Date, Borrower shall have entered into one or more interest rate swap or cap agreements with a Qualifying Hedge Counterparty with an amortizing notional balance schedule, which, after giving effect to such interest rate swap or cap agreement, will cause not greater than 110.0% and not less than 80.0% of the aggregate Expected Amortization Profile of all outstanding Advances to be hedged to a fixed interest rate, with [\*\*\*].

“*Hedge Termination Payment*” means any amount payable by the Borrower or a Hedge Counterparty in connection with an early termination (whether as a result of the occurrence of an event of default or other termination event) of any Hedge Agreement in accordance with the terms thereof and this Agreement; provided that, for the avoidance of doubt, “Hedge Termination Payments” shall not include any Ordinary Course Settlement Payments due under any such Hedge Agreement except any Ordinary Course Settlement Payments due as a part of such termination payment.

“*Host Customer*” means the residential customer or a [\*\*\*] under a Customer Agreement.

“*Host Customer Payments*” means, with respect to a Solar Asset, all payments due from the related Host Customer under or in respect of the related Customer Agreement, including any amounts payable by such Host Customer that are attributable to sales, use or property taxes.

“*Host Customer Purchased Asset*” means a Solar Asset for which the related Host Customer has exercised its option, if any, to purchase the related PV System prior to the expiration of the term of the related Customer Agreement.

[\*\*\*].

“*Indebtedness*” means as to any Person at any time, any and all indebtedness, obligations or liabilities (whether matured or unmatured, liquidated or unliquidated, direct or indirect, absolute or contingent, or joint or several) of such Person for or in respect of: (i) borrowed money; (ii) obligations of such Person evidenced by bonds, debentures, notes or other similar instruments; (iii) amounts raised under or liabilities in respect of any note purchase or acceptance credit facility; (iv) reimbursement obligations under any letter of credit, currency swap agreement, interest rate swap, cap, collar or floor agreement or other interest rate management device (other than in connection with this Agreement); (v) obligations of such Person to pay the deferred purchase price of property or services; (vi) obligations of such Person as lessee under leases which have been or should be in accordance with GAAP recorded as capital leases; (vii) any other transaction (including forward sale or purchase agreements, capitalized leases and conditional sales agreements) having the commercial effect of a borrowing of money entered into by such Person to finance its operations or capital requirements, and whether structured as a borrowing, sale and leaseback or a sale of assets for accounting purposes; (viii) any guaranty or endorsement of, or responsibility for, any Indebtedness of the types described in this definition; (ix) liabilities secured by any Lien on property owned or acquired, whether or not such a liability shall have been assumed (other than any Permitted Liens); or (x) unvested pension obligations.

“*Indemnified Taxes*” means (i) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of the Borrower under any Transaction Document and (ii) to the extent not otherwise described in clause (i), Other Taxes.

“*Indemnitees*” has the meaning set forth in Section 10.5.

“*Independent Accountants*” means a nationally recognized firm of public accountants selected by the Transaction Manager; *provided*, that such firm is independent with respect to the Transaction Manager within the meaning of the Securities Act of 1933, as amended.

“*Independent Engineer*” means (i) [\*\*\*], (ii) [\*\*\*], (iii) [\*\*\*] or (iv) any other reputable, qualified engineering firm with substantial experience in the residential solar industry that is not an Affiliate of the Borrower or the Sponsor and has been approved by the Super-Majority Lenders.

“*Independent Engineering Report*” means a report relating to the Solar Assets (or subset thereof) owned by a Wholly-Owned Subsidiary or included in a Tax Equity Fund, prepared by the Independent Engineer, in form and substance reasonably acceptable to the Administrative Agent.

“*Independent Manager*” has the meaning set forth in Section 5.1(R).

“*Independent Service Provider*” means (i) any Independent Accountants or (ii) any independent (within the meaning of the Securities Act of 1933, as amended) third-party provider of accounting, financial analysis and reporting services that is not an Independent Accountant but that, in the reasonable judgment of the Transaction Manager, is qualified to prepare the relevant portions of the Accountant's Report. For the avoidance of doubt, Protiviti, Inc. shall constitute an Independent Service Provider.

“*Ineligible Solar Asset*” means, as of any date of determination, a Solar Asset that does not meet the applicable requirements for an Eligible Solar Asset as of such date of determination.

“*Initial Collateral Review*” has the meaning set forth in Section 7.17(A).

“*Initial Collateral Review Remediation Period*” means the period (if any) commencing on the date on which the Initial Collateral Review produces findings (i)(a) that would cause the aggregate Discounted Solar Asset Balances with respect to the Solar Assets as calculated by the Borrower and subject to such Initial Collateral Review to [\*\*\*], (b) the Discounted Solar Asset Balance with respect any single Solar Asset as calculated by the Borrower and subject to such Initial Collateral Review to [\*\*\*], (c) the average FICO score with respect to the Customers associated with Solar Assets subject to such Initial Collateral Review to [\*\*\*] or (d) the FICO score with respect to any Customer associated with a Solar Asset subject to such Initial Collateral Review to [\*\*\*] or (ii) that constitute any other materially adverse deviations (as determined by the Administrative Agent in its reasonable discretion), and ending on the date on which the Borrower makes any mandatory prepayment pursuant to Section 2.9(A) in connection with its delivery of a revised Borrowing Base Certificate pursuant to Section 7.17(C).

“*Initial ITC Insurance Policies*” means (i) that certain Tax Insurance Policy, issued by [\*\*\*], as underwriter, and the insurers named therein, dated as of June 21, 2018, (ii) that certain Tax Insurance Policy, issued by [\*\*\*], as underwriter, and the insurers named therein, dated as of April 27, 2018, (iii) that certain Tax Insurance Policy, issued by [\*\*\*], as underwriter, and the insurers named therein, dated as of January 21, 2021 and (iv) any excess insurance policies that name any of the foregoing policies as a “Followed Policy”.

“*Initial Solar Asset*” means each Solar Asset listed on the Schedule of Solar Assets as of the Closing Date.

“*Initial Tax Equity Fund*” means the tax equity fund listed on Schedule XI to this Agreement as of the Closing Date and acquired by the Borrower on such date pursuant to the Depositor Contribution Agreement.

“*Insolvency Event*” means, with respect to any Person:

- (i) the commencement of: (a) a voluntary case by such Person under the Bankruptcy Code or (b) the seeking of relief by such Person under other Debtor Relief Laws in any jurisdiction outside of the United States;
- (ii) the commencement of an involuntary case against such Person under the Bankruptcy Code (or other Debtor Relief Laws) and the petition is not controverted or dismissed within sixty (60) days after commencement of the case;
- (iii) a custodian (as defined in the Bankruptcy Code) (or equal term under any other Debtor Relief Law) is appointed for, or takes charge of, all or substantially all of the property of such Person;

(iv) such Person commences (including by way of applying for or consenting to the appointment of, or the taking of possession by, a rehabilitator, receiver, custodian, trustee, conservator or liquidator (or any equal term under any other Debtor Relief Laws) (collectively, a “conservator”) of such Person or all or any substantial portion of its property) any other proceeding under any reorganization, arrangement, adjustment of debt, relief of debtors, dissolution, insolvency, liquidation, rehabilitation, conservatorship or similar law of any jurisdiction whether now or hereafter in effect relating to such Person;

(v) such Person is adjudicated by a court of competent jurisdiction to be insolvent or bankrupt;

(vi) any order of relief or other order approving any such case or proceeding referred to in clauses (i) or (ii) above is entered;

(vii) such Person suffers any appointment of any conservator or the like for it or any substantial part of its property that continues undischarged or unstayed for a period of sixty (60) days; or

(viii) such Person makes a compromise, arrangement or assignment for the benefit of creditors or generally does not pay its debts as such debts become due.

“*Insurance Proceeds*” means, any funds, moneys or other net proceeds received by the Borrower, any Borrower Subsidiary or any Tax Equity Opco as the payee in connection with the physical loss or damage to a PV System, including lost revenues through business interruption insurance, or any other incident.

“*Interconnection Agreement*” means, with respect to a PV System, a contractual obligation between a utility and a Host Customer that allows the Host Customer to interconnect such PV System to the utility electrical grid.

“*Interest Accrual Period*” means for each Payment Date, the period from and including the immediately preceding Payment Date to but excluding such Payment Date except that the Interest Accrual Period for the initial Payment Date shall be the actual number of days from and including the Closing Date to, but excluding, the initial Payment Date; *provided, however*, that with respect to any application of amounts pursuant to Section 2.7(B) on a Business Day other than a Payment Date, the “Interest Accrual Period” means the period from and including the immediately preceding Payment Date to but excluding such Business Day.

“*Interest Distribution Amount*” means, with respect to any period, an amount equal to the sum of the following calculated for each day during such period: the product of (a) the Aggregate Outstanding Advances on such day *multiplied* by (b) the sum of the (x) the Cost of Funds Rate in effect for the Interest Accrual Period in which such day occurs and (y) the Applicable Margin in effect for such day *multiplied* by (c) a fraction the numerator of which is 1 and the denominator which is 360 (or, if the Cost of Funds Rate in effect for such Advances during such period is

determined by reference to the Base Rate, the denominator shall be 365 or 366, as applicable for the calendar year in which such period occurs).

“*Internal Revenue Code*” means the Internal Revenue Code of 1986, as the same may be amended or supplemented from time to time, or any successor statute.

“*Inverted Lease Lessor*” means a bankruptcy remote special purpose entity that is an Affiliate of the Sponsor and owns the PV Systems related to each Solar Asset related to such Inverted Lease Structure and that is the lessor entitled to receive rent payments under the Master Lease Agreement from the related Inverted Lease Tenant related to such Inverted Lease Structure.

“*Inverted Lease Structure*” means a tax equity structure that conforms to the Inverted Lease Structure Characteristics and in which (i) a Seller sells or otherwise transfers Solar Assets to the Inverted Lease Lessor and (ii) such Inverted Lease Lessor then leases the PV Systems related to such Solar Assets to the Inverted Lease Tenant pursuant to a Master Lease Agreement.

“*Inverted Lease Structure Characteristics*” means the criteria set forth on Schedule V hereto.

“*Inverted Lease Tenant*” means a Tax Equity Investor or a subsidiary thereof that leases a pool of PV Systems related to Solar Assets from an Inverted Lease Lessor and is the party (via assignment) to each Customer Agreement.

“*Inverter*” means, with respect to a PV System, the necessary device required to convert the variable direct electrical current (DC) output from a Solar Photovoltaic Panel into a utility frequency alternating electrical current (AC) that can be used by a Host Customer’s home or property, or that can be fed back into a utility electrical grid pursuant to an Interconnection Agreement.

“*ITC*” means the investment tax credit under section 48 of the Code.

“*ITC Cash Sweep Fund*” means a Tax Equity Fund whose Project Documents reduce, limit, suspend or otherwise restrict distributions to the Managing Member following the occurrence of an indemnity claim or non-payment of such an indemnity claim, in each case, in respect a failure of one or more Solar Assets to qualify for all or a portion of the ITCs claimed by such Tax Equity Fund.

“*ITC Insurance Policy*” means the (i) the Initial ITC Insurance Policies and (ii) any other insurance policy in form and substance reasonably acceptable to the Administrative Agent and each of the excess insurance policies that reference any such insurance policy as the “Followed Policy” therein.

“*ITC Insurance Policy Proceeds*” means any proceeds from an ITC Insurance Policy for which the Borrower or a Managing Member is a loss payee upon receipt thereof.

“*ITC Insurance Proceeds Account*” has the meaning set forth in Section 8.2(A)(iv).

“*ITC Loss Indemnity*” means, for a Tax Equity Fund, an indemnity from the Sponsor, Vivint Solar and/or the related Managing Member in favor of the related Tax Equity Investor for the loss of ITCs to the extent such loss results from certain events or breaches of representations and warranties specified in the applicable Project Documents.

“*Knowledge*” means (a) as to any natural Person, the actual awareness of the fact, event or circumstance at issue, receipt of notification by proper delivery of such fact, event or circumstance, and with respect to any Person that is an officer, director or employee of the Sponsor or an Affiliate thereof, such knowledge that would reasonably be expected to be known by such Person after reasonable inquiry, and the reasonable and diligent exercise of such Person’s duties pursuant to any relevant policy of the Sponsor or an Affiliate and customary or typical solar finance industry practices (with respect to prudent institutional participants) and (b) as to any Person that is not a natural Person, the actual awareness of the fact, event or circumstance at issue by a Responsible Officer of such Person (or with respect to the Sponsor or an Affiliate thereof, an officer-level (or more senior employee)) or receipt, by a Responsible Officer of such Person (or with respect to the Sponsor or an Affiliate thereof, an officer-level (or more senior employee)), of notification by proper delivery of such fact, event or circumstance and, with respect to any such officer-level (or more senior employee) such knowledge that would reasonably be expected to be known by such employee after reasonable inquiry, and the reasonable and diligent exercise of such Person’s duties pursuant to any relevant policy of the Sponsor or an Affiliate and customary or typical solar finance industry practices (with respect to prudent institutional participants).

“*Law*” means any law (including common law), constitution, statute, treaty, regulation, rule, ordinance, order, guideline, judgment, injunction, writ, decree or award of any Governmental Authority.

“*Lender Group*” means a group consisting of a Funding Agent, one or more Committed Lenders and, if applicable, one or more Conduit Lenders. A Lender Group that includes a Conduit Lender shall also include the related Program Support Provider.

“*Lender Group Percentage*” means, for any Lender Group, the percentage equivalent of a fraction (expressed out to nine decimal places), the numerator of which is, with respect to each Lender Group, the Commitment of all Committed Lenders in such Lender Group, and the denominator of which is the Aggregate Commitment.

“*Lender Representative*” has the meaning set forth in [Section 10.16\(B\)](#).

“*Lending Office*” means, as to any Lender, the office or offices of such Lender identified as such by such Lender from time to time to the Borrower and the Administrative Agent, which office may include any Affiliate of such Lender or any domestic or foreign branch of such Lender or such Affiliate. Unless the context otherwise requires each reference to a Lender shall include its applicable Lending Office.

“*Lenders*” has the meaning set forth in the introductory paragraph hereof.

“*Letter of Credit*” means any letter of credit issued by an Eligible Letter of Credit Bank and provided by the Borrower to the Paying Agent in lieu of or in substitution for moneys otherwise required to be deposited in the Liquidity Reserve Account or the Supplemental Reserve Account, as applicable, which Letter of Credit is to be held as an asset of the Liquidity Reserve Account or the Supplemental Reserve Account, as applicable, and which satisfies each of the following criteria: (i) the related account party of which is not the Borrower, (ii) is issued for the benefit of the Paying Agent, (iii) has a stated expiration date of at least 180 days from the date of determination (taking into account any automatic renewal rights), (iv) is payable in Dollars in immediately available funds to the Paying Agent upon the delivery of a draw certificate duly executed by the Paying Agent stating that (A) such draw is required pursuant to Section 8.2(C) or (D), as applicable, or (B) the issuing bank ceased to be an Eligible Letter of Credit Bank and the Letter of Credit has not been extended or replaced with a Letter of Credit issued by an Eligible Letter of Credit Bank within ten (10) Business Days such issuing bank ceasing to be an Eligible Letter of Credit Bank, (v) the funds of any draw request submitted by the Paying Agent in accordance with Sections 8.2(C) and (D) will be made available in cash no later than two (2) Business Days after the Paying Agent submits the applicable drawing documents to the related Eligible Letter of Credit Bank, and (vi) that has been reviewed by the Administrative Agent and otherwise contains terms and conditions that are acceptable to the Administrative Agent. For purposes of determining the amount on deposit in the Liquidity Reserve Account or the Supplemental Reserve Account, as applicable, the Letter of Credit shall be valued at the amount as of any date then available to be drawn under such Letter of Credit.

“*LIBOR*” has the meaning specified in the definition of Eurodollar Rate.

“*LIBOR Screen Rate*” has the meaning set forth in the definition of Eurodollar Rate.

“*Lien*” means any mortgage, deed of trust, pledge, lien, security interest, charge or other encumbrance or security arrangement of any nature whatsoever, whether voluntarily or involuntarily given, including any conditional sale or title retention arrangement, and any assignment, deposit arrangement or lease intended as, or having the effect of, security and any filed financing statement or other notice of any of the foregoing (whether or not a lien or other encumbrance is created or exists at the time of the filing).

“*Limited Step-Up Event*” means events set forth in a Tax Equity Opco’s LLC Agreement that adjust the amount or ratio of the related Tax Equity Investor will receive of the Distributable Cash that otherwise would be payable to the related Managing Member.

“*Liquidated Damages*” means for any Defective Solar Asset, as of any date of determination, its Securitization Share of DSAB immediately prior to becoming a Defective Solar Asset.

“*Liquidation Fee*” means for any Interest Accrual Period for which a reduction of the principal balance of the relevant Advance is made for any reason on any day other than the last day of such Interest Accrual Period, the present value (calculating using a discount rate of the Benchmark for a tenor from the date of such reduction to the end of such Interest Accrual Period) of the amount, if any, by which (A) the additional interest (calculated without taking into account

any Liquidation Fee or any shortened duration of such Interest Accrual Period and disregarding Applicable Margin) which would have accrued during the portion of such Interest Accrual Period for which the cost of funding had been established prior to such reduction of the principal balance on the portion of the principal balance so reduced, exceeds (B) the income, if any, received by the Conduit Lender or the Committed Lender which holds such Advance from the investment of the proceeds of such reductions of principal balance for the portion of such Interest Accrual Period for which the cost of funding had been established prior to such reduction of the principal balance; provided that no Liquidation Fee shall be payable with respect to the repayment of all or any portion of any Advance made since the Payment Date immediately preceding such repayment if the applicable Cost of Funds Rate for such Advance is greater than the Cost of Funds Rate that would have been applicable to any such Advance if the Interest Accrual Period for such Advance corresponded to the period from the date of the Advance to, but excluding, the next Payment Date. A statement as to the amount of any Liquidation Fee (including the computation of such amount) shall be submitted by the affected Conduit Lender or the Committed Lender to the Borrower and shall be prima facie evidence of the matters to which it relates for the purpose of any litigation or arbitration proceedings, absent manifest error or fraud.

*“Liquidity Reserve Account”* has the meaning set forth in Section 8.2(A)(iii).

*“Liquidity Reserve Account Required Balance”* means (i) as of the Closing Date, \$[\*\*\*] and (ii) as of any other date, an amount equal to [\*\*\*].

*“LLC Agreement”* means, as the context requires, (i) the limited liability company agreement of the Borrower, (ii) the limited liability company agreement of a Borrower Subsidiary or (iii) the limited liability company agreement of a Tax Equity Opco.

*“Loan Note”* means each Loan Note of the Borrower in the form of Exhibit D attached hereto, payable to the order of a Funding Agent for the benefit of the Lenders in such Funding Agent’s Lender Group, in the aggregate face amount of up to such Lender Group’s Commitment, evidencing the aggregate indebtedness of the Borrower to the Lenders in such Funding Agent’s Lender Group, as the same be amended, restated, supplemented or otherwise modified from time to time.

*“Loan Party”* means any of the Depositor, the Borrower and each Borrower Subsidiary.

*“London Banking Day”* means any day on which dealings in Dollar deposits are conducted by and between banks in the London interbank Eurodollar market.

*“Maintenance Services Agreement”* means, with respect to a Tax Equity Fund or a Wholly-Owned Subsidiary, the maintenance services agreement between such Wholly-Owned Subsidiary or the related Tax Equity Opco or Inverted Lease Tenant, as applicable, and the Maintenance Services Provider whereby the Maintenance Services Provider is responsible for providing the operations and maintenance services with respect to the Solar Assets owned by such Tax Equity Fund or such Wholly-Owned Subsidiary, as applicable, and maintaining required insurance. A Maintenance Services Agreement shall not include a MOMA.



“*Maintenance Services Provider*” means Vivint Solar Provider, LLC, a Delaware limited liability company.

“*Majority Lenders*” means, subject to Section 2.19(A), at least two Lenders (or all Lenders if there is only one Lender) representing more than 50% of the Commitments. For the purposes of determining the number of Lenders in the foregoing sentence, Affiliates of a Lender shall constitute the same Lender.

“*Managing Member*” means a bankruptcy remote, special purpose vehicle and wholly-owned subsidiary of the Borrower that (a) with respect to a Partnership Flip Structure, has a direct Equity Interest in the Partnership in such Partnership Flip Structure and (b) with respect to each Inverted Lease Structure, has a direct Equity Interest in the related Inverted Lease Lessor. The Managing Members are listed on Schedule XII, as such may be updated from time to time in accordance with the terms hereof.

“*Manufacturer Warranty*” means any warranty given by a manufacturer of a PV System relating to such PV System or any part or component thereof.

“*Margin Stock*” has the meaning set forth in Regulation U.

“*Master Lease Agreement*” means, with respect to an Inverted Lease Structure, the master lease agreement between the related Inverted Lease Lessor and Inverted Lease Tenant, pursuant to which such Inverted Lease Lessor leases the Solar Assets owned by it to such Inverted Lease Tenant.

“*Master Purchase Agreement*” means, with respect to any Tax Equity Opco, a master purchase or similar agreement between a Seller and such Tax Equity Opco pursuant to which PV Systems and related assets are sold by such Seller to such Tax Equity Opco.

“*Master Turnkey Installation Agreement*” means an agreement with a third-party solar installation contractor pursuant to which each PV System was designed, permitted, constructed, installed and tested either by the applicable Seller or such third-party solar installation contractor.

“*Material Adverse Effect*” means a material adverse effect on any of the following: (i) the business, property, assets, liabilities (actual or contingent), operations or financial condition of the Depositor and the Relevant Parties, taken as a whole (it being understood that such an event or circumstance with respect to a single Relevant Party may be sufficient give rise to a Material Adverse Effect under this clause (i)), (ii) the ability of any Transaction Party to perform its respective obligations under the Transaction Documents (including the obligation to pay interest or principal due and payable), (iii) the priority or enforceability of any liens granted in favor of the Administrative Agent pursuant to the Transaction Documents, (iv) the value or condition (financial or otherwise) of the Collateral taken as a whole or (v) the rights and remedies available to the Lenders, the Administrative Agent or the Collateral Agent under the Transaction Documents.

“*Material Project Documents*” means (i) with respect to a Tax Equity Fund, (a) the related Master Purchase Agreement, (b) the related Tax Equity Opco’s LLC Agreement, (c) if such Tax Equity Fund is an Inverted Lease Structure, the related Master Lease Agreement, (d) the related Services Agreements, (e) the related Backup Servicing Agreement and the related Backup Servicing Agreement addendum related to such Tax Equity Fund, (f) the related Tax Equity Fund Guaranty and (g) such other documents set forth in Schedule XIII hereto (as well as any successor, substitute or replacement documents therefor) and (ii) with respect to a Wholly-Owned Subsidiary (a) the related Services Agreements, (b) the related Backup Servicing Agreement and the related Backup Servicing Agreement addendum related to such Tax Equity Fund, (c) the Account Control Agreement covering the related Wholly-Owned Subsidiary Operating Account and (d) such other documents set forth in Schedule XIII hereto (as well as any successor, substitute or replacement documents therefor). The Material Project Documents for each Tax Equity Fund and each Wholly-Owned Subsidiary are set forth in Schedule XIII hereto.

“*Materially Adverse Cash Sweep Provisions*” means, for any Tax Equity Structure, provisions in the related Material Project Documents that reduce, limit, suspend or otherwise restrict distributions to the related Managing Member (including in respect of any indemnification obligations of the Managing Member (in such capacity or as Class B Member) that are not customary) that are materially more adverse to such Managing Member than those contained in the Project Documents of an Approved Existing Tax Equity Fund; provided that Materially Adverse Cash Sweep Provisions shall not include any provisions that reduce, limit, suspend or otherwise restrict distributions to the Managing Member following the occurrence of an indemnity claim or non-payment of such an indemnity claim, in each case, in respect a failure of one or more Solar Assets to qualify for ITCs.

“*Maturity Date*” means the earliest to occur of (i) the Scheduled Maturity Date, (ii) the date occurring twelve (12) months after the end of the Availability Period that has not re-started, (iii) the occurrence of an Event of Default and declaration of all amounts due in accordance with Section 6.2(B) and (iv) the date of any voluntary termination of the Facility by the Borrower; provided that the Maturity Date may be extended in accordance with Section 2.16.

[\*\*\*]

[\*\*\*]

“*Minimum Payoff Amount*” means, with respect to a Takeout Transaction, an amount equal to the sum of:

(i) an amount equal to the excess (if positive) of (x) the aggregate principal amount of the Advances outstanding as of the date of such Takeout Transaction over (y) the Borrowing Base calculated after giving effect to such Takeout Transaction (the “*Required Advance Repayment Amount*”);

(ii) any accrued interest with respect to the amount of principal of Advances being prepaid in connection with such Takeout Transaction;

(iii) any fees due and payable to any Lender or the Administrative Agent with respect to such Takeout Transaction;

(iv) any amounts payable pursuant to Section 2.12(A) in connection with such Takeout Transaction;

(v) any outstanding expenses (including reasonable and documented expenses of counsel), fees or indemnity amounts accrued in accordance with the Transaction Documents; and

(vi) any Hedge Termination Payments that the Borrower is required to pay in connection with any partial terminations of any Hedge Agreements in connection with such Takeout Transaction (including in order to remain in compliance with the Hedge Requirements after giving effect to such Takeout Transaction);

*provided* that if such Takeout Transaction is being undertaken to cure an Event of Default, then the Minimum Payoff Amount shall include such additional proceeds as are necessary to cure such Event of Default.

“*MOMA*” means, with respect to a Tax Equity Fund or a Wholly-Owned Subsidiary, the master operation, maintenance and administration agreement, between such Wholly-Owned Subsidiary or the related Tax Equity Opco or Inverted Lease Tenant, as applicable, and the Operator whereby the Operator is responsible for (i) providing the operations and maintenance services with respect to the Solar Assets owned by such Tax Equity Fund or such Wholly-Owned Subsidiary, as applicable, and maintaining required insurance and (ii) providing the billing, collecting and enforcing Customer Agreements, remote monitoring of PV Systems and other routine administrative responsibilities for such Tax Equity Fund or such Wholly-Owned Subsidiary.

“*Moody’s*” means Moody’s Investors Service, Inc., or any successor rating agency.

“*Multi-Employer Plan*” means a multi-employer plan, as defined in Section 4001(a)(3) of ERISA to which the Borrower or any ERISA Affiliate is making or accruing an obligation to make contributions or has within any of the preceding five plan years made or accrued an obligation to make contributions.

“*Multiple Employer Plan*” means a Single Employer Plan, to which the Borrower or any ERISA Affiliate, and one or more employers other than the Borrower or an ERISA Affiliate, is making or accruing an obligation to make contributions or, in the event that any such plan has been terminated, to which the Borrower or an ERISA Affiliate made or accrued an obligation to make contributions during any of the five plan years preceding the date of termination of such plan.

“*Nationally Recognized Accounting Firm*” means (A) PricewaterhouseCoopers LLP, Ernst & Young LLP, KPMG LLC, Deloitte LLP and any successors to any such firm and (B) any other public accounting firm designated by the Sponsor and approved by the Administrative

Agent, such approval not to be unreasonably withheld or delayed; *provided*, that for purposes of the Accountant's Reports, "Nationally Recognized Accounting Firm" shall be deemed to include any Independent Accountant (as defined in the Transaction Management Agreement) (other than for purposes of the firm providing the Accountant's Report with respect to the matters in Section 4.3(a) of the Transaction Management Agreement).

"*Net Cash Flow*" means an amount equal to the aggregate forecasted distributions paid or payable (i) in the case of each Tax Equity Fund, to its related Managing Member on account of its respective interest in such Tax Equity Fund as set forth in the Advance Model (provided, the forecasted distributions shall only include contracted cash flows attributable to the initial term (excluding any renewal period) of the applicable Customer Agreement) and (ii) in the case of Wholly-Owned Subsidiaries, to the Borrower on account of its interest therein, as set forth in the Advance Model (provided, the forecasted distributions shall only include contracted cash flows attributable to the initial term (excluding any renewal period) of the applicable Customer Agreement). For purposes of calculating Net Cash Flows, payments under Customer Agreements for the period from and after the 25<sup>th</sup> anniversary of the receipt of PTO for the applicable Solar Asset shall be disregarded.

"*Net Metering Agreement*" means, with respect to a PV System, as applicable, a contractual or other obligation between a utility and a Host Customer (and, in some cases, the owner of the related PV System) that allows the Host Customer to offset its regular utility electricity purchases by receiving a bill credit at a specified rate for energy generated by such PV System that is exported to the utility electrical grid and not consumed by the Host Customer on its property. A Net Metering Agreement may be embedded or acknowledged in an Interconnection Agreement.

"*Net Proceeds*" means with respect to any Takeout Transaction the proceeds of such Takeout Transaction (including any Hedge Agreement termination payments received by the Borrower in connection with such Takeout Transaction) net of reasonable fees, taxes, commissions, premiums and expenses incurred by the Borrower in connection with such Takeout Transaction (including any Hedge Agreement termination payments paid by the Borrower in connection with such Takeout Transaction).

"*Non-Consenting Lender*" shall mean any Lender that does not approve any consent, waiver or amendment that (i) requires the approval of all Lenders or all affected Lenders in accordance herewith and (ii) otherwise has been approved by the Super-Majority Lenders. [\*\*\*]

"*Non-Recurring Payment*" means Host Customer Payments that are made via credit card, ACH or check to a general account of the Sponsor.

"*Notice of Borrowing*" has the meaning set forth in Section 2.4.

"*Obligations*" means and include, with respect to each applicable Transaction Party, all loans, advances, debts, liabilities, obligations, covenants and duties owing by such Person to the Administrative Agent, the Collateral Agent, the Custodian, the Paying Agent, the Transaction Manager, the Transaction Transition Manager, any Hedge Counterparty or any Lender of any

kind or nature, present or future, arising under this Agreement, the Loan Notes, the Collateral Documents, any of the other Transaction Documents or any other instruments, documents or agreements executed and/or delivered in connection with any of the foregoing, whether or not for the payment of money, whether arising by reason of an extension of credit, the issuance of a letter of credit, a loan, guaranty, indemnification or in any other manner, whether direct or indirect (including those acquired by assignment), absolute or contingent, due or to become due, now existing or hereafter arising. The term includes the principal amount of all Advances, together with interest, charges, expenses, fees, attorneys' and paralegals' fees and expenses, any other sums chargeable to such Transaction Party (as applicable) under this Agreement or any other Transaction Document pursuant to which it arose.

"*OFAC*" has the meaning set forth in Section 4.1(T).

"*Operative Documents*" means the Transaction Documents, the Organizational Documents (including the LLC Agreements) of the Relevant Parties and the Project Documents.

"*Operator*" means Sunrun.

"*Organizational Documents*" means (a) with respect to any corporation, the certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction); (b) with respect to any limited liability company, the certificate or articles of formation or organization and operating agreement; and (c) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization and any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity.

"*Other Connection Taxes*" means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Transaction Document, or sold or assigned an interest in any Solar Asset or Transaction Document).

"*Other Project Documents*" means, with respect to each Tax Equity Fund or a Wholly-Owned Subsidiary, the Customer Agreements and all other material contracts relating to Solar Assets in such Tax Equity Fund or such Wholly-Owned Subsidiary.

"*Other Taxes*" means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Transaction Document, except any such Taxes

that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 2.12(G)).

*“Ordinary Course Settlement Payments”* means all regularly scheduled payments due under any Hedge Agreement from time to time, calculated in accordance with the terms of such Hedge Agreement, but excluding, for the avoidance of doubt, any Hedge Termination Payments due and payable under such Hedge Agreement.

*“Partial Release Conditions”* means, with respect to a Borrower Subsidiary or any assets of a Borrower Subsidiary, (i) the Minimum Payoff Amount has been deposited into the Takeout Transaction Account, as evidenced by a Borrowing Base Certificate delivered by the Borrower to Administrative Agent giving pro forma effect to such prepayments or additions, (ii) no Potential Default or Event of Default has occurred and is continuing, (iii) the amount on deposit in the Liquidity Reserve Account shall not be less than the Liquidity Reserve Account Required Balance, (iv) the amount on deposit in the Post-PTO Reserve Account shall not be less than the Post-PTO Reserve Account Required Balance, (v) the related Supplemental Reserve Account Deposit shall have been deposited into the Supplemental Reserve Account, taking into account the application of the Net Proceeds of the Takeout Transaction on the date of the consummation of such Takeout Transaction, and (vi) the Borrower and Borrower Subsidiaries have executed and delivered to the Administrative Agent instruments, certificates, and agreements required by the Transaction Documents and/or reasonably requested by the Administrative Agent in connection with the release of such assets, the prepayment of principal and payment of interest, and the release of a Borrower Subsidiary or Solar Assets, as applicable.

*“Participant”* has the meaning set forth in Section 10.8.

*“Participant Register”* has the meaning set forth in Section 10.8.

*“Partnership”* means a limited liability company owned by a Tax Equity Investor and Managing Member and that owns a specific pool of Solar Assets. Each Partnership is listed on Schedule XI, as such Schedule may be updated from time to time in accordance with the terms hereof.

*“Partnership Flip Structure”* means a tax equity structure that conforms to the characteristics set forth in Partnership Flip Structure Characteristics and in which (i) a Seller or an Affiliate thereof sells or otherwise transfers Solar Assets to a limited liability company owned by a Tax Equity Investor and a Managing Member and (ii) the terms of the Equity Interests in such limited liability company (including with respect to distributions) change (or “flip”) upon the satisfaction of specified conditions in the Organizational Documents of such limited liability company (including the receipt by the Tax Equity Investor(s) that have made an investment in the Equity Interests in such company of a targeted rate of return on such investment or the occurrence of a specified date).

*“Partnership Flip Structure Characteristics”* means the criteria set forth on Schedule IV hereto.

“Parts” means components of a PV System.

“Patriot Act” has the meaning set forth in Section 10.18.

“Paying Agent” has the meaning set forth in the Preamble.

“Paying Agent Accounts” has the meaning set forth in Section 8.2(A)(vii).

“Paying Agent Fee” means, for each Payment Date (in accordance with and subject to Section 2.7(B)), an amount equal to \$[\*\*\*].

“Payment Date” means the last day of the calendar month immediately following each Quarterly Date, or, if such day is not a Business Day, the next succeeding Business Day, commencing on August 2, 2021.

“Payment Facilitation Agreement” means each modification, waiver or amendment agreement (including a replacement Customer Agreement) entered into by the related Servicer in accordance with the related Services Agreement and which meets the following criteria: (i) it is entered into for a commercially reasonable purpose in an arm’s-length transaction on market terms and in accordance with Prudent Industry Standards; (ii) in the reasonable judgment of the applicable Servicer, it is in the best interest of the Borrower and the Lenders and does not adversely impact the value of such Solar Asset relative to the value of such Solar Asset had such Payment Facilitation Agreement not been completed; and (iii) the related Solar Asset is a Defaulted Solar Asset or, in the judgment of the such Servicer, the Host Customer related to such Solar Asset could reasonably be expected to stop making the Host Customer Payments due under the related Customer Agreement but for such Payment Facilitation Agreement.

“Payment Recipient” has the meaning assigned to it in Section 8.5(A).

“PBI Documents” means with respect to a PV System located in [\*\*\*], [\*\*\*] or [\*\*\*], (i) all applications, forms and other filings required to be submitted to a PBI Obligor in connection with the performance based incentive program maintained by such PBI Obligor and the procurement of PBI Payments, and (ii) all approvals, agreements and other writings evidencing (a) that all conditions to the payment of PBI Payments by the PBI Obligor have been met, (b) that the PBI Obligor is obligated to pay PBI Payments and (c) the rate and timing of such PBI Payments.

“PBI Liquidated Damages” means any liquidated damages due and payable to a PBI Obligor in respect of a Solar Asset.

“PBI Payments” means all payments due by the related PBI Obligor under or in respect of such PBI Documents.

“PBI Obligor” means a utility or federal, state or local Governmental Authority that maintains or administers (or has appointed an administrator to administrate) a renewable energy program designed to incentivize the installation of PV Systems and use of solar generated

electricity that has approved and is obligated to make PBI Payments to the owner of the related PV System.

“*Performance Guarantor*” means, in such capacity, the Sponsor.

“*Performance Guaranty*” means the [Limited Performance Guaranty](#), dated as of the Closing Date, by the Performance Guarantor, in favor of the Borrower and the Administrative Agent.

“*Permits*” means, as the context shall require, (i) with respect to any PV System, the applicable permits, franchises, leases, orders, licenses, notices, certifications, approvals, exemptions, qualifications, rights or authorizations from or registration, notice or filing with any Governmental Authority required to operate such PV System or (ii) any action, approval, consent, waiver, exemption, variance, franchise, order, permit, authorization, right or license of or from a Governmental Authority.

“*Permitted Assignee*” means (a) a Lender or any of its Affiliates, (b) any Person managed by a Lender or any of its Affiliates, and (c) any Program Support Provider for any Conduit Lender, an Affiliate of any Program Support Provider, or any commercial paper conduit administered, sponsored or managed by a Lender or to which a Committed Lender provides liquidity support, an Affiliate of a Lender or an Affiliate of an entity that administers or manages a Lender or with respect to which the related Program Support Provider of such commercial paper conduit is a Lender.

“*Permitted Indebtedness*” means (i) Indebtedness under the Transaction Documents, and (ii) to the extent constituting Indebtedness, reimbursement obligations of the Borrower in connection with the payment of expenses incurred in the ordinary course of business in connection with the financing, management, operation or maintenance of the Solar Assets or the Transaction Documents.

“*Permitted Investments*” means any of the following investments denominated and payable solely in United States dollars: (i) readily marketable debt securities issued by, or the full and timely payment of which is guaranteed by the full faith and credit of, the federal government of the United States of America; (ii) insured demand deposits, time deposits and certificates of deposit of any commercial bank rated A-1 by S&P and P-1 by Moody’s; (iii) no load money market funds rated in the highest ratings category by each of S&P and Moody’s (without the “r” symbol attached to any such rating by S&P); and (iv) commercial paper of any corporation incorporated under the laws of the United States or any political subdivision thereof; *provided*, that such commercial paper is rated A-1 by S&P and P-1 by Moody’s (without the “r” symbol attached to any such rating by S&P).

“*Permitted Liens*” means (a) Liens imposed by any Governmental Authority for Taxes not yet due or being contested in good faith and by appropriate proceedings and in respect of which (i) appropriate reserves acceptable to the Administrative Agent have been established in accordance with GAAP, (ii) enforcement of the contested Tax is effectively stayed for the entire duration of such contest and (iii) any Tax determined to be due, together with any interest or



penalties thereon, is promptly paid after resolution of such conflict; (b) Liens arising out of judgments or awards that do not otherwise constitute an Event of Default so long as an appeal or proceeding for review is being prosecuted in good faith and for the payment of which appropriate reserves have been established in accordance with GAAP, bonds or other security have been provided or are fully covered by insurance, in each case, as acceptable to the Administrative Agent; (c) Liens created under the Transaction Documents; (d) Liens arising as a matter of Law and (e) Liens of the type permitted (without requiring any amendment, consent, waiver, or vote by any member of a Tax Equity Fund, including any Tax Equity Investor, under the terms and conditions of the Project Documents and Other Project Documents unless such amendment, consent or waiver is approved in accordance with the terms hereof) under the Project Documents.

“*Permitted SREC Contract*” mean any contract for the sale of SRECS (including any spot sale of SRECs) entered into by a Tax Equity Opco or a Wholly-Owned Subsidiary; provided that (i) the SRECs sold under such Permitted SREC Contract shall be limited to the SRECs actually produced by the PV Systems owned by such Person, (ii) the SRECs sold under such Permitted SREC Contract shall be subject to an irrevocable transfer (or other equivalent transfer) in favor of the counterparty thereto, (iii) such Permitted SREC Contract shall not include any liquidated damages provisions or provisions for the posting of collateral or other security, (iv) the recourse of the applicable counterparty to such Person shall be expressly limited to the SRECs sold under such Permitted SREC Contract and the proceeds thereof, (v) other than in respect of any spot sale of SRECs entered into in the ordinary course of business, any Permitted SREC Contract entered into after the date of this Agreement shall include a covenant from the applicable counterparty thereto not to petition for the bankruptcy of such Person and (vi) other than in respect of any spot sale of SRECs entered into in the ordinary course of business, no Potential Default or Event of Default has occurred and is continuing at the time such Permitted SREC Contract is entered into.

“*Permitted Subsidiary*” means each Borrower Subsidiary and each Tax Equity Opco.

“*Person*” means any individual, corporation (including a business trust), partnership, limited liability company, joint-stock company, trust, unincorporated organization or association, joint venture, government or political subdivision or agency thereof, or any other entity.

“*Plan*” means an employee pension benefit plan which is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Internal Revenue Code as to which the Borrower or any Affiliate may have any liability.

“*Post-PTO Borrowing Percentage*” means, as of each Borrowing Base Calculation Date and as determined in the Borrowing Base Certificate, the fraction expressed as percentage the numerator of which is the Borrowing Base of all Eligible Solar Assets that are not Pre-PTO Solar Assets and the denominator of which is the Borrowing Base.

“*Post-PTO Reserve Account*” has the meaning set forth in Section 8.2(A)(vi).

“*Post-PTO Reserve Account Required Balance*” means, as of any Borrowing Base Calculation Date for Eligible Solar Assets the PTO Date of which has occurred within the two-

month period prior to such Borrowing Base Calculation Date, the aggregate initial one month Scheduled Host Customer Payments for such Eligible Solar Assets.

*“Potential Default”* means any occurrence or event that, with notice, passage of time or both, would constitute an Event of Default.

*“Power Purchase Agreement”* means an agreement between the owner of the PV System and a Host Customer whereby the Host Customer agrees to purchase all of the power generated by the relevant PV System.

*“Prepaid Project”* means any Solar Asset for which Customer Prepayments plus the Customer Deposits constitute all of the amounts required to be paid pursuant to the applicable Customer Agreement.

*“Pre-PTO Solar Asset”* means a Solar Asset with respect to which the related PV System has been installed in compliance with applicable Law in effect at the time of such installation but which PV System has not yet achieved PTO.

*“Program Support Provider”* means and includes any Person now or hereafter extending liquidity or credit or having a commitment to extend liquidity or credit to or for the account of, or to make purchases from, a Conduit Lender (or any related commercial paper issuer that finances such Conduit Lender) in support of commercial paper issued, directly or indirectly, by such Conduit Lender in order to fund Advances made by such Conduit Lender hereunder or issuing a letter of credit, surety bond or other instrument to support any obligations arising under or in connection with such Conduit Lender’s or such related issuer’s commercial paper program, but only to the extent that such letter of credit, surety bond, or other instrument supported either Commercial Paper issued to make Advances hereunder or was dedicated to that Program Support Provider’s support of the Conduit Lender as a whole rather than one particular issuer within such Conduit Lender’s commercial paper program.

*“Project Company Addition Review Period”* means (i) for a Target Wholly-Owned Subsidiary (a) if the related Project Documents are substantially the same as the Project Documents for a Wholly-Owned Subsidiary owned by the Borrower at any point since the Closing Date, 5 Business Days and (b) if the related Project Documents are not substantially the same as any Project Documents for a Wholly-Owned Subsidiary owned by the Borrower at any point since the Closing Date, 15 Business Days, (ii) for a Target Qualifying Tax Equity Fund, 15 Business Days and (iii) for a Target Non-Qualifying Tax Equity Fund, 30 days. The Project Company Addition Review Period for a Target Fund shall commence on the date an Acquisition Certificate with respect thereto is delivered by the Borrower to the Administrative Agent.

*“Project Documents”* means, with respect to a Tax Equity Fund or a Wholly-Owned Subsidiary, the Material Project Documents and the Other Project Documents of such Tax Equity Fund or Wholly-Owned Subsidiary, as applicable.

*“Prudent Industry Standards”* means the practices, methods, acts and equipment (including but not limited to the practices, methods, acts and equipment engaged in or approved

by a significant portion of the renewable energy electric generation industry operating in the United States in prudent electrical operations) that, at a particular time, in the exercise of reasonable judgment in light of the facts known or that reasonably should have been known at the time a decision was made, would reasonably have been expected to accomplish the desired result in a manner consistent with (i) Applicable Law (including, for the avoidance of doubt all consumer protection laws) and permits, (ii) codes, standards and equipment manufacturer's recommendations, in each case, customarily followed in the residential solar power industry and (iii) such regard to reliability, safety, environmental protection, efficiency, economy, and expedition as is customary in the residential solar power industry.

"*PTO*" means, with respect to a PV System, the receipt of permission to operate from the related local utility in writing or in such other form as is customarily given by the related local utility.

"*PTO Date*" means with respect to a PV System the date such PV Systems has achieved PTO.

"*Purchase Option*" means the option of a Managing Member to acquire the interest of a Tax Equity Investor in a Tax Equity Opco.

"*PV System*" means, with respect to a Solar Asset, a photovoltaic system, including Solar Photovoltaic Panels, Inverters, Racking Systems, wiring and other electrical devices, as applicable, conduits, weatherproof housings, hardware, remote monitoring equipment, connectors, meters, disconnects and over current devices (including any replacement or additional parts included from time to time). A PV System may also include an optional battery storage device.

"*QFC*" has the meaning assigned to the term "qualified financial contract" in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

"*QFC Credit Support*" has the meaning set forth in Section 10.28 hereof.

"*Qualifying Hedge Counterparty*" means (i) a Lender or any Affiliate of a Lender or (ii) a counterparty the senior unsecured debt obligations or senior deposits of which are rated "A+", in the case of S&P or "A1", in the case of Moody's.

"*Qualifying Lower Threshold Takeout Transaction*" means the consummation of a Takeout Transaction with a Takeout Transaction Amount that, individually or together with all Takeout Transaction Amounts for Takeout Transactions that have occurred in the 24-month period preceding such consummation, is equal to or greater than the Takeout Transaction Lower Threshold.

"*Qualifying Takeout Transaction*" means a Takeout Transaction that results in a reduction of the Aggregate Outstanding Advances by an amount equal to [\*\*\*].

“*Qualifying Upper Threshold Takeout Transaction*” means the consummation of a Takeout Transaction with a Takeout Transaction Amount that, individually or together with all Takeout Transaction Amounts for Takeout Transactions that have occurred since the Closing Date, is equal to or greater than the Takeout Transaction Upper Threshold.

“*Quarter-End Liquidity*” means, with respect to each fiscal quarter of Sponsor, the sum of cash and cash equivalents held in accounts (determined as of the last day of the applicable fiscal quarter based on the balances thereof on such date) of the Sponsor and any of its subsidiaries who are co-borrowers with the Sponsor under the relevant Sunrun Credit Facility (if any) and not subject to any Lien other than Liens permitted under such Sunrun Credit Facility (if any).

“*Quarterly Date*” means the last day of a calendar quarter.

“*Quarterly Transaction Manager Report*” has the meaning set forth in the Transaction Management Agreement.

“*Racking System*” means, with respect to a PV System, the hardware required to mount and securely fasten a Solar Photovoltaic Panel onto the Host Customer site where the PV System is located.

“*Recipient*” means the Administrative Agent, the Lenders or any other recipient of any payment to be made by or on account of any obligation of the Borrower under this Agreement or any other Transaction Document.

“*Register*” has the meaning set forth in [Section 10.8](#).

“*Related Parties*” means, with respect to any Person, such Person’s Affiliates and the directors, officers, employees, agents and advisors of such Person and of such Person’s Affiliates.

“*Release*” means any spilling, leaking, seepage, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, disposing, depositing, dispersing or migrating of Hazardous Materials in, into, onto or through the environment or from or through any facility, property or equipment.

“*Relevant Governmental Body*” means the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or any successor thereto.

“*Relevant Party*” means the Borrower, a Borrower Subsidiary or a Tax Equity Opco, as the context requires.

“*Removal Effective Date*” has the meaning set forth in [Section 7.11\(B\)](#).

“*Reportable Event*” means a reportable event as defined in Section 4043 of ERISA and the regulations issued under such Section, with respect to a Plan, excluding, however, such

events as to which the Pension Benefit Guaranty Corporation by regulation or by public notice waived the requirement of Section 4043(a) of ERISA that it be notified within thirty (30) days of the occurrence of such event, *provided*, that a failure to meet the minimum funding standard of Section 412 of the Internal Revenue Code and of Section 302 of ERISA shall be a Reportable Event regardless of the issuance of any such waivers in accordance with either Section 4043(a) of ERISA or Section 412(d) of the Internal Revenue Code.

“*Required Advance Repayment Amount*” has the meaning set forth in the definition of Minimum Payoff Amount.

“*Retention Amount*” means \$25,000 or such greater amount as requested by the Borrower and consented to by the Administrative Agent (such consent not to be unreasonably withheld).

“*Reserve Account*” means the Liquidity Reserve Account, the Post-PTO Reserve Account or the Supplemental Reserve Account, as the context requires.

“*Resignation Effective Date*” has the meaning set forth in Section 7.11(A).

“*Resolution Authority*” means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

“*Responsible Officer*” means (x) with respect to the Collateral Agent, the Custodian, the Paying Agent or the Transaction Transition Manager, any President, Vice President, Assistant Vice President, Assistant Secretary, Assistant Treasurer, any corporate trust officer or any other officer customarily performing functions similar to those performed by any of the above designated officers, in each case having direct responsibility for the administration of the Transaction Documents, and (y) with respect to any other party hereto, any corporation, limited liability company or partnership, the chairman of the board, the president, any vice president, the secretary, the treasurer, any assistant secretary, any assistant treasurer, managing member and each other officer of such corporation or limited liability company or the general partner of such partnership specifically authorized in resolutions of the board of directors of such corporation or managing member of such limited liability company to sign agreements, instruments or other documents in connection with the Transaction Documents on behalf of such corporation, limited liability company or partnership, as the case may be, and who is authorized to act therefor; provided that with respect to any Person that is managed by a sole member, managing member or general partner or other Person and does not have officers or other natural persons that would otherwise constitute a “Responsible Officer,” any Responsible Officer of the sole member, managing member or general partner of such Person shall be deemed to be an Authorized Officer of such Person.

“*Revenue Account*” has the meaning set forth in Section 8.2(A)(i).

“*S&P*” means S&P Global Ratings, a Standard & Poor’s Financial Services LLC business, or any successor rating agency.

“*Sanctioned Country*” means, at any time, a country or territory which is the subject or target of any Sanctions broadly restricting or prohibiting dealings with such country or territory (currently, Crimea region of Ukraine, Cuba, Iran, North Korea, and Syria).

“*Sanctioned Person*” means any Person that is:(i) listed on, or owned or controlled by a person listed on, a Sanctions List, (ii) a government of a Sanctioned Country, (iii) an agency or instrumentality of, or an entity directly or indirectly owned or controlled by, a government of a Sanctioned Country, (iv) resident or located in, operating from, or incorporated under the laws of, a Sanctioned Country or (v) to the Knowledge of the Sponsor (acting with due care and inquiry), otherwise a target of Sanctions.

“*Sanctions*” means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of Commerce, or the U.S. Department of State (b) the United Nations Security Council, the European Union or Her Majesty’s Treasury of the United Kingdom, or (c) any other similar sanctions imposed by a governmental body to which the Sponsor, the Borrower or their respective Subsidiaries and/or Affiliates are subject (each of the foregoing a “*Sanctions Authority*”).

“*Sanctions Authority*” has the meaning set forth in the definition of Sanctions.

“*Sanctions List*” means any of the lists of specifically designated nationals or designated or sanctioned individuals or entities (or equivalent) issued by any Sanctions Authority, each as amended, supplemented or substituted from time to time (including any the list of Specially Designated Nationals and Blocked Persons published by the Office of Foreign Assets Control, United States Department of the Treasury).

“*Schedule of Solar Assets*” means, as the context may require, the Schedule of Solar Assets owned by the Tax Equity Funds and the Wholly-Owned Subsidiaries as set forth on Schedule XV (which shall include at least the following headings: zip code (5 digits), Contract Type, Power Rate (\$/kW), Total Contract Term (months), escalator, Solar Asset and Pre-PTO/PTO), as such schedule shall be amended from time to time to reflect the transfer of Solar Assets to the Tax Equity Funds and the Wholly-Owned Subsidiaries.

“*Scheduled Commitment Termination Date*” means, unless otherwise extended pursuant to and in accordance with Section 2.16, April 20, 2024.

“*Scheduled Host Customer Payments*” means, for each Solar Asset, the payments scheduled to be paid by the related Host Customer during each calendar month in respect of the initial term of the related Customer Agreement (other than any portion of the term for the period from and after the 25<sup>th</sup> anniversary of the receipt of PTO for such Solar Asset), in each case, as set forth in the Advance Model and listed on Schedule XVI, each as the same may be updated from time to time and may be adjusted to reflect the addition of Solar Assets, that any such Solar Asset has become a Defaulted Solar Asset, Defective Solar Asset, a Terminated Solar Asset or a Cancelled Solar Asset, or that a Payment Facilitation Agreement has been executed in

connection with such Solar Asset. The Scheduled Host Customer Payments exclude any amounts attributable to sales, use or property taxes to be collected from Host Customers.

“*Scheduled Maturity Date*” means April 20, 2025.

“*Scheduled PBI Payments*” means, for each Solar Asset for each calendar month, the payments scheduled to be paid by a PBI Obligor in respect of such Solar Asset during such calendar month, as set forth in the Advance Model and listed on Schedule XVI, as the same may be updated from time to time and may be adjusted to reflect the addition of Solar Assets or that any such Solar Asset has become a Defaulted Solar Asset, Defective Solar Asset, a Terminated Solar Asset or a Cancelled Solar Asset.

“*Scheduled Tax Equity Investor Distributions*” means the Tax Equity Investor Distributions anticipated to be distributed to the Tax Equity Investors in accordance with the Tax Equity Models as such amounts are reflected in the Advance Model.

“*Secured Parties*” means the Collateral Agent, the Administrative Agent, each Lender, each Funding Agent and the Hedge Counterparties.

“*Securitization Share of ADSAB*” means, as of any date of determination, an amount equal to the Aggregate Discounted Solar Asset Balance *minus* the Tax Equity Investor Share of ADSAB, in each case, as of such date of determination.

“*Securitization Share of DSAB*” means, as of any date of determination, for any given Solar Asset, an amount equal to the product of (i) such Solar Asset's Discounted Solar Asset Balance and (ii) the ratio of (x) the Securitization Share of ADSAB for the Financed Fund that owns such Solar Asset divided by (y) the Aggregate Discounted Solar Asset Balance for all Solar Assets owned by such Financed Fund.

“*Seller*” means Sunrun or one of its subsidiaries.

“*Service Transfer Policy*” means the service transfer policy furnished by the Sponsor to the Administrative Agent on or prior to the Closing Date as amended from time to time subject to Section 5.2(O).

“*Services Agreements*” means either (i) the related Maintenance Services Agreements and the related Administrative Services Agreements or (ii) the related MOMA, as the context requires.

“*Servicer*” means the Administrative Services Provider, the Maintenance Services Provider or the Operator, as applicable.

“*Single Employer Plan*” means any “employee pension benefit plan” (as such term is defined in Section 3(2) of ERISA), other than a Multi-Employer Plan, that is subject to Title IV of ERISA or Section 412 of the Internal Revenue Code and is sponsored or maintained by the Borrower or any ERISA Affiliate or for which the Borrower or any ERISA Affiliate may have liability by reason of being deemed to be a contributing sponsor under Section 4069 of ERISA.

“*SOFR*” means a rate per annum equal to the secured overnight financing rate for such Business Day published by the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate) on the website of the Federal Reserve Bank of New York, currently at <http://www.newyorkfed.org> (or any successor source for the secured overnight financing rate identified as such by the administrator of the secured overnight financing rate from time to time).

“*Solar Asset*” means (i) a PV System installed on a residential property (or, in the case of [\*\*\*], on [\*\*\*]), (ii) all related real property rights, Permits and Manufacturer Warranties (in each case, to the extent transferable), (iii) all rights and remedies of the lessor/seller under the related Customer Agreement, including all Host Customer Payments on and after the related Transfer Date and any related security therefor, (iv) all rights and remedies of the payee under any PBI Documents related to such PV System, including all PBI Payments on and after the related Transfer Date and (v) all documentation in the Custodian File and other documents maintained by the Custodian related to such PV System, the Customer Agreement and PBI Documents, if any.

“*Solar Asset Payment Ratio*” means, for any period of one or more calendar months, the quotient (expressed as a percentage) of (i) the sum of all Host Customer Payments and PBI Payments received during such calendar months (excluding the portion of any such payment that represents a prepayment) divided by (ii) the sum of all Scheduled Host Customer Payments and Scheduled PBI Payments for such calendar months.

“*Solar Asset Portfolio Value*” means, as any date of determination, an amount equal to (i) the Securitization Share of ADSAB, *minus*, (ii) the Excess Concentration Amount, in each case, as of such date of determination.

“*Solar Photovoltaic Panel*” means, with respect to a PV System, the necessary hardware component that uses wafers made of silicon, cadmium telluride, or any other suitable material, to generate a direct electrical current (DC) output using energy from the sun’s light.

“*Solvent*” means, with respect any Person, that as of the date of determination, both (a) (i) the sum of such entity’s debt (including contingent liabilities) does not exceed the present fair saleable value of such entity’s present assets; (ii) such entity’s capital is not unreasonably small in relation to its business as contemplated on the Closing Date; and (iii) such entity has not incurred and does not intend to incur, or believe (nor should it reasonably believe) that it will incur, debts beyond its ability to pay such debts as they become due (whether at maturity or otherwise); and (b) such entity is “solvent” within the meaning given that term and similar terms under applicable laws relating to fraudulent transfers and conveyances. For purposes of this definition, the amount of any contingent liability at any time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability (irrespective of whether such contingent liabilities meet the criteria for accrual under Statement of Financial Accounting Standard No. 5).

“*Sponsor*” means Sunrun.



“*Sponsor Change of Control*” means, the occurrence of one or more of the following events:

(i) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all of the assets of Sponsor to any person or group of related persons for purposes of Section 13(d) of the Securities Exchange Act of 1934, as amended (a “Group”) together with any affiliates thereof; or;

(ii) any person or Group shall become the owner, directly or indirectly, beneficially or of record, of shares representing more than 50% of the aggregate ordinary voting power represented by the issued and outstanding equity interests of Sponsor.

“*SREC*” means a solar renewable energy certificate representing any and all environmental credits, benefits, emissions reductions, offsets and allowances, howsoever entitled, that are created or otherwise arise from a PV System’s generation of electricity, including, but not limited to, a solar renewable energy certificate issued to comply with a State’s renewable portfolio standard.

“*Subsidiary*” means, with respect to any Person at any time, (i) any corporation or trust of which 50% or more (by number of shares or number of votes) of the outstanding Equity Interests or shares of beneficial interest normally entitled to vote for the election of one or more directors, managers or trustees (regardless of any contingency which does or may suspend or dilute the voting rights) is at such time owned directly or indirectly by such Person or one or more of such Person’s subsidiaries, or any partnership of which such Person or any of such Person’s subsidiaries is a general partner or of which 50% or more of the partnership interests is at the time directly or indirectly owned by such Person or one or more of such Person’s subsidiaries, and (ii) any corporation, trust, partnership or other entity which is controlled or capable of being controlled by such Person or one or more of such Person’s subsidiaries.

“*Successor Transaction Manager*” means the Replacement Transaction Manager (as defined in the Transaction Management Agreement).

“*Sunrun*” means Sunrun, Inc., a Delaware corporation.

“*Sunrun Credit Facility*” means any credit facility (including the Sunrun Working Capital Facility) under which the Sponsor is a borrower as of the applicable date of determination.

“*Sunrun Working Capital Facility*” means that certain Second Amended and Restated Credit Agreement among Sunrun Inc., AEE Solar, Inc., Sunrun South LLC, Sunrun Installation Services Inc., Clean Energy Experts, LLC, KeyBank National Association, and the other parties thereto, dated as of October 5, 2020, as amended by that certain Amendment No. 1, dated as of January 25, 2021, and as further amended by that certain Amendment No. 2, dated as of March 5, 2021.

“*Super-Majority Lenders*” means, subject to Section 2.19(A), (i) each Lender holding at least 20% of the Commitments both as of the Closing Date and as of the applicable date of determination and (ii) any Lenders in the aggregate representing more than 66.7% of the Loan Commitments. For the purposes of determining the number of Lenders in the foregoing sentence, Affiliates of a Lender shall constitute the same Lender.

“*Supplemental Reserve Account*” has the meaning set forth in Section 8.2(A)(ii).

“*Supplemental Reserve Account Deposit*” means an amount equal to the sum of:

(i) for any Borrowing Date, Payment Date, or date on which any Takeout Transaction is consummated, any Supplemental Reserve Account Deposit amounts from prior periods not deposited into the Supplemental Reserve Account; and

(ii) (A) during the Availability Period, for any Borrowing Date, Payment Date, or date on which any Takeout Transaction is consummated, [\*\*\*].

“*Supplemental Reserve Account Required Balance*” means:

(a) as of any date during the Availability Period, with respect to each Tax Equity Fund with an ITC Insurance Policy, an amount equal to such Tax Equity Fund’s Deployment Percentage as of such date multiplied by such Tax Equity Fund’s Tax Loss Policy Deductible; and

(b) as of any date during an Amortization Period, an amount equal to the sum of:

(i) with respect to each Tax Equity Fund with an ITC Insurance Policy, an amount equal to such Tax Equity Fund’s Deployment Percentage as of such date multiplied by such Tax Equity Fund’s Tax Loss Policy Deductible;

(ii) the product of (x) [\*\*\*] and (y) the aggregate DC nameplate capacity (measured in kW) of all PV Systems (other than PV Systems related to Defaulted Solar Assets that are not operational and that are not being removed for redeployment) owned by each Tax Equity Fund and each Wholly-Owned Subsidiary as of such date; and

(iii) the product of (x) [\*\*\*] and (y) the aggregate nameplate storage capacity (measured in kWh) of the energy storage devices included in all PV Systems (other than PV Systems related to Defaulted Solar Assets that are not operational and that are not being removed for redeployment) owned by each Tax Equity Fund and each Wholly-Owned Subsidiary as of such date.

“*Supported QFC*” has the meaning set forth in Section 10.28 hereof.

“*System Information*” means the information listed on Schedule XIV, which shall be in form, substance and content substantially the same as the Data Tape File.

“*Takeout Transaction*” means:

(x) any sale, assignment or other transfer of Solar Assets and related Collateral (either directly or through the sale, assignment or other transfer of all the Equity Interests of any Borrower Subsidiary) by the Borrower to any of its Affiliates (including via a distribution by the Borrower of a Borrower Subsidiary to an Affiliate through Depositor and a subsequent contribution of such Borrower Subsidiary to a special purpose bankruptcy remote Affiliate of Depositor) or to a third party, in each case, in an arms' length transaction, which Collateral is used to secure or provide for the payment of amounts owing (or to be owing) or expected as a result of the issuance of equity or debt securities or other Indebtedness by a Person other than the Borrower that are backed by such Collateral (a "*Financing Transaction*"); *provided*, that immediately after giving effect to such Financing Transaction, (i) no Event of Default exists (unless such Event of Default would be cured by application of the net proceeds of such Financing Transaction), (ii) no Borrowing Base Deficiency exists (unless such Borrowing Base Deficiency would be cured by application of the net proceeds of such Financing Transaction, funds contributed by the Sponsor, or any combination thereof), (iii) an amount equal to the Minimum Payoff Amount shall be deposited into the Takeout Transaction Account for distribution in accordance with Section 2.7(C) (it being understood that any proceeds from such Financing Transaction in excess of the Minimum Payoff Amount may be paid at the direction of the Borrower), (iv) in the case of any Financing Transaction that is a direct sale, assignment or transfer of less than all of the Solar Assets held by a Wholly-Owned Subsidiary or Tax Equity Opco (as opposed to a sale, assignment or other transfer of one or more Financed Funds), there are no selection procedures utilized which are adverse to the Lenders with respect to those Solar Assets and related Collateral sold, assigned or transferred in connection with the Financing Transaction (as determined by the Administrative Agent in its reasonable discretion) including with respect to relative delinquency, and (v) neither the Borrower nor any Permitted Subsidiary guarantees such Financing Transaction and the lenders with respect thereto otherwise have no material recourse to Borrower or any Permitted Subsidiary with respect to such Financing Transaction (except recourse with respect to any representation or warranty that such assets are being sold and assigned by it free and clear of all Liens);

(y) a financing arrangement, securitization, sale or other disposition of Solar Assets and related Collateral (either directly or through the sale or other disposition of all the Equity Interests of any Borrower Subsidiary) entered into by the Borrower or any of its Affiliates other than under this Agreement so long as all Obligations shall have been paid down to zero; or

(z) any other financing arrangement, securitization, sale or other disposition of Solar Assets and related Collateral (either directly or through the sale or other disposition of the Equity Interests of any Borrower Subsidiary) entered into by the Borrower or any of its Affiliates other than under this Agreement that is not a Financing Transaction and that has been consented to in writing by the Administrative Agent and the Super-Majority Lenders.

*"Takeout Transaction Account"* has the meaning set forth in Section 8.2(A)(v).

*"Takeout Transaction Amount"* means with respect to any Takeout Transaction, the product of (i) [\*\*\*]% and (ii) the Securitization Share of ADSAB associated with the Solar Assets removed in connection with such Takeout Transaction.

“*Takeout Transaction Lower Threshold*” means an amount equal to [\*\*\*]% of the aggregate Commitments as of the applicable date of determination.

“*Takeout Transaction Upper Threshold*” means an amount equal to [\*\*\*]% of the aggregate Commitments as of the applicable date of determination.

“*Target Fund*” means either (i) a Tax Equity Fund in which the Target Managing Member is the managing member or (ii) a Target Wholly-Owned Subsidiary, as the context requires.

“*Target Fund Acquisition Date*” means the date on which Borrower acquires (or proposes to acquire) the membership interests in the Target Managing Member in a Tax Equity Structure pursuant to Section 3.4.

“*Target Fund Approvals*” means, (i) if the applicable Acquisition Certificate specifies that the Target Fund is a Target Qualifying Tax Equity Fund or a Target Wholly-Owned Subsidiary, confirmation by the Administrative Agent that such Target Fund is a Target Qualifying Tax Equity Fund or a Target Wholly-Owned Subsidiary, as applicable (for the avoidance of doubt, any lack of response by the Administrative Agent shall not constitute confirmation) and (ii) if the applicable Acquisition Certificate specifies that the Target Fund is a Target Non-Qualifying Tax Equity Fund or if the Administrative Agent reasonably determines that such Tax Equity Fund is a Target Non-Qualifying Tax Equity Fund, approval by the Administrative Agent and the Super-Majority Lenders (or, if such Target Non-Qualifying Tax Equity Fund is a Cash Sweep Fund or contains Materially Adverse Cash Sweep Provisions, 100% of the Lenders).

“*Target Fund Determination Notice*” has the meaning set forth in Section 3.4(A).

“*Target Fund Matrix*” shall be a matrix prepared by the Borrower in connection with the proposal that the Borrower acquire a Target Managing Member in the form attached hereto as Exhibit L.

“*Target Managing Member*” has the meaning set forth in Section 3.4.

“*Target Non-Qualifying Tax Equity Fund*” means a Target Fund that is not a Target Qualifying Tax Equity Fund or a Target Wholly-Owned Subsidiary.

“*Target Qualifying Tax Equity Fund*” means [\*\*\*].

“*Target Tax Equity Opco*” means in relation to each Tax Equity Structure that is (i) a Partnership Flip Structure, the Partnership into which a Tax Equity Investor and the Target Managing Member invests with respect to such Partnership Flip Structure or (ii) an Inverted Lease Structure, the Inverted Lease Lessor.

“*Target Wholly-Owned Subsidiary*” has the meaning set forth in Section 3.4.

“*Tax Equity Fund*” means (i) the Initial Tax Equity Fund and (ii) each additional Eligible Tax Equity Structure for which the Managing Member thereof is acquired from time to time pursuant to Section 3.4 hereof, in each case, which has not been removed by the Borrower pursuant to Section 7.14 hereof. The Tax Equity Funds are listed on Schedule XI hereto, as such Schedule may be updated from time to time in accordance with this Agreement.

“*Tax Equity Fund Guaranty*” means a guaranty by the Sponsor or Vivint Solar of the obligations of a Managing Member issued in connection with any applicable Tax Equity Fund.

“*Tax Equity Investor*” means the tax equity investor in a Tax Equity Structure, other than the Managing Member or any of its affiliates.

“*Tax Equity Investor Distributions*” means the aggregate distributions made by the Tax Equity Funds to the Tax Equity Investors during the related Collection Period, including any distribution of cash to the applicable Tax Equity Investor during the related Collection Period as a result of the occurrence of a Limited Step-up Event. For the avoidance of doubt, there are no Tax Equity Investor Distributions for Wholly-Owned Subsidiaries.

“*Tax Equity Investor Share of ADSAB*” means, as of any date of determination, the greater of (i) the present value of the remaining and unpaid stream of Scheduled Tax Equity Investor Distributions on or after such date of determination, based on discounting such Scheduled Tax Equity Investor Distributions to such date of date of determination at an annual rate equal to the Discount Rate and (ii) \$0.

“*Tax Equity Model*” means, with respect to each Tax Equity Fund, the final model prepared in connection therewith or the latest final true-up or tracking model delivered to the related Tax Equity Investor, as applicable, pursuant to the applicable Tax Equity Opco LLC Agreement.

“*Tax Equity Opco*” means, in relation to each Tax Equity Fund that is (i) a Partnership Flip Structure, the Partnership into which an Tax Equity Investor and Managing Member invests with respect to such Partnership Flip Structure, (ii) an Inverted Lease Structure, the Inverted Lease Lessor, or (iii) an Eligible Tax Equity Structure defined in clause (ii) of the definition thereof, the legal entity that directly owns the applicable Solar Assets, as agreed by the Administrative Agent and Borrower at the time such Tax Equity Fund is financed pursuant to this Agreement. The Tax Equity Opcos are listed on Schedule XI hereto, as such Schedule may be updated from time to time in accordance with this Agreement. For the avoidance of doubt, any Tax Equity Opco for which the related Purchase Option or Withdrawal Option has been exercised or in respect of which the Master Lease Agreement has been terminated shall cease to be a Tax Equity Opco and shall be a Wholly-Owned Subsidiary.

“*Tax Equity Representations*” means the applicable representations set forth on Schedule II and Schedule III hereto.

“*Tax Equity Required Consent*” means, with respect to a Tax Equity Fund, a consent executed by the related Tax Equity Investor in such Tax Equity Fund and each other party

thereto containing (i) an acknowledgement by the Tax Equity Investor of the financing of the Tax Equity Fund as contemplated by the Transaction Documents and (ii) such other provisions that the Tax Equity Investor agrees to with the Borrower and the Administrative Agent; provided that the Borrower shall use good faith efforts to include the provisions set forth in Exhibit H in each Tax Equity Required Consent.

“*Tax Equity Structure*” means a Partnership Flip Structure, an Inverted Lease Structure.

“*Tax Equity Structure Characteristics*” means the Partnership Flip Structure Characteristics or the Inverted Lease Structure Characteristics, as applicable.

“*Tax Loss Policy Deductible*” means, with respect to each Tax Equity Fund that has an ITC Insurance Policy, the aggregate unapplied retention amount, deductible, or similar amount, if any, of each ITC Insurance Policy maintained for such Tax Equity Fund; provided that with respect to any ITC Insurance Loss Policy that is a master policy the unapplied retention amount, deductible, or similar amount shall be deemed to be ratably allocable to each Tax Equity Opco that is covered by such ITC Insurance Loss Policy.

“*Taxes*” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, and including any interest, additions to tax or penalties applicable thereto.

“*Term SOFR*” means, for the applicable corresponding tenor, the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.

“*Terminated Solar Asset*” means a Solar Asset (i) for which the related PV System has experienced an Event of Loss and is not repaired, restored, replaced or rebuilt to substantially the same condition as it existed immediately prior to the Event of Loss within 150 days of such Event of Loss.

“*Total Post-PTO Debt Service*” means for each Payment Date an amount equal to the sum of:

- (i) the product of (a) the Interest Distribution Amounts payable on such Payment Date related to the outstanding Advances as of the immediately preceding Payment Date and (b) the Post-PTO Borrowing Percentage as of the Borrowing Base Calculation Date related to the immediately preceding Payment Date; plus
- (ii) the product of (a) any Ordinary Course Settlement Payments payable on such Payment Date and (b) the Post-PTO Borrowing Percentage as of the Borrowing Base Calculation Date related to the immediately preceding Payment Date; plus
- (iii) the product of (a) the Interest Distribution Amounts payable on such Payment Date related to each Advance made during the related Interest Accrual Period

and (b) the applicable Post-PTO Borrowing Percentage as of the Borrowing Base Calculation Date related to each such Advance.

*“Transaction Documents”* means this Agreement, the Loan Notes, the Collateral Documents, the Transaction Management Agreement, the Transaction Manager Transition Agreement, the Custodial Agreement, the Contribution Agreements, the Performance Guaranty, each Hedge Agreement, the Custodial Fee Letter, the Account Control Agreements, the Tax Equity Required Consents (if any), and any other agreements, instruments, certificates or documents delivered hereunder or thereunder or in connection herewith or therewith, and *“Transaction Document”* means any of the Transaction Documents. For the avoidance of doubt, Transaction Document does not include (x) the Project Documents or Other Project Documents of any Tax Equity Fund or Wholly-Owned Subsidiary or (y) the Credit Underwriting Policy, Customer Collection Policy or Service Transfer Policy. The EU Risk Retention Side Letter shall not constitute a Transaction Document.

*“Transaction Management Agreement”* means the Transaction Management Agreement, dated as of the Closing Date, by and among the Borrower, the Transaction Manager and the Administrative Agent.

*“Transaction Manager”* has the meaning set forth in the introductory paragraph of the Transaction Management Agreement.

*“Transaction Manager Fee”* has the meaning set forth in Section 2.1(b) of the Transaction Management Agreement.

*“Transaction Manager Standard”* has the meaning set forth in the Transaction Management Agreement.

*“Transaction Manager Termination Event”* has the meaning set forth in Section 5.1 of the Transaction Management Agreement.

*“Transaction Manager Transition Agreement”* means the Transaction Manager Transition Agreement, dated as of the Closing Date, between the Transaction Manager, the Transaction Transition Manager, the Borrower and the Administrative Agent.

*“Transaction Transition Manager”* means Wells Fargo as the Transaction Transition Manager under the Transaction Manager Transition Agreement.

*“Transaction Transition Manager Fee”* means, for each Payment Date (in accordance with and subject to Section 2.7(B)), an amount equal to \$[\*\*\*].

*“Transaction Party”* means the Sponsor, the Transaction Manager and each Loan Party.

*“Transfer Date”* means, with respect to:

(i) any Wholly-Owned Subsidiary, the date on which such Wholly-Owned Subsidiary is transferred to the Borrower pursuant to the Depositor Contribution Agreement;

(ii) any Solar Asset (including, in the case of the Wholly-Owned Subsidiary, the applicable Initial Solar Assets) owned by a Wholly-Owned Subsidiary on the date such Wholly-Owned Subsidiary is acquired by the Borrower, the Transfer Date with respect to such Wholly-Owned Subsidiary;

(iii) any Solar Asset acquired by a Wholly-Owned Subsidiary after the Transfer Date with respect to such Wholly-Owned Subsidiary, the date on which such Solar Assets are transferred to such Wholly-Owned Subsidiary pursuant to the Contribution Agreements or the related Project Documents, as applicable;

(iv) any Tax Equity Opco for the Initial Tax Equity Fund, the Closing Date;

(v) any Target Tax Equity Opco, the applicable Target Fund Acquisition Date on which such the related Target Managing Member becomes a Managing Member pursuant to Section 3.4;

(vi) any Solar Asset owned by a Tax Equity Opco on the Transfer Date with respect to such Tax Equity Opco (including, in the case of the Initial Tax Equity Funds, the applicable Initial Solar Assets), the Transfer Date with respect to such Tax Equity Opco; and

(vii) any Solar Asset acquired by a Tax Equity Opco after the Transfer Date with respect to such Tax Equity Opco, the date on which such Solar Assets are transferred to such Tax Equity Opco pursuant to the related Project Documents.

*“Transferable Solar Asset”* means (i) any Solar Asset that constitutes a Defaulted Solar Asset, Cancelled Solar Asset, Defective Solar Asset, (ii) Terminated Solar Asset or (iii) any other Solar Asset that is not an Eligible Solar Asset hereunder.

*“U.S. Person”* means any Person who is a U.S. person within the meaning of Section 7701(a)(30) of the Internal Revenue Code.

*“UK Financial Institution”* means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

*“UK Resolution Authority”* means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

*“U.S. Special Resolution Regime”* has the meaning set forth in Section 10.28 hereof.



“U.S. Tax Compliance Certificate” has the meaning set forth in Section 2.17(G)(ii)(b)(3).

“UCC” means the Uniform Commercial Code as from time to time in effect in any applicable jurisdiction.

“United States” means the United States of America.

“Unused Line Fee” has the meaning set forth in Section 2.5.

“Unused Line Fee Percentage” means [\*\*\*]% per annum if the Usage Percentage is [\*\*\*]% or more and [\*\*\*]% per annum if the Usage Percentage is less than [\*\*\*]%.

“Unused Portion of the Commitments” means, with respect to any Lender Group on any day, the excess of (x) the Aggregate Commitment as of 5:00 P.M. (New York City time) on such day, over (y) the Aggregate Outstanding Advances as of 5:00 P.M. (New York City time) on such day.

“Upfront Fee” means, with respect to each Lender, an amount equal to the product of [\*\*\*]% and the Commitment of such Lender as of the Closing Date.

“Usage Percentage” means, as of any day, a percentage equal to (i) the Aggregate Outstanding Advances as of as of 5:00 P.M. (New York City time) on such day divided by (ii) the Aggregate Commitment as of 5:00 P.M. (New York City time) on such day; provided that for purposes of this definition, any Defaulting Lender shall be deemed to have fulfilled all of its funding obligations hereunder.

“USD LIBOR” means the London interbank offered rate for U.S. dollars.

“Vivint Solar” means Vivint Solar, Inc., a Delaware corporation.

“Wells Fargo” means Wells Fargo Bank, National Association.

“Wholly-Owned Subsidiary” means (i) any special purpose limited liability company acquired by the Borrower that holds Solar Assets and which is wholly-owned by the Borrower and (ii) any Tax Equity Opco for which the related Managing Member has exercised the related Purchase Option or Withdrawal Option.

“Wholly-Owned Subsidiary Operating Account” means, with respect to any Wholly-Owned the account specified as such on Schedule VIII.

“Withdrawal Option” means the option of a Tax Equity Investor to require the related Managing Member to acquire the interest of such Tax Equity Investor in a Tax Equity Opco.

“Withholding Agent” means the Administrative Agent or the Borrower.

“Write-Down and Conversion Powers” means, (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time

to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

[\*\*\*] = Certain information contained in this document, marked by brackets, has been omitted because it is both not material and would be competitively harmful if publicly disclosed.

## Exhibit 10.3

### AMENDMENT TO CREDIT AGREEMENT

This AMENDMENT TO CREDIT AGREEMENT (this “*Amendment*”), is dated as of May 5, 2021 (the “*Effective Date*”), by and among SUNRUN LUNA PORTFOLIO 2021, LLC, a Delaware limited liability company, as borrower (the “*Borrower*”), CREDIT SUISSE AG, NEW YORK BRANCH (in such capacity, the “*Administrative Agent*”), the Lenders and the Funding Agents party to the Credit Agreement (as defined below) prior to the date hereof, and BANK OF AMERICA, N.A., as a Lender.

#### RECITALS:

The Borrower, the Administrative Agent, the Lenders, the Funding Agents prior to the date hereof, and Wells Fargo Bank, National Association, as collateral agent and as paying agent, entered into that certain Credit Agreement, dated as of April 20, 2021 (the “*Credit Agreement*”);

In accordance with Section 10.2 of the Credit Agreement, the parties hereto desire to amend the Credit Agreement, subject to the terms hereof;

In consideration of the premises and of the mutual covenants contained herein, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

#### SECTION 1. DEFINED TERMS.

Unless otherwise defined herein, all capitalized terms used herein have the meanings assigned to such terms in the Credit Agreement.

#### SECTION 2. AMENDMENTS.

Upon satisfaction of the conditions precedent set forth in Section 4 below:

2.1 The definition of “*Aggregate Commitment*” set forth in Exhibit A of the Credit Agreement is amended by deleting the reference to “\$630,000,000” therein and replacing it with “\$800,000,000”.

2.2 Exhibit E of the Credit Agreement is deleted in its entirety and replaced with Exhibit E attached to this Amendment.

2.3 The references to “this Section 2.11(C)” in the definitions of “*Benchmark*” and “*Benchmark Replacement*” set forth in Exhibit A of the Credit Agreement shall be amended by replacing such references with “Section 2.11(C)”.

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SECTION 3. BANK OF AMERICA, N.A.

Upon satisfaction of the conditions precedent set forth in Section 4 below, Bank of America, N.A. shall become a Lender under the Credit Agreement and the other Transaction Documents.

SECTION 4. CONDITIONS PRECEDENT.

The effectiveness of this Amendment is subject to the satisfaction of the following conditions precedent in a manner satisfactory to the Administrative Agent:

(a) The Administrative Agent shall have received this Amendment, duly executed by the Borrower, the Administrative Agent, and all Lenders and Funding Agents party to the Credit Agreement in effect prior to giving effect to this Amendment, and Bank of America, N.A., as a Committed Lender.

(b) The conditions precedent set forth in Sections 2.6(B) with respect to [\*\*\*] and Section 3.5 shall have been satisfied, including (i) the entry of each Lender party to the Credit Agreement in effect prior to giving effect to this Amendment of an Assignment and Assumption with Bank of America, N.A., pursuant to which each such Lender shall sell and assign at par such amounts of the Advances outstanding at such time as the Administrative Agent may require such that each Lender (after giving effect to this Amendment) holds its pro rata share of all Advances outstanding after giving effect to all

such assignments, and (ii) payment to [\*\*\*] of an upfront fee equal to [\*\*\*]% and the [\*\*\*] after giving effect to this Amendment.

(c) The Administrative Agent shall have received opinions of counsel to the Borrower regarding certain corporate matters.

(d) The representations and warranties contained herein shall be true and correct as of the date hereof, as if made on the date hereof, except for such representations and warranties as are by their express terms limited to a specific date.

(e) All corporate proceedings taken in connection with the transactions contemplated by this Amendment and all documents, instruments and other legal matters incident thereto shall be satisfactory to the Administrative Agent.

#### SECTION 5. REPRESENTATIONS AND WARRANTIES.

In order to induce the other parties hereto to enter into this Amendment, the Borrower hereby represents and warrants to the other parties hereto, as of the Effective Date, that:

(a) the execution, delivery and performance of this Amendment have been duly authorized by all necessary action on the part of, and duly executed and delivered by the Borrower and this Amendment is a legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms, except as the enforcement thereof may be subject to the effect of any applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws affecting creditors' rights generally and general principles of equity (regardless of whether such enforcement is sought in a proceeding in equity or at law);

(b) execution, delivery and performance by it of this Amendment are within its powers, and do not conflict with, and will not result in a violation of, or constitute or give rise to an event of default under (i) any of its organizational documents, (ii) any agreement or other instrument which may be binding upon it, or (iii) any law, governmental regulation, court decree or order applicable to it or its properties; and

(c) all of the representations and warranties of each Transaction Party contained in the Credit Agreement or any other Transaction Document are true and correct in all material respects (except for those representations and warranties that are qualified by materiality, in which case such representations and warranties shall be true

and correct in all respects) as of the date hereof (or such earlier date or period specifically stated in such representation or warranty), as applicable; and

(d) no Material Adverse Effect, Potential Default, Event of Default or Early Amortization Event exists, or will result from the execution of this Amendment.

#### SECTION 6. EXECUTION IN COUNTERPARTS.

This Amendment shall be valid, binding, and enforceable against a party only when executed and delivered by an authorized individual on behalf of the party by means of (i) any electronic signature permitted by the federal Electronic Signatures in Global and National Commerce Act, state enactments of the Uniform Electronic Transactions Act, and/or any other relevant electronic signatures law, including relevant provisions of the Uniform Commercial Code (collectively, "*Signature Law*"); (ii) an original manual signature; or (iii) a faxed, scanned, or photocopied manual signature. Each electronic signature or faxed, scanned, or photocopied manual signature shall for all purposes have the same validity, legal effect, and admissibility in evidence as an original manual signature. Each party hereto shall be entitled to conclusively rely upon, and shall have no liability with respect to, any faxed, scanned, or photocopied manual signature, or other electronic signature, of any party and shall have no duty to investigate, confirm or otherwise verify the validity or authenticity thereof. This Amendment may be executed in any number of counterparts, each of which shall be deemed to be an original, but such counterparts shall, together, constitute one and the same instrument.

#### SECTION 7. GOVERNING LAW.

THIS AMENDMENT SHALL, IN ACCORDANCE WITH SECTION 5 1401 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK, BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES THEREOF THAT WOULD CALL FOR THE APPLICATION OF THE LAWS OF ANY OTHER JURISDICTION. ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AMENDMENT MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK (NEW YORK COUNTY) OR OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF NEW YORK, AND BY EXECUTION AND DELIVERY OF THIS AMENDMENT, EACH OF THE PARTIES HERETO CONSENTS, FOR ITSELF AND IN RESPECT OF ITS PROPERTY, TO THE EXCLUSIVE JURISDICTION OF THOSE COURTS. EACH OF THE PARTIES HERETO IRREVOCABLY WAIVES ANY OBJECTION, INCLUDING ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS, OR ANY LEGAL PROCESS WITH RESPECT TO ITSELF OR ANY OF ITS PROPERTY, WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY ACTION OR PROCEEDING IN SUCH JURISDICTION IN RESPECT OF THIS AMENDMENT OR ANY DOCUMENT RELATED HERETO. EACH OF THE PARTIES

HERETO WAIVES PERSONAL SERVICE OF ANY SUMMONS, COMPLAINT OR OTHER PROCESS, WHICH MAY BE MADE BY ANY OTHER MEANS PERMITTED BY NEW YORK LAW.

SECTION 8. WAIVER OF JURY TRIAL.

ALL PARTIES HEREUNDER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHTS THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS AMENDMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN) OR ACTIONS OF THE PARTIES IN CONNECTION HERewith OR THEREWITH. ALL PARTIES ACKNOWLEDGE AND AGREE THAT THEY HAVE RECEIVED FULL AND SIGNIFICANT CONSIDERATION FOR THIS PROVISION AND THAT THIS PROVISION IS A MATERIAL INDUCEMENT FOR ALL PARTIES TO ENTER INTO THIS AMENDMENT.

SECTION 9. EFFECT OF AMENDMENT; REAFFIRMATION OF TRANSACTION DOCUMENTS.

Except as specifically amended, waived or otherwise modified herein, the terms and conditions of the Credit Agreement and all other Transaction Documents and any other documents, instruments and agreements executed and/or delivered in connection therewith, shall remain in full force and effect and, subject to such amendments, waivers and modifications herein set forth, are hereby ratified and confirmed. The Borrower hereby repeats and reaffirms all representations and warranties made to the Administrative Agent, the Collateral Agent and the Lenders in the Credit Agreement and the other Transaction Documents on and as of the date hereof (and after giving effect to this Amendment) with the same force and effect as if such representations and warranties were set forth in this Amendment in full (except to the extent that such representations and warranties relate expressly to an earlier date, in which case such representations and warranties were true and correct as of such earlier date).

[SIGNATURE PAGES FOLLOW]

In WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed and delivered as of the date first above written.

SUNRUN LUNA PORTFOLIO 2021, LLC, as Borrower

By: Sunrun Luna Depositor 2021, LLC  
Its: Sole Member

By: Sunrun Luna Holdco 2021, LLC  
Its: Sole Member

By: Sunrun Inc.  
Its: Sole Member

By: /s/ Tom vonReichbauer  
Name: Tom vonReichbauer  
Title: Chief Financial Officer

*[Signature Page to Sunrun Luna Portfolio 2021, LLC First Amendment to Credit Agreement]*

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CREDIT SUISSE AG, NEW YORK BRANCH,  
as Administrative Agent

By: /s/ Jeffrey Traola  
Name: Jeffrey Traola  
Title: Director

By: /s/ Marcus DiBrito  
Name: Marcus DiBrito  
Title: Vice President

*[Signature Page to Sunrun Luna Portfolio 2021, LLC First Amendment to Credit Agreement]*

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CREDIT SUISSE AG, NEW YORK BRANCH,  
as Funding Agent

By: /s/ Jeffrey Traola  
Name: Jeffrey Traola  
Title: Director

By: /s/ Marcus DiBrito  
Name: Marcus DiBrito  
Title: Vice President

*[Signature Page to Sunrun Luna Portfolio 2021, LLC First Amendment to Credit Agreement]*

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CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH,  
as a Committed Lender

By: /s/ Jeffrey Traola  
Name: Jeffrey Traola  
Title: Director

By: /s/ Marcus DiBrito  
Name: Marcus DiBrito  
Title: Vice President

*[Signature Page to Sunrun Luna Portfolio 2021, LLC First Amendment to Credit Agreement]*

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ALPINE SECURITIZATION LTD., as a Conduit Lender

BY: CREDIT SUISSE AG, NEW YORK BRANCH, AS ATTORNEY-IN-FACT

By: /s/ Jeffrey Traola  
Name: Jeffrey Traola  
Title: Director

By: /s/ Marcus DiBrito  
Name: Marcus DiBrito  
Title: Vice President

*[Signature Page to Sunrun Luna Portfolio 2021, LLC First Amendment to Credit Agreement]*

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MOUNTCLIFF FUNDING LLC, as a Conduit Lender

By: /s/ Josh Borg  
Name: Josh Borg  
Title: Authorized Signatory

*[Signature Page to Sunrun Luna Portfolio 2021, LLC First Amendment to Credit Agreement]*

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DEUTSCHE BANK AG, NEW YORK BRANCH,  
as a Committed Lender

By: /s/ Kai Ang  
Name: Kai Ang  
Title: Director

By: /s/ James Spencer  
Name: James Spencer  
Title: Vice President

*[Signature Page to Sunrun Luna Portfolio 2021, LLC First Amendment to Credit Agreement]*

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TRUIST BANK,  
as a Committed Lender

By: /s/ Michael Canavan  
Name: Michael Canavan  
Title: Managing Director

*[Signature Page to Sunrun Luna Portfolio 2021, LLC First Amendment to Credit Agreement]*

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KEYBANK NATIONAL ASSOCIATION,  
as a Committed Lender

By: /s/ Lisa A. Ryder  
Name: Lisa A. Ryder  
Title: Senior Vice President

*[Signature Page to Sunrun Luna Portfolio 2021, LLC First Amendment to Credit Agreement]*

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SILICON VALLEY BANK,  
as a Committed Lender

By: /s/ Samuel Barton  
Name: Samuel Barton  
Title: Vice President

*[Signature Page to Sunrun Luna Portfolio 2021, LLC First Amendment to Credit Agreement]*

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BANK OF AMERICA, N.A.,  
as a Committed Lender

By: /s/ John Semrai  
Name: John Semrai  
Title: Managing Director

*[Signature Page to Sunrun Luna Portfolio 2021, LLC First Amendment to Credit Agreement]*

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*[Signature Page to Sunrun Luna Portfolio 2021, LLC First Amendment to Credit Agreement]*

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**Exhibit E**  
**Commitments**

<u>Committed Lender</u>	<u>Conduit Lender</u>	<u>Funding Agent</u>	<u>Commitment</u>
Credit Suisse AG, Cayman Islands Branch	Alpine Securitization Ltd.	Credit Suisse AG, New York Branch	\$[***]
	Mountcliff Funding LLC	Credit Suisse AG, New York Branch	
Deutsche Bank AG, New York Branch	N/A	N/A	\$[***]
Bank of America, N.A.	N/A	N/A	\$[***]
Truist Bank	N/A	N/A	\$[***]
Silicon Valley Bank	N/A	N/A	\$[***]
KeyBank National Association	N/A	N/A	\$[***]

**CERTIFICATION PURSUANT TO  
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,  
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Lynn Jurich, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Sunrun Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an Annual Report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 5, 2021

By:

/s/ Lynn Jurich

**Lynn Jurich**  
**Chief Executive Officer and Director**  
**(Principal Executive Officer)**

**CERTIFICATION PURSUANT TO  
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,  
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Tom vonReichbauer, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Sunrun Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an Annual Report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 5, 2021

By:

/s/ Tom vonReichbauer

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**Tom vonReichbauer**  
**Chief Financial Officer**  
**(Principal Financial Officer)**

**Certifications Pursuant to  
Section 906 of the Sarbanes-Oxley Act of 2002  
(18 U.S.C. Section 1350)**

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, each of the undersigned officers of Sunrun Inc. (the "Company") hereby certifies that the Company's Quarterly Report on Form 10-Q for the period ended June 30, 2021 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 5, 2021

By: /s/ Lynn Jurich  
**Lynn Jurich**  
**Chief Executive Officer and Director**  
**(Principal Executive Officer)**

By: /s/ Tom vonReichbauer  
**Tom vonReichbauer**  
**Chief Financial Officer**  
**(Principal Financial Officer)**