
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended March 31, 2017

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

Commission File Number: 001-36642

VIVINT SOLAR, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

45-5605880
(I.R.S. Employer
Identification Number)

1800 West Ashton Blvd.
Lehi, Utah 84043
(Address of principal executive offices) (Zip Code)

(877) 404-4129
(Registrant's telephone number, including area code)

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions 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 type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/> (Do not check if a small reporting company)	Small reporting company	<input type="checkbox"/>
Emerging growth company	<input checked="" 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 May 1, 2017, 110,576,236 shares of the registrant's common stock were outstanding.

Vivint Solar, Inc.
Quarterly Report on Form 10-Q
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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

Vivint Solar, Inc.

Condensed Consolidated Balance Sheets
(In thousands, except per share data and footnote 1)
(Unaudited)

	March 31, 2017	December 31, 2016
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 150,477	\$ 96,586
Accounts receivable, net	17,139	12,658
Inventories	13,400	11,285
Prepaid expenses and other current assets	20,121	46,683
Total current assets	201,137	167,212
Restricted cash and cash equivalents	46,610	26,853
Solar energy systems, net	1,514,197	1,458,355
Property and equipment, net	20,754	23,199
Intangible assets, net	1,280	1,420
Prepaid tax asset, net	443,655	419,474
Other non-current assets, net	36,556	29,843
TOTAL ASSETS (1)	\$ 2,264,189	\$ 2,126,356
LIABILITIES, REDEEMABLE NON-CONTROLLING INTERESTS AND EQUITY		
Current liabilities:		
Accounts payable	\$ 38,350	\$ 46,630
Accounts payable—related party	536	191
Distributions payable to non-controlling interests and redeemable non-controlling interests	5,948	16,176
Accrued compensation	18,350	20,003
Current portion of long-term debt	12,569	6,252
Current portion of deferred revenue	23,149	19,911
Current portion of capital lease obligation	4,741	5,163
Accrued and other current liabilities	27,956	19,364
Total current liabilities	131,599	133,690
Long-term debt, net of current portion	852,395	750,728
Deferred revenue, net of current portion	33,250	34,379
Capital lease obligation, net of current portion	4,433	5,476
Deferred tax liability, net	430,459	395,218
Other non-current liabilities	12,477	10,355
Total liabilities (1)	1,464,613	1,329,846
Commitments and contingencies (Note 17)		
Redeemable non-controlling interests	128,071	129,676
Stockholders' equity:		
Common stock, \$0.01 par value—1,000,000 authorized, 110,498 shares issued and outstanding as of March 31, 2017; 1,000,000 authorized, 110,245 shares issued and outstanding as of December 31, 2016	1,105	1,102
Additional paid-in capital	548,428	542,348
Accumulated other comprehensive income	7,513	7,631
Retained earnings	17,301	5,217
Total stockholders' equity	574,347	556,298
Non-controlling interests	97,158	110,536
Total equity	671,505	666,834
TOTAL LIABILITIES, REDEEMABLE NON-CONTROLLING INTERESTS AND EQUITY	\$ 2,264,189	\$ 2,126,356

(1) The Company's assets as of March 31, 2017 and December 31, 2016 include \$1,368.2 million and \$1,303.5 million consisting of assets of variable interest entities, or VIEs, that can only be used to settle obligations of the VIEs. These assets include solar energy systems, net, of \$1,332.4 million and \$1,273.8 million as of March 31, 2017 and December 31, 2016; cash and cash equivalents of \$25.1 million and \$23.2 million as of March 31, 2017 and December 31, 2016; accounts receivable, net, of \$7.9 million and \$4.0 million as of March 31, 2017 and December 31, 2016; other non-current assets, net of \$2.3 million and \$1.8 million as of March 31, 2017 and December 31, 2016; and prepaid expenses and other current assets of \$0.6 million and \$0.8 million as of March 31, 2017 and December 31, 2016. The Company's liabilities as of March 31, 2017 and December 31, 2016 included \$51.7 million and \$64.2 million of liabilities of VIEs whose creditors have no recourse to the Company. These liabilities include distributions payable to non-controlling interests and redeemable non-controlling interests of \$5.9 million and \$16.2 million as of March 31, 2017 and December 31, 2016; deferred revenue of \$39.4 million and \$41.7 million as of March 31, 2017 and December 31, 2016; accrued and other current liabilities of \$4.4 million and \$4.5 million as of March 31, 2017 and December 31, 2016; and other non-current liabilities of \$2.0 million and \$1.9 million as of March 31, 2017 and December 31, 2016. For further information see Note 12—Investment Funds.

See accompanying notes to condensed consolidated financial statements

Vivint Solar, Inc.
Condensed Consolidated Statements of Operations
(In thousands, except per share data)
(Unaudited)

	Three Months Ended March 31,	
	2017	2016
Revenue:		
Operating leases and incentives	\$ 30,389	\$ 16,578
Solar energy system and product sales	22,725	652
Total revenue	53,114	17,230
Operating expenses:		
Cost of revenue—operating leases and incentives	35,070	37,760
Cost of revenue—solar energy system and product sales	18,665	422
Sales and marketing	8,818	12,648
Research and development	896	1,232
General and administrative	20,579	22,920
Amortization of intangible assets	140	265
Impairment of goodwill	—	36,601
Total operating expenses	84,168	111,848
Loss from operations	(31,054)	(94,618)
Interest expense	14,721	5,765
Other expense, net	276	30
Loss before income taxes	(46,051)	(100,413)
Income tax expense	9,401	5,149
Net loss	(55,452)	(105,562)
Net loss attributable to non-controlling interests and redeemable non-controlling interests	(68,744)	(74,343)
Net income available (loss attributable) to common stockholders	\$ 13,292	\$ (31,219)
Net income available (loss attributable) per share to common stockholders:		
Basic	\$ 0.12	\$ (0.29)
Diluted	\$ 0.11	\$ (0.29)
Weighted-average shares used in computing net income available (loss attributable) per share to common stockholders:		
Basic	110,765	106,619
Diluted	116,398	106,619

See accompanying notes to condensed consolidated financial statements.

Vivint Solar, Inc.
Condensed Consolidated Statements of Comprehensive Income
(In thousands)
(Unaudited)

	Three Months Ended March 31,	
	2017	2016
Net income available (loss attributable) to common stockholders	\$ 13,292	\$ (31,219)
Other comprehensive income:		
Unrealized losses on cash flow hedging instruments (net of tax effect of \$(18) in 2017)	(28)	—
Less: Interest expense on derivatives recognized into earnings (net of tax effect of \$(60) in 2017)	(90)	—
Total other comprehensive loss	(118)	—
Comprehensive income (loss)	\$ 13,174	\$ (31,219)

See accompanying notes to condensed consolidated financial statements.

Vivint Solar, Inc.
Condensed Consolidated Statements of Cash Flows
(In thousands)
(Unaudited)

	Three Months Ended March 31,	
	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (55,452)	\$ (105,562)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	14,162	9,103
Amortization of intangible assets	140	265
Impairment of goodwill	—	36,601
Deferred income taxes	36,125	44,371
Stock-based compensation	3,922	1,625
Loss on solar energy systems and property and equipment	2,025	444
Non-cash interest and other expense	2,126	1,430
Reduction in lease pass-through financing obligation	(649)	(438)
Losses on interest rate swaps	276	—
Excess tax detriment from stock-based compensation	—	(393)
Changes in operating assets and liabilities:		
Accounts receivable, net	(4,481)	(3,389)
Inventories	(2,115)	(899)
Prepaid expenses and other current assets	27,901	(2,142)
Prepaid tax asset, net	(24,181)	(41,997)
Other non-current assets, net	(3,861)	(1,707)
Accounts payable	296	(455)
Accounts payable—related party	345	(1,019)
Accrued compensation	(1,763)	4,330
Deferred revenue	2,109	1,058
Accrued and other liabilities	6,473	(1,715)
Net cash provided by (used in) operating activities	<u>3,398</u>	<u>(60,489)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for the cost of solar energy systems	(75,140)	(106,697)
Payments for property and equipment	(278)	(1,392)
Proceeds from disposals of property and equipment	171	—
Change in restricted cash and cash equivalents	(19,757)	(2,613)
Purchase of intangible assets	—	(291)
Net cash used in investing activities	<u>(95,004)</u>	<u>(110,993)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from investment by non-controlling interests and redeemable non-controlling interests	58,560	89,986
Distributions paid to non-controlling interests and redeemable non-controlling interests	(15,027)	(6,394)
Proceeds from long-term debt	253,750	94,502
Payments on long-term debt	(141,159)	(4,150)
Payments for debt issuance costs	(10,430)	(6,230)
Proceeds from lease pass-through financing obligation	852	281
Principal payments on capital lease obligations	(1,196)	(1,562)
Proceeds from issuance of common stock	147	—
Net cash provided by financing activities	<u>145,497</u>	<u>166,433</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>53,891</u>	<u>(5,049)</u>
CASH AND CASH EQUIVALENTS—Beginning of period	<u>96,586</u>	<u>92,213</u>
CASH AND CASH EQUIVALENTS—End of period	<u>\$ 150,477</u>	<u>\$ 87,164</u>
NONCASH INVESTING AND FINANCING ACTIVITIES:		
Accrued distributions to non-controlling interests and redeemable non-controlling interests	<u>\$ (10,228)</u>	<u>\$ (6,524)</u>
Costs of solar energy systems included in changes in accounts payable, accrued compensation and other accrued liabilities	<u>\$ (5,266)</u>	<u>\$ (598)</u>
Change in fair value of interest rate swaps	<u>\$ (473)</u>	<u>\$ —</u>
Vehicles acquired under capital leases	<u>\$ 98</u>	<u>\$ 1,346</u>
Receivable for tax credit recorded as a reduction to solar energy system costs	<u>\$ 52</u>	<u>\$ 820</u>
Property acquired under build-to-suit agreements	<u>\$ —</u>	<u>\$ 2,896</u>

See accompanying notes to condensed consolidated financial statements.

Vivint Solar, Inc.
Notes to Condensed Consolidated Financial Statements
(Unaudited)

1. Organization

Vivint Solar, Inc. and its subsidiaries are collectively referred to as the “Company.” The Company primarily offers solar energy to residential customers through long-term customer contracts, such as power purchase agreements (“PPAs”) and legal-form leases (“Solar Leases”). The Company also offers its customers the option to purchase solar energy systems (“System Sales”) through third-party loan offerings or a cash purchase. The Company enters into customer contracts primarily through a sales organization that uses a direct-to-home sales model. The long-term customer contracts under PPAs and Solar Leases are typically for 20 years and require the customer to make monthly payments to the Company.

The Company has formed various investment funds and entered into long-term debt facilities to monetize the recurring customer payments under its long-term customer contracts and the investment tax credits, accelerated tax depreciation and other incentives associated with residential solar energy systems. The Company uses the cash received from the investment funds, long-term debt facilities and cash generated from operations to finance a portion of the Company’s variable and fixed costs associated with installing solar energy systems.

2. Summary of Significant Accounting Policies

Basis of Presentation and Principles of Consolidation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States (“GAAP”) and applicable rules and regulations of the Securities and Exchange Commission 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 dated as of March 16, 2017. The unaudited condensed consolidated financial statements were prepared on the same basis as the audited consolidated financial statements and, in the opinion of management, reflect all adjustments (all of which were considered of normal recurring nature) considered necessary to present fairly the Company’s financial results. The results of the three months ended March 31, 2017 are not necessarily indicative of the results to be expected for the fiscal year ending December 31, 2017 or for any other interim period or other future year.

The condensed consolidated financial statements reflect the accounts and operations of the Company and those of its subsidiaries in which the Company has a controlling financial interest. The Company uses a qualitative approach in assessing the consolidation requirement for variable interest entities (“VIEs”). This approach focuses on determining whether the Company has the power to direct the activities of the VIE that most significantly affect the VIE’s economic performance and whether the Company has the obligation to absorb losses, or the right to receive benefits, that could potentially be significant to the VIE. All of these determinations involve significant management judgments and estimates. The Company has determined that it is the primary beneficiary in the operational VIEs in which it has an equity interest. The Company evaluates its relationships with the VIEs on an ongoing basis to ensure that it continues to be the primary beneficiary. All intercompany transactions and balances have been eliminated in consolidation. For additional information, see Note 12—Investment Funds.

Use of Estimates

The preparation of the condensed consolidated financial statements requires management to make estimates and assumptions that affect the amounts reported in the condensed consolidated financial statements and accompanying notes. The Company regularly makes significant estimates and assumptions including, but not limited to, estimates that affect the Company’s principles of consolidation; investment tax credits (“ITCs”); revenue recognition; solar energy systems, net; the impairment analysis of long-lived assets; stock-based compensation; the provision for income taxes; the valuation of derivative financial instruments; the recognition and measurement of loss contingencies; and non-controlling interests and redeemable non-controlling interests. The Company bases its estimates on historical experience and on various other assumptions believed to be reasonable, the results of which form the basis for making judgments about the carrying values of assets and liabilities. Actual results could differ materially from those estimates.

Stock-Based Compensation

During the three months ended March 31, 2017, the Company adopted Accounting Standards Update (“ASU”) 2016-09, which simplifies several aspects of the accounting for share-based payment transactions. The resulting changes were as follows:

- All excess tax benefits and tax deficiencies resulting from stock-based compensation are now recognized as income tax expense or benefit in the condensed consolidated income statements, and excess tax benefits are now recognized regardless of whether the benefit reduces taxes payable in the current period;
- Excess tax benefits are now classified along with other tax cash flows as an operating activity on the condensed consolidated statements of cash flows;
- The Company elected to recognize forfeitures as they occur beginning on January 1, 2017;
- The Company may withhold up to the maximum statutory tax rate for each employee without triggering liability accounting; and
- Cash paid by the Company when directly withholding shares for tax withholding purposes is now classified as a financing activity on the condensed consolidated statements of cash flows.

Amendments related to the timing of when excess tax benefits are recognized, minimum statutory withholding requirements and forfeitures were adopted using a modified retrospective transition method by means of a cumulative-effect adjustment, resulting in a net \$1.2 million reduction to retained earnings as of January 1, 2017.

Amendments related to the presentation of employee taxes paid on the statements of cash flows when an employer withholds shares for tax withholding purposes was adopted using the retrospective method, but had no impact on prior periods.

Amendments related to the recognition of excess tax benefits and tax deficiencies in the condensed consolidated income statements and the presentation of excess tax benefits on the condensed consolidated statements of cash flows were adopted prospectively. No prior periods were adjusted.

Inventory

During the three months ended March 31, 2017, the Company adopted ASU 2015-11, which simplifies the measurement of inventory by changing the measurement principle for inventories valued under the first-in, first-out (“FIFO”) or weighted-average methods from the lower of cost or market to the lower of cost or net realizable value. Net realizable value is defined as the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation. The Company adopted this ASU prospectively. No prior periods were adjusted.

Liquidity

In order to grow, the Company requires cash to finance the deployment of solar energy systems. As of the date of this filing, the Company will require additional sources of cash beyond current cash balances, and currently available financing facilities to fund long-term planned growth. If the Company is unable to secure additional financing when needed, or upon desirable terms, the Company may be unable to finance installation of customers’ systems in a manner consistent with past performance, cost of capital could increase, or the Company may be required to significantly reduce the scope of operations, any of which would have a material adverse effect on the business, financial condition, results of operations and prospects. While the Company believes additional financing is available and will continue to be available to support current levels of operations, the Company believes it has the ability and intent to reduce operations to the level of available financial resources for at least the next 12 months from the date of this report, if necessary.

Recent Accounting Pronouncements

New Revenue Guidance

From March 2016 through December 2016, the Financial Accounting Standards Board (the “FASB”) issued ASU 2016-20, ASU 2016-12, ASU 2016-11, ASU 2016-10 and ASU 2016-08. These updates all clarify aspects of the guidance in ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606), which represents comprehensive reform to revenue recognition principles related to customer contracts. Additionally, per ASU 2015-14, the effective date of these updates for the Company was deferred to January 1, 2018. Adoption of this ASU is either full retrospective to each prior period presented or retrospective with a cumulative adjustment to retained earnings or accumulated deficit as of the adoption date. The Company is currently considering adopting the standard using the full retrospective method and is still evaluating the impact of the new standard on its accounting policies, processes and system requirements.

Under the current accounting guidance, the Company accounts for PPAs and Solar Leases as operating leases. The Company has determined that these agreements do not meet the definition of a lease under ASC 842, *Leases*, and will be accounted for in accordance with Topic 606. The Company is still evaluating the impact of Topic 606 on the condensed consolidated financial statements. The Company currently accounts for certain Solar Leases, rebates and incentives as minimum lease payments under ASC 840, *Leases*, and the Company is currently evaluating the accounting for these revenues under Topic 606. The Company is also evaluating the accounting for incremental costs of obtaining a contract, which under current accounting policies are capitalized as initial direct costs and amortized over the lease term.

The Company is in the final stages of analyzing the impact of Topic 606 on System Sales and has preliminarily concluded that it will not have a material impact on the condensed consolidated financial statements.

The Company is assessing the impact of Topic 606 as it relates to other revenue streams such as sales of ITCs through its lease pass-through fund arrangement and sales of photovoltaic installation and software products.

While the Company continues to assess all potential impacts under the new standard, including the areas described above, the Company does not know or cannot reasonably estimate quantitative information related to the impact of the new standard on the condensed consolidated financial statements at this time.

New Lease Guidance

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). The objective of this update is to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. This update primarily changes the recognition by lessees of lease assets and liabilities for leases currently classified as operating leases. Lessor accounting remains largely unchanged. This update is effective in fiscal years beginning after December 15, 2018 for public business entities and early adoption is permitted. The amendments should be applied using a modified retrospective approach. Due to the Company's determination that its PPAs and Solar Leases do not meet the definition of a lease pursuant to ASC 842, *Leases*, the Company is currently considering early adopting ASC 842 to coincide with the adoption of ASC 606, however a decision to early adopt is not final. The Company has operating leases that will be affected by this update and is still evaluating the impact on its condensed consolidated financial statements and related disclosures.

Other Recent Accounting Pronouncements

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash (a consensus of the FASB Emerging Issues Task Force)*. This update clarifies that transfers between cash and restricted cash are not part of the entity's operating, investing and financing activities, and details of those transfers are not reported as cash flow activities in the statements of cash flows. This update is effective for annual periods beginning after December 15, 2017 for public business entities. The amendments in this update should be applied using a retrospective transition method to each period presented. The Company is evaluating this update but currently anticipates it will have a material impact on its condensed consolidated financial statements and related disclosures as changes in restricted cash will no longer be presented as cash flows from investing activities.

In October 2016, the FASB issued ASU 2016-16, *Income Taxes (Topic 740): Intra-Entity Transfers of Assets Other Than Inventory*. Current GAAP prohibits the recognition of current and deferred income taxes for an intra-entity asset transfer until the asset has been sold to an outside party. This update will require an entity to recognize the income tax consequences of an intra-entity transfer of an asset other than inventory when the transfer occurs. This update is effective for annual periods beginning after December 15, 2017 for public business entities and early adoption is permitted. The amendments in this update should be applied using a modified retrospective approach. The Company is evaluating this update but currently anticipates it will have a material impact on its condensed consolidated financial statements and related disclosures as the Company will no longer record prepaid tax assets on the condensed consolidated balance sheets and will record the income tax consequences of intra-entity transfers through income tax expense (benefit) on the condensed consolidated statements of operations.

In August 2016, the FASB issued ASU 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*. This update clarifies how certain cash flows should be classified with the objective of reducing the existing diversity in practice. This update is effective for annual periods beginning after December 15, 2017 for public business entities and early adoption is permitted. The amendments in this update should be applied using a retrospective transition method and must all be applied in the same period. The Company is evaluating the impact of this update on its condensed consolidated financial statements and related disclosures.

3. Fair Value Measurements

The Company measures and reports its cash equivalents at fair value. The following tables set forth the fair value of the Company's financial assets and liabilities measured on a recurring basis by level within the fair value hierarchy (in thousands):

	March 31, 2017			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Interest rate swaps	\$ —	\$ 14,797	\$ —	\$ 14,797
Financial Liabilities				
Interest rate swaps	\$ —	\$ 952	\$ —	\$ 952
	December 31, 2016			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Interest rate swaps	\$ —	\$ 14,317	\$ —	\$ 14,317
Time deposits	—	100	—	100
Total financial assets	\$ —	\$ 14,417	\$ —	\$ 14,417

The interest rate swaps (Level II) were valued using a discounted cash flow model which incorporates an assessment of the risk of non-performance by the interest rate swap counterparties and the Company. The valuation model uses various observable inputs including contractual terms, interest rate curves, credit spreads and measures of volatility.

Time deposits (Level II) approximate fair value due to their short-term nature (30 days) and, upon renewal, the interest rate is adjusted based on current market rates. The Company's outstanding principal balance of long-term debt is carried at cost and was \$884.4 million and \$771.9 million as of March 31, 2017 and December 31, 2016. The Company estimated the fair values of long-term debt to approximate its carrying values as interest accrues at floating rates based on market rates for all but one of the Company's long-term debt facilities. The Company entered a fixed-rate debt facility during the three months ended March 31, 2017. The Company estimates the fair value of this fixed-rate debt facility to approximate its carrying value due to the short term that it has been outstanding. The Company did not realize gains or losses related to financial assets for any of the periods presented.

4. Inventories

Inventories consisted of the following (in thousands):

	March 31, 2017	December 31, 2016
Solar energy systems held for sale	\$ 12,640	\$ 10,540
Photovoltaic installation devices and software products	760	745
Total inventories	\$ 13,400	\$ 11,285

Solar energy systems held for sale are solar energy systems under construction that have yet to be interconnected to the power grid and that will be sold to customers. Solar energy systems held for sale are stated at the lower of cost, on a FIFO basis, or net realizable value. Photovoltaic installation devices and software products are stated at the lower of cost, on an average cost basis, or net realizable value.

5. Solar Energy Systems

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

	March 31, 2017	December 31, 2016
System equipment costs	\$ 1,293,291	\$ 1,238,968
Initial direct costs related to solar energy systems	279,808	261,318
	<u>1,573,099</u>	<u>1,500,286</u>
Less: Accumulated depreciation and amortization	(86,599)	(73,793)
	<u>1,486,500</u>	<u>1,426,493</u>
Solar energy system inventory	27,697	31,862
Solar energy systems, net	<u>\$ 1,514,197</u>	<u>\$ 1,458,355</u>

Solar energy system inventory represents the solar components and materials used in the installation of solar energy systems prior to being installed on customers' roofs. As such, no depreciation is recorded related to this line item. The Company recorded depreciation and amortization expense related to solar energy systems of \$12.8 million and \$8.3 million for the three months ended March 31, 2017 and 2016.

6. Property and Equipment

Property and equipment, net consisted of the following (in thousands):

	Estimated Useful Lives	March 31, 2017	December 31, 2016
Vehicles acquired under capital leases	3-4 years	\$ 19,174	\$ 20,384
Leasehold improvements	1-12 years	14,901	14,694
Furniture and computer and other equipment	3 years	6,316	6,270
		<u>40,391</u>	<u>41,348</u>
Less: Accumulated depreciation and amortization		(19,637)	(18,149)
Property and equipment, net		<u>\$ 20,754</u>	<u>\$ 23,199</u>

The Company recorded depreciation and amortization related to property and equipment of \$2.4 million for the three months ended March 31, 2017 and 2016.

The Company leases fleet vehicles that are accounted for as capital leases and are included in property and equipment, net. Of total property and equipment depreciation and amortization, depreciation on vehicles under capital leases of \$1.1 million and \$1.7 million was capitalized in solar energy systems, net for the three months ended March 31, 2017 and 2016.

7. Intangible Assets and Goodwill

Intangible Assets

Intangible assets consisted of the following (in thousands):

	March 31, 2017	December 31, 2016
Cost:		
Internal-use software	\$ 1,314	\$ 1,314
Developed technology	522	522
Trademarks/trade names	201	201
Customer relationships	164	164
Total carrying value	2,201	2,201
Accumulated amortization:		
Internal-use software	(544)	(434)
Developed technology	(208)	(191)
Trademarks/trade names	(64)	(59)
Customer relationships	(105)	(97)
Total accumulated amortization	(921)	(781)
Total intangible assets, net	\$ 1,280	\$ 1,420

The Company recorded amortization expense of \$0.1 million and \$0.3 million for the three months ended March 31, 2017 and 2016, which was included in amortization of intangible assets.

Goodwill Impairment

The Company's market capitalization decreased significantly during the first quarter of 2016 from \$1.0 billion as of December 31, 2015 to \$283.0 million as of March 31, 2016 in conjunction with the Company's determination to terminate an agreement and plan of merger with SunEdison, Inc. ("SunEdison") and SEV Merger Sub Inc. The Company considered this significant decrease in market capitalization to be an indicator of impairment and the Company performed a goodwill impairment test as of March 31, 2016. The impairment test determined that there was no implied value of goodwill, which resulted in an impairment charge of \$36.6 million. This charge was recorded in impairment of goodwill for the three months ended March 31, 2016.

8. Accrued Compensation

Accrued compensation consisted of the following (in thousands):

	March 31, 2017	December 31, 2016
Accrued payroll	\$ 11,470	\$ 12,558
Accrued commissions	6,880	7,445
Total accrued compensation	\$ 18,350	\$ 20,003

9. Accrued and Other Current Liabilities

Accrued and other current liabilities consisted of the following (in thousands):

	March 31, 2017	December 31, 2016
Accrued unused commitment fees and interest	\$ 7,666	\$ 3,827
Accrued inventory	4,898	2,117
Current portion of lease pass-through financing obligation	4,852	4,833
Accrued professional fees	4,296	3,222
Sales, use and property taxes payable	2,167	1,785
Current portion of deferred rent	897	1,155
Other accrued expenses	3,180	2,425
Total accrued and other current liabilities	\$ 27,956	\$ 19,364

10. Debt Obligations

Debt obligations consisted of the following as of March 31, 2017 (in thousands, except interest rates):

	Principal Borrowings Outstanding	Unamortized Debt Issuance Costs		Net Carrying Value		Unused Borrowing Capacity	Interest Rate	Maturity Date
		Current	Long-term	Current	Long-term			
2017 Term loan facility	\$ 203,750	\$ (163)	\$ (5,289)	\$ 5,765	\$ 192,533	\$ —	6.0%	January 2035
2016 Term loan facility (1)	296,761	(162)	(9,149)	4,841	282,609	—	3.8	August 2021
Subordinated HoldCo facility	199,125	(47)	(4,513)	1,953	192,612	—	9.0	March 2020
Credit agreement	1,307	(1)	(155)	10	1,141	—	6.5	February 2023
Revolving lines of credit (2)								
Aggregation facility (3)	47,000	—	—	—	47,000	328,000	4.2	September 2020
Working capital facility (4)	136,500	—	—	—	136,500	—	4.0	March 2020
Total debt	\$ 884,443	\$ (373)	\$ (19,106)	\$ 12,569	\$ 852,395	\$ 328,000		

Debt obligations consisted of the following as of December 31, 2016 (in thousands, except interest rates):

	Principal Borrowings Outstanding	Unamortized Debt Issuance Costs		Net Carrying Value		Unused Borrowing Capacity	Interest Rate	Maturity Date
		Current	Long-term	Current	Long-term			
2016 Term loan facility (1)	\$ 297,506	\$ (169)	\$ (9,643)	\$ 4,788	\$ 282,906	\$ —	3.6%	August 2021
Subordinated HoldCo facility	149,500	(47)	(4,851)	1,453	143,149	50,000	8.6	March 2020
Credit agreement	1,346	(1)	(161)	11	1,173	—	6.5	February 2023
Revolving lines of credit (2)								
Aggregation facility	187,000	—	—	—	187,000	188,000	4.2	March 2018
Working capital facility (4)	136,500	—	—	—	136,500	—	3.9	March 2020
Total debt	\$ 771,852	\$ (217)	\$ (14,655)	\$ 6,252	\$ 750,728	\$ 238,000		

- (1) The interest rate of this facility is partially hedged to an effective interest rate of 4.0% for \$270.0 million of the principal borrowings. See Note 11—Derivative Financial Instruments.
- (2) Revolving lines of credit are not presented net of unamortized debt issuance costs.
- (3) The Aggregation facility was amended in March 2017. See the section captioned “—Aggregation Facility.”
- (4) Facility is recourse debt, which refers to debt that is collateralized by the Company’s general assets. All of the Company’s other debt obligations are non-recourse, which refers to debt that is only collateralized by specified assets or subsidiaries of the Company.

2017 Term Loan Facility

On January 5, 2017, the Company entered into a long-term fixed rate credit agreement (the “2017 Term Loan Facility”) pursuant to which the Company borrowed \$203.8 million with certain financial institutions for which Wells Fargo Bank, National Association is acting as administrative agent. The borrower under the 2017 Term Loan Facility is Vivint Solar Financing III, LLC, a wholly owned indirect subsidiary of the Company. Proceeds of the 2017 Term Loan Facility were used to (1) repay existing indebtedness of \$140.3 million under the Aggregation Facility with respect to the portfolio of projects being used as collateral for the 2017 Term Loan Facility (the “2017 Term Loan Portfolio”), (2) fund a debt service reserve account and other agreed reserves of \$20.1 million, (3) pay transaction costs and fees in connection with the 2017 Term Loan Facility of \$5.5 million, (4) pay the ITC insurance premium of \$2.0 million on behalf of one of the Company’s investment funds, and (5) distribute \$35.9 million to the Company as reimbursement for capital costs associated with deployment of the 2017 Term Loan Portfolio.

Interest on borrowings accrues at an annual fixed rate equal to 6.0% and is payable in arrears. Certain principal payments are due on a quarterly basis, subject to the occurrence of certain events. The Company’s first principal and interest payment was made in April 2017. Principal and interest payable under the 2017 Term Loan Facility will be paid over the term of the loan until the final maturity date of January 5, 2035. Optional prepayments are permitted under the 2017 Term Loan Facility without premium or penalty.

The 2017 Term Loan Facility includes customary events of default, conditions to borrowing and covenants, including negative covenants that restrict, subject to certain exceptions, the borrower's and guarantors' ability to incur indebtedness, incur liens, make fundamental changes to their respective businesses, make certain types of restricted payments and investments or enter into certain transactions with affiliates. The borrower is required to maintain an average debt service coverage ratio of 1.20 to 1. As of March 31, 2017, the Company was in compliance with such covenants.

The obligations of the borrower are secured by a pledge of the membership interests in the borrower, all of the borrower's assets, and the assets of the borrower's directly owned subsidiaries acting as managing members of the 2017 Term Loan Portfolio. In addition, the Company shall guarantee certain obligations of the borrower under the 2017 Term Loan Facility.

Interest expense for the 2017 Term Loan Facility was approximately \$3.0 million for the three months ended March 31, 2017. No interest expense was incurred for the three ended March 31, 2016. A \$10.0 million debt service reserve and \$10.1 million in supplemental reserves were deposited in collateral accounts with the administrative agent and were included in restricted cash and cash equivalents.

2016 Term Loan Facility

In August 2016, the Company entered into a credit agreement (the "2016 Term Loan Facility") pursuant to which it may borrow up to \$313.0 million aggregate principal amount of term borrowings and letters of credit from certain financial institutions for which Investec Bank PLC is acting as administrative agent. The borrower under the 2016 Term Loan Facility is Vivint Solar Financing II, LLC, a wholly owned indirect subsidiary of the Company.

For the initial four years of the term of the 2016 Term Loan Facility, interest on borrowings accrues at an annual rate equal to the London Interbank Offered Rate ("LIBOR") plus 3.00%. Thereafter interest accrues at an annual rate equal to LIBOR plus 3.25%. In the third quarter of 2016, the Company entered into an interest rate swap hedging arrangement such that 90% of the aggregate principal amount of the outstanding term loan is subject to a fixed interest rate. See Note 11—Derivative Financial Instruments. Certain principal payments are due on a quarterly basis subject to the occurrence of certain events, including proceeds received by the borrower or subsidiary guarantors in respect of casualties, proceeds received for purchased systems, and failure to meet certain distribution conditions. Estimated principal payments due in the next 12 months are classified as the current portion of long-term debt, net of the related unamortized debt issuance costs. Optional prepayments, in whole or in part, are permitted under the 2016 Term Loan Facility, without premium or penalty apart from any customary LIBOR breakage provisions.

The 2016 Term Loan Facility includes customary events of default, conditions to borrowing and covenants, including negative covenants that restrict, subject to certain exceptions, the borrower's and guarantors' ability to incur indebtedness, incur liens, make fundamental changes to their respective businesses, make certain types of restricted payments and investments or enter into certain transactions with affiliates. A debt service reserve account was funded with the outstanding letters of credit under the 2016 Term Loan Facility. As such, the debt service reserve is not classified as restricted cash and cash equivalents on the condensed consolidated balance sheets. The borrower is required to maintain an average debt service coverage ratio of 1.55 to 1. As of March 31, 2017, the Company was in compliance with such covenants.

Prior to the maturity of the 2016 Term Loan Facility, a fund investor could exercise a put option in two of the Company's investment funds and require the Company to purchase the fund investor's interest in those investment funds. As such, the Company was required to establish a \$2.9 million reserve at the inception of the 2016 Term Loan Facility in order to pay the fund investor if either of the put options is exercised prior to the maturity of the 2016 Term Loan Facility. In addition, a \$2.4 million escrow account was established with respect to those systems in the 2016 Term Loan Portfolio that had not been placed in service as of the closing date, with a single disbursement of this amount to occur once such systems have been placed in service, subject to compliance with the 2016 Term Loan Portfolio concentration restrictions and limitations related to the 2016 Term Loan Portfolio. These reserves are classified as restricted cash and cash equivalents.

The obligations of the borrower are secured by a pledge of the membership interests in the borrower, all of the borrower's assets, and the assets of the borrower's directly owned subsidiaries acting as managing members of the underlying investment funds. In addition, the Company guarantees certain obligations of the borrower under the 2016 Term Loan Facility.

Interest expense for the 2016 Term Loan Facility was approximately \$3.5 million for the three months ended March 31, 2017. No interest expense was incurred for the three ended March 31, 2016.

Subordinated HoldCo Facility

In March 2016, the Company entered into a financing agreement (the “Subordinated HoldCo Facility”) pursuant to which it may borrow up to an aggregate principal amount of \$200.0 million of term loan borrowings from investment funds and accounts advised by HPS Investment Partners. The borrower under the Subordinated HoldCo Facility is Vivint Solar Financing Holdings, LLC, one of the Company’s wholly owned subsidiaries. Borrowings under the Subordinated HoldCo Facility mature in March 2020. The Company may not prepay any borrowings outside of required prepayments until March 2018, and any subsequent prepayments of principal are subject to a 3.0% fee. Borrowings under the Subordinated HoldCo Facility were used for the construction and acquisition of solar energy systems.

Interest accrues at a floating rate of LIBOR plus 8.0%. Certain principal payments are due on a quarterly basis. Estimated principal payments due in the next 12 months are classified as the current portion of long-term debt, net of the related unamortized debt issuance costs.

The Subordinated HoldCo Facility includes customary events of default, conditions to borrowing and covenants, including covenants that restrict, subject to certain exceptions, the borrower’s, and the guarantors’ ability to incur indebtedness, incur liens, make investments, make fundamental changes to their business, dispose of assets, make certain types of restricted payments or enter into certain related party transactions. These restrictions do not impact the Company’s ability to enter into investment funds, including those that are similar to those entered into previously. Additionally, the parties to the Subordinated HoldCo Facility must maintain certain consolidated and project subsidiary loan-to-value ratios and a consolidated debt service coverage ratio, with such covenants to be tested as of the last day of each fiscal quarter and upon each incurrence of borrowings. As of March 31, 2017, the Company was in compliance with such covenants. Each of the parties to the Subordinated HoldCo Facility has pledged assets not otherwise pledged under another existing debt facility as collateral to secure their obligations under the Subordinated HoldCo Facility. Vivint Solar Financing Holdings Parent, LLC, another of the Company’s wholly owned subsidiaries and the parent company of the borrower, and certain other of the Company’s subsidiaries guarantee the borrower’s obligations under the financing agreement.

Interest expense for the Subordinated HoldCo Facility was approximately \$4.5 million and \$0.2 million for the three months ended March 31, 2017 and 2016. A \$10.0 million interest reserve amount was deposited in an interest reserve account with the administrative agent and is included in restricted cash and cash equivalents.

Credit Agreement

In February 2016, a wholly owned subsidiary of the Company entered into a credit agreement (the “Credit Agreement”) pursuant to which Goldman Sachs, through GSUIG Real Estate Member LLC, committed to lend an aggregate principal amount of up to \$3.0 million upon the satisfaction of certain conditions and the approval of the lenders. Proceeds from the Credit Agreement were used for the deployment of certain solar energy systems. Principal and interest payments under the Credit Agreement will be paid quarterly over the term of the loan until the final maturity date of February 2023. The Company did not draw upon the full borrowing capacity of the Credit Agreement, and no borrowing capacity remained as of March 31, 2017. Interest accrues on borrowings at a rate of 6.50%. Interest expense under the Credit Agreement was de minimis for the three month ended March 31, 2017 and 2016.

Aggregation Facility

In September 2014, the Company entered into an aggregation credit facility (as amended, the “Aggregation Facility”), pursuant to which the Company may borrow up to an aggregate of \$375.0 million and, upon the satisfaction of certain conditions and the approval of the lenders, up to an additional aggregate of \$175.0 million in borrowings with certain financial institutions for which Bank of America, N.A. is acting as administrative agent.

In March 2017, the Company amended the Aggregation Facility, and the parties agreed to (1) extend the date through which the Company may incur borrowings under the Aggregation Facility to March 31, 2020 (“Availability Period”), with an option to extend such period by an additional 12 months to the extent the lenders agree to such extension; (2) extend the maturity date for the initial loans under the Aggregation Facility from March 2018 to September 2020; and (3) increase the “Applicable Margin” used to determine the applicable interest rate on outstanding borrowings after the Availability Period from 3.50% to 3.75%. The “Applicable Margin” used to determine the applicable interest rate on outstanding borrowings during the Availability Period remains unchanged at 3.25%.

In addition, the amendments to the Aggregation Facility (1) allow the Company to satisfy concentration covenants by maintaining insurance policies with respect to certain tax equity funds for the benefit of the lenders to cover any indemnification payments the Company may be required to make to certain of its tax equity investors in connection with the loss of ITCs, and (2) modify the customer FICO score requirement thresholds to enable the Company to borrow more against certain solar energy systems. The amendments to the Aggregation Facility also provide the ability for the Company to enter into forward-starting interest rate hedges and require no less than 75% of outstanding loan balances to be hedged at all times. As of March 31, 2017, the Company was in compliance with this requirement. See Note 11—Derivative Financial Instruments.

Prepayments are permitted under the Aggregation Facility, and the principal and accrued interest on any outstanding loans mature in September 2020. Under the Aggregation Facility, interest on borrowings accrues at a floating rate equal to either (1)(a) LIBOR or (b) the greatest of (i) the Federal Funds Rate plus 0.5%, (ii) the administrative agent’s prime rate and (iii) LIBOR plus 1% and (2) a margin that varies between 3.25% during the period during which the Company may incur borrowings and 3.75% after such period. Interest is payable at the end of each interest period that the Company may elect as a term of either one, two or three months.

The borrower under the Aggregation Facility is Vivint Solar Financing I, LLC, one of the Company’s indirect wholly owned subsidiaries, which in turn holds the Company’s interests in the managing members in certain of the Company’s investment funds. These managing members guarantee the borrower’s obligations under the Aggregation Facility. In addition, Vivint Solar Financing I Parent, LLC, has pledged its interests in the borrower, and the borrower has pledged its interests in the guarantors as security for the borrower’s obligations under the Aggregation Facility. The related solar energy systems are not subject to any security interest of the lenders, and there is no recourse to the Company in the case of a default.

The Aggregation Facility includes customary covenants, including covenants that restrict, subject to certain exceptions, the borrower’s, and the guarantors’ ability to incur indebtedness, incur liens, make investments, make fundamental changes to their business, dispose of assets, make certain types of restricted payments or enter into certain related party transactions. Among other restrictions, the Aggregation Facility provides that the borrower may not incur any indebtedness other than that related to the Aggregation Facility or in respect of permitted swap agreements, and that the guarantors may not incur any indebtedness other than that related to the Aggregation Facility or as permitted under existing investment fund transaction documents. These restrictions do not impact the Company’s ability to enter into investment funds, including those that are similar to those entered into previously. As of March 31, 2017, the Company was in compliance with such covenants.

The Aggregation Facility also contains certain customary events of default. If an event of default occurs, lenders under the Aggregation Facility will be entitled to take various actions, including the acceleration of amounts due under the Aggregation Facility and foreclosure on the interests of the borrower and the guarantors that have been pledged to the lenders.

Interest expense was approximately \$1.9 million and \$4.0 million for the three months ended March 31, 2017 and 2016. As of March 31, 2017, the current portion of debt issuance costs of \$2.6 million was recorded in prepaid expenses and other current assets, and the long-term portion of debt issuance costs of \$6.4 million was recorded in other non-current assets, net. In addition, a \$1.1 million interest reserve is maintained in an account with the administrative agent and is included in restricted cash and cash equivalents. The interest reserve increases as borrowings increase under the Aggregation Facility.

Working Capital Facility

In March 2015, the Company entered into a revolving credit agreement (the “Working Capital Facility”) pursuant to which the Company may borrow up to an aggregate principal amount of \$150.0 million from certain financial institutions for which Goldman Sachs Lending Partners LLC is acting as administrative agent and collateral agent. Available borrowings under the Working Capital Facility are subject to a borrowing base tied to the (1) level of PPA and Solar Lease systems under development and (2) combined future available tax equity fund commitments and available borrowing capacity under the Company’s back-leverage facilities. To the extent that outstanding borrowings exceed the borrowing base, the Company would be required to repay borrowings under the Working Capital Facility. Loans under the Working Capital Facility will be used to pay for the costs incurred in connection with the design and construction of solar energy systems, and letters of credit may be issued for working capital and general corporate purposes. In addition to the outstanding borrowings as of March 31, 2017, the Company had established letters of credit under the Working Capital Facility for up to \$13.5 million related to insurance contracts.

The Company has pledged the interests in the assets of the Company and its subsidiaries, excluding the Company's existing investment funds, their managing members, the Term Loan Facility, the Subordinated HoldCo Facility, the Aggregation Facility and Solmetric Corporation, as security for its obligations under the Working Capital Facility. Prepayments are permitted under the Working Capital Facility, and the principal and accrued interest on any outstanding loans mature in March 2020. Interest accrues on borrowings at a floating rate equal to, dependent on the type of borrowing, (1) a rate equal to the Eurodollar Rate for the interest period divided by one minus the Eurodollar Reserve Percentage, plus a margin of 3.25%; or (2) the highest of (a) the Federal Funds Rate plus 0.50%, (b) the Citibank prime rate and (c) the one-month interest period Eurodollar rate plus 1.00%, plus a margin of 2.25%. Interest is payable dependent on the type of borrowing at the end of (1) the interest period that the Company may elect as a term and not to exceed three months, (2) quarterly or (3) at maturity of the Working Capital Facility.

The Working Capital Facility includes customary covenants, including covenants that restrict, subject to certain exceptions, the Company's ability to incur indebtedness, incur liens, make investments, make fundamental changes to its business, dispose of assets, make certain types of restricted payments or enter into certain related party transactions. Among other restrictions, the Working Capital Facility provides that the Company may not incur any indebtedness other than that related to the Working Capital Facility or permitted swap agreements. These restrictions do not impact the Company's ability to enter into investment funds, including those that are similar to those entered into previously. The Company is also required to maintain \$25.0 million in cash and cash equivalents and certain investments as of the last day of each quarter. As of March 31, 2017, the Company was in compliance with such covenants.

The Working Capital Facility also contains certain customary events of default. If an event of default occurs, lenders under the Working Capital Facility will be entitled to take various actions, including the acceleration of amounts then outstanding.

Interest expense for this facility was approximately \$1.6 million and \$1.5 million for the three months ended March 31, 2017 and 2016. As of March 31, 2017, the current portion of debt issuance costs of \$0.5 million was recorded in prepaid expenses and other current assets, and the long-term portion of debt issuance costs of \$1.1 million was recorded in other non-current assets, net.

Interest Expense and Amortization of Debt Issuance Costs

For the three months ended March 31, 2017 and 2016, total interest expense incurred under all debt obligations was approximately \$14.5 million and \$5.7 million, of which \$1.9 million and \$1.2 million was amortization of debt issuance costs.

11. Derivative Financial Instruments

Derivative financial instruments consisted of the following at fair value (in thousands):

	March 31, 2017	
	Fair Value	Balance Sheet Location
Derivatives designated as hedging instruments:		
Interest rate swaps	\$ 14,797	Other non-current assets
Derivatives not designated as hedging instruments:		
Interest rate swaps	\$ 952	Other non-current liabilities
	December 31, 2016	
	Fair Value	Balance Sheet Location
Derivatives designated as hedging instruments:		
Interest rate swaps	\$ 14,317	Other non-current assets

The Company is exposed to interest rate risk relating to its outstanding debt facilities that have variable interest rates. In connection with the 2016 Term Loan Facility, the Company entered into interest rate swaps with an aggregate notional amount of \$270.0 million to offset changes in the variable interest rate for a portion of the Company's LIBOR-indexed floating-rate loans. The notional amount of the interest rate swaps decreases through July 31, 2028 to match the Company's estimated monthly and quarterly principal payments on its loans through that date. The interest rate swaps are designated as cash flow hedges, and unrealized gains or losses on the effective portion are recorded in other comprehensive income ("OCI"). The amount of accumulated other comprehensive income ("AOCI") expected to be reclassified to interest expense within the next 12 months is approximately \$0.6 million. The Company will discontinue the hedge accounting designation of these derivatives if interest payments on LIBOR-indexed floating rate loans compared to the payments under the derivatives are no longer highly effective.

In connection with the March 2017 amendment of the Aggregation Facility, the Company entered into interest rate swaps with an aggregate notional amount of \$47.0 million. The Company is required to maintain interest rate swaps such that at least 75% of the outstanding loan balance of the Aggregation Facility is hedged at all times. The interest rate swaps terminate when the Aggregation Facility matures in September 2020. The Company did not designate these interest rate swaps as hedge instruments and will account for any changes in fair value in other expense, net.

The Company records derivatives at fair value. The effect of derivative financial instruments on the condensed consolidated statements of comprehensive income and the condensed consolidated statements of operations, before tax effect, consisted of the following (in thousands):

	<u>Three Months Ended March 31,</u>		<u>Location of Gain (Loss)</u>
	<u>2017</u>	<u>2016</u>	
Derivatives designated as cash flow hedges:			
Losses recognized in OCI - effective portion:			
Interest rate swaps	\$ (46)	\$ —	OCI
Losses reclassified from AOCI into income - effective portion:			
Interest rate swaps	\$ (150)	\$ —	Interest expense
Gains recognized in income - ineffective portion:			
Interest rate swaps	\$ 676	\$ —	Other expense, net
	<u>Three Months Ended March 31,</u>		<u>Location of Loss</u>
	<u>2017</u>	<u>2016</u>	
Derivatives not designated as hedging instruments:			
Interest rate swaps	\$ (952)	\$ —	Other expense, net

12. Investment Funds

As of March 31, 2017, the Company had 20 investment funds for the purpose of funding the purchase of solar energy systems. The aggregate carrying value of these funds' assets and liabilities (after elimination of intercompany transactions and balances) in the Company's condensed consolidated balance sheets were as follows (in thousands):

	<u>March 31,</u> <u>2017</u>	<u>December 31,</u> <u>2016</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 25,138	\$ 23,190
Accounts receivable, net	7,868	3,958
Prepaid expenses and other current assets	554	761
Total current assets	33,560	27,909
Solar energy systems, net	1,332,374	1,273,813
Other non-current assets, net	2,282	1,781
Total assets	<u>\$ 1,368,216</u>	<u>\$ 1,303,503</u>
Liabilities		
Current liabilities:		
Distributions payable to non-controlling interests and redeemable non-controlling interests	\$ 5,948	\$ 16,176
Current portion of deferred revenue	8,155	8,148
Accrued and other current liabilities	4,425	4,458
Total current liabilities	18,528	28,782
Deferred revenue, net of current portion	31,256	33,536
Other non-current liabilities	1,955	1,875
Total liabilities	<u>\$ 51,739</u>	<u>\$ 64,193</u>

Under the fund agreements, cash distributions of income and other receipts by the funds, net of agreed-upon expenses and estimated expenses, tax benefits and detriments of income and loss, and tax benefits of tax credits, are assigned to the fund investors and the Company's subsidiaries as specified in contractual arrangements. As such, the cash held in investment funds is not readily available to the Company due to the timing of distributions. Certain of these fund arrangements have call and put options to acquire the investor's equity interest as specified in the contractual agreements.

Fund investors for three of the funds are managed indirectly by The Blackstone Group L.P. (the "Sponsor") and are considered related parties. As of March 31, 2017 and December 31, 2016, the cumulative total of contributions into the VIEs by all investors was \$1,109.9 million and \$1,050.9 million. Of these contributions, a cumulative total of \$110.0 million was contributed by related parties in prior periods. A third-party provider has agreed to perform backup maintenance services for all funds, if necessary.

Lease Pass-Through Financing Obligation

During 2015, a wholly owned subsidiary of the Company entered into a lease pass-through fund arrangement under which the Company contributed solar energy systems and the investor contributed cash. The net carrying value of the related solar energy systems was \$60.0 million and \$60.5 million as of March 31, 2017 and December 31, 2016.

Under the arrangement, the fund investor made large upfront payments to one of the Company's wholly owned subsidiaries and is obligated to make subsequent periodic payments. The Company allocated a portion of the aggregate payments received from the fund investor to the estimated fair value of the assigned ITCs, and the balance to the future customer lease payments that were also assigned to the investor. The fair value of the ITCs was estimated by multiplying the ITC rate of 30% by the fair value of the systems that were sold to the lease pass-through fund. The fair value of the systems was determined by independent appraisals. The Company's subsidiary has an obligation to ensure the solar energy systems are in service and operational for a term of five years to avoid any recapture of the ITCs. Accordingly, the Company recognizes revenue as the recapture provisions lapse assuming all other revenue recognition criteria have been met. The amounts allocated to the ITCs were initially recorded as deferred revenue, and subsequently, one-fifth of the amounts allocated to the ITCs is recognized as revenue from operating leases and solar energy systems incentives based on the anniversary of each solar energy system's placed in service date.

The Company accounts for the residual of the large upfront payments, net of amounts allocated to the ITCs, and subsequent periodic payments received from the fund investor as a borrowing by recording the proceeds received as a lease pass-through financing obligation, which will be repaid through customer payments that will be received by the investor. Under this approach, the Company continues to account for the arrangement with the customers in its condensed consolidated financial statements, whether the cash generated from the customer arrangements is received by the Company's wholly owned subsidiary or paid directly to the fund investor. A portion of the amounts received by the fund investor from customer payments is applied to reduce the lease pass-through financing obligation, and the balance is allocated to interest expense. The customer payments are recognized into revenue based on cash receipts during the period as required by GAAP. Interest is calculated on the lease pass-through financing obligation using the effective interest rate method. The effective interest rate is the interest rate that equates the present value of the cash amounts to be received by a fund investor over the master lease term with the present value of the cash amounts paid by the investor to the Company, adjusted for any payments made by the Company. Any additional master lease prepayments by the investor would be recorded as an additional lease pass-through financing obligation, while any refunds of master lease prepayments would reduce the lease pass-through financing obligation.

The lease pass-through financing obligation is nonrecourse. As of March 31, 2017 and December 31, 2016, the Company had recorded financing liabilities of \$38.1 million and \$40.4 million related to this fund arrangement, of which \$31.8 million and \$34.2 million was deferred revenue and \$6.3 million and \$6.2 million was the lease pass-through financing obligation recorded in other liabilities.

Guarantees

With respect to the investment funds, the Company and the fund investors have entered into guaranty agreements under which the Company guarantees the performance of certain financial obligations of its subsidiaries to the investment funds. These guarantees do not result in the Company being required to make payments to the fund investors unless such payments are mandated by the investment fund governing documents and the investment fund fails to make such payment. Each of the Company's investment funds and financing subsidiaries maintains separate books and records from each other and from the Company. The assets of each investment fund are not available to satisfy the debts or obligations of any other investment fund, subsidiary or the Company.

The Company is contractually obligated to make certain VIE investors whole for losses that the investors may suffer in certain limited circumstances resulting from the disallowance or recapture of investment tax credits. The Company has concluded that the likelihood of a significant recapture event is remote and consequently has not recorded any liability in the consolidated financial statements for any potential recapture exposure. The maximum potential future payments that the Company could have to make under this obligation would depend on the IRS successfully asserting upon audit that the fair market values of the solar energy systems sold or transferred to the funds as determined by the Company exceeded the allowable basis for the systems for purposes of claiming ITCs. The fair market values of the solar energy systems and related ITCs are determined and the ITCs are allocated to the fund investors in accordance with the funds' governing agreements. Due to uncertainties associated with estimating the timing and amounts of distributions, the likelihood of an event that may trigger repayment, forfeiture or recapture of ITCs to such investors, and the fact that the Company cannot determine how the IRS will evaluate system values used in claiming ITCs, the Company cannot determine the potential maximum future payments that are required under these guarantees.

From time to time, the Company incurs penalties for non-performance, which non-performance may include delays in the installation process and interconnection to the power grid of solar energy systems and other factors. Based on the terms of the investment fund agreements, the Company will either reimburse a portion of the fund investor's capital or pay the fund investor a non-performance fee. Distributions paid to reimburse fund investors totaled \$7.4 million during the three months ended March 31, 2017. As of March 31, 2017, the Company also accrued an estimated \$0.5 million in distributions to reimburse fund investors a portion of their capital contributions primarily due to delays in solar energy systems being interconnected to the power grid.

As a result of the guaranty arrangements in certain funds, the Company was required to hold a minimum cash balance of \$10.0 million as of March 31, 2017 and December 31, 2016, which is classified as restricted cash and cash equivalents.

13. Redeemable Non-Controlling Interests and Equity

Common Stock

The Company had reserved shares of common stock for issuance as follows (in thousands):

	March 31, 2017	December 31, 2016
Shares available for grant under equity incentive plans	16,138	11,596
Restricted stock units issued and outstanding	7,986	7,964
Stock options issued and outstanding	3,776	4,184
Long-term incentive plan	2,706	2,706
Total	<u>30,606</u>	<u>26,450</u>

Redeemable Non-Controlling Interests, Equity and Non-Controlling Interests

The changes in redeemable non-controlling interests were as follows (in thousands):

Balance as of December 31, 2016	\$	129,676
Contributions from redeemable non-controlling interests		338
Distributions to redeemable non-controlling interests		(1,436)
Net loss		(507)
Balance as of March 31, 2017	<u>\$</u>	<u>128,071</u>

The changes in stockholders' equity and non-controlling interests were as follows (in thousands):

	Total Stockholders' Equity	Non-Controlling Interests	Total Equity
Balance as of December 31, 2016	\$ 556,298	\$ 110,536	\$ 666,834
Cumulative-effect adjustment from adoption of ASU 2016-09	806	—	806
Stock-based compensation expense	3,922	—	3,922
Issuance of common stock	147	—	147
Contributions from non-controlling interests	—	58,222	58,222
Distributions to non-controlling interests	—	(3,363)	(3,363)
Total other comprehensive income	(118)	—	(118)
Net income (loss)	13,292	(68,237)	(54,945)
Balance as of March 31, 2017	<u>\$ 574,347</u>	<u>\$ 97,158</u>	<u>\$ 671,505</u>

Non-Controlling Interests and Redeemable Non-Controlling Interests

Six of the investment funds include a right for the non-controlling interest holder to require the Company's wholly owned subsidiary to purchase all of its membership interests in the fund (each, a "Put Option"). The purchase price for the fund investor's interest in the six investment funds under the Put Options is the greater of fair market value at the time the option is exercised and a specified amount, ranging from \$0.7 million to \$4.1 million. The Put Options for these six investment funds are exercisable beginning on the date that specified conditions are met for each respective fund. None of the Put Options are expected to become exercisable prior to 2019.

Because the Put Options represent redemption features that are not solely within the control of the Company, the non-controlling interests in these investment funds are presented outside of permanent equity. Redeemable non-controlling interests are recorded using the greater of their carrying value at each reporting date (which is impacted by attribution under the hypothetical liquidation at book value ("HLBV") method) or their estimated redemption value in each reporting period.

In all investment funds except one, the Company's wholly owned subsidiary has the right to require the non-controlling interest holder to sell all of its membership units to the Company's wholly owned subsidiary (each, a "Call Option"). The purchase price for the fund investors' interests under the Call Options varies by fund, but is generally the greater of a specified amount, which ranges from approximately \$0.7 million to \$7.0 million, the fair market value of such interest at the time the option is exercised, or an amount that causes the fund investor to achieve a specified return on investment. The Call Options are exercisable beginning on the date that specified conditions are met for each respective fund. None of the Call Options are expected to become exercisable prior to 2019.

14 .Equity Compensation Plans

Equity Incentive Plans

2014 Equity Incentive Plan

The Company adopted the 2014 Equity Incentive Plan (the "2014 Plan") in September 2014. Under the 2014 Plan, the Company may grant stock options, restricted stock, restricted stock units, stock appreciation rights, performance units, performance shares and performance awards to its employees, directors and consultants, and its parent and subsidiary corporations' employees and consultants.

As of March 31, 2017, a total of 16.1 million shares of common stock were available to grant under the 2014 Plan, subject to adjustment in the case of certain events. The number of shares available to grant under the 2014 Plan is subject to an annual increase on the first day of each year. In accordance with the annual increase, an additional 4.4 million shares became available to grant at the beginning of 2017 under the 2014 Plan.

Stock Options

Stock Option Activity

Stock options are granted under the Company's approved equity incentive plans. Stock option activity for the three months ended March 31, 2017 was as follows (in thousands, except term and per share amounts):

	Shares Underlying Options	Weighted- Average Exercise Price	Weighted- Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding—December 31, 2016	4,184	\$ 1.64		\$ 4,876
Granted	—	—		
Exercised	(147)	1.00		
Cancelled	(261)	1.02		
Outstanding—March 31, 2017	3,776	\$ 1.71	7.1	\$ 5,001
Options vested and exercisable—March 31, 2017	1,727	\$ 1.43	6.6	\$ 2,779

Restricted Stock Units

Restricted stock unit ("RSU") and performance share unit ("PSU") activity for the three months ended March 31, 2017 was as follows (awards in thousands):

	Number of Awards	Weighted- Average Grant Date Fair Value
Outstanding at December 31, 2016	7,964	\$ 3.14
Granted	270	3.50
Vested	(106)	8.19
Forfeited	(142)	2.98
Outstanding at March 31, 2017	7,986	\$ 3.09

Stock-Based Compensation Expense

Stock-based compensation was included in operating expenses as follows (in thousands):

	Three Months Ended March 31,	
	2017	2016
Cost of revenue	\$ 281	\$ 303
Sales and marketing	992	—
General and administrative	2,514	1,106
Research and development	135	216
Total stock-based compensation	\$ 3,922	\$ 1,625

Unrecognized stock-based compensation expense, net of estimated forfeitures, for time-based stock options, RSUs and PSUs as of March 31, 2017 was as follows (in thousands, except years):

	Unrecognized Stock-Based Compensation Expense	Weighted- Average Period of Recognition
Time-based stock options	\$ 2,067	2.8 years
RSUs and PSUs	9,836	1.8 years
Total unrecognized stock-based compensation expense as of March 31, 2017	\$ 11,903	

15 .Income Taxes

The income tax expense for the three months ended March 31, 2017 and 2016 was calculated on a discrete basis resulting in a consolidated quarterly effective income tax rate of (20.4)% and (5.1)%. The variations between the consolidated effective income tax rate and the U.S. federal statutory rate for the three months ended March 31, 2017 were primarily attributable to the effect of non-controlling interests and redeemable non-controlling interests, federal investment tax credits and amortization of the prepaid tax asset. The variations between the consolidated effective income tax rate and the U.S. federal statutory rate for the three months ended March 31, 2016 were primarily attributable to the effect of non-controlling interests and redeemable non-controlling interests and the goodwill impairment charge.

The Company sells solar energy systems to the investment funds for income tax purposes. As the investment funds are consolidated by the Company, the gain on the sale of the solar energy systems is eliminated in the condensed consolidated financial statements. However, this gain is recognized for tax reporting purposes. Since these transactions are intercompany sales for GAAP purposes, any tax expense incurred related to these intercompany sales is deferred and amortized over the estimated useful life of the underlying solar energy systems, which has been estimated to be 30 years. Accordingly, the Company has recorded a prepaid tax asset, net, of \$443.7 million and \$419.5 million as of March 31, 2017 and December 31, 2016.

Uncertain Tax Positions

As of March 31, 2017 and December 31, 2016, the Company had no unrecognized tax benefits. There was no interest or penalties accrued for any uncertain tax positions as of March 31, 2017 and December 31, 2016. The Company does not have any tax positions for which it is reasonably possible the total amount of gross unrecognized benefits will increase or decrease within the next 12 months. The Company is subject to taxation and files income tax returns in the United States, and various state and local jurisdictions. Due to the Company's net losses, substantially all of its federal, state and local income tax returns since inception are still subject to audit.

16 .Related Party Transactions

The Company's operations included the following related party transactions (in thousands):

	Three Months Ended	
	March 31,	
	2017	2016
Cost of revenue—operating leases and incentives	\$ 398	\$ 1,147
Sales and marketing	698	524
General and administrative	75	153

Vivint Services

The Company has negotiated and entered into a number of agreements with its sister company, Vivint, Inc. ("Vivint"), related to services and other support that Vivint provides to the Company. Under the terms of these agreements, Vivint provides the Company with certain information technology and infrastructure services, though the Company's usage of such services continues to decline. Vivint also sells the Company certain consumer equipment as part of the Marketing and Customer Relations Agreement, and under this agreement, the parties have also entered into cross-marketing initiatives. The Company incurred fees under these agreements of \$0.7 million and \$1.4 million for the three months ended March 31, 2017 and 2016, which reflect the amount of services provided by Vivint on behalf of the Company.

Payables to Vivint recorded in accounts payable—related party were \$0.5 million and \$0.2 million as of March 31, 2017 and December 31, 2016. These payables include amounts due to Vivint related to the services agreements and other miscellaneous intercompany payables.

Advances Receivable — Related Party

Net amounts due from direct-sales personnel were \$4.0 million and \$3.7 million as of March 31, 2017 and December 31, 2016. The Company provided a reserve of \$0.5 million and \$1.3 million as of March 31, 2017 and December 31, 2016 related to advances to direct-sales personnel who have terminated their employment agreement with the Company.

Investment Funds

Fund investors for three of the investment funds are indirectly managed by the Sponsor and accordingly are considered related parties. The Company accrued equity distributions to these entities of \$1.2 million and \$1.6 million as of March 31, 2017 and December 31, 2016, included in distributions payable to non-controlling and redeemable non-controlling interests. See Note 12—Investment Funds.

17 .Commitments and Contingencies

Non-Cancellable Operating Leases

The Company has entered into operating lease agreements for corporate and operating facilities, warehouses and related equipment in states in which the Company conducts operations. The aggregate expense incurred under these operating leases was \$4.3 million and \$4.1 million for the three months ended March 31, 2017 and 2016.

Letters of Credit

As of March 31, 2017, the Company had established letters of credit under the Working Capital Facility for up to \$13.5 million related to insurance contracts and under the 2016 Term Loan Facility for up to \$13.0 million related to the debt service reserve for the Term Loan Facility. See Note 10—Debt Obligations.

Indemnification Obligations

From time to time, the Company enters into contracts that contingently require it to indemnify parties against claims. These contracts primarily relate to provisions in the Company's services agreements with related parties that may require the Company to indemnify the related parties against services rendered; and certain agreements with the Company's officers and directors under which the Company may be required to indemnify such persons for liabilities. In addition, under the terms of the agreements related to the Company's investment funds and other material contracts, the Company may also be required to indemnify fund investors and other third parties for liabilities. For further information see Note 12—Investment Funds.

Legal Proceedings

In November and December 2014, two putative class action lawsuits were filed in the U.S. District Court for the Southern District of New York against the Company, its directors, certain of its officers and the underwriters of the Company's initial public offering of common stock alleging violation of securities laws and seeking unspecified damages. In January 2015, the Court ordered these cases to be consolidated into the earlier filed case, *Hyatt v. Vivint Solar, Inc. et al.*, 14-cv-9283 (KBF). The plaintiffs filed a consolidated amended complaint in February 2015. On May 6, 2015, the Company filed a motion to dismiss the complaint and on December 10, 2015, the Court issued an Opinion and Order dismissing the complaint with prejudice. On January 5, 2016, the plaintiffs filed a Notice of Appeal to the Second Circuit Court of Appeals. On August 25, 2016, the Court of Appeals heard oral arguments on the appeal. The Company is unable to estimate a range of loss, if any, that could result were there to be an adverse final decision. If an unfavorable outcome were to occur in this case, it is possible that the impact could be material to the Company's results of operations in the period(s) in which any such outcome becomes probable and estimable.

On September 9, 2015, two of the Company's customers, on behalf of themselves and a purported class, named the Company in a putative class action, Case No. BCV-15-100925(Cal. Super. Ct., Kern County), alleging violation of California Business and Professions Code Section 17200 and requesting relief pursuant to Section 1689 of the California Civil Code. The complaint seeks: (1) rescission of their PPAs along with restitution to the plaintiffs individually and (2) declaratory and injunctive relief. On October 16, 2015, the Company moved to compel arbitration of the plaintiffs' claims pursuant to the provisions set forth in the PPAs, which the Court granted and dismissed the class claims without prejudice. Plaintiffs have appealed the Court's order. It is not possible to estimate the amount or range of potential loss, if any, at this time.

On March 8, 2016, the Company filed suit in the Court of Chancery State of Delaware against SunEdison and SEV Merger Sub Inc. alleging that SunEdison willfully breached its obligations under the Merger Agreement pursuant to which the Company was to be acquired and breached its implied covenant of good faith and fair dealing. The Company is seeking declaratory judgment, award damages, costs and reasonable attorney's fees and such further relief that the court finds equitable, appropriate and just. On April 21, 2016, SunEdison filed for Chapter 11 bankruptcy, thereby creating a temporary stay on the prosecution of the Company's litigation in the Delaware court. On July 7, 2016, the Company filed a motion with the bankruptcy court seeking to lift the stay and allow the Company to litigate its claim against SunEdison. On September 13, 2016, the bankruptcy court denied the Company's motion to lift the stay, effectively requiring that the Company's claim be litigated in the bankruptcy proceeding. On September 22, 2016, the Company submitted a proof of claim in the bankruptcy case for an unsecured claim in the amount of \$1.0 billion. The Company is participating in the bankruptcy case so as to maximize the recovery from the claims against SunEdison.

In March 2017, the Company received notice that the New Mexico Attorney General's office intended to file an action against the Company and its officers alleging violation of state consumer protection statutes. The Company is actively communicating with the State of New Mexico regarding the issues that had been identified for the proposed action. The State of New Mexico has not, to date, filed the proposed action. In the event that the Company is not able to resolve the State of New Mexico's concerns outside of litigation, the Company intends to defend itself in the action. The Company is unable to estimate a range of loss, if any, that could result if the State were to file an action and were there to be an adverse final decision. If an unfavorable outcome were to occur in this case, it is possible that the impact could be material to the Company's results of operations in the period(s) in which any such outcome becomes probable and estimable.

In November 2016, a customer of the Company filed a putative class action lawsuit in Superior Court in Alameda County, California, purportedly on behalf of all customers of a particular Company sales representative in California, claiming that the representative's sales practices were improper under California consumer protection law. The Company moved to dismiss that action to compel arbitration. On March 17, 2017, the original plaintiff filed an amended complaint adding an additional plaintiff, purporting to expand the proposed class to include all customers who are eligible for the California Alternate Rates for Energy program, and adding claims of misconduct in the Company's sales practices apart from the individual representative identified in the original complaint. The Company has moved to compel arbitration of the new plaintiff's claims as well. The Company disputes the allegations in both the original and amended complaints and intends to defend itself in the action. The Company is unable to estimate a range of loss, if any, that could result were there to be an adverse final decision. If an unfavorable outcome were to occur in this case, it is possible that the impact could be material to the Company's results of operations in the period(s) in which any such outcome becomes probable and estimable.

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 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.

18. Basic and Diluted Net Income (Loss) Per Share

The following table sets forth the computation of the Company's basic and diluted net income available (loss attributable) per share to common stockholders for the three months ended March 31, 2017 and 2016 (in thousands, except per share amounts):

	Three Months Ended March 31,	
	2017	2016
Numerator:		
Net income available (loss attributable) to common stockholders	\$ 13,292	\$ (31,219)
Denominator:		
Shares used in computing net income available (loss attributable) per share to common stockholders, basic	110,765	106,619
Weighted-average effect of potentially dilutive shares to purchase common stock	5,633	—
Shares used in computing net income available (loss attributable) per share to common stockholders, diluted	116,398	106,619
Net income available (loss attributable) per share to common stockholders:		
Basic	\$ 0.12	\$ (0.29)
Diluted	\$ 0.11	\$ (0.29)

For the three months ended March 31, 2017, 0.8 million shares were excluded from the dilutive share calculations as the effect on net income per share would have been anti-dilutive. For the three months ended March 31, 2016, the Company incurred a net loss attributable to common stockholders. As such, the potentially dilutive shares were anti-dilutive and were not considered in the weighted-average number of common shares outstanding for the period.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements

This section should be read in conjunction with our unaudited condensed consolidated financial statements and related notes included in Part 1, Item 1 of this report. This discussion contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are identified by words such as “believe,” “anticipate,” “expect,” “intend,” “plan,” “will,” “may,” “seek” and other similar expressions. You should read these statements carefully because they discuss future expectations, contain projections of future results of operations or financial condition or state other “forward-looking” information. These statements relate to our future plans, objectives, expectations, intentions and financial performance and the assumptions that underlie these statements.

These forward-looking statements include, but are not limited to:

- federal, state and local regulations and policies governing the electric utility industry;
- the regulatory regime for our offerings and for third-party owned solar energy systems;
- technical limitations imposed by operators of the power grid;
- the continuation of tax rebates, credits and incentives, including changes to the rates of the investment tax credit, or ITC, beginning in 2020;
- the price of utility-generated electricity and electricity from other sources;
- our ability to finance the installation of solar energy systems;
- our ability to efficiently install and interconnect solar energy systems to the power grid;
- our ability to manage growth, product offering mix and costs;
- our ability to further penetrate existing markets and expand into new markets;
- our ability to develop new product offerings and distribution channels;
- our ability to increase solar energy system sales;
- our relationship with our sister company Vivint, Inc., or Vivint, and The Blackstone Group L.P., our Sponsor;
- our ability to manage our supply chain;
- the cost of solar panels and the residual value of solar panels after the expiration of our customer contracts;
- the course and outcome of litigation and other disputes; and
- our ability to maintain our brand and protect our intellectual property;

In combination with the risk factors we have identified, we cannot assure you that the forward-looking statements in this report will prove to be accurate. Further, if our forward-looking statements prove to be inaccurate, the inaccuracy may be material. In light of the significant uncertainties in these forward-looking statements, you should not regard these statements as a representation or warranty by us or any other person that we will achieve our objectives and plans in any specified time frame, or at all, or as predictions of future events. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Overview

We primarily offer distributed solar energy — electricity generated by a solar energy system installed at or near customers’ locations — to residential customers, typically through a customer-focused and neighborhood-driven direct-to-home sales model. We believe we are disrupting the traditional electricity market by satisfying customers’ demand for increased energy independence and less expensive, more socially responsible electricity generation. As a result, we primarily compete with traditional utilities in the markets we serve, and our strategy is to price the energy we sell below prevailing retail electricity rates. The price our customers pay to buy energy from us varies depending on the state where the customer is located, the impact of the local traditional utility, customer price sensitivity, the availability of incentives and rebates, the need to offer a compelling financial benefit and the price other solar energy companies charge in the region. We also compete with distributed solar energy system providers for solar energy system sales on the basis of price, service and availability of financing options.

Our primary product offering includes the following:

- *Power Purchase Agreements.* Under power purchase agreements, or PPAs, we charge customers a fee per kilowatt hour based on the electricity production of the solar energy system, which is billed monthly. PPAs typically have a term of 20 years and are subject to an annual price escalator of 2.9%. Over the term of the PPA, we operate the system and agree to maintain it in good condition. Customers who buy energy from us under PPAs are covered by our workmanship warranty equal to the length of the term of these agreements.
- *Legal-form Leases.* Under legal-form leases, or Solar Leases, we charge customers a fixed monthly payment to lease the solar energy system, which is based on a calculation that accounts for expected solar energy generation. Solar Leases typically have a term of 20 years and are subject to an annual price escalator of 2.9%. We provide our Solar Lease customers a performance guarantee, under which we agree to refund certain payments to the customer if the solar energy system does not meet the guaranteed production level in the prior 12-month period. Over the term of the Solar Lease, we operate the system and agree to maintain it in good condition. Customers who buy energy from us under Solar Leases are covered by our workmanship warranty equal to the length of the term of these agreements.
- *Solar Energy System Sales.* Under solar energy system sales, or System Sales, we offer our customers the option to purchase solar energy systems for cash or through third-party financing. The price for these contracts is determined as a function of the respective market rate and the size of the solar energy system to be installed. Under certain loan products, customers can additionally contract with us for certain structural upgrades in connection with the installation of a solar energy system. System Sales are becoming an increasingly significant portion of our business and we believe they are more advantageous to us as they provide more immediate access to cash.

Of the 45.8 megawatts installed in the three months ended March 31, 2017, approximately 77% were installed under PPAs, 4% were installed under Solar Leases and 19% were installed under System Sales.

In 2016, we began adjusting our installation policies and pricing. We have become more selective in our installation policies to increase incremental value by limiting the installation of smaller system sizes and limiting installations on certain roof types. We have also changed our pricing in certain markets to increase returns on investment. We continue to evaluate and make adjustments to our installation policies as our processes become more efficient and power rates increase. We also continue to evaluate pricing to optimize our use of capital based on market conditions and utility rates.

Our ability to offer long-term customer contracts depends in part on our ability to finance the installation of the solar energy systems by co-investing or entering into lease arrangements with fund investors who value the resulting customer receivables and investment tax credits, accelerated tax depreciation and other incentives related to the solar energy systems through structured investments known as “tax equity.” Tax equity investments are generally structured as non-recourse project financings. In the context of the distributed solar energy market, tax equity investors make an upfront advance payment to a sponsor through an investment fund in exchange for a share of the tax attributes and cash flows emanating from an underlying portfolio of solar energy systems. In these tax equity investments, the U.S. federal tax attributes offset taxes that otherwise would have been payable on the investors’ other operations. The terms and conditions of each investment fund vary significantly by investor and by fund. We continue to negotiate with financial investors to create additional investment funds.

With one exception, our investment funds have adopted the partnership or inverted lease structures. Under partnership structures, we and our fund investors contribute cash into a partnership company. The partnership uses this cash to acquire solar energy systems developed by us and sells energy from such systems to customers or directly leases the solar energy systems to customers. Under our existing inverted lease structures, we and the fund investor set up a multi-tiered investment vehicle, comprised of two partnership entities, that facilitates the pass through of the tax benefits to the fund investors. In this structure, we contribute solar energy systems to a lessor partnership entity in exchange for interests in the lessor partnership and the fund investors contribute cash to a lessee partnership in exchange for interests in the lessee partnership which in turn makes an investment in the lessor partnership entity in exchange for interests in the lessor partnership. The lessor partnership distributes the cash contributions received from the lessee partnership to our wholly owned subsidiary that contributed the projects to the lessor partnership. The lessor partnership leases the contributed solar energy systems to the lessee partnership under a master lease, and the lessee partnership pays the lessor partnership rent for those systems.

We have determined that we are the primary beneficiary in these partnership and in verted lease structures for accounting purposes. Accordingly, we consolidate the assets and liabilities and operating results of these partnerships i n our condensed consolidated financial statements. We recognize the fund investors' share of the net assets of the investment funds as non-controlling interests and redeemable non-controlling interests in our condensed consolidated balance sheets. These in come or loss allocations, reflected on our condensed consolidated statements of operations, may create significant volatility in our reported results of operations, including potentially changing net income available (loss attributable) to common stockhold ers from income to loss, or vice versa, from quarter to quarter.

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. These estimates 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, these estimates are based on a combination of assumptions that may not prove to be accurate over time, particularly given that a number of them involve estimates of cash flows up to 30 years in the future. Underperformance of the solar energy systems, payment defaults by our customers, cancellation of signed contracts, competition from other distributed solar energy companies, development in the distributed solar energy market and the energy market more broadly, technical innovation or other factors described under the section of this report captioned "Risk Factors" could cause our actual results to differ materially from our calculations. Furthermore, while we believe we have calculated these key metrics in a manner consistent with those used by others in our industry, other companies may in fact calculate these metrics differently than we do now or in the future, which would reduce their usefulness as a comparative measure.

- *Solar energy system installations* . Solar energy system installations represents the number of solar energy systems installed on customers' premises. Cumulative solar energy system installations represents the aggregate number of solar energy systems that have been installed on customers' premises. We track the number of solar energy system installations as of the end of a given period as an indicator of our historical growth and as an indicator of our rate of growth from period to period.
- *Megawatts installed* . Megawatts installed represents the aggregate megawatt nameplate capacity of solar energy systems for which panels, inverters, and mounting and racking hardware have been installed on customer premises in the period. Cumulative megawatts installed represents the aggregate megawatt nameplate capacity of solar energy systems for which panels, inverters, and mounting and racking hardware have been installed on customer premises.
- *Estimated nominal contracted payments remaining* . Estimated nominal contracted payments remaining equals the sum of the remaining cash payments that our customers are expected to pay over the term of their PPAs or Solar Leases with us for systems installed as of the measurement date. For a PPA, we multiply the contract price per kilowatt-hour by the estimated annual energy output of the associated solar energy system to determine the estimated nominal contracted payments. For a Solar Lease, we include the monthly fees and upfront fee, if any, as set forth in the lease.
- *Estimated retained value* . Estimated retained value represents the net cash flows discounted at 6% that we expect to receive from customers pursuant to PPAs and Solar Leases net of estimated cash distributions to fund investors and estimated operating expenses for systems installed as of the measurement date.
- *Estimated retained value under energy contracts* . Estimated retained value under energy contracts represents the estimated retained value from the solar energy systems during the typical 20-year term of our PPAs and Solar Leases.
- *Estimated retained value of renewal* . Estimated retained value of renewal represents the estimated retained value associated with an assumed 10-year renewal term following the expiration of the initial PPA or Solar Lease term. To calculate estimated retained value of renewal, we assume all PPAs and Solar Leases are renewed at 90% of the contractual price in effect at the expiration of the initial term.
- *Estimated retained value per watt* . Estimated retained value per watt is calculated by dividing the estimated retained value as of the measurement date by the aggregate nameplate capacity of solar energy systems under PPAs and Solar Leases that have been installed as of such date, and is subject to the same assumptions and uncertainties as estimated retained value.

	Three Months Ended March 31,	
	2017	2016
Solar energy system installations	6,581	7,704
Megawatts installed	45.8	54.9
	March 31, 2017	December 31, 2016
Cumulative solar energy system installations	106,179	99,598
Cumulative megawatts installed	726.9	681.1
Estimated nominal contracted payments remaining (in millions)	\$ 2,691.9	\$ 2,568.6
Estimated retained value under energy contracts (in millions)	\$ 1,068.3	\$ 1,015.1
Estimated retained value of renewal (in millions)	\$ 317.4	\$ 299.4
Estimated retained value (in millions)	\$ 1,385.7	\$ 1,314.5
Estimated retained value per watt	\$ 1.97	\$ 1.98

Seasonality

We experience seasonal fluctuations in our operations. For example, the amount of revenue we recognize in a given period from PPAs is dependent in part on the amount of energy generated by solar energy systems under such contracts. As a result, operating leases and incentives revenue is impacted by seasonally shorter daylight hours in winter months. In addition, our ability to install solar energy systems is impacted by weather. For example, we have limited ability to install solar energy systems during the winter months in the Northeastern United States and other areas where winter weather is impactful. Such delays can impact the timing of when we can install and begin to generate revenue from solar energy systems. However, the true extent of these fluctuations may have been masked by our historical growth rates and thus may not be readily apparent from our historical operating results and may be difficult to predict. As such, our historical operating results may not be indicative of future performance.

Critical Accounting Policies and Estimates

Our discussion and analysis of our financial condition and results of operations are based on our condensed consolidated financial statements, which have been prepared in accordance with generally accepted accounting principles in the United States, or GAAP. GAAP requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenue, expenses, cash flows and related footnote disclosures. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. Actual results may differ from these estimates. Our future condensed consolidated financial statements will be affected to the extent that our actual results materially differ from these estimates.

We believe that the assumptions and estimates associated with our principles of consolidation; ITCs; revenue recognition; solar energy systems, net; the impairment analysis of long-lived assets; stock-based compensation; the provision for income taxes; the valuation of derivative financial instruments; the recognition and measurement of loss contingencies; and non-controlling interests and redeemable non-controlling interests have the greatest potential impact on our condensed consolidated financial statements. Therefore, we consider these to be our critical accounting policies and estimates.

During the three months ended March 31, 2017, we adopted Accounting Standards Update, or ASU, 2016-09, and ASU 2015-11. ASU 2016-09 simplifies several aspects of the accounting for share-based payment transactions. The adoption of ASU 2016-09 resulted in a net \$1.2 million reduction to retained earnings as of January 1, 2017. ASU 2015-11 changes the measurement principle for inventories valued under the first-in, first-out or weighted-average methods from lower of cost or market to the lower of cost or net realizable value. We adopted ASU 2015-11 prospectively and no prior periods were adjusted. See Note 2—Summary of Significant Accounting Policies for additional details on these ASUs.

There have been no other material changes to our critical accounting policies and estimates during the three months ended March 31, 2017 from those disclosed in our annual report on Form 10-K for the year ended December 31, 2016.

Components of Results of Operations

Revenue

We classify and account for our PPAs as operating leases, and recognize revenue from these contracts based on the actual amount of power generated at rates specified under the contracts. We also offer Solar Leases, which include performance guarantees. Depending on the level of the guarantee, we either recognize revenue based on the amount of power generated at rates specified under the contracts and establish a reserve for those lease contracts for which we may have to make a payment at the end of each year to the customer if the solar energy systems do not meet a guaranteed production level in the prior 12-month period; or we treat as an operating lease and recognize revenue on a straight-line basis over the lease term. We also offer System Sales. Revenue for System Sales is recognized when systems are interconnected to local power grids and granted permission to operate, assuming all other revenue recognition criteria are met.

One of our investment funds is structured as a lease pass-through fund arrangement. Under the agreement, we contributed solar energy systems and the investor made large upfront payments to one of our wholly owned subsidiaries and is obligated to make subsequent periodic payments. We allocated a portion of the aggregate payments received from the fund investor to the estimated fair value of assigned ITCs, and the balance to the future customer lease payments that are also assigned to the investor. The fair value of the ITCs was estimated by multiplying the ITC rate of 30% by the fair value of the systems that were sold to the lease pass-through fund. The fair value of the systems was determined by independent appraisals. Our subsidiary has an obligation to ensure the solar energy systems are in service and operational for a term of five years to avoid any recapture of the ITCs. Accordingly, we recognize revenue as the recapture provisions lapse assuming all other revenue recognition criteria have been met. The amounts allocated to the ITCs are initially recorded as deferred revenue in the consolidated balance sheet, and subsequently, one-fifth of the amounts allocated to the ITCs is recognized as revenue from operating leases and solar energy systems incentives in the consolidated statements of operations based on the anniversary of each solar energy system's placed in service date.

We consider the proceeds from solar energy system rebate incentives offered by certain state and local governments to form part of the payments under our operating leases and recognize such payments as revenue over the contract term. We record revenue from our operating leases over the term of our long-term customer contracts, which is typically 20 years. Less than 1% of our revenue was attributable to state and local rebates and incentives in all periods presented. We also apply for and receive SRECs in certain jurisdictions for power generated by our solar energy systems under long-term customer contracts. We generally recognize revenue related to the sale of SRECs upon delivery. The market for SRECs is extremely volatile and sellers are often able to obtain better unit pricing by selling a large quantity of SRECs. As a result, we may sell SRECs infrequently, at opportune times and in large quantities and the timing and volume of our SREC sales may lead to fluctuations in our quarterly results. We also recognize revenue related to the sale of photovoltaic installation devices and software products and follow respective revenue recognition guidance for these sales.

The following table sets forth our revenue by major product (in thousands):

	Three Months Ended	
	March 31,	
	2017	2016
Revenue:		
Operating leases and other incentives	\$ 19,406	\$ 13,070
SREC sales	8,602	3,508
ITC revenue	2,381	—
Total operating leases and incentives	30,389	16,578
System sales	22,215	120
Photovoltaic installation devices and software products	510	532
Total solar energy system and product sales	22,725	652
Total revenue	\$ 53,114	\$ 17,230

Operating Expenses

Cost of Revenue. Cost of operating leases and incentives includes the depreciation of the cost of solar energy systems under long-term customer contracts, which are depreciated for accounting purposes over 30 years; and the amortization of the related capitalized initial direct costs, which are amortized over the term of the long-term customer contract. It also includes allocated indirect material and labor costs related to the processing; account creation; design; installation; interconnection and servicing of solar energy systems that are not capitalized, such as personnel costs not directly associated to a solar energy system installation; warehouse rent and utilities; and fleet vehicle executory costs. The cost of revenue for the sales of SRECs is limited to broker fees which are paid in connection with certain SREC transactions. We expect the cost of operating leases and incentives to increase in absolute dollars in 2017 compared to 2016 primarily due to depreciation associated with additional solar energy systems being placed in service.

Cost of solar energy system and product sales consists of direct and allocated indirect material and labor costs and overhead costs for System Sales, photovoltaic installation devices and software products and structural upgrades. Indirect material and labor costs are ratably allocated to System Sales and include costs related to the processing; account creation; design; installation; interconnection and servicing of solar energy systems that are not capitalized, such as personnel costs not directly associated to a solar energy system installation; warehouse rent and utilities; and fleet vehicle executory costs. Costs of solar energy system sales are recognized in conjunction with the related revenue upon the solar energy system passing an inspection by the responsible governmental department after completion of system installation and interconnection to the power grid, assuming all other revenue recognition criteria are met. We expect the cost of solar energy system and product sales to increase in absolute dollars in 2017 compared to 2016 due to increased volume of System Sales.

Sales and Marketing Expenses. Sales and marketing expenses include personnel costs, such as salaries, benefits, bonuses and stock-based compensation for our corporate sales and marketing employees and exclude costs related to our direct sales personnel that are accounted for as cost of revenue. Sales and marketing expenses also include advertising, promotional and other marketing-related expenses; certain allocated corporate overhead costs related to facilities and information technology; travel; professional services and costs related to pre-installation sales activities. We expect sales and marketing expenses to remain consistent in absolute dollars in 2017 compared to 2016.

Research and Development. Research and development expense is comprised primarily of salaries and benefits and other costs related to the development of photovoltaic installation devices, other solar technologies and software products. Research and development costs are charged to expense when incurred. We expect research and development expenses to remain consistent in absolute dollars in 2017 compared to 2016.

General and Administrative Expenses. General and administrative expenses include personnel costs, such as salaries, bonuses and stock-based compensation related to our general and administrative personnel; professional fees related to legal, human resources, accounting and structured finance services; travel; and allocated facilities and information technology costs. Our financial results have included charges for the use of services provided by Vivint. These costs were based on the actual cost incurred by Vivint without mark-up. The charges to us may not be representative of what the costs would have been had we operated separately from Vivint during the periods presented; however, we believe the amounts charged are representative of the incremental cost to Vivint to provide these services to us. We continue to use certain information and technology resources and systems administered by Vivint as of March 31, 2017, though our usage continues to decline. We expect general and administrative expenses to increase in absolute dollars in 2017 compared to 2016.

Amortization of Intangible Assets. We have recorded intangible assets at their fair value related to acquisitions in which we have been involved and at cost for internally developed software projects. Such intangible assets are amortized over their estimated useful lives.

Impairment of Goodwill. In conjunction with the acquisition by SunEdison failing to occur, our market capitalization decreased significantly during the first quarter of 2016, from \$1.0 billion as of December 31, 2015 to \$283.0 million as of March 31, 2016. We considered this significant decrease in market capitalization to be an indicator of goodwill impairment, and we performed a test for potential impairment as of March 31, 2016. The completion of the impairment test resulted in the determination that our goodwill balance of \$36.6 million was fully impaired. See Note 7—Intangible Assets and Goodwill.

Non-Operating Expenses

Interest Expense. Interest expense primarily consists of the interest charges associated with our indebtedness including the amortization of debt issuance costs and the interest component of capital lease obligations not included in solar energy systems. We expect interest expense to be higher in absolute dollars in 2017 compared to 2016 as we have incurred additional indebtedness. Additionally, all but one of our debt facilities accrue interest at floating rates and increases in those floating rates would result in higher interest expense.

Other Expense, net. Other expense, net primarily includes changes in fair value for the ineffective portion of our cash flow hedge and other interest rate swaps.

Income Tax Expense. All of our business is conducted in the United States, and therefore income tax expense (benefit) consists of current and deferred income taxes incurred in U.S federal, state and local jurisdictions.

Net Income Available (Loss Attributable) to Common Stockholders

We determine the net income available (loss attributable) to common stockholders by deducting from net loss the net loss attributable to non-controlling interests and redeemable non-controlling interests. The net loss attributable to non-controlling interests and redeemable non-controlling interests represents the investment fund investors' allocable share in the results of operations of the investment funds that we consolidate. Generally, gains and losses that are allocated to the fund investors under the hypothetical liquidation at book value, or HLBV, method relate to hypothetical liquidation gains and losses resulting from differences between the net assets of the investment fund and the partners' respective tax capital accounts in the investment fund. As of March 31, 2017, we had one operational investment fund that did not utilize the HLBV method to allocate gains and losses as we own 100% of the equity of that fund and there is no non-controlling interest attributable to a fund investor.

Results of Operations

The results of operations presented below should be reviewed in conjunction with the condensed consolidated financial statements and related notes included elsewhere in this report.

The following table sets forth selected condensed consolidated statements of operations data for each of the periods indicated:

	Three Months Ended	
	March 31,	
	2017	2016
	(In thousands)	
Revenue:		
Operating leases and incentives	\$ 30,389	\$ 16,578
Solar energy system and product sales	22,725	652
Total revenue	53,114	17,230
Operating expenses:		
Cost of revenue—operating leases and incentives	35,070	37,760
Cost of revenue—solar energy system and product sales	18,665	422
Sales and marketing	8,818	12,648
Research and development	896	1,232
General and administrative	20,579	22,920
Amortization of intangible assets	140	265
Impairment of goodwill	—	36,601
Total operating expenses	84,168	111,848
Loss from operations	(31,054)	(94,618)
Interest expense	14,721	5,765
Other expense, net	276	30
Loss before income taxes	(46,051)	(100,413)
Income tax expense	9,401	5,149
Net loss	(55,452)	(105,562)
Net loss attributable to non-controlling interests and redeemable non-controlling interests	(68,744)	(74,343)
Net income available (loss attributable) to common stockholders	\$ 13,292	\$ (31,219)

Comparison of Three Months Ended March 31, 2017 and 2016

Revenue

	Three Months Ended March 31,		\$ Change 2017 from 2016
	2017	2016	
(In thousands)			
Revenue:			
Operating leases and incentives	\$ 30,389	\$ 16,578	\$ 13,811
Solar energy system and product sales	22,725	652	22,073
Total revenue	<u>\$ 53,114</u>	<u>\$ 17,230</u>	<u>\$ 35,884</u>

Operating Leases and Incentives. The \$13.8 million increase was due in part to a \$6.3 million increase in operating lease revenue as the total megawatts of solar energy systems placed in service under these long-term customer contracts increased 53%. In addition, SREC sales increased \$5.2 million primarily driven by the increased solar energy systems in service and revenue related to our lease pass-through fund arrangement increased \$2.4 million as deferred ITC revenue was recognized.

Solar Energy System and Product Sales. The \$22.1 million increase was primarily due to the increase in the volume of System Sales through cash and loan products in 2017.

Operating Expenses

	Three Months Ended March 31,		\$ Change 2017 from 2016
	2017	2016	
(In thousands)			
Operating expenses:			
Cost of revenue—operating leases and incentives	\$ 35,070	\$ 37,760	\$ (2,690)
Cost of revenue—solar energy system and product sales	18,665	422	18,243
Sales and marketing	8,818	12,648	(3,830)
Research and development	896	1,232	(336)
General and administrative	20,579	22,920	(2,341)
Amortization of intangible assets	140	265	(125)
Impairment of goodwill	—	36,601	(36,601)
Total operating expenses	<u>\$ 84,168</u>	<u>\$ 111,848</u>	<u>\$ (27,680)</u>

Cost of Revenue—Operating Leases and Incentives. The \$2.7 million decrease was due in part to a \$9.2 million decrease in compensation and benefits primarily due to a 20% decrease in installation and operations employee headcount. Additionally, warehouse, facility and information technology costs decreased \$1.4 million as we exited a number of facilities subsequent to the first quarter of 2016. These decreases were partially offset by a \$4.5 million increase in depreciation and amortization of solar energy systems, a \$2.9 million increase in system portfolio maintenance costs due to the increase in the number of solar energy systems placed in service and a \$0.7 million increase in system removal costs due to accrued and actual cancellations subsequent to installation.

Cost of Revenue—Solar Energy System and Product Sales. The \$18.2 million increase was primarily due to an increase in the volume of System Sales through cash and loan products in 2017.

Sales and Marketing Expense. The \$3.8 million decrease was primarily due to a \$1.7 million decrease in compensation and benefits resulting from increased efficiencies, a \$1.7 million decrease in marketing and brand awareness activities and a \$0.8 million decrease in pre-installation sales activities. These decreases were partially offset by a \$1.0 million increase in stock-based compensation expense primarily due to additional equity awards outstanding in 2017.

Research and Development Expense. The \$0.3 million decrease was primarily due to a 27% decrease in research and development employee headcount.

General and Administrative Expense. The \$2.3 million decrease was primarily due to a \$2.3 million decrease in legal and other costs related to the failed acquisition by SunEdison, a \$0.7 million decrease in insurance costs and a \$0.6 million decrease in facility and information technology costs. Additionally, a \$2.1 million fee was accrued in the first quarter of 2016 to terminate our commercial and industrial investment fund. These decreases were partially offset by a \$2.0 million increase in compensation and benefits primarily related to a 24% increase in general and administrative employee headcount driven by additional hiring in information technology and human resources and a \$1.4 million increase in stock-based compensation due to additional equity awards outstanding in 2017.

Impairment of Goodwill. An impairment charge of \$36.6 million was recorded in 2016 to write off the entire value of goodwill as it was deemed to be fully impaired as of March 31, 2016.

Non-Operating Expenses

	Three Months Ended March 31,		\$ Change 2017 from 2016
	2017	2016	
	(In thousands)		
Interest expense	\$ 14,721	\$ 5,765	\$ 8,956
Other expense, net	276	30	246

Interest Expense. Interest expense increased \$9.0 million primarily due to additional borrowings year over year.

Other Expense, net. The \$0.2 million increase in other expense was primarily due to net losses of \$0.3 million related to our derivative financial instruments that were recognized during 2017.

Income Taxes

	Three Months Ended March 31,		\$ Change 2017 from 2016
	2017	2016	
	(In thousands)		
Income tax expense	\$ 9,401	\$ 5,149	\$ 4,252

The \$4.3 million increase in income tax expense was primarily attributable to a tax-effected \$19.8 million reduced loss before income taxes. This increase in income tax expense was partially offset by tax-effected \$12.8 million associated with the goodwill impairment charge during 2016, a \$2.8 million increase in income tax credits and \$2.0 million associated with the net tax effect of non-controlling interests and redeemable non-controlling interests.

Net Loss Attributable to Non-Controlling Interests and Redeemable Non-Controlling Interests

	Three Months Ended March 31,		\$ Change 2017 from 2016
	2017	2016	
	(In thousands)		
Net loss attributable to non-controlling interests and redeemable non-controlling interests	\$ (68,744)	\$ (74,343)	\$ 5,599

Net loss attributable to non-controlling interests and redeemable non-controlling interests was allocated using the HLBV method. Generally, gains and losses that are allocated to the fund investors relate to hypothetical liquidation gains and losses resulting from differences between the net assets of the investment fund and the partners' respective tax capital accounts in the investment fund. Losses allocated to the fund investors are generally derived from the receipt of ITCs and tax depreciation under Internal Revenue Code Section 168(k). These tax benefits are primarily allocated to the investors and reduce the fund investors' tax capital account.

Liquidity and Capital Resources

As of March 31, 2017, we had cash and cash equivalents of \$150.5 million, which consisted principally of cash and time deposits with high-credit-quality financial institutions. As discussed in Note 10—Debt Obligations and Note 12—Investment Funds, we do not have full access to a portion of our cash and cash equivalents. We finance our operations primarily from investment fund arrangements that we have formed with fund investors, from borrowings and from cash inflows from operations. Our principal uses of cash are funding our operations, including the costs of acquisition and installation of solar energy systems, working capital requirements and the satisfaction of our obligations under our debt instruments. Our business model requires substantial outside financing arrangements to grow the business and facilitate the deployment of additional solar energy systems. While there can be no assurances, we anticipate raising additional required capital from new and existing fund investors, additional borrowings and other potential financing vehicles.

We may seek to raise financing through the sale of equity, equity-linked securities, additional borrowings or other financing vehicles. Additional equity or equity-linked financing may be dilutive to our stockholders. If we raise funding through additional borrowings, such borrowings would have rights that are senior to holders of our equity securities and could contain covenants that restrict our operations. We believe our cash and cash equivalents, including our investment fund commitments, projected investment fund contributions and our current debt facilities as further described below, in addition to financing that we may obtain from other sources, including our financial sponsors, will be sufficient to meet our anticipated cash needs for at least the next 12 months. However, if we are unable to secure additional financing when needed, or upon desirable terms, we may be unable to finance installation of our customers' systems in a manner consistent with our past performance, our cost of capital could increase, or we may be required to significantly reduce the scope of our operations, any of which would have a material adverse effect on our business, financial condition, results of operations and prospects. In addition, our investment funds and debt instruments impose restrictions on our ability to draw on financing commitments. If we are unable to satisfy such conditions, we may incur penalties for non-performance under certain investment funds, experience installation delays, or be unable to make installations in accordance with our plans or at all. Any of these factors could also impact customer satisfaction, our business, operating results, prospects and financial condition. While we believe additional financing is available and will continue to be available to support our current level of operations, we believe we have the ability and intent to reduce operations to the level of available financial resources for at least the next 12 months, if necessary.

Sources of Funds

Investment Fund Commitments

As of April 30, 2017, we have raised 20 residential investment funds to which investors such as banks and other large financial investors have committed to invest approximately \$1.3 billion, which will enable us to install solar energy systems of total fair market value approximating \$3.3 billion. The undrawn committed capital for these funds as of April 30, 2017 is approximately \$107.3 million, which includes approximately \$41.5 million in payments that will be received from fund investors upon interconnection to the respective power grid of solar energy systems that have already been allocated to investment funds. As of April 30, 2017, we had tax equity commitments to fund approximately 65 megawatts of future deployments, which we estimate to be sufficient to fund solar energy systems with a total fair market value of approximately \$251.1 million.

Debt Instruments

Debt obligations consisted of the following as of March 31, 2017 (in thousands, except interest rates):

	Principal Borrowings Outstanding	Unused Borrowing Capacity	Interest Rate	Maturity Date
2017 Term loan facility	\$ 203,750	\$ —	6.0%	January 2035
2016 Term loan facility (1)	296,761	—	3.8	August 2021
Subordinated HoldCo facility	199,125	—	9.0	March 2020
Credit agreement	1,307	—	6.5	February 2023
Revolving lines of credit				
Aggregation facility (2)	47,000	328,000	4.2	September 2020
Working capital facility (3)	136,500	—	4.0	March 2020
Total debt	<u>\$ 884,443</u>	<u>\$ 328,000</u>		

- (1) The interest rate of this facility is partially hedged to an effective interest rate of 4.0% for \$270.0 million of the principal borrowings. See Note 11—Derivative Financial Instruments.
- (2) The Aggregation facility was amended in March 2017. See Note 10—Debt Obligations.
- (3) Facility is recourse debt, which refers to debt that is collateralized by our general assets. All of our other debt obligations are non-recourse, which refers to debt that is only collateralized by specified assets or our subsidiaries.

See Note 10—Debt Obligations for additional details regarding the debt facilities outstanding at March 31, 2017.

Revenue from Operations

In the three months ended March 31, 2017, we generated \$30.4 million in revenue from operating leases and incentives, which approximates cash inflow with the exception of \$2.4 million of operating lease revenue related to ITCs in our lease pass-through fund. Cash related to our solar energy systems sales is generally received prior to revenue recognition and during the three months ended March 31, 2017, we received \$26.0 million related to system sales. The cash from our revenue partially offsets the cash used in operations for the period.

Uses of Funds

Our principal uses of cash are funding our operations, including the costs of acquisition and installation of solar energy systems, satisfaction of our obligations under our debt instruments and other working capital requirements. From time to time, we also reimburse portions of fund investors' capital as a result of delays in the installation process and interconnection to the power grid of solar energy systems and other factors. We expect our capital expenditures to continue to increase as we continue to grow our business. We will need to raise financing to support our operations, and such financing may not be available to us on acceptable terms, or at all.

Historical Cash Flows

The following table summarizes our cash flows for the periods indicated:

	Three Months Ended	
	March 31,	
	2017	2016
	(In thousands)	
Net cash provided by (used in):		
Operating activities	\$ 3,398	\$ (60,489)
Investing activities	(95,004)	(110,993)
Financing activities	145,497	166,433
Net increase (decrease) in cash and cash equivalents	<u>\$ 53,891</u>	<u>\$ (5,049)</u>

Operating Activities

In the three months ended March 31, 2017, we had a net cash inflow from operations of \$3.4 million. This inflow was primarily due to a \$36.1 million noncash adjustment for deferred income taxes, a \$31.2 million cash tax refund and a \$14.2 million noncash adjustment for depreciation and amortization. These inflows were partially offset by a \$55.5 million net loss and a \$24.2 million increase in prepaid tax assets.

Investing Activities

In the three months ended March 31, 2017, we used \$95.0 million in investing activities primarily due to \$75.1 million in costs associated with the design, acquisition and installation of solar energy systems and a \$19.8 million increase to the balance in restricted cash and cash equivalents due to the requirements of the 2017 Term Loan Facility.

Financing Activities

In the three months ended March 31, 2017, we generated \$145.5 million from financing activities, of which \$253.8 million was received in proceeds from long-term debt and \$58.6 million was received in proceeds from investments by non-controlling interests and redeemable non-controlling interests into our investment funds. These proceeds were partially offset by repayments of long-term debt of \$141.2 million, distributions to non-controlling interests and redeemable non-controlling interests of \$15.0 million, and payments for debt issuance costs and capital lease obligations of \$11.6 million.

Contractual Obligations

Our contractual commitments and obligations as of December 31, 2016 are laid out in the following table. Changes that have occurred during the three months ended March 31, 2017 are included in the footnotes to the table.

	Payments Due by Period				Total
	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years	
	(In thousands)				
Long-term debt (1)	\$ 6,469	\$ 200,263	\$ 563,856	\$ 1,264	\$ 771,852
Interest payments related to long-term debt (2)	37,777	60,826	23,122	175	121,900
Distributions payable to non-controlling interests and redeemable non-controlling interests (3)	16,176	—	—	—	16,176
Capital lease obligations and interest	5,751	5,358	477	—	11,586
Operating lease obligations	12,171	14,098	16,079	82,193	124,541
Total	<u>\$ 78,344</u>	<u>\$ 280,545</u>	<u>\$ 603,534</u>	<u>\$ 83,632</u>	<u>\$ 1,046,055</u>

- (1) Does not include additional borrowings and repayments during the three months ended March 31, 2017, which resulted in a net \$112.6 million increase in principal borrowings. These borrowings included the following activity: under the 2017 Term Loan Facility maturing in January 2035, we incurred \$203.8 million of principal borrowings; under the Subordinated HoldCo Facility maturing in March 2020, we incurred \$49.6 million in principal borrowings; under the Aggregation Facility, amended in March 2017 to mature in September 2020, we reduced principal borrowings by a net \$140.0 million; and under the 2016 Term Loan Facility maturing in August 2021, we reduced principal borrowings by \$0.8 million. For additional information, see Note 10—Debt Obligations.
- (2) Does not include increases in interest payments related to changes in long-term debt during the three months ended March 31, 2017, which for payments due in less than one year increased \$7.9 million, payments due in one to three years increased \$35.1 million, payments due in three to five years increased \$23.7 million and payments due in more than five years increased \$80.6 million.
- (3) During the three months ended March 31, 2017, distributions payable to non-controlling interests and redeemable non-controlling interests decreased by \$10.2 million.

Off-Balance Sheet Arrangements

We include in our condensed consolidated financial statements all assets and liabilities and results of operations of investment fund arrangements that we have entered into. We do not have any off-balance sheet arrangements.

Recent Accounting Pronouncements

For a description of recent accounting pronouncements that we are evaluating, see Note 2—Summary of Significant Accounting Policies.

Emerging Growth Company Status

Section 107 of the JOBS Act provides that an “emerging growth company” can take advantage of the extended transition period provided in Section 7(a)(2) (B) of the Securities Act for complying with new or revised accounting standards. In other words, an “emerging growth company” can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have irrevocably elected not to avail ourselves of this exemption from new or revised accounting standards and, therefore, we will be subject to the same new or revised accounting standards as other public companies that are not “emerging growth companies.”

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Our exposure to market risk for changes in interest rates relates primarily to our cash and cash equivalents and our indebtedness.

As of March 31, 2017, we had cash and cash equivalents of \$150.5 million. Our cash equivalents are time deposits with maturities of three months or less at the time of purchase. Our primary exposure to market risk on these funds is interest income sensitivity, which is affected by changes in the general level of the interest rates in the United States. However, because of the short-term nature of the instruments in our portfolio, a sudden change in market interest rates would not be expected to have a material impact on our condensed consolidated financial statements.

As of March 31, 2017, interest on our floating-rate debt facilities accrued at a weighted-average rate of approximately 6.4%. A hypothetical 10% increase in the interest rates on our floating-rate debt facilities would have increased our interest expense by approximately \$0.7 million for the three months ended March 31, 2017.

All of our operations are in the United States and all purchases of our solar energy system components are denominated in U.S. dollars. However, our suppliers often incur a significant amount of their costs by purchasing raw materials and generating operating expenses in foreign currencies. If the value of the U.S. dollar depreciates significantly or for a prolonged period of time against these currencies, our suppliers may raise the prices they charge us, which could harm our financial results.

Item 4. Controls and Procedures

Internal Control Over Financial Reporting

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our chief executive officer and chief financial officer, evaluated the effectiveness of our disclosure controls and procedures as of March 31, 2017 pursuant to Rule 13a-15 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). The term “disclosure controls and procedures,” as defined in Rules 13a-15(e) and 15d-15(e) 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, as appropriate to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Based on the evaluation of our disclosure controls and procedures, our chief executive officer and chief financial officer concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of March 31, 2017.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during the three months ended March 31, 2017 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

For a list of our current legal proceedings, see Note 17—Commitments and Contingencies.

Item 1A. Risk Factors

You should carefully consider the following risk factors, together with all of the other information included in this report, including the section of this report captioned “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our financial statements and related notes. If any of the following risks occurred, it could materially adversely affect our business, financial condition or operating results. This report also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of factors that are described below and elsewhere in this report.

Risk Related to our Business

We need to enter into substantial additional financing arrangements to facilitate new customers’ access to our solar energy systems, and if financing is not available to us on acceptable terms when needed, our ability to continue to grow our business would be materially adversely impacted.

Our future success depends primarily on our ability to raise capital from third-party investors and commercial sources, such as banks and other lenders, on competitive terms to help finance the deployment of our solar energy systems. We seek to minimize our cost of capital in order to maintain the price competitiveness of the electricity produced by, the lease payments for and the cost of our solar energy systems. We rely on investment funds in order to provide solar energy systems with little to no upfront costs to our customers under our PPAs and Solar Leases. We also rely on access to capital to cover the costs of our solar energy systems that are sold outright until the systems are installed by us and then paid for by our customers, whether by cash or through third-party financing arrangements. If we are unable to establish new financing when needed, or upon desirable terms, to enable our customers’ access to our solar energy systems, we may be unable to finance installation of our customers’ systems, our cost of capital could increase or our liquidity could be constrained, any of which would have a material adverse effect on our business, financial condition, results of operations and prospects. As of April 30, 2017, we had raised 20 investment funds to which investors such as banks and other large financial investors have committed to invest approximately \$1.3 billion, which will enable us to install solar energy systems of total fair market value approximating \$3.3 billion. As of April 30, 2017, we had remaining residential tax equity commitments to fund approximately 65 megawatts of future deployments, which we estimate to be sufficient to fund solar energy systems with a total fair market value of approximately \$251.1 million.

The contract terms in certain of our investment fund documents impose conditions on our ability to draw on financing commitments from the fund investors, including if an event occurs that could reasonably be expected to have a material adverse effect on the fund or on us. If we do not satisfy such conditions due to events related to our business or a specific investment fund or developments in our industry or otherwise, and as a result we are unable to draw on existing commitments, our inability to draw on such commitments could have a material adverse effect on our business, liquidity, financial condition and prospects. In addition to our inability to draw on the investors’ commitments, we may incur financial penalties for non-performance, including delays in the installation process and interconnection to the power grid of solar energy systems and other factors. Based on the terms of the investment fund agreements, we will either reimburse a portion of the fund investor’s capital or pay the fund investor a non-performance fee. For example, during the year ended December 31, 2016 and the three months ended March 31, 2017, we paid contractually agreed upon capital distributions of \$2.7 million and \$7.4 million to reimburse fund investors a portion of their capital contributions primarily due to a delay in solar energy systems being interconnected to the power grid and other factors.

To meet the capital needs of our growing business, we will need to obtain additional financing from new investors and investors with whom we currently have arrangements. If any of the financial institutions that currently provide financing decide not to invest in the future due to general market conditions, concerns about our business or prospects or any other reason, or decide to invest at levels that are inadequate to support our anticipated needs or materially change the terms under which they are willing to provide future financing, we will need to identify new financial institutions and companies to provide financing and negotiate new financing terms. If we are unable to raise additional capital in a timely manner, our ability to meet our capital needs and fund future growth may be limited.

In the past, we have sometimes been unable to timely establish investment funds in accordance with our plans, due in part to the relatively limited number of investors attracted to such types of funds, competition for such capital and the complexity associated with negotiating the agreements with respect to such funds. Delays in raising financing could cause us to delay expanding in existing markets or entering into new markets and hiring additional personnel in support of our planned growth. Any future delays in capital raising could similarly cause us to delay deployment of a substantial number of solar energy systems for which we have signed PPAs or Solar Leases with customers. Our future ability to obtain additional financing depends on banks' and other financing sources' continued confidence in our business model and the renewable energy industry as a whole. It could also be impacted by the liquidity needs of such financing sources themselves. We face intense competition from a variety of other companies, technologies and financing structures for such limited investment capital. 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 to us on terms that are less favorable than those received by our competitors. For example, if we experience higher customer default rates than we currently experience in our existing investment funds, this could make it more difficult or costly to attract future financing. In our experience, there are a relatively small number of investors that generate sufficient profits and possess the requisite financial sophistication that can benefit from and have significant demand for the tax benefits that our investment funds can provide. Historically, in the distributed solar energy industry, investors have typically been large financial institutions and a few large, profitable corporations. Our ability to raise investment funds is limited by the relatively small number of such investors. Any inability to secure financing could lead us to cancel planned installations, could impair our ability to accept new customers and could increase our borrowing costs, any of which would have a material adverse effect on our business, financial condition, results of operations and prospects.

A material reduction in the retail price of traditional utility-generated electricity or electricity from other sources or other reduction in the cost of such electricity would harm our business, financial condition, results of operations and prospects.

We believe that a significant number of our customers decide to buy solar energy because they want to pay less for electricity than what is offered by the traditional utilities. However, distributed residential solar energy has yet to achieve broad market adoption.

The customer's decision to choose solar energy may also be affected by the cost of other renewable energy sources. Decreases in the retail prices of electricity from the traditional utilities or from other renewable energy sources would harm our ability to offer competitive pricing and could harm our business. The cost of electricity from traditional utilities could decrease as a result of:

- construction of new power generation plants, including plants utilizing natural gas, nuclear, coal, renewable energy or other generation technologies;
- the construction of additional electric transmission and distribution lines;
- relief of transmission constraints that enable local centers to generate energy less expensively;
- reductions in the price of natural gas or other fuel sources;
- utility rate adjustment and customer class cost reallocation;
- energy conservation technologies and public initiatives to reduce electricity consumption;
- widespread deployment of existing or development of new or lower-cost energy storage technologies that have the ability to reduce a customer's average cost of electricity by shifting load to off-peak times;
- reduced regulations by federal or state regulatory bodies that lower the cost of generating and transmitting electricity or otherwise reduce regulatory compliance costs; and
- development of new energy generation technologies that provide less expensive energy.

A reduction in utility electricity costs would make PPAs or Solar Leases less economically attractive on a monthly basis, and would increase the time to break-even for our Solar Sales customers. If the cost of energy available from traditional utilities were to decrease due to any of these reasons, or other reasons, we would be at a competitive disadvantage, we may be unable to attract new customers and our growth would be limited. In addition, in the third quarter of 2016, we increased pricing in certain markets which may negatively impact our competitiveness.

Electric utility industry policies and regulations may present technical, regulatory and economic barriers to the purchase and use of solar energy systems that may significantly reduce demand for electricity from our solar energy systems.

Federal, state and local government regulations and policies concerning the electric utility industry, utility rate structures, interconnection procedures, and internal policies of electric utilities, heavily influence the market for electricity generation products and services. These regulations and policies often relate to electricity pricing and the interconnection of distributed electricity generation systems to the power grid. Policies and regulations that promote renewable energy and customer-sited energy generation have been challenged by traditional utilities and questioned by those in government and others arguing for less governmental spending and involvement in the energy market. In addition, it is unclear what, if any, actions the new presidential administration in the United States may take regarding existing regulations and policies that place limitations on coal and gas electric generations, mining and exploration. Changes in such policies and regulations could increase the cost or decrease the benefits of solar energy systems, or reduce costs and other limitations on competing forms of generation, and adversely affect our results of operations, cost of capital and growth prospects.

In the United States, governments and the state public service commissions that determine utility rates continuously modify these regulations and policies. These regulations and policies could result in a significant reduction in the potential demand for electricity from our solar energy systems and could deter customers from entering into contracts with us. In addition, depending on the region, electricity generated by solar energy systems competes most effectively with the most expensive retail rates for electricity from the power grid, rather than the less expensive average price of electricity. Modifications to the utilities' peak hour pricing policies or rate design, such as to a flat rate, would make our current products less competitive with the price of electricity from the power grid. For example, the California Public Utilities Commission recently issued a decision that will transition residential rates over the next four years from a four-tiered structure to a two-tiered structure, with only a 25% differential between the two rates and a surcharge for very high energy users. It is possible that this change could have the effect of lowering the incentive for residential customers of California's large investor-owned utilities to reduce their purchases of electricity from their utility by supplying more of their own electricity from solar, and thereby reduce demand for our products. In addition, California is in the process of shifting to a time-of-use rate structure in the coming year. A shift in the timing of peak rates for utility-generated electricity to a time of day when solar energy generation is less efficient or nonexistent could make our solar energy system offerings less competitive and reduce demand for our offerings. The California Public Utilities Commission determined in January of 2016 that net metering customers taking service on the net energy metering (NEM) successor tariff will be required to take service on time-of-use rates. This transition occurred in 2016 for some of our potential customers and will be occurring for all investor-owned utilities by July 1, 2017. Numerous other states also use time-of-use rates. In addition, since we are required to obtain interconnection permission for each solar energy system from the local utility, changes in a local utility's regulations, policies or interconnection process have in the past delayed and in the future could delay or prevent the completion of our solar energy systems. This in turn has delayed and in the future could delay or prevent us from generating revenues from such solar energy systems or cause us to redevelop solar energy systems, adversely impacting our results of operations.

In addition, any changes to government or internal utility regulations and policies that favor electric utilities could reduce our competitiveness and cause a significant reduction in demand for our offerings or increase our costs or the prices we charge our customers. Certain jurisdictions have proposed allowing traditional utilities to assess fees on customers purchasing energy from solar energy systems or have imposed or proposed new charges or rate structures that would disproportionately impact solar energy system customers who utilize net metering, either of which would increase the cost of energy to those customers and could reduce demand for our solar energy systems. For example, the California Public Utilities Commission issued a decision in July 2015 that allowed utilities to impose a minimum \$10 monthly bill for residential customers, approved the concept of fixed charges and will permit the utilities to propose such fixed charges again in 2018. A decision issued in January 2016 will allow new interconnection fees and additional non-by-passable charges to be assessed on customers taking service on California's net metering successor tariff. This will result in monthly charges being imposed on our customers in California. Additionally, certain utilities in Arizona have approved increased rates and charges for net metering customers, and others have proposed doing away with the state's renewable electricity standard carve-outs for distributed generation as well as the state's net metering program. The Arizona Corporation Commission is also considering a settlement agreement between the Arizona Public Service Company and industry stakeholders under which demand charges based on a customer's maximum average rate of energy consumed during a specified interval would be imposed on residential customers under certain rate schedules. These policy changes may negatively impact our customers and affect demand for our solar energy systems, and similar changes to net metering policies may occur in other states. It is also possible that these or other changes could be imposed on our current customers, as well as future customers. Due to the current and expected continued concentration of our solar energy systems in California, any such changes in this market would be particularly harmful to our reputation, customer relations, business, results of operations and future growth in these areas. We may be similarly adversely affected if our business becomes concentrated in other jurisdictions.

Our business currently depends on the availability of rebates, tax credits and other financial incentives. The expiration, elimination or reduction of these rebates, credits or incentives could adversely impact our business.

Federal, state and local government and regulatory bodies provide for tariff structures and incentives to various parties including owners, end users, distributors, system integrators and manufacturers of solar energy systems to promote solar energy in various forms, including rebates, tax credits and other financial incentives such as system performance payments, renewable energy credits associated with renewable energy generation, exclusion of solar energy systems from property tax assessments and net metering. We rely on these governmental and regulatory programs to finance solar energy system installations, which enables us to lower the price we charge customers for energy from, and to lease or purchase, our solar energy systems, helping to catalyze customer acceptance of solar energy with those customers as an alternative to utility-provided power. However, these programs may expire on a particular date, end when the allocated funding or capacity allocations are exhausted or be reduced or terminated. These reductions or terminations often occur without warning. For example, the Arizona Department of Revenue has attempted to assess and collect property taxes in the past on rooftop solar energy systems such as ours and counties in Arizona may attempt to assess and collect property taxes in the future. In addition, the financial value of certain incentives decreases over time. For example, the value of solar renewable energy certificates, or SRECs, in a market tends to decrease over time as the supply of SREC-producing solar energy systems installed in that market increases. If we overestimate the future value of these incentives, it could adversely impact our financial results.

The federal government currently offers a 30% ITC under Section 48(a) of the Internal Revenue Code for the installation of certain solar power facilities; the 30% rate continues until December 31, 2019. By statute, the ITC is scheduled to decrease to 26% for 2020, 22% for 2021 and 10% of the fair market value of a solar energy system on January 1, 2022, and the amounts that fund investors are willing to invest could decrease or we may be required to provide a larger allocation of customer payments to the fund investors as a result of this scheduled decrease. To the extent we have a reduced ability to raise investment funds as a result of this reduction, the rate of growth of installations of our residential solar energy systems could be negatively impacted. In addition, future changes to taxation of business entities and the deductibility of interest expense could affect the amount that fund investors are willing to invest, which could reduce our access to capital. The ITC has been a significant driver of the financing supporting the adoption of residential solar energy systems in the United States and its scheduled reduction beginning in 2020, unless modified by an intervening change in law, will significantly impact the attractiveness of solar energy to these investors and could potentially harm our business.

Applicable authorities may adjust or decrease incentives from time to time or include provisions for minimum domestic content requirements or other requirements to qualify for these incentives. Reductions in, eliminations or expirations of or additional application requirements for, governmental incentives could adversely impact our results of operations and ability to compete in our industry by increasing our cost of capital, causing us to increase the prices of our energy and solar energy systems and reducing the size of our addressable market. In addition, this would adversely impact our ability to attract investment partners and to form new investment funds and our ability to offer attractive financing to prospective customers.

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

Our business benefits significantly from favorable net metering policies in states in which we operate. Net metering allows a homeowner to pay his or her local electric utility only for their power usage net of production from the solar energy system, transforming the conventional relationship between customers and traditional utilities. Homeowners receive credit for the energy that the solar installation generates in excess of that needed by the home to offset energy usage at times when the solar installation is not generating energy. In states that provide for net metering, the customer typically pays for the net energy used or receives a credit against future bills at the retail rate if more energy is produced by the solar installation than consumed. In some states and utility territories, customers are also reimbursed by the electric utility for net excess generation on a periodic basis.

Forty-one states, Puerto Rico, the District of Columbia, American Samoa and the U.S. Virgin Islands have adopted some form of net metering. Each of the states where we currently serve customers has adopted some form of a net metering policy.

In recent years, net metering programs have been subject to regulatory scrutiny and legislative proposals in some states, such as Arizona, California, Hawaii, New Hampshire, New York, Texas and Utah. In California, for example, after the earlier of July 1, 2017 or the date the applicable investor owned utility reaches its statutory net metering cap, customers will take service on a new net metering successor tariff. For this new tariff, which will apply to new customers after the applicable investor owned utility reaches its statutory net metering cap, the California Public Utilities Commission largely upheld net metering in its current form with full retail compensation for exports and rejected utility requests to impose extremely high fixed and capacity charges. The California Public Utilities Commission did allow the utilities to impose reasonable interconnection fees and some additional charges on customers, and will require such customers to take service on time-of-use rates. There are no caps under the new NEM successor tariff. As reflected in reports for March 31, 2017, San Diego Gas and Electric Company, or SDG&E, and Pacific Gas and Electric Company, or PG&E, which are two large investor-owned utilities, have reached their net metering caps, and are currently allowing net metering systems to interconnect under the NEM successor tariff. A third large investor-owned utility, Southern California Edison Company, has approximately 19% capacity remaining under its net metering cap of 2,240 megawatts and is not expected to reach its net metering cap until July 1, 2017. Further, municipal utilities are generally not subject to the same state laws and public commission oversight as compared to investor owned utilities and may make drastic and abrupt changes. As we continue to expand into areas with municipal utilities, we may be subject to greater risk of regulatory uncertainty.

On October 12, 2015, the Hawaii Public Utilities Commission issued an order closing the Hawaiian Electric Company's net metering program to new participants and replaced this program with two new options for customers to interconnect to the utilities' power grids, neither of which provides for compensation for exports at retail electricity rates.

In December 2016, the Arizona Corporation Commission decided to end traditional net metering and transition to a new distributed solar energy net metering compensation regime in which customers are paid for energy generated from solar energy systems located on their roofs pursuant to a resource comparison proxy methodology or avoided cost methodology. Each of these methodologies will yield a compensation rate that is less advantageous than was previously available to customers under the historical net metering regime, limited to a 10% step down in each utility's rate annually. The Arizona Corporation Commission is also considering a settlement agreement between the Arizona Public Service Company and industry stakeholders under which demand charges based on a customer's maximum average rate of energy consumed during a specified interval would be imposed on residential customers under certain rate schedules. These changes reduce the value proposition for residential solar in Arizona as compared to residential solar under the traditional net metering regime.

Additionally, in March 2017, the New York Public Service Commission issued an order transitioning from traditional net metering to a new value of distributed energy resource compensation regime in which customers are paid for energy generated from solar energy systems located on their roofs pursuant to a methodology based on the value of the distributed energy from such systems. After a transitional period through January 1, 2020 during which customers can still qualify for net metering (subject to a specified aggregate capacity amount availability for each utility), this value of distributed energy methodology could yield a compensation rate that is less advantageous than was previously available to customers under the historical net metering regime. Several other states plan to revisit their net metering policies in the coming years.

If and when net metering caps in certain jurisdictions are reached while they are still in effect, the value of the credit that customers receive for net metering is significantly reduced, utility rate structures are altered, or fees are imposed on net metering customers, future customers may be unable to recognize the same level of cost savings associated with net metering that current customers enjoy. The absence of favorable net metering policies or of net metering entirely, or the imposition of new charges that only or disproportionately impact customers that use net metering would significantly limit customer demand for our solar energy systems and the electricity they generate and could adversely impact our business, results of operations and future growth.

Failure of anticipated growth in System Sales to materialize as planned could negatively impact our operating results and cash flows.

Beginning in late 2015, we began offering to customers in select markets the option to purchase solar energy systems as System Sales. We have historically offered our solar energy systems through our PPAs or Solar Leases. System Sales allow us to enter markets, such as those that prohibit third-party ownership of distributed solar energy systems or that lack a favorable net metering policy. While System Sales have represented a relatively small portion of our cumulative installations, we expect them to continue to grow. Industry analysts have indicated that the number of customer-owned solar energy systems has increased significantly relative to third-party ownership in certain markets and that solar energy system sales are expected to account for a larger percentage of total residential solar installations in the future. Continued increases in the variety and availability of third-party loan financing products to consumers and outright solar energy system purchases could further facilitate this growth. It is not certain that we will successfully execute our strategy to increase System Sales. If customer preferences or the residential solar energy market continue to shift toward solar energy system sales, and we are not successful in our efforts, we may lose market share, which could have an adverse effect on our business, operating results and growth prospects. To the extent we are unsuccessful in our efforts to sell solar energy systems, or to work with third parties to finance those systems for our customers, our operating cash flows would be negatively affected and our business and growth prospects would be adversely affected.

Technical and regulatory limitations may significantly reduce our ability to sell electricity from our solar energy systems and retain employees in certain markets.

Technical and regulatory limits may curb our growth in certain key markets, which may also reduce our ability to retain employees in those markets. For example, the Federal Energy Regulatory Commission, in promulgating the first form small generator interconnection procedures, recommended limiting customer-sited intermittent generation resources, such as our solar energy systems, to a certain percentage of peak load on a given electrical feeder circuit. Similar limits have been adopted by many states as a de facto standard and could constrain our ability to market to customers in certain geographic areas where the concentration of solar installations exceeds this limit. For example, Hawaiian electric utilities have adopted certain policies that limit distributed electricity generation in parts of their service territories. In the first half of 2014, Hawaii was the second largest market in which we operated as measured by total installations. However, despite legislative and regulatory actions to allow further distributed electricity penetration, these limitations constrained growth of distributed residential solar energy in Hawaii in the second half of 2014 and beyond, and Hawaii has become a less important market to us as a result. While a recent Hawaii Public Utilities Commission order seeks to streamline the interconnection process, and while our growth in other markets has more than offset the impact of these limitations in Hawaii, if we experienced similar or other limitations on the deployment of solar energy systems, our business, operating results and growth prospects could be materially adversely affected. Furthermore, in certain areas, we benefit from policies that allow for expedited or simplified procedures related to connecting solar energy systems to the power grid. If such procedures are changed or cease to be available, our ability to sell the electricity generated by solar energy systems we install may be adversely impacted. As adoption of solar distributed generation rises along with the commercial operation of utility scale solar generation in key markets such as California, the amount of solar energy being fed into the power grid will surpass the amount planned for relative to the amount of aggregate demand. Some traditional utilities claim that in the next few years, solar generation resources may reach a level capable of producing an over-generation situation, which may require some solar generation resources to be curtailed to maintain operation of the power grid. While the prospect of such curtailment is somewhat speculative, particularly in the residential sector, the adverse effects of such curtailment without compensation could adversely impact our business, results of operations and future growth.

We have incurred operating losses and may be unable to achieve or sustain profitability in the future.

We have incurred operating losses since our inception. We incurred net losses of \$242.5 million and \$253.3 million for the years ended December 31, 2016 and 2015 and \$55.5 million for the three months ended March 31, 2017. We expect to continue to incur net losses from operations as we finance our operations, expand our installation, engineering, administrative, sales and marketing staffs, and implement internal systems and infrastructure to support our growth. Failure to grow at a sufficient rate to support these investments in personnel, systems and infrastructure, have adversely impacted and in the future could adversely impact our business and results of operations. Our ability to achieve profitability depends on a number of factors, including:

- growing our customer base;
- finding investors willing to invest in our investment funds;
- maintaining and further lowering our cost of capital;
- reducing the time between system installation and interconnection to the power grid, which allows us to begin generating revenue;
- reducing the cost of components for our solar energy systems; and
- reducing our operating costs by optimizing our sales, design and installation processes and supply chain logistics.

Even if we do achieve profitability, we may be unable to sustain or increase our profitability in the future.

The vast majority of our business is conducted primarily using one channel, direct-selling.

Historically, our primary sales channel has been a direct sales model. We also sell to customers through our inside sales team but continue to find greatest success using our direct sales channel. In addition, we recently began to establish a retail sales channel, and we may sell through additional distribution channels in the future. We compete against companies with experience selling solar energy systems to customers through a number of distribution channels, including homebuilders, home improvement stores, large construction, electrical and roofing companies, the internet and other third parties and companies that access customers through relationships with third parties in addition to other direct-selling companies. Our less diversified distribution channels may place us at a disadvantage with consumers who prefer to purchase products through these other distribution channels. Recently, one of our competitors announced that it would terminate its direct-selling efforts. If customers demonstrate a preference for other distribution channels, we may need to reduce our direct-selling efforts. We are also vulnerable to changes in laws related to direct sales and marketing that could impose additional limitations on unsolicited residential sales calls and may impose additional restrictions. If additional laws affecting direct sales and marketing are passed in the markets in which we operate, it would take time to train our sales force 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 or are not successful in developing other sales channels, our financial condition, results of operations and growth prospects could be adversely affected.

We are highly dependent on our ability to attract, train and retain an effective sales force.

The success of our direct-selling channel efforts depends upon the recruitment, retention and motivation of a large number of sales personnel to compensate for a high turnover rate among sales personnel, which is a common characteristic of a direct-selling business. In order to grow our business, we need to recruit, train and retain sales personnel on a continuing basis. Sales personnel are attracted to direct-selling by competitive earnings opportunities and direct-sellers typically compete for sales personnel by providing a more competitive earnings opportunity than that offered by the competition. Competitors devote substantial effort to determining the effectiveness of such incentives so that they can invest in incentives that are the most cost effective or produce the best return on incentive. For example, we have historically compensated our sales personnel on a commission basis, based on the size of the solar energy systems they sell. Some sales personnel may prefer a compensation structure that also includes a salary and equity incentive component. There is significant competition for sales talent in our industry, and from time to time we may need to adjust our compensation model to include such components. These adjustments could adversely impact our operating results and financial performance.

In addition to our sales compensation model, our ability to recruit, train and retain effective sales personnel could be harmed by additional factors, including:

- any adverse publicity regarding us, our solar energy systems, our distribution channel or our industry;
- lack of interest in, or the technical failure of, our solar energy systems;
- lack of a compelling product or income opportunity that generates interest for potential new sales personnel, or perception that other product or income opportunities are more attractive;
- any negative public perception of our sales personnel and direct-selling businesses in general;
- any regulatory actions or charges against us or others in our industry;
- general economic and business conditions; and
- potential saturation or maturity levels in a given market which could negatively impact our ability to attract and retain sales personnel in such market.

We are subject to significant competition for the recruitment of sales personnel from other direct-selling companies and from other companies that sell solar energy systems in particular. Regional and district managers of our sales personnel are instrumental in recruiting, retaining and motivating our sales personnel. When managers have elected to leave us and join other companies, the sales personnel they supervise have often left with them. We may experience increased attrition in our sales personnel in the future which may impact our results of operations and growth. The impact of such attrition could be particularly acute in those jurisdictions, such as California, where contractual non-competition agreements for service providers are not enforceable or are subject to significant limitations.

It is therefore continually necessary to innovate and enhance our direct-selling and service model as well as to recruit and retain new sales personnel. If we are unable to do so, our business will be adversely affected.

We are not currently regulated as an electric utility under applicable law, but we may be subject to regulation as an electric utility in the future.

We are not regulated as a public utility in any of the markets in which we currently operate. As a result, we are not subject to the various federal, state and local standards, restrictions and regulatory requirements applicable to traditional utilities that operate transmission and distribution systems and that have an obligation to serve electric customers within a specified jurisdiction. Any federal, state, or local regulations that cause us to be treated as an electric utility, or to otherwise be subject to a similar regulatory regime of commission-approved operating tariffs, rate limitations, and related mandatory provisions, could place significant restrictions on our ability to operate our business and execute our business plan by prohibiting, restricting or otherwise regulating our sale of electricity. If we were subject to the same state or federal regulatory authorities as electric utilities in the United States or if new regulatory bodies were established to oversee our business in the United States, then our operating costs would materially increase.

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

Retail sales of electricity by non-utilities such as us face regulatory hurdles in some states and jurisdictions, including states and jurisdictions that we intend to enter where the laws and regulatory policies have not historically embraced competition to the service provided by the incumbent, vertically integrated electric utility. Some of the principal challenges pertain to whether non-customer owned systems qualify for the same levels of rebates or other non-tax incentives available for customer-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. Furthermore, in some states and utility territories third parties are limited in the way that they may deliver solar to their customers. In jurisdictions such as Arizona, South Carolina, Utah and Los Angeles, California, laws have been interpreted to either prohibit the sale of electricity pursuant to our standard PPA or regulate entities making such sales, in some cases, such laws have led residential solar energy system providers to use leases in lieu of power purchase agreements. In other states, neither leases nor power purchase agreements are permissible or commercially feasible. Changes in law, reductions in, eliminations of or additional application requirements for, these benefits could reduce demand for our systems, adversely impact our access to capital and could cause us to increase the price we charge our customers for energy.

If the Internal Revenue Service or the U.S. Treasury Department makes a determination that the fair market value of our solar energy systems is materially lower than what we have reported in our fund tax returns, we may have to pay significant amounts to our investment funds, to our fund investors and/or the U.S. government. Such determinations could have a material adverse effect on our business, financial condition and prospects.

We report in our fund tax returns that we and our fund investors claim the ITC based on the fair market value of our solar energy systems. Scrutiny by the Internal Revenue Service, or IRS, with respect to fair market value determinations has increased industry-wide in recent years. The IRS is conducting an audit of our 2015 corporate tax return as well as one of our investment funds. We are not aware of any other audits or results of audits related to our appraisals or fair market value determinations of any of our investment funds. If as part of an examination the IRS were to review the fair market value that we used to establish our basis for claiming ITCs and determine that the ITCs previously claimed should be reduced, we would owe certain of our investment funds or our fund investors an amount equal to 30% of the investor's share of the difference between the fair market value used to establish our basis for claiming ITCs and the adjusted fair market value determined by the IRS, plus any costs and expenses associated with a challenge to that fair market value, plus a gross up to pay for additional taxes. We could also be subject to tax liabilities, including interest and penalties, based on our share of claimed ITCs. To date, we have not been required to make such payments under any of our investment funds.

Our ability to provide solar energy systems to customers on an economically viable basis depends on our ability to finance these systems with fund investors who require particular tax and other benefits.

Substantially all of our solar energy systems installed to date have been eligible for ITCs as well as accelerated depreciation benefits. We have relied on, and will continue to rely on, financing structures that monetize a substantial portion of those benefits and provide financing for our solar energy systems. If, for any reason, we were unable to continue to monetize those benefits through these arrangements, we may be unable to provide solar energy systems for new customers and maintain solar energy systems for new and existing customers on an economically viable basis. The availability of this tax-advantaged financing depends upon many factors, including:

- our ability to compete with other renewable energy companies for the limited number of potential investment 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
- non-renewal of these incentives or decreases in the associated benefits.

Solar energy system owners are currently allowed to claim the ITC that is equal to 30% of the system's eligible tax basis, which is generally the fair market value of the system. By statute, the ITC is scheduled to decrease to 26% for 2020, 22% for 2021 and 10% on January 1, 2022. Moreover, potential fund investors must remain satisfied that the structures we offer qualify for the tax benefits associated with solar energy systems available to these investors, which depends both on the investors' assessment of tax law and the absence of any unfavorable interpretations of that law. Changes in existing law and interpretations by the IRS and the courts could reduce the willingness of fund investors to invest in funds associated with these solar energy system investments, or cause these investors to require a larger allocation of customer payments. It is not certain that this type of financing will continue to be available to us. Alternatively, new investment fund structures or other financing mechanisms may become available, and if we are unable to take advantage of these fund structures and financing mechanisms it may place us at a competitive disadvantage. If, for any reason, we are unable to finance solar energy systems through tax-advantaged structures, we are unable to realize or monetize depreciation benefits, or we are otherwise unable to structure investment funds in ways that are both attractive to investors and allow us to provide desirable pricing to customers, we may no longer be able to provide solar energy systems to new customers on an economically viable basis. This would have a material adverse effect on our business, financial condition, results of operations and prospects.

Rising interest rates could adversely impact our business.

Rising interest rates could have an adverse impact on our business by increasing our cost of capital. The majority of our cash flows to date have been from customer contracts that have been partially monetized under various investment fund structures. One of the components of this monetization is the present value of the payment streams from the customers who enter into these contracts. If the rate of return required by the fund investor rises as a result of a rise in interest rates, the present value of the customer payment stream and the total value that we are able to derive from monetizing the payment stream will each be reduced. Interest rates are at low levels. It is likely that interest rates will continue to rise in the future, which would cause our costs of capital to increase.

Our investment funds contain arrangements which provide for priority distributions to fund investors until they receive their targeted rates of return. In addition, under the terms of certain of our investment funds, we may be required to make payments to the fund investors if certain tax benefits that are allocated to such fund investors are not realized as expected. Our financial condition may be adversely impacted if a fund is required to make these priority distributions for a longer period than anticipated to achieve the fund investors' targeted rates of return or if we are required to make any tax-related payments.

Our investment funds contain terms that contractually require the investment funds to make priority distributions to the fund investor, to the extent cash is available, until it achieves its targeted rate of return. The amounts of potential future distributions under these arrangements depends on the amounts and timing of receipt of cash flows into the investment fund, almost all of which is generated from customer payments related to solar energy systems that have been previously purchased (or leased, as applicable) by such fund. If such cash flows are lower than expected, the priority distributions to the investor may continue for longer than initially anticipated.

Additionally, certain of our investment funds require that, under certain circumstances, we forego distributions from the fund that we are otherwise contractually entitled to, or make capital contributions to the fund that can be redirected to the fund investor such that it achieves the targeted return. These forgone distributions or capital contributions will generally occur if the fund investor has not achieved its targeted return prior to the target flip date of the investment fund. None of our investment funds have reached their target flip date at the current time and we anticipate that the first target flip date in which a fund investor is required to have achieved its targeted return is 2020.

Our fund investors also expect returns partially in the form of tax benefits and, to enable such returns, our investment funds contain terms that contractually require us to make payments to the funds that are then used to make payments to the fund investor in certain circumstances so that the fund investor receives value equivalent to the tax benefits it expected to receive when entering into the transaction. The amounts of potential tax payments under these arrangements depend on the tax benefits that accrue to such investors from the funds' activities.

Due to uncertainties associated with estimating the timing and amounts of these cash distributions and allocations of tax benefits to such investors, we cannot determine the potential maximum future impact on our cash flows or payments that we could have to make under these arrangements. We may agree to similar terms in the future if market conditions require it. Any significant payments that we may be required to make or distributions to us that are reduced or diverted as a result of these arrangements could adversely affect our financial condition.

We may incur substantially more debt or take other actions that could restrict our ability to pursue our business strategies.

Since September 2014, we have entered into six debt facilities through which we had \$884.4 million in aggregate principal amounts outstanding and up to \$328.0 million of unused borrowing capacity remaining as of March 31, 2017. These debt facilities restrict our ability to dispose of assets, incur indebtedness, incur liens, pay dividends or make other distributions to holders of our capital stock, repurchase our capital stock, make specified investments or engage in transactions with our affiliates. In addition, we do not have full access to the cash and cash equivalents held in our investments funds until distributed per the terms of the arrangements. We and our subsidiaries may incur substantial additional debt in the future and any debt instrument we enter into in the future may contain similar, or more onerous, restrictions. These restrictions could inhibit our ability to pursue our business strategies. Additionally, our ability to make scheduled payments depends on our operating performance, which is subject to economic, financial, competitive and other factors that may be beyond our control. Furthermore, if we default on one of our debt instruments, and such event of default is not cured or waived, the lenders could terminate commitments to lend and cause all amounts outstanding with respect to the debt to be due and payable immediately, which in turn could result in cross acceleration under other debt instruments. Our assets and cash flow may not be sufficient to fully repay borrowings under all of our outstanding debt instruments if some or all of these instruments are accelerated upon a default.

Furthermore, there is no assurance that we will be able to enter into new debt instruments on acceptable terms. If we are unable to satisfy financial covenants and other terms under existing or new instruments or obtain waivers or forbearance from our lenders or if we are 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.

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

As of March 31, 2017, approximately 39% of our cumulative installations and 29% of our offices were located in California. In addition, we expect future growth to occur 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 California and in other markets that may become similarly concentrated.

Residential solar energy is an evolving market, which makes it difficult to evaluate our prospects.

The residential solar energy industry is constantly evolving, which makes it difficult to evaluate our prospects. We cannot be certain if historical growth rates reflect future opportunities or whether growth anticipated by us or industry analysts will be realized. Any future growth of the residential solar energy market and the success of our solar energy systems depend on many factors beyond our control, including recognition and acceptance of the residential solar energy 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 energy systems cost-effectively. If the markets for residential solar energy do not develop at the rate we expect, our business may be adversely affected.

Additionally, due to our limited operating history, we do not have empirical evidence of the effect of our systems on the resale value of our customers' houses. Due to the length of our customer contracts, the system deployed on a customer's roof may be outdated prior to the expiration of the term of the customer contract reducing the likelihood of renewal of our contracts at the end of the 20-year term, and possibly increasing the occurrence of defaults. This could have an adverse effect on our business, financial condition, results of operations and cash flow. As a result, our limited operating history may impair our ability to accurately forecast our future performance and to invest accordingly.

We have previously identified a material weakness in our internal control over financial reporting relating to inadequate review procedures in connection with the preparation of our consolidated financial statements that resulted in the restatement of certain of our financial statements, and we may identify material weaknesses in the future .

We previously reported a material weakness in internal control over financial reporting for the years ended December 31, 2015 and 2014 associated with the HLBV method of attributing net income or loss to non-controlling interests and redeemable non-controlling interests and with our financial statement close process. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis.

We implemented a number of measures to remediate the material weakness described above, and based on these measures, management tested the internal control activities and found them to be effective and concluded that the material weakness described above was remediated as of December 31, 2016. However, if in future periods we identify other material weaknesses in internal control over financial reporting, we will be unable to assert that our internal control over financial reporting is effective, which could result in the loss of investor confidence. In addition, to date, the audit of our consolidated financial statements by our independent registered public accounting firm has included a consideration of internal control over financial reporting as a basis of designing their audit procedures, but not for the purpose of expressing an opinion on the effectiveness of our internal controls over financial reporting. When we cease to be an emerging growth company we will be required to have our independent registered accounting firm perform such an evaluation, and additional material weaknesses or other control deficiencies may be identified.

If we are unable to avoid or remediate any future material weakness, our stock price may be adversely affected and we may be unable to maintain compliance with applicable stock exchange listing requirements.

We face competition from traditional regulated electric utilities, from less-regulated third party energy service providers, other solar companies and from new renewable energy companies.

The solar energy and renewable energy industries are both highly competitive and continually evolving as participants strive to distinguish themselves within their markets and compete with large traditional utilities. We believe that our primary competitors are the traditional utilities that supply electricity to our potential customers. Traditional utilities generally have substantially greater financial, technical, operational and other resources than we do. As a result, these competitors 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. Traditional utilities could also offer other value-added products or services that could help them to compete with us even if the cost of electricity they offer is higher than ours. In addition, a majority of utilities' sources of electricity is non-solar, which may allow utilities to sell electricity more cheaply than electricity generated by our solar energy systems.

We also compete with companies that are not regulated like traditional utilities but that have access to the traditional utility electricity transmission and distribution infrastructure pursuant to state and local pro-competitive and consumer choice policies. These energy service companies are able to offer customers electricity supply-only solutions that are competitive with our solar energy system options on both price and usage of renewable 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 new customers, particularly those who wish to avoid long-term contracts or have an aesthetic or other objection to putting solar panels on their roofs.

We also compete with solar companies with business models that are similar to ours. 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. In addition, as System Sales become a more significant part of our business, we face increasing competition from other national and local solar energy companies who sell solar energy systems and may offer a broader suite of companion products. We believe the solar industry is becoming increasingly commoditized, and if we are unable to offer differentiated products, establish or maintain a consumer brand that resonates with homeowners or compete with the pricing offered by our competitors, our sales and market share position may be adversely affected.

In addition, we compete with solar companies in the downstream value chain of solar energy. For example, we face competition from purely finance driven organizations that acquire customers and then subcontract out the installation of solar energy systems, from installation businesses that seek financing from external parties, from large construction companies and utilities, and increasingly from sophisticated electrical and roofing companies. Some of these competitors specialize in the residential solar energy market, and some may provide energy at lower costs than we do. Additionally, some of our competitors may offer their products through sales channels that they have more fully developed, such as retail sales. Further, some of our competitors are integrating vertically in order to ensure supply and to control costs. Many of our competitors also have significant brand name recognition and have extensive knowledge of our target markets. For us to remain competitive, we must distinguish ourselves from our competitors by offering an integrated approach that successfully competes with each level of products and services offered by our competitors at various points in the value chain. If our competitors develop an integrated approach similar to ours including sales, financing, engineering, manufacturing, installation, maintenance and monitoring services, this will reduce our marketplace differentiation.

As the solar industry grows and evolves, we will also face new competitors who are not currently in the market. Our industry is characterized by low technological barriers to entry and well-capitalized companies could choose to enter the market and compete with us. Our failure to adapt to changing market conditions and to compete successfully with existing or new competitors will limit our growth and will have a material adverse effect on our business and prospects.

Developments in alternative technologies or improvements in distributed solar energy generation may materially adversely affect demand for our offerings.

Significant developments in alternative technologies, such as advances in other forms of distributed solar power generation, storage solutions such as batteries, the widespread use or adoption of fuel cells for residential or commercial properties or improvements in other forms of centralized power production may materially and adversely affect our business and prospects in ways we do not currently anticipate. Any failure by us to adopt new or enhanced technologies or processes, or to react to changes in existing technologies, could materially delay deployment of our solar energy systems, which could result in product obsolescence, the loss of competitiveness of our systems, decreased revenue and a loss of market share to competitors.

A failure to hire and retain a sufficient number of employees in key functions would constrain our growth and our ability to timely complete our customers' projects.

To support our growth, we need to hire, train, deploy, manage and retain a substantial number of skilled installers and electricians in the relevant markets where there is heightened or increasing demand for solar energy products. Competition for qualified personnel in our industry has increased substantially and we expect it to continue to do so, particularly for skilled electricians and other personnel involved in the installation of solar energy systems. We also compete with the homebuilding and construction industries for skilled labor. As these industries seek to hire additional workers, our cost of labor may increase. Companies with whom we compete to hire installers may offer compensation or incentive plans that certain installers may view as more favorable. We periodically assess the compensation plans and policies for our service providers, including our installers and electricians, and, if deemed necessary, may decide to revise those plans and policies. Our installers and electricians may not react well to any such revisions, which in turn could adversely affect retention, motivation and productivity. Additionally, we continually monitor our workforce requirements in the markets in which we operate. Any workforce reductions in markets where sales volume does not support the number of installation and other personnel could in turn adversely affect retention, motivation and productivity.

Furthermore, trained installers are typically able to more efficiently install solar energy systems. Shortages of skilled labor could significantly delay installations or otherwise increase our costs. While we do not currently have any unionized employees, we have expanded, and may continue to expand, into areas such as the Northeast, where labor unions are more prevalent. The unionization of our labor force could also increase our labor costs. In addition, a significant portion of our business has been concentrated in states such as California, where market conditions are particularly favorable to distributed solar energy generation. We have experienced and may in the future experience greater than expected turnover in our installers in those jurisdictions which would adversely impact the geographic mix of new solar energy system installations.

Because we are a licensed electrical contractor in every jurisdiction in which we operate, we are required to employ licensed electricians. As we expand into new markets, we are required to hire and/or contract with seasoned licensed electricians in order for us to qualify for the requisite state and local licenses. Because of the high demand for these seasoned licensed electricians, these individuals currently or in the future may demand greater compensation. In addition, our inability to attract and retain these qualifying electricians may adversely impact our ability to continue operations in current markets or expand into new areas.

If we cannot meet our hiring, retention and efficiency goals, we may be unable to complete our customers' projects on time, 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.

We act as the licensed general contractor for our customers and are subject to risks associated with construction, cost overruns, delays, 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 every market we service and we are responsible for every customer installation. We are the general contractor, electrician, construction manager and installer for all our solar energy systems. We may be liable to customers for any damage we cause to their home, belongings or property during the installation of our systems. For example, we penetrate our customers' roofs during the installation process and may incur liability for the failure to adequately weatherproof such penetrations following the completion of installation of solar energy systems. In addition, because the solar energy systems we deploy are high-voltage energy systems, we may incur liability for the failure to comply with electrical standards and manufacturer recommendations. Furthermore, prior to obtaining permission to operate our solar energy systems, the systems must pass various inspections. Any delay in passing, or inability to pass, such inspections, would adversely affect our results of operations. Because our profit on a particular installation is based in part on assumptions as to the cost of such project, damage for which we are liable, cost overruns, delays or other execution issues may cause us to not achieve our expected results or cover our costs for that project.

In addition, the installation of solar energy systems is 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 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 authority having jurisdiction over our operations and our solar energy systems. Any new government regulations or utility policies pertaining to our systems, or changes to existing 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 systems.

We depend on a limited number of suppliers of solar energy system components and technologies to adequately meet anticipated demand for our solar energy systems. Due to the limited number of suppliers in our industry, the acquisition of any of these suppliers by a competitor or any shortage, delay, price change, imposition of tariffs or duties or other limitation in our ability to obtain components or technologies we use could result in sales and installation delays, cancellations and loss of market share.

We purchase solar panels, inverters and other system components from a limited number of suppliers, making us susceptible to quality issues, shortages and price changes. In 2015 and 2016, Trina Solar Limited, Yingli Green Energy Americas, Inc. and JinkoSolar Holding Co., Ltd. accounted for a substantial majority of our solar photovoltaic module purchases. In the three months ended March 31, 2017, Trina Solar Limited and JinkoSolar Holding Co., Ltd. accounted for a substantial majority of our solar photovoltaic module purchases. In 2015, 2016 and the three months ended March 31, 2017, Enphase Energy, Inc. and SolarEdge Technologies Inc. accounted for substantially all of our inverter purchases. If we fail to develop, maintain and expand our relationships with these or other suppliers, our ability to adequately meet anticipated demand for our solar energy systems may be adversely affected, 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 rely upon to meet anticipated demand ceases or reduces production due to its financial condition, acquisition by a competitor or otherwise, is unable to increase production as industry demand increases or is otherwise unable to allocate sufficient production to us, it may be difficult to quickly identify alternative suppliers or to qualify alternative products on commercially reasonable terms, and our ability to satisfy this demand may be adversely affected. There are a limited number of suppliers of solar energy system components and technologies. While we believe there are other sources of supply for these products available, transitioning to a new supplier may result in additional costs and delays in acquiring our solar products and deploying our systems, and may require us to obtain the approval of our financing partners in order to utilize new products. These issues could harm our business or financial performance.

There have also been periods of industry-wide shortages of key components, including solar panels, in times of rapid industry growth. 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. The solar industry is growing and, as a result, shortages of key components, including solar panels, may be more likely to occur, which in turn may result in price increases for such components. Even if industry-wide shortages do not occur, suppliers may decide to allocate key components with high demand or insufficient production capacity to more profitable customers, customers with long-term supply agreements or customers other than us and our supply of such components may be reduced as a result.

We have entered into multi-year agreements with certain of our major suppliers. These agreements are denominated in U.S. dollars. Since our revenue is also generated in U.S. dollars, we are mostly insulated from currency fluctuations. However, since our suppliers often incur a significant amount of their costs by purchasing raw materials and generating operating expenses in foreign currencies, if the value of the U.S. dollar depreciates significantly or for a prolonged period of time against these other currencies, this may cause our suppliers to raise the prices they charge us, which could harm our financial results. In addition, the U.S. government has imposed tariffs on solar cells produced and assembled in China and Taiwan, and it is unclear what actions the new U.S. presidential administration may take with respect to existing and proposed trade agreements, or restrictions on trade generally. The existing tariffs, and any new tariffs, duties or other restraints, or shortages, delays, price changes or other limitation in our ability to obtain components or technologies we use could limit our growth, cause cancellations or adversely affect our profitability, and result in loss of market share and damage to our brand.

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

Our quarterly and annual operating results are difficult to predict and may fluctuate significantly in the future. We have experienced seasonal and quarterly fluctuations in the past. However, given that we are in a growing industry, the true extent of these fluctuations may have been masked by our historical growth rates and thus may not be readily apparent from our historical operating results and may be difficult to predict. For example, the amount of revenue we recognize in a given period from our customer contracts is dependent in part on the amount of energy generated by solar energy systems under such contracts. As a result, revenue derived from PPAs is impacted by seasonally shorter daylight hours in winter months. In addition, our ability to install solar energy systems is impacted by weather, such as during the winter months in the Northeastern United States. Such delays can impact the timing of when we can install and begin to generate revenue from solar energy systems. As such, our past quarterly operating results may not be good indicators of future performance.

In addition to the other risks described in this “Risk Factors” section, the following factors could cause our operating results to fluctuate:

- the expiration or initiation of any rebates or incentives;
- significant fluctuations in customer demand for our offerings;
- our ability to complete installations and interconnect to the power grid in a timely manner;
- the availability and costs of suitable financing;
- the amount and timing of sales of SRECs;
- our ability to continue to expand our operations, and the amount and timing of expenditures related to this expansion;
- actual or anticipated changes in our growth rate relative to our competitors;
- announcements by us or our competitors of 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 traditional utilities; and
- actual or anticipated developments in our competitors’ businesses or the competitive landscape.

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, key operating metrics and other operating results in future periods may fall short of the expectations of investors and financial analysts, which could have an adverse effect on the trading price of our common stock.

Our business has benefited from the declining cost of solar panels, and our financial results may be harmed if the cost of solar panels increases in the future.

The declining cost of solar panels and the raw materials necessary to manufacture them has been a key driver in the price we charge for electricity and customer adoption of solar energy. Although industry experts indicate that solar panel and raw material prices will continue to decline, it is possible they will not decline at the same rate as they have over the past several years. In addition, while the solar panel market has recently seen an increase in supply, growth in the solar industry and the resulting increase in demand for solar panels and the raw materials necessary to manufacture them may put upward pressure on prices. These resulting prices could slow our growth and cause our financial results to suffer. In addition, in the past we have purchased virtually all of the solar panels used in our solar energy systems from manufacturers based in China which have benefited from favorable governmental policies by the Chinese government. If this governmental support were to decrease or be eliminated, our ability to purchase these products on competitive terms or to access specialized technologies from China could be restricted.

Even if this support from the Chinese government were to continue, the U.S. government could impose additional tariffs on solar cells manufactured in China or other restraints on trade with China. In 2014, the U.S. government broadened its investigation of Chinese pricing practices in this area to include solar panels and modules produced in China containing solar cells manufactured in other countries. In July 2015, the U.S. government announced antidumping duties ranging from 9.67% to 238.95% on imports of the majority of solar panels made in China, and, in December 2014, rates ranging from 11.5% to 27.6% on imported solar cells made in Taiwan. Countervailing duties ranging from 15.43% to 49.8% for Chinese modules have also been announced, and in July 2015 were set at 20.94% for most Chinese modules. In January 2015, the antidumping duties were confirmed by a determination of the U.S. International Trade Commission that material harm to the U.S. solar industry had occurred. These combined tariffs would make such solar cells less competitively priced in the United States, and the Chinese and Taiwanese manufacturers may choose to limit the amount of solar equipment they sell into the United States. As a result, it may be easier for solar cell manufacturers located outside of China or Taiwan to increase the prices of the solar cells they sell into the United States. If we are required to pay higher prices, accept less favorable terms or purchase solar panels or other system components from alternative, higher-priced sources, our financial results will be adversely affected.

The U.S. government may also take broader actions to protect U.S. based manufacturers against imports of solar cells manufactured in southeast Asia as well as Japan, Germany, South Korea and Canada. Recently, a U.S.-based solar manufacturer which filed for bankruptcy in mid-April, filed a petition under Section 201 of the Trade Act of 1974 for global safeguard relief with the U.S. International Trade Commission, and requested imposition of tariffs on solar cells and the establishment of a minimum price for solar modules imported into the United States. If the U.S. International Trade Commission institutes an investigation and determines that global imports are a substantial cause of serious injury to the domestic solar manufacturing industry, the U.S. presidential administration could impose a wide range of remedies, including import tariffs, import volume limits, and other means which could increase the prices of solar cells from all countries outside the U.S, and not just China and Taiwan. If we are required to pay higher prices, accept less favorable terms or purchase solar panels or other system components from alternative, higher-priced sources, our financial results could be adversely affected.

The profitability and residual value of our solar energy systems during and at the end of the associated term of the PPA or Solar Lease may be lower than projected today and adversely affect our financial performance and valuation.

We maintain ownership of the solar energy systems that we install under our PPAs or Solar Leases. We amortize the costs of our solar energy systems over a 30-year estimated useful life, which exceeds the period of the component warranties and the corresponding payment streams from our contracts with our customers. If we incur repair and maintenance costs on these systems after the warranties have expired, and if they then fail or malfunction, we will be liable for the expense of repairing these systems without a chance of recovery from our suppliers. We are also contractually obligated to remove, store and reinstall the solar energy systems, typically for a nominal fee, if customers need to replace or repair their roofs. However, customer fees may not cover our costs to remove, store and reinstall the solar energy systems. In addition, we typically bear the cost of removing the solar energy systems at the end of the term of the customer contract if the customer does not renew his or her contract at the end of its term. 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. We also face other factors that could increase the costs or diminish the production of a solar energy system, such as unanticipated damage or malfunctions, animal interference and weather-related matters. If the residual value of the systems is less than we expect at the end of the customer contract, after giving effect to any associated removal and redeployment costs, we may be required to accelerate all or some of the remaining unamortized costs. If the profitability or the residual value of the systems is lower than expected, this could materially impair our future operating results and estimated retained value.

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

The installation of solar energy systems requires our employees to work at heights with complicated and potentially dangerous electrical systems and at potentially high temperatures. The evaluation and modification of buildings as part of the installation process requires our employees to work in locations that may contain potentially dangerous levels of asbestos, lead, mold or other materials known or believed to be hazardous to human health. We also maintain a fleet of more than 750 trucks and other vehicles to support our installers and operations. There is substantial risk of serious 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, or OSHA, the U.S. Department of Transportation, or DOT, and equivalent state laws. Changes to OSHA, DOT or state 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 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. While we have not experienced a high level of injuries to date, we could be exposed to increased liability in the future. In the past, we have had workplace accidents and received citations from OSHA regulators for alleged safety violations, resulting in fines. Any such accidents, citations, violations, 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.

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

We agree to maintain the solar energy systems installed on our customers' homes in connection with a PPA or Solar Lease during the length of the term of our customer contracts, which is typically 20 years. We also agree to warranty and maintain the solar energy systems we sell to customers for a period of 10 years. We are exposed to any liabilities arising from the systems' failure to operate properly and are generally under an obligation to ensure that each system remains in good condition during the term of the agreement. As part of our operations and maintenance work, we provide a pass-through of the inverter and panel manufacturers' warranty coverage to our customers, which generally range from 10 to 25 years. One or more of these third-party manufacturers could cease operations and no longer honor these warranties, leaving us to fulfill these potential obligations to our customers or to our fund investors without underlying warranty coverage. We, either ourselves or through our investment funds, bear the cost of such major equipment. Even if the investment fund bears the direct expense of such replacement equipment, we could suffer financial losses associated with a loss of production from the solar energy systems.

Beginning in 2014, we began structuring some customer contracts as solar energy system leases. To be competitive in the market and to comply with the requirements of jurisdictions where we offer leases, our solar energy system leases contain a performance guarantee in favor of the lessee. Leases with performance guarantees require us to refund money to the lessee if the solar energy system fails to generate a stated minimum amount of electricity in a 12-month period. We may also suffer financial losses associated with such refunds if significant performance guarantee payments are triggered.

Our failure to accurately predict future liabilities related to material quality or performance expenses could result in unexpected volatility in our financial condition. Because of the limited operating history of our solar energy systems, compared to their long estimated useful life, 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. We have made these assumptions based on the historic performance of similar systems or on accelerated life cycle testing. 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 performance guarantees. Equipment defects, serial defects or operational deficiencies also would reduce our revenue from customer contracts because the customer payments under such agreements are dependent on system production or would require us to make refunds under performance guarantees. Any widespread product failures or operating deficiencies may damage our market reputation and adversely impact our financial results.

We are responsible for providing maintenance, repair and billing on solar energy systems that are owned or leased by our investment funds on a fixed fee basis, and our financial performance could be adversely affected if our cost of providing such services is higher than we project.

We typically provide a workmanship warranty for periods of five to 20 years to our investment funds for every system we sell to them. We are also generally contractually obligated to cover the cost of maintenance, repair and billing on any solar energy systems that we sell or lease to our investment funds. We are subject to a maintenance services agreement under which we are required to operate and maintain the system, and perform customer billing services for a fixed fee that is calculated to cover our future expected maintenance and servicing costs of the solar energy systems in each investment fund over the term of the PPA or Solar Lease with the covered customers. 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, a majority of which are located in California, are damaged in the event of a natural disaster beyond our control, such as an earthquake, tsunami or hurricane, losses could be outside the scope of insurance policies or exceed 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. When required to do so under the terms of a particular investment fund, we purchase property and business interruption insurance with industry standard coverage and limits approved by the investor's third-party insurance advisors to hedge against such risk, but such coverage may not cover our losses, and we have not acquired such coverage for all of our funds.

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

If one of our solar energy systems injured someone, we could be exposed to product liability claims. In addition, it is possible that our products could injure our customer or third parties, or that our products could cause property damage as a result of product malfunctions, defects, improper installation, fire or other causes. We rely on our general liability insurance to cover product liability claims. 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, penalties or fines, increase our insurance rates, 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 new customers, thus affecting our growth and financial performance.

Failure by our component suppliers to use ethical business practices and comply with applicable laws and regulations may adversely affect our business.

We do not control our suppliers or their business practices. Accordingly, we cannot guarantee that they follow ethical business practices such as fair wage practices and compliance with environmental, safety and other local laws. A lack of demonstrated compliance could lead us to seek alternative suppliers, which could increase our costs and result in delayed delivery of our products, product shortages or other disruptions of our operations. Violation of labor or other laws by our suppliers or the divergence of a supplier'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.

Damage to our brand and reputation, or change or loss of use of our brand, could harm our business and results of operations.

We depend significantly on our reputation for high-quality products, best-in-class customer service and the brand name "Vivint Solar" to attract new customers and grow our business. If we fail to continue to deliver our solar energy systems within the planned timelines, if our offerings do not perform as anticipated or if we damage any of our customers' properties or delay or cancel projects, our brand and reputation could be significantly impaired. Future technical improvements may allow us to offer lower prices or offer new technology to new customers; however, technical limitations in our current solar energy systems may prevent us from offering such lower prices or new technology to our existing customers. The inability of our current customers to benefit from technological improvements could cause our existing customers to lower the value they perceive our existing products offer and impair our brand and reputation.

We have focused particular attention on growing our direct sales force, leading us in some instances to take on candidates who we later determined did not meet our standards. In addition, given our direct sales business model and the sheer number of interactions our sales and other personnel have with customers and potential customers, it is inevitable that some customers' and potential customers' interactions with our company will be perceived as less than satisfactory. This has led to instances of customer complaints, some of which have affected our digital footprint on rating websites such as Yelp and SolarReviews. If we cannot manage our hiring and training processes to avoid or minimize these issues to the extent possible, our reputation may be harmed and our ability to attract new customers would suffer.

Given our relationship with our sister company Vivint and the similarity in our names, customers may associate us with any problems experienced with Vivint, such as complaints with the Better Business Bureau. Because we have no control over Vivint, we may not be able to take remedial action to cure any issues Vivint has with its customers, and our brand and reputation may be harmed if we are mistaken for the same company.

In addition, if we were to no longer use, lose the right to continue to use, or if others use, the “Vivint Solar” brand, we could lose recognition in the marketplace among customers, suppliers and partners, which could affect our growth and financial performance, and would require financial and other investment, and management attention in new branding, which may not be as successful.

Marketplace confidence in our liquidity and long-term business prospects is important for building and maintaining our business.

Our financial condition, operating results and business prospects may suffer materially if we are unable to establish and maintain confidence about our liquidity and business prospects among consumers and within our industry. Our solar energy systems require ongoing maintenance and support. If we were to reduce operations, even years from now, buyers of our systems from years earlier might have difficulty in having us repair or service our systems, which remain our responsibility under the terms of our customer contracts. As a result, consumers may be less likely to purchase our solar energy systems now if they are uncertain that our business will succeed or that our operations will continue for many years. Similarly, suppliers and other third parties will be less likely to invest time and resources in developing business relationships with us if they are not convinced that our business will succeed. Accordingly, in order to build and maintain our business, we must maintain confidence among customers, suppliers and other parties in our liquidity and long-term business prospects. We may not succeed in our efforts to build this confidence.

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 growth in recent periods with the cumulative capacity of our solar energy systems growing from 681.1 megawatts as of December 31, 2016 to 726.9 megawatts as of March 31, 2017, 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 place, a significant strain on our management, operational and financial infrastructure. For example, we recently entered or expanded our offerings in California, Connecticut, Florida, Maryland, Massachusetts, New Hampshire, South Carolina and Texas. Our management will also be required to maintain and expand our relationships with customers, suppliers and other third parties and attract new customers, suppliers and financing, as well as manage multiple geographic locations.

In addition, our current and planned operations, personnel, IT and other systems and procedures might be inadequate to support our future growth and may require us to make additional unanticipated investments in our infrastructure. 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 meet our or industry analysts’ expectations regarding growth, opportunity and financial targets, take advantage of market opportunities, execute our business strategies, meet our investment fund commitments or respond to competitive pressures. This could also result in declines in quality or customer satisfaction, increased costs, difficulties in introducing new offerings or other operational difficulties. Any failure to effectively manage growth could adversely impact our business and reputation.

Expansion into new markets could be costly and time-consuming. Historically, we have only provided our offerings to residential customers, which could put us at a disadvantage relative to companies who also compete in other markets.

We have historically only provided our offerings to residential customers. We compete with companies who sell solar energy systems in the commercial, industrial and government markets, in addition to the residential market. While we believe that in the future we could have opportunities to expand our operations into other markets, there are no assurances that our design and installation systems will work for non-residential customers or that we will be able to compete successfully with companies with historical presences in such markets or we may not realize the anticipated benefits of entering such markets, and entering new markets has numerous risks, including the following:

- incurring significant costs if we are required to adapt our current or develop new design and installation processes for use in non-residential applications;
- diversion of our management and employees from our core residential business;
- difficulty adapting our current or developing new marketing strategies and sales channels to non-residential customers;
- inability to obtain key customers, brand recognition and market share and compete successfully with companies with historical presences in such markets; and
- inability to achieve the financial and strategic goals for such market.

If we choose to pursue opportunities in additional markets and are unable to successfully compete in such markets, our operating results and growth prospects could be materially adversely affected. Additionally, there is intense competition in the residential solar energy market in the markets in which we operate. As new entrants continue to enter into these markets, we may be unable to gain or maintain market share and we may be unable to compete with companies that earn revenue in both the residential market and non-residential markets.

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

We acquired Solmetric Corporation in January 2014 and in the future we may acquire additional companies, project pipelines, products or technologies or enter into joint ventures or other strategic initiatives. We may not realize the anticipated benefits of this acquisition or any other future acquisition, and any acquisition has numerous risks. These risks include the following:

- difficulty in assimilating the operations and personnel of the acquired company;
- difficulty in effectively integrating the acquired technologies or products with our current 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 operating results;
- potential failure of the due diligence processes to identify significant issues with product quality, intellectual property infringement and other 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.

Mergers and acquisitions of companies are inherently risky, and if we do not complete the integration of acquired businesses successfully and in a timely manner, we may not realize the anticipated benefits of the acquisitions to the extent anticipated, which could adversely affect our business, financial condition or results of operations.

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

We are highly dependent on the efforts and abilities of the principal members of our senior management team, and the loss of one or more key executives could have a negative impact on our business.

We also depend on our ability to retain and motivate key employees and attract qualified new employees. None of our key executives are bound by employment agreements for any specific term and we do not maintain key person life insurance policies on any of our executive officers. In the year ended December 31, 2015, one-third of the outstanding options to purchase shares of our common stock granted to our key executives and other employees under our 2013 Omnibus Incentive Plan vested. In addition, one-third of the options remained outstanding and will vest annually over three years from May 2016, or immediately if 313 Acquisition LLC receives a return on its invested capital at a pre-established threshold. As a result, the retention incentives associated with these options could lapse for all employees holding these options under our 2013 Omnibus Incentive Plan at the same time. This decrease in retention incentive could cause significant turnover after these options vest. We may be unable to replace key members of our management team and key employees if we lose their services. Integrating new employees into our 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, results of operations and prospects.

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.

As a public company, we are subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, or the Exchange Act, the listing requirements of the New York Stock Exchange, or NYSE, 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 operating results and maintain effective disclosure controls and procedures and internal control over financial reporting. To maintain and improve our disclosure controls and procedures and internal control over financial reporting to meet this standard, significant resources and management oversight are required. As a result, management's attention may be diverted from other business concerns which could harm our business and operating results. If in the future, we or our independent registered public accounting firm identify deficiencies in our internal control over financial reporting that are deemed to be material weaknesses, the market price of our stock could decline and we could be subject to sanctions or investigations by the Securities and Exchange Commission, or the SEC, or other regulatory authorities, which would require additional financial and management resources.

Being a public company has also made it more expensive for us to obtain director and officer liability insurance, and in the future, we may be required to accept reduced coverage or incur substantially higher costs to continue coverage. These factors could also make it more difficult for us to attract and retain qualified executive officers and members of our board of directors, particularly to serve on our audit committee and compensation committee.

We may be subject to intellectual property rights claims by third parties, which are extremely costly to defend, could require us to pay significant damages and could limit our ability to use certain technologies.

Third parties, including our competitors, may own patents or other intellectual property rights that cover aspects of our technology or business methods. Such parties may claim we have misappropriated, misused, violated or infringed third party intellectual property rights, and, if we gain greater recognition in the market, we face a higher risk of being the subject of claims that we have violated others' intellectual property rights. Any claim that we violate a third party's intellectual property rights, whether with or without merit, could be time-consuming, expensive to settle or litigate and could divert our management's attention and other resources. If we do not successfully settle or defend an intellectual property claim, we could be liable for significant monetary damages and could be prohibited from continuing to use certain technology, business methods, content or brands. To avoid a prohibition, we could seek a license from third parties, which could require us to pay significant royalties, increasing our operating expenses. If a license is not available at all or not available on reasonable terms, we may be required to develop or license a non-violating alternative, either of which could require significant effort and expense. If we cannot license or develop a non-violating alternative, we would be forced to limit or stop sales of our offerings and may be unable to effectively compete. Any of these results would adversely affect our business, results of operations, financial condition and cash flows. To deter other companies from making intellectual property claims against us or to gain leverage in settlement negotiations, we may be forced to significantly increase the size of our intellectual property portfolio through internal efforts and acquisitions from third parties, both of which could require significant expenditures. However, a robust intellectual property portfolio may provide little or no deterrence, particularly for patent holding companies or other patent owners that have no relevant product revenues.

We use “open source” software in our solutions, which may restrict how we distribute our offerings, 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 currently use in our solutions, and expect to continue to use in the future, 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. We do not plan to integrate our proprietary software with open source software in ways that would require the release of the source code of our proprietary software to the public, however, our use and distribution 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 or remove the source code of our proprietary software to the public. 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 remove the software. 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 sale of our offerings if re-engineering could not 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 commercialize our offerings. We cannot guarantee that we have incorporated 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.

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

The energy produced and revenue and cash receipts generated by a solar energy system depend on suitable solar, atmospheric and weather conditions, all of which are beyond our control. Furthermore, components of our systems, such as panels and inverters, could be damaged by severe weather, such as hailstorms or lightning. Although we maintain insurance to cover for many such casualty events, our investment funds would be obligated to bear the expense of repairing the damaged solar energy systems, sometimes subject to limitations based on our ability to successfully make warranty claims. Our economic model and projected returns on our systems require us to achieve certain production results from our systems and, in some cases, we guarantee these results for both our consumers and our investors. If the systems underperform for any reason, our financial results could suffer. Sustained unfavorable weather also could delay our installation of solar energy systems, leading to increased expenses and decreased revenue and cash receipts in the relevant periods. We have experienced seasonal fluctuations in our operations. For example, the amount of revenue we recognize in a given period from PPAs is dependent in part on the amount of energy generated by solar energy systems under such contracts. As a result, operating leases and incentives revenue is impacted by seasonally shorter daylight hours in winter months. In addition, our ability to install solar energy systems is impacted by weather. For example, we have limited ability to install solar energy systems during the winter months in the Northeastern United States. Such delays can impact the timing of when we can install and begin to generate revenue from solar energy systems. However, given that we are in a growing industry, the true extent of these fluctuations may have been masked by our historical growth rates and thus may not be readily apparent from our historical operating results and may be difficult to predict. As such, our historical operating results may not be indicative of future performance. Furthermore, weather patterns could change, making it harder to predict the average annual amount of sunlight striking each location where we install a solar energy system. This could make our solar energy systems less economical overall or make individual systems less economical. Any of these events or conditions could harm our business, financial condition, results of operations and prospects.

Disruptions to our solar monitoring systems could negatively impact the operation of our business and our revenues and increase our expenses.

Our ability to accurately charge our customers for the energy produced by our solar energy systems depends on our ability to monitor our customers' solar energy systems. Our customer agreements require our customers to maintain a broadband internet connection so that we may receive data regarding solar energy system production from their home networks. We could incur significant expenses or disruptions of our operations in connection with failures of our solar monitoring systems, including failures of our customers' home networks that would prevent us from accurately monitoring solar energy production. In addition, sophisticated hardware and operating system software and applications that we procure from third parties may contain defects in design or manufacture, including "bugs" and other problems that could unexpectedly interfere with the operation of our systems. The costs to us to eliminate or alleviate viruses and bugs, or any problems associated with failures of our customers' home networks could be significant, and the efforts to address these problems could result in interruptions, delays or cessation of service that may impede our sales, distribution or other critical functions. When a customer's solar monitoring system is not properly communicating with us, we estimate the production of their solar energy systems. Such estimates may prove inaccurate and could cause us to underestimate the power being generated by our solar energy systems and undercharge our customers, thereby harming our results of operations.

We are exposed to the credit risk of our customers.

Our solar energy customers primarily purchase energy or lease solar energy systems from us pursuant to one of two types of long-term contracts: a PPA or a Solar Lease. The terms of PPAs and Solar Leases are typically for 20 years, and require the customer to make monthly payments to us. Accordingly, we are subject to the credit risk of our customers. As of March 31, 2017, the average FICO score of our customers was approximately 760. However, as we grow our business, the risk of customer defaults could increase. Our reserve for this exposure is estimated to be \$2.2 million as of March 31, 2017, and our future exposure may exceed the amount of such reserves.

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 focuses on contracts and transactions with residential customers. We must comply with numerous federal, state and local laws and regulations that govern matters relating to our interactions with consumers, including those pertaining to privacy and data security, consumer financial and credit transactions, home improvement contracts, warranties, door-to-door solicitation as well as specific regulations pertaining to solar installations. These laws and regulations are dynamic and subject to potentially differing interpretations, and various federal, state and local legislative and regulatory bodies may initiate investigations, 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.

For example, Arizona enacted statutes in 2015 and 2016 that require increased disclosures and acknowledgements in any agreement governing the financing, sale or lease of distributed energy systems, such as our solar energy systems. This legislation required us to amend the standard lease and system purchase agreement we provide customers in Arizona to, among other things, include an acknowledgement by the customer of any restrictions on the ability to transfer ownership of the solar energy system or underlying property and provide contact information for any party that has the right to review or approve such a transfer and add additional customer acknowledgments of disclosures that already appear in our customer agreements (e.g., the customer's right to cancel within three business days, the description of major solar energy system components, and certain payment details). Similar legislation recently passed in New Mexico, and other bills focused on protecting residential solar consumers are under consideration in California and Florida.

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. For example, members of the U.S. House of Representatives have sent letters to the Consumer Financial Protection Bureau, or CFPB, and the Federal Trade Commission, or FTC, requesting that these agencies investigate the sales practices of companies providing solar energy system leases to residential consumers. In 2016, the FTC held a public workshop on competition and consumer protection issues relating to the residential solar industry, and we expect additional regulatory scrutiny of the industry at the state and federal levels. Additionally, in March 2017, we received notice that the New Mexico Attorney General's office intends to file an action against us and our officers alleging violation of state consumer protection statutes. While we believe our standard sales practices and policies comply with all applicable laws and regulations, if federal, state or other local regulators or agencies were to initiate an investigation against us or enact regulations relating to the marketing of our products to residential consumers, responding to such investigation or complying with such regulations could divert management's attention to 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.

As another example, the Fannie Mae Selling Guide imposes certain requirements the terms of solar power purchase agreements and leases as a condition of eligibility of home mortgages for sale to or securitization by Fannie Mae. These requirements include responsibility for damage to the real property, insurance requirements, and lender rights in the event of foreclosure. Such requirements, and possible future conditions impacting the ability of our customers to sell or refinance their homes impact the terms of our business, the terms on which we are able to obtain financing and could have an adverse effect on our business, financial condition and results of operations.

We cannot ensure that our sales force will comply with our standard practices and policies, and any such non-compliance potentially could expose us to claims, proceedings, litigation, investigations, and/or enforcement actions 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 the laws, regulations and industry standards that apply to us.

Any unauthorized access to, or disclosure or theft of personal information or other proprietary information we gather, store or use could harm our reputation and subject us to claims or litigation.

We receive, store and use personal information of our customers, including names, addresses, e-mail addresses, credit information and other housing and energy use information. We also store and use personal information of our employees. In addition, we currently utilize certain shared information and technology systems with Vivint. We take certain steps in an effort to protect the security, integrity and confidentiality of the personal information and other proprietary and confidential information we collect, store or transmit, but there is no guarantee that inadvertent or unauthorized use or disclosure will not occur or that third parties will not gain unauthorized access to this information despite our efforts. Because techniques used to obtain unauthorized access or sabotage systems change frequently and generally are not identified until they are launched against a target, we and our suppliers or vendors, including Vivint, may be unable to anticipate these techniques or to implement adequate preventative or mitigation measures. In addition, due to a potential time lapse between when a sales representative leaves us and when we are made aware of the separation, sales representatives may have continued access to our customers' information for a period when they should not.

We are also subject to laws and regulations relating to the collection, use, retention, security and transfer of personal information of our customers. In many cases, these laws apply not only to third-party transactions, but also to transfers of information between one company and its subsidiaries. Several jurisdictions have passed new laws in this area, and other jurisdictions are considering imposing additional restrictions. These laws continue to develop and may be inconsistent from jurisdiction to jurisdiction. In addition to government regulation, privacy advocates and industry groups may propose new and different self-regulatory standards that either legally or contractually apply to us. One example of such self-regulatory standards to which we may be contractually bound is the Payment Card Industry Data Security Standard, or PCI DSS, which may affect any processes associated with handling credit card numbers. In the event we fail to be compliant with the PCI DSS, fines and other penalties could result. Complying with emerging and changing requirements may cause us to incur costs or require us to change our business practices. Any actual or alleged failure by us, our affiliates or other parties with whom we do business to comply with privacy-related or data protection laws, regulations and industry standards could result in proceedings against us by governmental entities or others, which could have a detrimental effect on our business, results of operations and financial condition.

Any actual or perceived unauthorized use or disclosure of, or access to, any personal information or other proprietary or confidential information maintained by us or on our behalf, whether through breach of our systems, breach of the systems of our suppliers or vendors, including Vivint, by an unauthorized party, or through employee or contractor error, theft or misuse, or otherwise, could harm our business. If any such unauthorized use or disclosure of, or access to, such personal information were to occur or to be believed to have occurred, our operations could be seriously disrupted and we could be subject to demands, claims and litigation by private parties, and investigations, related actions, and penalties by regulatory authorities. In addition, we could incur significant costs in notifying affected persons and entities and otherwise complying with the multitude of federal, state and local laws and regulations relating to unauthorized access to, or use or disclosure of, personal information. Finally, any perceived or actual unauthorized access to, or use or 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, financial condition and results of operations.

We are involved, and may become involved in the future, in legal proceedings that, if adversely adjudicated or settled, could adversely affect our financial results.

We are, and may in the future become, party to litigation. For examples, see Note 17—Commitments and Contingencies. While we intend to defend against these actions vigorously, the ultimate outcomes of these cases are presently not determinable as they are in a preliminary phase. In general, litigation claims can be expensive and time consuming to bring or defend against, may result in the diversion of management attention and resources from our business and business goals and could result in settlements or damages that could significantly affect financial results and the conduct of our business. It is not possible to predict the final resolution of the litigation to which we currently are or may in the future become party, and the impact of certain of these matters on our business, prospects, financial condition, liquidity, results of operations and cash flows.

Risks Related to our Relationship with Vivint

Vivint provides us with certain information technology support for our business. If Vivint fails to perform its obligations to us or if we do not find appropriate replacement services, we may be unable to perform these services or implement substitute arrangements on a timely and cost-effective basis on terms favorable to us.

We have historically relied on the technical support of Vivint to run our business. We are currently using certain of Vivint's information technology and infrastructure, though our usage continues to decline. The implementation of new software support systems requires significant management time, support and cost, and there are inherent risks associated with implementing, developing, improving and expanding our core systems. We cannot be sure that these systems will be fully or effectively implemented on a timely basis, if at all. If we do not successfully implement these systems, our operations may be disrupted and our operating results could be harmed. In addition, the new systems may not operate as we expect them to, and we may be required to expend significant resources to correct problems or find alternative sources for performing these functions.

In order to successfully transition to our own systems and operate as a standalone business, we have entered into various agreements with Vivint. These include a master framework agreement providing the overall terms of the relationship and a transition services agreement detailing various information technology services that Vivint will provide. Vivint will provide each service until we agree that support from Vivint is no longer required for that service. The information technology services provided under the transition services agreement may not be sufficient to meet our needs and we may not be able to replace these services at favorable costs and on favorable terms, if at all. Any failure or significant downtime in our own systems or in Vivint's systems during the transition period and any difficulty in separating our information technology services from Vivint's information technology services and integrating newly developed or acquired information technology services into our business could result in unexpected costs, impact our results or prevent us from performing other technical, administrative and information technology services on a timely basis and could materially harm our business, financial condition, results of operations and cash flows.

Our inability to resolve any disputes that arise between us and Vivint with respect to our past and ongoing relationships may adversely affect our financial results, and such disputes may also result in claims for indemnification.

Disputes may arise between Vivint and us in a number of areas relating to our past and ongoing relationships, including the following:

- intellectual property, labor, tax, employee benefits, indemnification and other matters arising from our separation from Vivint;
- employee retention and recruiting;
- our ability to use, modify and enhance the intellectual property that we have licensed from Vivint;
- business combinations or divestitures;
- pricing for shared and transitional services;
- exclusivity arrangements;
- the nature, quality and pricing of products and services Vivint agrees to provide to us; and
- business opportunities that may be attractive to both Vivint and us.

We have entered into certain agreements with Vivint. Pursuant to the terms of the Non-Competition Agreement we have entered into with Vivint, we and Vivint each define our areas of business and our competitors, and agree not to directly or indirectly engage in the other's business through September 30, 2017. This agreement may limit our ability to pursue attractive opportunities that we may have otherwise pursued.

Additionally, this agreement prohibits either Vivint or us from soliciting for employment any member of the other's executive or senior management team, or any of the other's employees who primarily manage sales, installation or services of the other's products and services until September 30, 2019. The commitment not to solicit each other's employees lasts for 180 days after such employee finishes employment with us or Vivint. Historically, we have recruited a majority of our sales personnel from Vivint. This agreement may require us to obtain personnel from other sources, and may limit our ability to continue scaling our business if we are unable to do so. Notwithstanding the above, a number of sales representatives work for both Vivint and us. To the extent there is any confusion concerning the relationship between us and Vivint with respect to the products and services we offer and the products and services of Vivint, such sales representatives could expose us to increased claims, proceedings, litigation and investigations by consumers and regulatory authorities. In addition, having sales representatives who work for both Vivint and us could distract such sales representatives, impact the effectiveness of our sales force, and potentially increase the turnover of our existing sales representatives who may feel displaced by the addition of Vivint sales representatives to our sales force.

Pursuant to the terms of the Marketing and Customer Relations Agreement we have entered into with Vivint, we and Vivint are required to compensate one another for sales leads that result in sales. Vivint may direct sales leads to other solar energy companies in markets in which we have not entered. However, once we enter a market, Vivint must exclusively direct to us all leads for customers and potential customers with an interest in solar energy. Vivint's ability to sell leads to other solar energy providers in markets where we are not currently operating may adversely affect our ability to scale rapidly if we subsequently enter into such market as many of Vivint's customers with solar energy inclinations may have already been referred to another company by the time we enter into such market. Additionally, even in markets in which we currently operate, there can be no assurances regarding how many leads Vivint will be able to generate, or that such leads will successfully result in a signed PPA, Solar Lease or System Sale. In addition, as we work to expand our customer opportunities and product offerings through our relationship with Vivint, our business and results of operations may be adversely affected by factors that may have a material impact on Vivint's business or our relationship with them.

We may not be able to resolve any potential conflicts relating to these agreements or otherwise, and even if we do, the resolution may be less favorable than if we were dealing with an unaffiliated party. In addition, we have indemnification obligations under the intercompany services agreements we entered into with Vivint, and disputes between us and Vivint may result in claims for indemnification. However, we do not currently expect that these indemnification obligations will materially affect our potential liability compared to what it would be if we did not enter into these agreements with Vivint.

Risks Related to Our Common Stock

The price of our common stock may be volatile, and the value of your investment could decline.

The trading price of our common stock may be highly volatile. For example, from our initial public offering to March 31, 2017, the closing price of our common stock has ranged from a high of \$16.01 to a low of \$2.22. Our stock price could continue to be subject to wide fluctuations in response to various factors, some of which are beyond our control. These factors include:

- our financial condition and the availability and terms of future financing;
- changes in laws or regulations applicable to our industry or offerings, including any new tariffs or trade regulations that affect our ability to import goods at attractive prices or at all;
- additions or departures of key personnel, such as the recent resignation of our former chief executive officer and the appointment of his replacement;
- actual or anticipated changes in expectations regarding our performance by investors or securities analysts;
- securities litigation involving us;
- price and volume fluctuations in the overall stock market;
- volatility in the market price and trading volume of companies in our industry or companies that investors consider comparable;
- share price and volume fluctuations attributable to inconsistent trading volume levels of our shares;
- the failure of securities analysts to cover our common stock;
- our ability to protect our intellectual property and other proprietary rights;
- sales of our common stock by us, our stockholders or our employees, including sales of equity awards granted to our employees to cover tax withholding obligations;
- litigation or disputes involving us, our industry or both;
- major catastrophic events;

- general economic and market conditions; and
- potential acquisitions.

Further, the stock markets have experienced extreme 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 wide 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, interest rate changes or international currency fluctuations, may cause the market price of our common stock to decline. If the market price of our common stock decreases, investors may not realize any return on investment and may lose some or all of their investments.

In the past, companies that have experienced volatility in the market price of their stock have been subject to securities class action litigation. We are currently subject to two putative class action lawsuits, subsequently consolidated into an amended complaint, filed in the U.S. District Court for the Southern District of New York, alleging certain misrepresentations by us in connection with our initial public offering. We may become the target of additional securities litigation in the future, which could result in substantial costs and divert our management’s attention from other business concerns, which could seriously harm our business.

As an emerging growth company within the meaning of the Securities Act, we will utilize certain modified disclosure requirements, and we cannot be certain if these reduced requirements will make our common stock less attractive to investors.

We are an emerging growth company, and, for as long as we continue to be an emerging growth company, we may choose to take advantage of exemptions from various reporting requirements applicable to other public companies but not to “emerging growth companies” including, but not limited to, not being required to have our independent registered public accounting firm audit our internal control over financial reporting under Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. We have utilized, and we plan in future filings with the SEC to continue to utilize, the modified disclosure requirements available to emerging growth companies. As a result, our stockholders may not have access to certain information they may deem important.

In addition, Section 107 of the JOBS Act also provides that an emerging growth company can utilize the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. Thus, an emerging growth company can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have irrevocably elected not to avail ourselves of this exemption from new or revised accounting standards and, therefore, we will be subject to the same new or revised accounting standards as other public companies that are not “emerging growth companies.”

We could remain an “emerging growth company” until the earliest of (1) December 31, 2019, (2) the last day of the first fiscal year in which our annual gross revenue exceeds \$1.1 billion, (3) the date that we become a “large accelerated filer” as defined in Rule 12b-2 under the Exchange Act, which would occur if we become a seasoned issuer and the market value of our common stock that is held by non-affiliates exceeds \$700 million as of the last business day of our most recently completed second fiscal quarter or (4) the date on which we have issued more than \$1 billion in non-convertible debt securities during the preceding three-year period.

Our stock price could decline due to the large number of outstanding shares of our common stock eligible for future sale.

Sales of substantial amounts of our common stock in the public market, or the perception that these sales could occur, could cause the market price of our common stock to decline. These sales could also make it more difficult for us to sell equity or equity-related securities in the future at a time and price that we deem appropriate.

As of March 31, 2017, we had 110.5 million outstanding shares of common stock. These shares may be sold in the public market in the United States, subject to prior registration in the United States, if required, or reliance upon an exemption from U.S. registration, including, in the case of shares held by affiliates or control persons, compliance with the volume restrictions of Rule 144.

In addition, 1.1 million shares of our common stock reserved for future issuance under our Long-Term Incentive Plan were issued, vested and became immediately tradable without restriction. Approximately 2.7 million additional shares of our common stock reserved for future issuance under our Long-Term Incentive Plan will issue, vest and be immediately tradable without restriction on the date that our Sponsor and its affiliates achieve specified returns on their invested capital.

Further, options to purchase 3.8 million shares of common stock remained outstanding as of March 31, 2017, with 1.7 million of those shares being vested and exercisable as of March 31, 2017. The remaining 2.1 million shares that are not yet vested are subject to ratable time-based vesting over three to five years. All shares subject to options with time-based vesting will become immediately tradable once vested and exercised. As of March 31, 2017, 8.0 million restricted stock units remained outstanding, of which 6.4 million are subject to ratable time-based vesting over one to four years and 1.6 million vest over one to four years subject to individual participants' achievement of quarterly or annual performance goals. All restricted stock units will become immediately tradable once vested. Additionally, "sell-to-cover" transactions are utilized in connection with the vesting and settlement of equity awards that are granted to our employees so that shares of our common stock are sold on behalf of our employees in an amount sufficient to cover the tax withholding obligations associated with these awards. As a result of these transactions, a significant number of shares of our stock may be sold over a limited time period in connection with significant vesting events. During the month of May 2017, for example, approximately 3.5 million restricted stock units are scheduled to vest and settle, which may increase the volume of our shares that would otherwise be sold during this time.

Stockholders owning an aggregate of 84.7 million shares of our common stock are entitled, under contracts providing for registration rights, to require us to register shares of our common stock owned by them for public sale in the United States, subject to the restrictions of Rule 144. In October 2014, we filed a registration statement on Form S-8 to register 22.9 million shares previously issued or reserved for future issuance under our equity compensation plans and agreements, and we registered an additional 12.9 million shares in March 2017. Under these registration statements, subject to the satisfaction of applicable vesting periods, the shares of common stock issued upon exercise of outstanding options and vested RSUs will be available for immediate resale in the United States in the open market. Sales of our common stock as restrictions end or pursuant to registration rights 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 our stock price to fall and make it more difficult for investors to sell shares of our common stock.

Our Sponsor and its affiliates control us and their interests may conflict with ours or investors' in the future.

As of March 31, 2017, 313 Acquisition LLC, which is controlled by our Sponsor and its affiliates, beneficially owned approximately 75% of our common stock. Moreover, under our organizational documents and the stockholders agreement with 313 Acquisition LLC, for so long as our existing owners and their affiliates retain significant ownership of us, we will agree to nominate to our board individuals designated by our Sponsor, whom we refer to as the Sponsor directors. In addition, for so long as 313 Acquisition LLC continues to own shares representing a majority of the total voting power, we will agree to nominate to our board individuals appointed by Summit Partners and Todd Pedersen. Even when our Sponsor and its affiliates and certain of its co-investors cease to own shares of our stock representing a majority of the total voting power, for so long as our Sponsor and its affiliates continue to own a significant percentage of our stock our Sponsor will still be able to significantly influence the composition of our board of directors and the approval of actions requiring stockholder approval. In addition, under the stockholders agreement, affiliates of our Sponsor will have consent rights with respect to certain actions involving our company, provided a certain aggregate ownership threshold is maintained collectively by our Sponsor and its affiliates, together with Summit Partners, Todd Pedersen and Alex Dunn and their respective affiliates. Accordingly, for such period of time, our Sponsor and certain of its co-investors will have significant influence with respect to our management, business plans and policies, including the appointment and removal of our officers. In particular, for so long as our Sponsor and its affiliates continue to own a significant percentage of our stock, our Sponsor will be able to cause or prevent a change of control of our company or a change in the composition of our board of directors and could preclude any unsolicited acquisition of our company. The concentration of ownership could deprive investors of an opportunity to receive a premium for shares of common stock as part of a sale of our company and ultimately might affect the market price of our common stock.

Our Sponsor and its affiliates engage in a broad spectrum of activities, including investments in the energy sector. In the ordinary course of their business activities, our Sponsor and its affiliates may from time to time acquire and hold interests in businesses that compete directly or indirectly with us. For example, affiliates of our Sponsor regularly invest in utility companies that compete with solar energy and renewable energy companies such as ours. In addition, affiliates of our Sponsor own interests in one of the largest solar power developers in India and may in the future make other investments in solar power, including in the United States. Our certificate of incorporation provides that none of our Sponsor, any of its affiliates or any director who is not employed by us (including any non-employee director who serves as one of our officers in both his or her director and officer capacities) or his or her affiliates will have any duty to refrain from engaging, directly or indirectly, in the same business activities or similar business activities or lines of business in which we operate. Our Sponsor also may pursue acquisition opportunities that may be complementary to our business, and, as a result, those acquisition opportunities may not be available to us. In addition, our Sponsor may have an interest in pursuing acquisitions, divestitures and other transactions that, in its judgment, could enhance its investment, even though such transactions might involve risks to investors.

We have elected to take advantage of the “controlled company” exemption to the corporate governance rules for NYSE-listed companies, which could make our common stock less attractive to some investors or otherwise harm our stock price.

Because we qualify as a “controlled company” under the corporate governance rules for NYSE-listed companies, we are not required to have a majority of our board of directors be independent, nor are we required to have a compensation committee or an independent nominating function. In light of our status as a controlled company, in the future we could elect not to have a majority of our board of directors be independent or not to have a compensation committee or nominating and governance committee. Accordingly, should the interests of 313 Acquisition LLC or our Sponsor differ from those of other stockholders, the other stockholders may not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance rules for NYSE-listed companies. Our status as a controlled company could make our common stock less attractive to some investors or otherwise harm our stock price.

Provisions in our certificate of incorporation, bylaws, stockholders agreement and under Delaware law might discourage, delay or prevent a change of control of our company or changes in our management and, therefore, depress the trading price of our common stock.

Our certificate of incorporation, bylaws and stockholders agreement contain provisions that could depress the trading price of our common stock by discouraging, delaying or preventing a change of control of our company or changes in our management that the stockholders of our company may believe advantageous. These provisions include:

- establishing a classified board of directors so that not all members of our board of directors are elected at one time;
- authorizing “blank check” preferred stock that our board of directors could issue to increase the number of outstanding shares to discourage a takeover attempt;
- limiting the ability of stockholders to call a special stockholder meeting;
- limiting the ability of stockholders to act by written consent;
- providing that the board of directors is expressly authorized to make, alter or repeal our bylaws;
- establishing advance notice requirements for nominations for elections to our board of directors or for proposing matters that can be acted upon by stockholders at stockholder meetings;
- requiring our Sponsor to consent to certain actions, as described under the section of our 2016 Proxy Statement captioned “Related Party Transactions—Agreements with Our Sponsor,” for so long as our Sponsor, Summit Partners, Todd Pedersen and Alex Dunn or their respective affiliates collectively own, in the aggregate, at least 30% of our outstanding shares of common stock;
- the removal of directors only for cause and only upon the affirmative vote of the holders of at least 66-2/3% in voting power of all the then-outstanding shares of stock of our company entitled to vote thereon, voting together as a single class, if Blackstone and its affiliates beneficially own, in the aggregate, less than 30% in voting power of the stock of our company entitled to vote generally in the election of directors; and
- that certain provisions may be amended only by the affirmative vote of the holders of at least 66-2/3% in voting power of all the then-outstanding shares of stock of our company entitled to vote thereon, voting together as a single class, if Blackstone and its affiliates beneficially own, in the aggregate, less than 30% in voting power of the stock of our company entitled to vote generally in the election of directors.

If securities or industry analysts do not publish or cease publishing research or reports about us, our business or our market, or if they change their recommendations regarding our stock adversely, our stock price and trading volume could decline.

The trading market for our common stock will be influenced by the research and reports that industry or securities analysts may publish about us, our business, our market or our competitors. If any of the analysts who do now, or may in the future, cover us change their recommendation regarding our stock adversely, or provide more favorable relative recommendations about our competitors, our stock price would likely decline. If any analyst who may cover us were to 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 our stock price or trading volume to decline.

Item 6. Exhibits

- 10.1† Second Amended and Restated Loan Agreement, dated as of March 9, 2017, by and among Vivint Solar Financing I, LLC, Vivint Solar Financing I Parent, LLC, Bank of America, N.A. and the parties named therein
- 10.2† Second Amended and Restated Collateral Agency and Depositary Agreement, dated as of March 9, 2017, by and among Vivint Solar Financing I, LLC, Vivint Solar Financing I Parent, LLC, Vivint Solar Fund XV Manager, LLC, Vivint Solar Owner I, LLC, Bank of America, N.A. and the parties named therein
- 31.1 Certification of Chief Executive Officer, pursuant to Section 302(a) of the Sarbanes-Oxley Act of 2002
- 31.2 Certification of Chief Financial Officer pursuant to Section 302(a) of the Sarbanes-Oxley Act of 2002
- 32.1* Certification of Chief Executive Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
- 32.2* Certification of Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
- 101.INS XBRL Instance Document
- 101.SCH XBRL Taxonomy Extension Schema Document
- 101.CAL XBRL Taxonomy Extension Calculation Linkbase Document
- 101.DEF XBRL Taxonomy Extension Definition Linkbase Document
- 101.LAB XBRL Taxonomy Extension Label Linkbase Document
- 101.PRE XBRL Taxonomy Extension Presentation Linkbase Document
- † Confidential treatment has been requested with respect to certain portions of this exhibit. Omitted portions have been filed separately with the Securities and Exchange Commission.
- * The Certifications attached as Exhibits 32.1 and 32.2 that accompany this Quarterly Report on Form 10-Q are not deemed filed with the Securities and Exchange Commission and are not to be incorporated by reference into any filing of Vivint Solar, 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 Form 10-Q, irrespective of any general incorporation language contained in such filing.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

VIVINT SOLAR, INC.

Date: May 9, 2017

/s/ David Bywater

David Bywater
Chief Executive Officer
(Principal Executive Officer)

Date: May 9, 2017

/s/ Dana Russell

Dana Russell
Chief Financial Officer and Executive Vice President
(Principal Financial Officer)

Certain portions of this document have been omitted pursuant to a request for Confidential Treatment and, where applicable, have been marked with “[***]” to indicate where omissions have been made. The confidential material has been filed separately with the Securities and Exchange Commission.

PROJECT SPOTLIGHT

SECOND AMENDED AND RESTATED

LOAN AGREEMENT

Originally dated as of September 12, 2014

As amended and restated as of November 25, 2015 and

As further amended and restated as of March 9, 2017

among

VIVINT SOLAR FINANCING I, LLC,
a Delaware limited liability company
(Borrower);

VIVINT SOLAR FINANCING I PARENT, LLC,
a Delaware limited liability company
(Borrower Member and a Guarantor);

THE OTHER GUARANTORS PARTIES HERETO FROM TIME TO TIME ;

THE LENDERS PARTIES HERETO FROM TIME TO TIME ;

BANK OF AMERICA, N.A.
(Sole Book Runner, Sole Structuring Agent, Collateral Agent and Administrative Agent);

Deutsche Bank AG, New York Branch
(Joint Lead Arranger and Documentation Bank);

CIT Finance LLC
(Joint Lead Arranger); and

ING Capital LLC
(Joint Lead Arranger and Documentation Bank)

[***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

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[***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

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[***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

SECOND AMENDED AND RESTATED LOAN AGREEMENT

This SECOND AMENDED AND RESTATED LOAN AGREEMENT, originally dated as of September 12, 2014, as amended and restated as of November 25, 2015 and as further amended and restated as of March 9, 2017 (this “**Agreement**”), is made by and among VIVINT SOLAR FINANCING I, LLC, a Delaware limited liability company (the “**Borrower**”), VIVINT SOLAR FINANCING I PARENT, LLC, a Delaware limited liability company (the “**Borrower Member**”), each of the other guarantors that is a party to this Agreement identified as a “Guarantor” on the signature pages to this Agreement and listed as a “Managing Member” on Appendix 4 (as updated pursuant to Section 2.10) or that shall become a Guarantor pursuant to the terms of this Agreement and a New Subject Fund Accession Agreement (each individually, a “**Guarantor**” and, collectively, the “**Subsidiary Guarantors**,” and together with the Borrower Member, collectively, the “**Guarantors**”) each of the lenders that is a signatory to this Agreement identified as a “**Lender**” on the signature pages to this Agreement and listed on Annex 2 or that shall become a “**Lender**” under this Agreement pursuant to the terms of this Agreement (each individually, a “**Lender**” and, collectively, the “**Lenders**”), and BANK OF AMERICA, N.A, as the collateral agent for the Secured Parties (in such capacity, together with its successors in such capacity, the “**Collateral Agent**”) and as the administrative agent for the Lenders (in such capacity, together with its successors in such capacity, the “**Administrative Agent**”, and, together with the Collateral Agent, the “**Agents**”).

WHEREAS, the Borrower requested that the Lenders make loans to the Borrower to monetize certain of the future distributions to be received by the Borrower from the Managing Members in connection with Subject Funds;

WHEREAS, the parties hereto entered into a Loan Agreement, dated September 12, 2014 (as amended, amended and restated, and otherwise modified prior to the date hereof, including pursuant to (i) the Amended and Restated Loan Agreement dated as of November 25, 2015, (ii) First Amendment to Amended and Restated Loan Agreement, dated as of December 9, 2015, (iii) the Second Amendment to Amended and Restated Loan Agreement, dated as of January 15, 2016, (iv) the Third Amendment to Amended and Restated Loan Agreement and Joinder and Amendment to CADA, dated as of March 10, 2016 (the “**Third Amendment**”), (v) the Waiver, dated as of September 15, 2016, and (vi) the Second Waiver, dated as of January 13, 2017, the “**Original Loan Agreement**”), a Collateral Agency and Depositary Agreement, dated as of September 12, 2014 (as amended prior to the date hereof, including (i) the Amended and Restated Collateral Agency and Depositary Agreement, dated as of November 25, 2015, (ii) the Amendment No. 1 to Collateral Agency and Depositary Agreement and Waiver, dated as of November 25, 2015, and (iii) the Third Amendment, the “**Original CADA**”), a Pledge and Security Agreement, dated as of September 12, 2014 (as amended prior to the date hereof, the “**Original Security Agreement**”) and certain other Financing Documents (as defined below), and Lenders made certain loans upon the terms and subject to the conditions of the Original Loan Agreement, the Original CADA and the other Financing Documents;

WHEREAS, the Borrower requested that the Agents and the Lenders agree to amend and restate the Original Loan Agreement and the Original CADA to effect certain modifications;

[***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

WHEREAS, the Borrower, the other Loan Parties, the Agent and the Lenders are willing to agree to such amendments on the terms and subject to the conditions set forth herein and in the CADA.

NOW THEREFORE, in consideration of the agreements herein and in the other Financing Documents and in reliance upon the representations and warranties set forth herein and therein, the parties hereto hereby agree to amend and restate the Original Loan Agreement as of the Second Restatement Date as follows:

ARTICLE 1

DEFINITIONS

1.1 Definitions. Except as otherwise expressly provided, capitalized terms used in this Agreement and its exhibits and schedules shall have the meanings set forth below:

“ **Accounts** ” has the meaning set forth in the CADA.

“ **Actual Net Cash Flow** ” means the actual amount of all Revenues paid to and received in the Revenue Account for the benefit of the Borrower, net of expenses permitted under the CADA.

“ **Administrative Agent** ” has the meaning set forth in the introductory paragraph of this Agreement.

“ **Administrative Questionnaire** ” means an administrative questionnaire in the form supplied by the Administrative Agent.

“ **Advance Model** ” has the meaning set forth in Appendix 2.

“ **Advance Rate** ” has the meaning set forth in Appendix 1.

“ **Affiliate** ” of a specified Person means any other Person that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with the Person specified. As used herein, the term “control” means possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of partnership interests or voting securities, by contract or otherwise.

“ **Agents** ” has the meaning set forth in the introductory paragraph of this Agreement.

“ **Agreement** ” has the meaning set forth in the introductory paragraph of this Agreement.

“ **All-In Yield** ” means, as to any Debt, the yield thereof, whether in the form of interest rate, margin, OID, upfront fees or LIBO Rate or Base Rate floor, in each case, incurred or payable by the Borrower generally to all Lenders of such Debt; *provided* that (a) OID and upfront fees shall be equated to interest rate assuming a 4-year life to maturity on a straight line basis (or, if less, the stated life to maturity at the time of incurrence of the applicable Debt); and (b) “All-In Yield” shall not include amendment fees, arrangement fees, structuring fees, commitment fees, underwriting

fees and similar fees payable to any lead arranger (or its affiliate) in connection with the commitment or syndication of such Debt, consent fees paid to consenting Lenders and any other fees not paid or payable generally to all Lenders in the primary syndication of such Debt.

“ **Applicable Interest Rate** ” means (i) with respect to the Loans other than Incremental Loans, (a) for any LIBO Loan, during each Interest Period applicable thereto, the per annum rate equal to the sum of the LIBO Rate for such Interest Period plus the Applicable Margin (or, with respect to the initial Interest Period applicable to a LIBO Loan that was not initially made on the 15th day of a calendar month, the Daily LIBO Rate plus the Applicable Margin) or (b) for any Base Rate Loan, on any day, the per annum rate equal to the sum of the Base Rate for such day plus the Applicable Margin and (ii) with respect to each Incremental Loan, the per annum rate specified in the terms of the Incremental Loan Commitment related to such Incremental Loan.

“ **Applicable Margin** ” means (i) during the Availability Period, 3.25% and (ii) after the Availability Period, 3.75%.

“ **Applicable Threshold Test** ” means, with respect to any date of determination on which the Outstanding Principal is greater than the Available Borrowing Base (for purposes of this definition, the “ **Test Date** ”) the Outstanding Principal on the Test Date is less than the product of (x) the Available Borrowing Base (calculated on the Test Date using interest rates in effect as of the Test Date), multiplied by (y) 105%. For the avoidance of doubt, on any date on which the Outstanding Principal is less than or equal to the Available Borrowing Base, the Applicable Threshold Test shall be deemed to be satisfied.

“ **Approved Form Agreement** ” means each of the form Customer Agreements attached hereto as Appendix 10 as such forms may be modified from time to time pursuant to Section 6.10(b).

“ **Approved Manufacturer** ” means (i) any of the manufacturers set forth in Appendix 9 or (ii) any other manufacturer approved in writing by the Administrative Agent in its reasonable discretion upon Borrower’s request.

“ **Assignment and Acceptance** ” means an assignment and acceptance entered into by a Lender and an Eligible Assignee, and accepted by the Administrative Agent, in the form of Exhibit C or such other form as shall be approved by the Administrative Agent.

“ **Assumptions** ” has the meaning set forth in Appendix 2.

“ **Attributable Indebtedness** ” means, on any date, in respect of any Capital Lease Obligations of any Person, the capitalized amount thereof that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP.

“ **Availability Period** ” means a period commencing on the Closing Date and ending on March 31, 2020, as the same may be extended solely with respect to Lenders agreeing to an Extension Request pursuant to Section 2.13.

“ **Available Borrowing Base** ” has the meaning set forth in Appendix 2.

“ **Bail-In Action** ” means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

“ **Bail-In Legislation** ” means, 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 for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

“ **Bank of America** ” means Bank of America, N.A., a national banking association.

“ **Bankruptcy Event** ” shall be deemed to occur with respect to any Person if (a) such Person shall institute a voluntary case seeking liquidation or reorganization under the Bankruptcy Law or shall consent to the institution of an involuntary case thereunder against it; (b) such Person shall file a petition, answer or consent or shall otherwise institute any similar proceeding under any other applicable federal, State or other applicable law, or shall consent thereto; (c) such Person shall apply for, or by consent there shall be an appointment of, a receiver, liquidator, sequestrator, trustee or other officer with similar powers for itself or any substantial part of its assets; (d) such Person shall make an assignment for the benefit of creditors; (e) such Person shall admit in writing its inability to pay its debts generally as they become due; (f) if an involuntary case shall be commenced seeking the liquidation or reorganization of such Person under the Bankruptcy Law or any similar proceeding shall be commenced against such Person under any other applicable federal, State or other applicable law and (i) the petition commencing the involuntary case is not timely controverted; (ii) the petition commencing the involuntary case is not dismissed within sixty (60) days of its filing; (iii) an interim trustee is appointed to take possession of all or a portion of the property, and/or to operate all or any part of the business of such Person and such appointment is not vacated within sixty (60) days; or (iv) an order for relief shall have been issued or entered therein; or a decree or order of a court having jurisdiction in the premises for the appointment of a receiver, liquidator, sequestrator, trustee or other officer having similar powers of such Person or of all or a part of its property, shall have been entered; or (h) any other similar relief shall be granted against such Person under any federal, State or other applicable law.

“ **Bankruptcy Law** ” means Title 11, United States Code, and any other State or federal insolvency, reorganization, moratorium or similar law for the relief of debtors.

“ **Base Rate** ” means for any day a fluctuating rate per annum equal to the highest of (a) the Federal Funds Rate plus ½ of 1%, (b) the rate of interest in effect for such day as publicly announced from time to time by Bank of America as its “prime rate”, and (c) the LIBO Rate plus 1.0%. The “prime rate” is a rate set by Bank of America based upon various factors including Bank of America’s costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in such “prime rate” announced by Bank of America shall take effect at the opening of business on the day specified in the public announcement of such change.

“ **Base Rate Loan** ” means any Loan that bears interest at rates based upon the Base Rate.

“ **Benefited Lender** ” has the meaning set forth in Section 2.5(b).

“ **Borrower** ” has the meaning set forth in the introductory paragraph of this Agreement.

“ **Borrower Materials** ” has the meaning set forth in Section 10.1(d).

“ **Borrower Member** ” means Vivint Solar Financing I Parent, LLC, a Delaware limited liability company.

“ **Borrowing** ” means Loans of the same Type made, converted or continued on the same date and, in the case of LIBO Loans, as to which a single Interest Period is in effect.

“ **Borrowing Base Certificate** ” means the certificate in the form of Exhibit G, setting forth the matters specified on Appendix 2 in the manner set forth therein.

“ **Borrowing Base Certificate Date** ” means each date upon which a Borrowing Base Certificate is submitted in accordance with the terms of Section 2.1(a)(iv) or Section 5.15.

“ **Borrowing Base Requirement** ” means, as of the date of a Borrowing Base Certificate, (i) the Available Borrowing Base exceeds the Outstanding Principal, (ii) the Cash-Sweep Concentration of each Cash-Sweep Fund Category does not exceed the Concentration Limit applicable thereto and (iii) the Inspected-Only Systems Borrowing Base does not exceed *** percent (***) of the Cash-Sweep Adjusted Available Borrowing Base.

“ **Borrowing Date** ” means that date on which a Borrowing occurs pursuant to the terms herein.

“ **Borrowing Date Certificate** ” has the meaning set forth in Section 3.2(a).

“ **Borrowing Notice** ” has the meaning set forth in Section 2.1(a)(iii).

“ **Breakage Event** ” has the meaning set forth in Section 2.7.

“ **Bridge Loan Credit Facility** ” means that certain Credit Agreement, dated May 1, 2014, between Borrower Member, Lender and the other parties thereto.

“ **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, the state where the Administrative Agent’s Office is located and if such day relates to any Eurocurrency Rate Loan, means any such day on which dealings in deposits are conducted by and between banks in the London interbank Eurocurrency market.

“ **CADA** ” means the Second Amended and Restated Collateral Agency and Depositary Agreement, dated as of the Second Restatement Date, among the Borrower, the Collateral Agent, the Depositary, each Managing Member, and, solely for the purposes of Section 2.1 and Article 7 thereof, the Lenders.

“ **Calculation Period** ” has the meaning set forth in Section 2.3(a).

“ **Capital Adequacy Requirement** ” has the meaning set forth in Section 2.6(b).

“ **Capital Lease Obligations** ” of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

“ **Cash Flow Coverage Ratio** ” means, as of any Quarterly Date, for any trailing 6-month period ending on such Quarterly Date (or with respect to the first two quarters following the Closing Date, such period from the Closing Date to the Quarterly Date), the quotient of (i) the sum of (A) Actual Net Cash Flow received by Borrower for such period less Borrower’s expenses (excluding interest on the Loans) due and payable during such period, (B) any amounts on deposit in the Equity Cure Account that are applicable to such period pursuant to Section 8.4(c) and (C) any amount previously applied as a Cure Amount and subsequently applied as a prepayment of the Loans pursuant to Section 8.4(c) during the trailing 6-month period ending on such Quarterly Date, divided by (ii) the actual interest due pursuant to the Loans and payable during such period; provided that in the event the Cure Amount is applied as a prepayment of the Loans in accordance with Section 8.4(c), for purposes of calculating this clause (ii) the aggregate principal of outstanding Loans shall be deemed to not be so adjusted for the fiscal quarter in which such Cure Amount was made (but shall be in each following quarter).

“ **Cash-Sweep Adjusted Available Borrowing Base** ” has the meaning set forth in Appendix 2.

“ **Cash-Sweep Concentration** ” has the meaning set forth in Appendix 2.

“ **Cash-Sweep Event** ” has the meaning set forth in Appendix 7.

“ **Cash-Sweep Fund** ” means, with respect to any Subject Fund, a Subject Fund designated as such on Appendix 4 whose Project Documents reduce, limit, suspend or otherwise restrict distributions to the Managing Member following the occurrence of certain events enumerated in such Project Documents, including (a) the occurrence of a flip date when an internal rate of return has not been achieved, (b) certain indemnity claims, and (c) non –payment of such indemnity claims by the applicable Subject Fund guarantor, as reasonably determined by the Administrative Agent in consultation with the Borrower and the Lenders; provided, however, (1) with the prior written consent of Lenders holding at least 90% of the sum of (x) the aggregate unused amount of the Commitments then in effect and (y) the aggregate unpaid principal amount of the Loans then outstanding, (a) Subject Funds that would otherwise be Cash-Sweep Funds may instead be designated as or deemed to be Non-Cash-Sweep Funds for all purposes hereunder, or (b) a Cash-Sweep Fund that would otherwise be included in Cash-Sweep Fund Category I may instead be designated as, and included in, Cash-Sweep Fund Category II for all purposes hereunder or (2) an Insured Tax Loss Fund that would otherwise be included in Cash-Sweep Fund Category II shall instead be designated as or deemed to be a Non-Cash-Sweep Fund for all purposes hereunder for so long as such Subject Fund remains an Insured Tax Loss Fund.

“ **Cash-Sweep Fund Category** ” has the meaning set forth in Appendix 2 . A “ **Change of Control** ” shall be deemed to have occurred if:

(a) Vivint Solar Parent shall cease to directly or indirectly own, beneficially and of record, 100% of the issued and outstanding equity interests in Borrower Member;

(a) Borrower Member shall cease to directly own, beneficially and of record, 100% of the issued and outstanding equity interests in the Borrower;

(b) the Borrower shall cease to directly own, beneficially and of record, 100% of the issued and outstanding equity interests in each Managing Member; or

(c) a Managing Member fails to own 100% of the class of Equity Interests owned as of the date the related Partnership or Lessor, as applicable, becomes a Subject Fund under this Agreement and as set forth in Appendix 4 hereto (as such schedule may be updated prior to the funding of any new Subject Fund after the Closing Date to reflect the interests of a Managing Member in such new Subject Fund);

provided , that any disposition that would otherwise be a Change of Control that complies with terms of Section 2.10(b) or Section 6.4(d) shall be deemed not to be a Change of Control for all purposes hereunder.

“ **Change of 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, that, in each such case, makes it unlawful or impossible for any Lender to make or maintain any Loan; for the avoidance of doubt, 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 of 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 its Subsidiaries by the Administrative Agent or any Lender in substantially the same manner as applied to other similarly situated borrowers under comparable credit facilities after consideration of factors as the Administrative Agent or Lender then reasonably determines to be relevant.

“ **Charges** ” has the meaning set forth in Section 10.13 .

“ **Closing Date** ” means the date when each of the conditions precedent listed in Section 3.1 has been satisfied (or waived in writing by the Agents and the applicable Lenders), which date was September 12, 2014.

“ **Closing Date Commitment** ” means each Commitment that exists on the Closing Date and the Commitment of National Bank of Arizona that exists on the First Amendment Date .

“ **Code** ” means the Internal Revenue Code of 1986, and the regulations promulgated pursuant thereto, as amended or as may be amended from time to time, and any successor federal tax statute.

“ **Collateral** ” means all property of, and equity interests in the Loan Parties, now owned or hereafter acquired upon which a Lien is or is purported to be created by any Collateral Document.

“ **Collateral Agent** ” has the meaning set forth in the introductory paragraph of this Agreement.

“ **Collateral Documents** ” means the CADA, the Member Pledge, the Security Agreement, each collateral assignment (including each collateral assignment of Permitted Swap Agreement), each consent, each control agreement and any other security documents, financing statements and other documentation filed or recorded in connection with the foregoing.

“ **Commitment** ” means, at any time with respect to each Lender, the commitment of such Lender to make Loans hereunder, expressed as a maximum aggregate principal amount of the Loans to be made by such Lender hereunder as such amount may be (a) reduced from time to time pursuant to Sections 2.2(e), increased or modified from time to time pursuant to assignments by or to such Lender pursuant to Section 9.15, and (b) increased or supplemented pursuant to Section 2.9 (it being understood that Incremental Loan Commitments made by such Lender pursuant to Section 2.9 may have different maturity, interest, and fee terms than such Lender’s existing Commitments). The initial amount of each Lender’s Commitment is set forth on Annex 3 hereto in the column headed “Initial Commitment,” or in the Assignment and Acceptance pursuant to which such Lender shall have assumed its Commitment, as applicable. The amount of each Lender’s Commitment as of the Second Restatement Date is set forth in Annex 3 hereto in the column headed “Commitment as of Second Restatement Date.”

“ **Commitment Fee** ” has the meaning set forth in the Fee Letters.

“ **Communications** ” has the meaning set forth in Section 10.1 .

“ **Commodity Exchange Act** ” means the Commodity Exchange Act of 1936, as amended.

“ **Continuation Notice** ” has the meaning set forth in Section 2.1(a)(iii).

“ **Controlled Group** ” means all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control which, together with the Borrower, are treated as a single employer under Section 414(b), (c), (m) or (o) of the Code.

“ **Coverage Ratio EOD** ” has the meaning set forth in Section 8.4.

“ **Cure Amount** ” has the meaning set forth in Section 8.4.

“ **Cure Expiration Date** ” has the meaning set forth in Section 8.4 .

“ **Customer Agreement** ” means, with respect to any System, the power purchase agreement, lease agreement or other offtake agreement for the purchase and sale of energy or lease of a solar energy system relating to such System signed by (x) a residential customer and (y) a Subject Fund, or with respect to a Modified Inverted Lease Structure or Inverted Lease Structure, one or both of the entities that make up such Subject Fund (in any case, either directly or as assignee of Developer).

“ **Customer Payments** ” means, with respect to each System, all payments made by the Host Customer in accordance with its Customer Agreement.

“ **Daily LIBO Rate** ” means, on each day during the applicable period, the greater of (x) the fluctuating rate of interest equal to LIBOR, as published on the applicable Reuters screen page (or such other commercially available source providing quotations of LIBOR as designated by the Administrative Agent from time to time) at approximately 11:00 a.m., London local time, on each day (or, if such day is not a Business Day, on the immediately preceding Business Day) any such Loan is outstanding, for dollars deposited with a term equivalent to an overnight interest period and (y) 0%. If such rate under (x) is not available at such time for any reason, then the Daily LIBO Rate shall be the greater of (i) the rate per annum determined by the Administrative Agent to be the rate at which deposits in dollars for delivery in same day funds in the approximate amount of the initial Loan with a term equivalent to a one-month interest period would be offered by Bank of America’s London branch to major banks in the London interbank Eurodollar market at their request at approximately 11:00 a.m. (London local time), on each day (or, if such day is not a Business Day, on the immediately preceding Business Day) such Loan is outstanding and (ii) 0%.

“ **Debt** ” of any Person at any date means, without duplication,

(b) all obligations of such Person for borrowed money and all obligations of such Person evidenced by bonds, debentures, notes, loan agreements or other similar instruments,

(b) the maximum amount (after giving effect to any prior drawings or reductions which may have been reimbursed) of all outstanding letters of credit (including standby and commercial), bankers’ acceptances, bank guarantees, surety bonds, performance bonds and similar instruments issued or created by or for the account of such Person,

(c) net obligations of such Person under any Hedging Agreement,

(d) all obligations of such Person to pay the deferred purchase price of property or services (other than (i) trade accounts payable in the ordinary course of business, (ii) any earn-out obligation until such obligation becomes a liability on the balance sheet of such Person in accordance with GAAP and (iii) liabilities accrued in the ordinary course),

(e) indebtedness (excluding prepaid interest thereon) secured by a Lien on property owned or being purchased by such Person (including indebtedness arising under conditional sales or other title retention agreements and mortgage, industrial revenue bond, industrial development

bond and similar financings), whether or not such indebtedness shall have been assumed by such Person or is limited in recourse,

(f) all Attributable Indebtedness; and,

(g) all obligations of such Person in respect of Disqualified Equity Interests;

(h) to the extent not otherwise included above, all Guarantees of such Person in respect of any of the foregoing.

For the purposes of clause (c) above, with respect to any Person, net obligations under any Hedging Agreement on any date shall be deemed to be any Swap Termination Amount payable by such Person as of such date.

“ **Default** ” means any occurrence, circumstance or event, or any combination thereof, which, with the lapse of time, the giving of notice or both, would constitute an Event of Default under this Agreement.

“ **Default Rate** ” means, with respect to the Loans, the interest rate per annum equal to the Applicable Interest Rate plus 2.0% per annum.

“ **Defaulted System** ” has the meaning set forth in Appendix 2.

“ **Defaulting Lender** ” means, subject to Section 2.11(c) any Lender that (a) has failed to (i) fund all or any portion of its Loans within two (2) Business Days of the date such Loans 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 of the conditions precedent set forth in Sections 3.1 and 3.2 with respect to the relevant Borrowing (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) have 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 a Loan 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, at any time following the date of this Agreement, (i) become the subject of a public proceeding under Bankruptcy Law, 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, (ii) had publicly 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 FDIC or any other state, federal or national 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 2.11(b)) 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.

“ **Deployment Percentage** ” means, with respect to each Subject Fund, the percentage of the Investor’s total tax equity commitment to such Subject Fund that has been funded by the Investor and utilized to purchase Systems.

“ **Depositary** ” means Bank of America.

“ **Designated Jurisdiction** ” means any country or territory to the extent that such country or territory itself is the subject of any Sanction.

“ **Developer** ” means Vivint Solar Developer, LLC.

“ **Discharge Date** ” means the date when the outstanding Obligations (other than unasserted contingent payment obligations that by their nature expressly survive the termination of the Financing Documents) have been paid in full in cash and all Commitments have been terminated.

“ **Discount Rate** ” has the meaning set forth in Appendix 2.

“ **Disqualified Equity Interests** ” means any Equity Interest that, by its terms (or by the terms of any security or other Equity Interests into which it is convertible or for which it is exchangeable), or upon the happening of any event or condition (a) matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise (except as a result of a customarily defined change of control or asset sale so long as any rights of the holders thereof upon the occurrence of a change of control or asset sale event shall be subject to the prior occurrence of the Discharge Date), (b) is redeemable at the option of the holder thereof, in whole or in part, (c) provides for the scheduled payments of dividends in cash, or (d) is or becomes convertible into or exchangeable for Debt or any other Equity Interests that are described in the foregoing clauses (a), (b) or (c), in whole or in part, in each case, prior to the date that is ninety-one (91) days after the Latest Maturity Date.

“ **Dollars** ” and “ **\$** ” means United States dollars or such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts in the United States of America.

“ **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.

“ **Eligibility Representations** ” means the representations set forth in Appendix 3.

“ **Eligible Assignee** ” means (a) a Lender, (b) an Affiliate of a Lender, and (c) any other Person (other than the Borrower, Sponsor, a Subject Fund or any of their respective Affiliates or a natural person).

“ **Eligible Structure** ” means:

(i) a Partnership Flip Structure that is acceptable to the Administrative Agent in its reasonable discretion following due diligence and with respect to which the Borrower has made the Tax Equity Representations;

(ii) an Inverted Lease Structure that is acceptable to the Administrative Agent in its reasonable discretion following due diligence and with respect to which the Borrower has made the Tax Equity Representations;

(iii) a Modified Inverted Lease Structure that is acceptable to the Administrative Agent in its reasonable discretion following due diligence and with respect to which the Borrower has made the Tax Equity Representations;

(iv) a Repeat Tax Equity Structure with respect to which the Borrower has made both (x) the Tax Equity Representations in respect of such Repeat Tax Equity Structure and (y) the Tax Equity Representations set forth in clauses (k), (l) and (n)(B) in Part 1 of Appendix 7 in respect of the previously approved Tax Equity Structure to which such Repeat Tax Equity Structure is substantially similar;

(v) an Other Financed Structure that is acceptable to the Administrative Agent and Majority Lenders in their reasonable discretion following due diligence and with respect to which the Borrower has made the Other Structure Representations; or

(vi) an Other Non-Financed Structure with respect to which the Borrower has made the Other Structure Representations.

“ **Engagement Letter** ” means, collectively, (i) the Engagement Letter, dated April 30, 2014, entered into between Borrower Member and Bank of America, as amended, and (ii) the Engagement Letter for Extensions of Non-Recourse, Secured Credit Facility, dated March 9, 2017, entered into between Borrower and Bank of America.

“ **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 Contribution** ” has the meaning given to such term in the CADA.

“ **Equity Cure Account** ” has the meaning set forth in the CADA.

“ **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.

“ **ERISA Event** ” means (a) a Reportable Event; (b) a withdrawal by the Borrower or any member of its Controlled Group from an ERISA Plan subject to Section 4063 of ERISA during a plan year in which it was a substantial employer (as defined in Section 4001(a)(2) of ERISA) or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA; (c) a complete or partial withdrawal by the Borrower or any member of its Controlled Group from a Multiemployer Plan or notification that a Multiemployer Plan is in “reorganization” (within the meaning of Section 4241 of ERISA); (d) the filing of a notice of intent to terminate, the treatment of an ERISA Plan amendment as a termination under Sections 4041 or 4041A of ERISA, or the commencement of proceedings by the PBGC to terminate an ERISA Plan or Multiemployer Plan; (e) an event or condition which constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any ERISA Plan or Multiemployer Plan; (f) the imposition of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon the Borrower or any member of its Controlled Group; (g) the failure by the Borrower or an ERISA Affiliate to meet the minimum funding requirements of Section 412 and 430 of the Code or Sections 302 and 303 of ERISA with respect to any ERISA Plan, whether or not waived; (h) the filing pursuant to Section 412(c) of the Code or Section 303(c) of ERISA of an application for a waiver of the minimum funding standard with respect to any ERISA Plan; or (i) any other event in connection with an ERISA Plan or Multiemployer Plan which, directly or indirectly, could reasonably be expected to subject the Borrower to any material liability under any statute, regulation or governmental order or which could obligate the Borrower or any member of their Controlled Group to indemnify any Person against such liability incurred under any such statute, regulation or order.

“ **ERISA Plan** ” means any employee pension benefit plan (as defined in Section 3(2) of ERISA) other than a Multiemployer Plan that is both (a) maintained by the Borrower or any member of the Controlled Group, or to which any of them contributes or is obligated to contribute, for its employees or has made, or was so maintained and in respect of which the Borrower or any ERISA Affiliate could have liability under Section 4069 of ERISA in the event such plan has been or were to be terminated and (b) covered by Title IV of ERISA or to which Section 412 of the Code applies.

“ **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.

“ **Event of Default** ” and “ **Events of Default** ” have the meanings given in Section 8.1.

“ **Excluded Revenues** ” has the meaning set forth in Appendix 2.

“ **Excluded Swap Obligations** ” means, with respect to any Guarantor, any Swap Obligation if, and to the extent that, all or a portion of the General Guaranty of such Guarantor of, or the grant by such Guarantor of a security interest to secure, such Swap Obligation (or the General Guaranty) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Guarantor’s failure for any reason to constitute an “eligible contract participant” as defined in the Commodity Exchange Act (determined after giving effect to Section 11.11 and any other “keepwell, support or other agreement” for the benefit of such Guarantor and any and all guarantees of such Guarantor’s Swap Obligations by other Loan Parties) at the time the General Guaranty of such Guarantor, or a grant by such Guarantor of a security interest, becomes effective with respect to such Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such General Guaranty or security interest is or becomes excluded in accordance with the first sentence of this definition.

“ **Excluded Taxes** ” means any of the following Taxes imposed on or with respect to any recipient or required to be withheld or deducted from a payment to a recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) 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 Lending Office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) 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 a Loan or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment under Section 2.8(b) or (c)) or (ii) such Lender changes its Lending Office, except in each case to the extent that, pursuant to Section 2.4(d)(i)(B) or (iii), 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, (c) Taxes attributable to such recipient’s failure to comply with Section 2.4(g) and (d) any Taxes imposed pursuant to FATCA.

“ **Existing Loans** ” has the meaning set forth in Section 2.13.

“ **Extended Loans** ” has the meaning set forth in Section 2.13.

“ **Extending Lender** ” has the meaning set forth in Section 2.13.

“ **Extension Election** ” has the meaning set forth in Section 2.13.

“ **Extension Request** ” has the meaning set forth in Section 2.13.

“ **FATCA** ” means Sections 1471 through 1474 of the 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 Code , and any intergovernmental agreements and related laws, rules or regulations to implement any of the foregoing .

“ **FDIC** ” means the Federal Deposit Insurance Corporation and its successors.

“ **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 on such day, 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 Bank of America on such day on such transactions as determined by the Administrative Agent.

“ **Federal Reserve Board** ” means the Board of Governors of the Federal Reserve System of the United States of America.

“ **Fee Letters** ” means (i) the Engagement Letter, (ii) each of the fee letters entered into between Borrower or any of its Affiliates and Bank of America, dated on or about the Closing Date and the Second Restatement Date, and (iii) each other fee letter entered into by the Borrower or any of its Affiliates, on the one hand, and one or more Agents or Lenders in connection with this Agreement (including in connection with an increase in Commitments in accordance with Section 2.9).

“ **Fees** ” refers to all fees, costs and expenses payable in accordance with the Financing Documents.

“ **FICO Score** ” means a score based on the credit risk rating system established and maintained by the Fair Isaac Corporation from Equifax, TransUnion, Experian or another nationally-recognized consumer rating agency obtained by Developer or an Affiliate in accordance with Developer’s or its Affiliate’s customary sales process or in association with the transfer of a Customer Agreement to a new Host Customer.

“ **Financing Documents** ” means this Agreement, the Notes, the Collateral Documents, the Fee Letters, each New Lender Accession Agreement, each New Subject Fund Accession Agreement, each Permitted Swap Agreement (subject to the interpretive provision set forth in Section 1.2(o)), and the Tax Equity Required Consents.

“ **First Amendment** ” means that certain First Amendment and Joinder Agreement, dated as of February 6, 2015, by and among the Borrower, the Administrative Agent, the Guarantors, and the Lenders.

“ **First Amendment Date** ” means the date of the First Amendment.

“ **First Restatement Date** ” means November 25, 2015.

“ **Foreign Lender** ” means a Lender that is not a U.S. Person.

“ **GAAP** ” means (a) generally accepted accounting principles in the United States of America consistently applied or (b) upon mutual agreement of the parties, internationally recognized generally accepted accounting principles, consistently applied.

“ **General Guaranty** ” means the obligations of each Guarantor set forth in Sections 11.01 through 11.10.

“ **Governmental Authority** ” means any nation or government, any state or other political subdivision thereof, any agency, authority, instrumentality, regulatory body, court, administrative tribunal, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

“ **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 shall mean any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Debt 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 Debt or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment of such Debt or other obligation, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Debt or other obligation of the payment of such Debt 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 Debt or other obligation.

“ **Guarantor** ” and “ **Guarantors** ” each have the respective meaning set forth in the introductory paragraph of this Agreement.

“ **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 Term Sheet** ” means the Term Sheet attached as Exhibit O.

“ **Hedging Agreement** ” means (a) any and all interest rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions,

interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc. or any International Foreign Exchange Master Agreement.

“ **Host Customer** ” means a Person contractually obligated to make payments to a Subject Fund under a Customer Agreement.

“ **Impacted Loans** ” has the meaning set forth in Section 2.1(b)(vi).

“ **Increasing Incremental Lender Confirmation** ” has the meaning set forth in Section 2.9(b).

“ **Incremental Loan** ” means a Loan resulting from a Borrowing against an Incremental Loan Commitment.

“ **Incremental Loan Amount** ” has the meaning set forth in Section 2.9(a).

“ **Incremental Loan Commitment** ” has the meaning set forth in Section 2.9(a).

“ **Incremental Loan Commitment Increase Notice** ” has the meaning set forth in Section 2.9(a).

“ **Incremental Loan Increase Date** ” has the meaning set forth in Section 2.9(a).

“ **Indemnified Taxes** ” means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under any Financing Document and (b) to the extent not otherwise described in (a), Other Taxes.

“ **Indemnitee** ” has the meaning set forth in Section 5.10.

“ **Independent Engineer** ” means (i) Leidos or (ii) 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.

“ **Independent Member** ” means an individual who has not been at any time during the five years preceding such initial designation: (a) a direct or indirect owner of any equity interest in, or member (with the exception of serving as the Independent Member), officer, employee, director, manager or contractor, bankruptcy trustee, attorney or counsel of, any Investor or the Borrower or any of its respective Affiliates; (b) a creditor, customer, supplier (other than a supplier of registered agent or registered office services), or other Person who derives any of its purchases or revenues from its business activities with any Investor or the Borrower or any of its respective Affiliates (other than any fee paid for its services as Independent Member); (c) an Affiliate of the Borrower

excluded from serving as Independent Member under clause (a) or (b) of this definition; (d) a member of the immediate family by blood or marriage of any Person excluded from being an Independent Member under clause (a) or (b) of this definition; or (e) a Person who received, or a member or employee of a firm or business that received, fees or other income from any Investor or the Borrower or any of its Affiliates in the aggregate in excess of five percent (5%) of the gross income, for any applicable year, of such Person; provided, however, that notwithstanding the foregoing, for the purposes of clause (a), an equity interest shall be deemed to exclude de minimis or otherwise immaterial holdings of equity interests of an Affiliate of the Borrower which are traded on public stock exchanges. The initial Independent Member is Michelle Dreyer.

“ **Information** ” has the meaning set forth in Section 10.17.

“ **Initial Loans** ” means the loans made by the Lenders under this Agreement excluding any Incremental Loans, Refinancing Loans or Extended Loans (it being understood that Initial Loans were made on and after the Closing Date as term loans and converted to revolving loans as of the First Restatement Date).

“ **Inspected-Only Reserve Account** ” has the meaning set forth in the CADA.

“ **Inspected-Only Systems** ” has the meaning set forth in Appendix 2.

“ **Inspected-Only Systems Borrowing Base** ” has the meaning set forth in Appendix 2

“ **Insured Tax Loss Fund** ” means each Tax Loss Fund for which Borrower has procured and maintains a Tax Loss Policy.

“ **Interest Period** ” means, with respect to any LIBO Loan, (a)(i) if such LIBO Loan was made on any day other than the 15th day of a calendar month, initially, the period commencing on the date such Loan is initially made and ending on the next day that is the 15th day of a calendar month, and (ii) thereafter, the period commencing on the last day of the immediately prior Interest Period and ending one (1), two (2), or three (3) months thereafter (as elected by the Borrower in the Borrowing Notice or Continuation Notice related to such Loan) and (b) if such LIBO Loan was made on the 15th day of a calendar month, the period commencing (i) initially, on the date such Loan is initially made and (ii) thereafter, on the last day of the immediately prior Interest Period and ending, in each case, one (1), two (2), or three (3) months thereafter (as elected by the Borrower in the Borrowing Notice or Continuation Notice related to such Loan), provided that (A) any Interest Period ending on a day that is not a Business Day shall be deemed to end of the immediately following Business Day unless such immediately following Business Day falls in a subsequent calendar month, in which case such Interest Period shall be deemed to end on the immediately preceding Business Day and (B) any Interest Period that would otherwise end after the Loan Maturity Date of such Loan shall be deemed to end on such Loan Maturity Date.

“ **Interest Reserve Account** ” has the meaning set forth in the CADA.

“ **Inverted Lease Structure** ” means a tax equity structure that conforms to the characteristics set forth in Part II of Appendix 11, as the same may be updated from time to time in accordance with this Agreement.

“ **Investor** ” means (i) each investor in a Tax Equity Structure and (ii) each investor in any Other Financed Structure, in each case, other than the Managing Member or any of its affiliates.

“ **Investor Guarantor** ” has the meaning set forth in Appendix 2.

“ **ITC** ” means the energy tax credit under Section 48 of the Code.

“ **Knowledge** ” means, with respect to a Loan Party the actual knowledge, after due inquiry, of (a) any Responsible Officer of such Loan Party or, (b) any Person responsible for the management and administration of such Subject Fund and its assets and operations, including any Person set forth in Schedule 1.1(b) (but only with respect to matters relating to the Subject Fund(s) and the assets of the Subject Fund(s) corresponding to such Person), or any Person who assumes the responsibility of such Person with respect to a corresponding Subject Fund.

“ **Latest Maturity Date** ” means, at any date of determination, the latest Maturity Date applicable to any Loan or Commitment hereunder at such time, including the latest maturity date of any Refinancing Loan, any Incremental Loan or any Extended Loan, in each case as extended in accordance with this Agreement from time to time.

“ **Laws** ” means, collectively, all international, foreign, Federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority.

“ **Lead Arrangers** ” has the meaning set forth on the cover page of this Agreement.

“ **Legal Requirements** ” means, as to any Person, the articles of incorporation, bylaws or other organizational or governing documents of such Person, and any law, treaty, rule or regulation including any Governmental Rule, any requirement or obligation under a Permit, and any determination of any Governmental Authority in each case applicable to or binding upon such Person or any of its properties or to which such Person or any of its property is subject.

“ **Lender** ” has the meaning set forth in the introductory paragraph to this Agreement.

“ **Lending Office** ” means the office in the United States of America designated as such beneath the name of such Lender on Annex 2 or such other office of such Lender as such Lender may specify in writing from time to time to the Administrative Agent and the Borrower in accordance with this Agreement.

“ **Lessor** ” means a special purpose vehicle and wholly-owned subsidiary of the Borrower, that leases a specific, segregated pool of Systems to an Investor (or a partnership in which the Investor or a subsidiary of the Investor is a member), as lessee.

“ **LIBO Loan** ” means any Loan that bears interest at rates based upon the Daily LIBO Rate or the LIBO Rate.

“ **LIBO Rate** ” means:

(c) for any Interest Period, other than an Interest Period when the Daily LIBO Rate is being charged, with respect to a LIBO Loan, the greater of (i) the rate per annum equal to the London Interbank Offered Rate set by the ICE Benchmark Administration or any successor thereto (“ **LIBOR** ”) or a comparable successor rate, which rate is approved by the Administrative Agent, as published on the applicable Reuters screen page (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time) at approximately 11:00 a.m., London time, two (2) Business Days prior to the commencement of such Interest Period, for dollar deposits (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period and (ii) 0%; and

(b) for purposes of any determination of the Base Rate on any date (other than the initial Interest Period), the rate per annum equal to the greater of (i) LIBOR, at or about 11:00 a.m. London local time, determined two (2) Business Days prior to such date for U.S. Dollar deposits with a term of three months commencing on such date and (ii) 0%;

provided that to the extent a comparable or successor rate is approved by the Administrative Agent in connection herewith, the approved rate shall be applied in a manner consistent with market practice; provided, further that to the extent such market practice is not administratively feasible for the Administrative Agent, such approved rate shall be applied in a manner as otherwise reasonably determined by the Administrative Agent.

“ **LIBOR** ” has the meaning set forth in clause (a) of the definition of LIBO Rate.

“ **Lien** ” means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any Capital Lease Obligation having substantially the same economic effect as any of the foregoing).

“ **LLC Agreements** ” means, collectively, (i) the Limited Liability Company Agreement of the Borrower, dated as of September 12, 2014, (ii) the limited liability company agreements of each Managing Member and (iii) the limited liability company agreement of the member of the Borrower.

“ **Loan** ” and “ **Loans** ” means the loans made by the Lenders under this Agreement, including any Initial Loan, Incremental Loan, Refinancing Loan or Extended Loan, as the context may require. The outstanding principal amount of each Lender’s Loans as of the Second Restatement Date (prior to giving effect to any Loans made on such date) is set forth in Annex 3 hereto in the column labeled “Outstanding Loans as of Second Restatement Date.”

“ **Loan Extension Amendment** ” has the meaning set forth in Section 2.13 .

“ **Loan Maturity Date** ” means, the earlier of (A) (i) with respect to each Initial Loan, September 30, 2020, (ii) with respect to any Extended Loans, the final maturity date applicable

thereto as specified in the applicable Extension Request accepted by the respective Lender or Lenders, (iii) with respect to any Refinancing Loans, the final maturity date applicable thereto as specified in the applicable Refinancing Loan Amendment, and (iv) with respect to any Incremental Loans, the final maturity date applicable thereto as specified in the applicable Incremental Loan Commitment, and (B) the date of acceleration of the Loans pursuant to Section 8.2.

“ **Loan Parties** ” means the Borrower Member, the Borrower and the Managing Members.

“ **Majority Lenders** ” means, at any time, the holders of more than 50% of the sum of (a) the aggregate unused amount of the Commitments then in effect and (b) the aggregate unpaid principal amount of the Loans then outstanding. The Loans and unused Commitments of any Defaulting Lender shall be disregarded in determining the Majority Lenders at any time.

“ **Managing Member** ” means a special purpose vehicle and wholly-owned subsidiary of the Borrower that (a) with respect to each Tax Equity Structure (other than an Inverted Lease Structure) and Other Financed Structure, has a direct Equity Interest in the entity that is party to each Customer Agreement related to such Tax Equity Structure or Other Financed Structure and that is entitled to receive the payments to be made by such Host Customer under each such Customer Agreement, (b) with respect to each Inverted Lease Structure, has a direct Equity Interest in the entity that owns each System related to such Inverted Lease Structure and that is the lessor entitled to receive rent payments under the lease agreement from the entity that is party to each Customer Agreement related to such Inverted Lease Structure and (c) with respect to each Other Non-Financed Structure, is Vivint Solar Owner I, LLC or another special purpose vehicle wholly-owned by Borrower related to an Other Non-Financed Structure. The Managing Members are listed on Appendix 4 as the same is adjusted from time to time in accordance with the terms of this Agreement.

“ **Margin Stock** ” has the meaning set forth in Regulation U.

“ **Master Lease** ” has the meaning set forth in Appendix 11.

“ **Material Adverse Effect** ” means a (a) material adverse effect on the business, operations, assets, liabilities (actual or contingent) or financial condition of the Borrower and its Subsidiaries, taken as a whole; (b) material adverse effect on the ability of the Loan Parties (taken as a whole) to fully and timely perform any of their payment obligations under any Financing Document to which the Borrower or any of the Loan Parties is a party; or (c) material adverse effect on the rights and remedies available to the Lenders or the Collateral Agent under any Financing Document.

“ **Material Project Documents** ” means, with respect to a Subject Fund, the Project Documents of such Subject Fund set forth in Appendix 5 hereto (as well as any successor, substitute or replacement documents therefor), as well as any Master EPC Agreement (if applicable, as may be defined in any applicable Subject Fund’s LLC Agreement), Master Lease (if applicable), Equity Capital Contribution Agreement (if applicable, as may be defined in any applicable Subject Fund’s LLC Agreement), any Subject Fund LLC Agreement, maintenance services agreement, administrative services agreement, backup services agreement, and any Guarantee by Vivint Solar Parent or Borrower Member of the obligations of a Managing Member

issued in connection with any applicable Subject Fund, whether or not any such Project Document is listed on Appendix 5.

“ **Maximum Rate** ” has the meaning set forth in Section 10.13.

“ **Member Pledge** ” means the Amended and Restated Pledge and Security Agreement, dated as of March 10, 2016, among the Borrower Member (as the successor and assignee of Vivint Solar Holdings, Inc.), the Borrower and the Collateral Agent.

“ **Merger Agreement** ” means that certain Agreement and Plan of Merger dated July 20, 2015, pursuant to which Vivint Solar Parent has agreed to merge with SEV Merger Sub Inc., a subsidiary of SunEdison, Inc.

“ **Modified Inverted Lease Structure** ” means a tax equity structure that conforms to the characteristics set forth in Part III of Appendix 11, as the same may be updated from time to time in accordance with this Agreement.

“ **Moody’s** ” means Moody’s Investors Service, Inc. and any successor thereto.

“ **Moody’s RiskCalc** ” means the RiskCalc™ product offered by Moody’s Analytics, Inc.

“ **Multiemployer Plan** ” means any ERISA Plan that is a multiemployer plan (as defined in Section 4001(a)(3) of ERISA) to which the Borrower or any member of the Controlled Group is making, or has an obligation to make, contributions, or has made, or has been obligated to make, contributions within any of the preceding five (5) plan years immediately preceding the Closing Date.

“ **Net Cash Flow** ” has the meaning set forth in Appendix 2.

“ **New Lender** ” has the meaning set forth in Section 2.9(c).

“ **New Lender Accession Agreement** ” means an accession agreement substantially in the form of Exhibit F hereto, among a New Lender, the Borrower and the Administrative Agent and delivered pursuant to Section 2.9(c).

“ **New Subject Fund Accession Agreement** ” has the meaning set forth in Section 5.18.

“ **New Systems Notice** ” has the meaning set forth in Section 2.10(c)(i).

“ **Non-Cash-Sweep Fund** ” means any Eligible Structure that is not a Cash-Sweep Fund.

“ **Non-Consenting Lender** ” has the meaning set forth in Section 9.12(h).

“ **Non-Operable System** ” has the meaning set forth in Appendix 2.

“ **Nonrecourse Parties** ” means, collectively, the Sponsor, its Affiliates (other than the Loan Parties), and their respective shareholders, partners, members, officers, directors or employees.

“ **Note** ” and “ **Notes** ” has the meanings given in Section 2.9(e).

“ **Notice of Intent to Cure** ” has the meaning set forth in Section 8.4.

“ **Obligations** ” means and includes all loans, advances, debts, obligations, and liabilities howsoever arising (and whether arising or incurred before or after any Bankruptcy Event with respect to the Borrower or any other Person), owed by such Loan Party to the Agents or the Secured Parties of every kind and description (whether or not evidenced by any note or instrument and whether or not for the payment of money), direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, pursuant to the terms of this Agreement, the Permitted Swap Agreements, or any of the other Financing Documents, including all principal, interest, indemnity or reimbursement obligations, fees, charges, expenses, attorneys’ fees and accountants fees chargeable to such Person in connection with its dealings with such Person and payable by such Person under this Agreement or any of the other Financing Documents; *provided* , that the Obligations shall exclude Excluded Swap Obligations.

“ **OFAC** ” means the United States Department of the Treasury’s Office of Foreign Assets Control.

“ **OID** ” means original issue discount.

“ **Operative Documents** ” means the Financing Documents, the LLC Agreements and the Project Documents.

“ **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.

“ **Original Member Pledge** ” means the Pledge and Security Agreement, dated as of September 12, 2014, among Vivint Solar Holdings, Inc., the Borrower and the Collateral Agent.

“ **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 Financing Document, or sold or assigned an interest in any Loan or Financing Document).

“ **Other Documents** ” means, with respect to each Subject Fund, the Customer Agreements, interconnection agreements and all other material contracts relating to Systems in a Subject Fund.

“ **Other Financed Structure** ” means a financing structure for investments in Systems other than a Tax Equity Structure or Other Non-Financed Structure (which may include financing structures that include investments in commercial systems).

“ **Other Non-Financed Structure** ” means a non-financed structure composed entirely of Systems that are wholly and directly owned by Vivint Solar Owner I, LLC or another special purpose vehicle wholly-owned by Borrower related to an Other Non-Financed Structure.

“ **Other Structure** ” means any Other Financed Structure or Other Non-Financed Structure.

“ **Other Structure Representations** ” means, with respect to each Other Structure, the representations set forth in Part II of Appendix 7.

“ **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 Financing Document, except that any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 2.8(b) or (c)).

“ **Outstanding Principal** ” means, as of any date of determination, the aggregate amount of principal outstanding under all Loans on such date.

“ **Partial Release Conditions** ” means, with respect to a Subject Fund, (i) the Borrower has prepaid a portion of Outstanding Principal or added Subject Funds or Systems to the Available Borrowing Base in an amount such that Borrower will be in compliance with the Borrowing Base Requirement following (x) such prepayments or such additions, as applicable, and (y) the removal of the Net Cash Flow of the Subject Fund being released from the calculation of the Available Borrowing Base, as evidenced by a Borrowing Base Certificate delivered by Borrower to Administrative Agent giving pro forma effect to such prepayments or additions, (ii) the Borrower has paid any and all interest accrued as of the date of the release of such Subject Fund on the principal amount of the Loan being prepaid, as well as all other fees and expenses incurred in connection with such release, (iii) no Default or Event of Default has occurred and is continuing, (iv) no Repayment Event has occurred and is continuing, (v) each of the Interest Reserve Account and the Inspected-Only Reserve Account has been fully funded in an amount at least equal to the required reserve amount under the CADA, and (vi) the Borrower and Guarantors have executed and delivered to the Administrative Agent instruments, certificates, and agreements required by the Financing Documents and/or reasonably requested by the Administrative Agent in connection with the release of such Subject Fund, the prepayment of principal and payment of interest, and the addition of Subject Funds or Systems, as applicable.

“ **Participant Register** ” has the meaning set forth in Section 9.13(a).

“ **Partnership** ” means a limited liability company owned by an Investor and a Managing Member that owns a specific pool of Systems.

“ **Partnership Flip Structure** ” means a tax equity structure that conforms to the characteristics set forth in Part I of Appendix 11, as the same may be updated from time to time in accordance with this Agreement.

“ **Patriot Act** ” means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Pub. L. 107-56 (a/k/a the USA PATRIOT Act).

“ **PBGC** ” means the Pension Benefit Guaranty Corporation.

“ **Permit** ” means any action, approval, consent, waiver, exemption, variance, franchise, order, permit, authorization, right or license of or from a Governmental Authority.

“ **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 Financing Documents; (d) Liens arising as a matter of Law and (e) Liens permitted (without requiring any amendment, consent, waiver, or vote by any member of a Subject Fund, including any Investor, under the terms and conditions of such Material Project Documents and Other Documents unless such amendment, consent or waiver is approved in accordance with the terms hereof) under the Material Project Documents and the Other Documents.

“ **Permitted Swap Agreements** ” means any Hedging Agreement (a) that is entered into by and between the Borrower and an entity that is a Swap Counterparty as of the date of such Hedging Agreement, (b) pursuant to which such counterparty agrees that if it ceases to be a Lender or an Affiliate of a Lender hereunder during the term of such hedging transaction for any reason, such counterparty shall make commercially reasonable efforts to assign such Hedging Agreement and all of its rights and obligations thereunder to a Lender hereunder or an Affiliate of a Lender for fair market consideration, (c) that shall solely hedge the interest rate exposure of the Borrower under this Agreement, (d) that provides that all payments to be made under such Hedge Agreement to or for the benefit of any Loan Party will be paid directly to the Revenue Account, (e) that, if secured, is secured by Collateral on a pari passu basis with the security interests of the other Secured Parties in such Collateral, and (f) that does not benefit from any credit support other than (i) the Collateral and the Guarantees of the Guarantors and (ii) the Credit Support Document(s) (as defined therein) supporting the obligations of any Swap Counterparty, if any.

“ **Person** ” means any natural person, corporation, limited liability company, partnership, firm, association, Governmental Authority or any other entity whether acting in an individual, fiduciary or other capacity.

“ **Placed-In-Service** ” means for a System, the definition of “Placed In Service,” or “Placed-In-Service,” or “Placement in Service” or any substantially similar defined term, as applicable, given in the applicable Project Documents of the applicable Subject Fund.

“ **Platform** ” has the meaning set forth in Section 10.1(d).

“ **Portfolio Report** ” means the “Quarterly Performance of Portfolio” report or “Monthly Operations Report,” as applicable, delivered under a maintenance services or administrative services agreement in a Subject Fund.

“ **Potential New Fund** ” has the meaning set forth in Section 2.10(a)(i).

“ **Potential New Fund Notice** ” has the meaning set forth in Section 2.10(a)(ii).

“ **Prime Rate** ” means the rate of interest per annum determined from time to time by the Administrative Agent as its prime rate in effect at its principal office in New York City and notified to the Borrower. The prime rate is a rate set by the Administrative Agent based upon various factors including the Administrative Agent’s costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such rate.

“ **Project Documents** ” means, with respect to a Subject Fund, the Material Project Documents and the Other Documents of such Subject Fund.

“ **Proportionate Share** ” means, at any time with respect to each Lender, the percentage obtained by dividing the outstanding principal amount of the Loans and Commitments of such Lender at such time by the aggregate outstanding principal amount of all Loans and Commitments of all Lenders at such time.

“ **PTO** ” has the meaning set forth in Appendix 3.

“ **Public Lender** ” has the meaning set forth in Section 10.1(d).

“ **Qualified ECP Guarantor** ” means, in respect of any Permitted Swap Agreement, each Guarantor that, at the time the relevant Guarantee of such Guarantor (or grant of the relevant security interest, as applicable) becomes or would become effective with respect to such Permitted Swap Agreement, has total assets exceeding \$10,000,000 or otherwise constitutes an “eligible contract participant” under the Commodity Exchange Act and which may cause another person to qualify as an “eligible contract participant” with respect to such Permitted Swap Agreement at such time by entering into a keepwell pursuant to § 1a(18)(A)(v)(II) of the Commodity Exchange Act.

“ **Qualified Insurers** ” means financially sound and reputable insurance companies rated “A-, X” or better by A.M. Best Company or “A” or better by S&P.

“ **Quarterly Date** ” means a date occurring on the last day of each calendar quarter, commencing with the quarter in which the initial Borrowing Date occurs.

“ **Refinanced Debt** ” has the meaning set forth in Section 2.12.

“ **Refinancing Effective Date** ” has the meaning set forth in Section 2.12.

“ **Refinancing Lender** ” has the meaning set forth in Section 2.12.

“ **Refinancing Loan** ” has the meaning set forth in Section 2.12.

“ **Refinancing Loan Amendment** ” has the meaning set forth in Section 2.12.

“ **Register** ” has the meaning set forth in Section 9.15(c).

“ **Regulation T** ” means Regulation T of the Federal Reserve Board as from time to time in effect, and all official rulings and interpretations thereunder or thereof.

“ **Regulation U** ” means Regulation U of the Federal Reserve Board as from time to time in effect, and all official rulings and interpretations thereunder or thereof.

“ **Regulation X** ” means Regulation X of the Federal Reserve Board as from time to time in effect, and all official rulings and interpretations thereunder or thereof.

“ **Related Parties** ” means, with respect to any specified Person, such Person’s Affiliates and the respective directors, trustees, officers, employees, agents and advisors of such Person and 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 Member Action** ” means, (i) with respect to any Inverted Lease Structure, the exercise by the Managing Member of all of its voting, approval, consent or other rights to cause Lessor to take, or restrict from taking, any action, or to cause Lessor to cause any Lessee (as used herein, as defined in Part II of Appendix 11) to take, or restrict any Lessee from taking, any action and (ii) with respect to any other Eligible Structure, with respect to any matter relating to a Subject Fund with respect to which the Organizational Documents of such Subject Fund (or any other contract or agreement, or instrument) grant voting, approval or consent rights to the Managing Member, or otherwise provide the Managing Member with the option to cause any Subject Fund to take, or restrict any Subject Fund from taking, any action, the exercise by the Managing Member of such voting, approval, consent or other rights in conformity with the applicable Organizational

Documents and the Managing Member's fiduciary duties, if any, as such exercise may be limited by Law.

“ **Removal Effective Date** ” has the meaning set forth in Section 9.6(b).

“ **Repayment Event** ” means the occurrence and continuation of the following:

(a) the Outstanding Principal is greater than the Available Borrowing Base as of any date; or

(b) the Cash Flow Coverage Ratio is less than 1.40:1.00 as of any Quarterly Date.

“ **Repeat Tax Equity Structure** ” means a Partnership Flip Structure, Inverted Lease Structure or Modified Inverted Lease Structure that (a) is substantially similar to a Partnership Flip Structure, Inverted Lease Structure or Modified Inverted Lease Structure, as the case may be, that was previously approved by the Administrative Agent as a Subject Fund and (b) has the same Investor as the previously approved Partnership Flip Structure, Inverted Lease Structure or Modified Inverted Lease Structure or an Affiliate of such Investor.

“ **Reportable Event** ” means any of the events set forth in Section 4043(c) of ERISA, other than those events as to which the thirty day notice period is waived.

“ **Representatives** ” has the meaning set forth in Section 10.17.

“ **Required LLC Provisions** ” has the meaning set forth in Section 5.13(c).

“ **Resignation Effective Date** ” has the meaning set forth in Section 9.6(a).

“ **Responsible Officer** ” means (i) the chief executive officer, president, chief legal officer, chief financial officer or executive vice president of any Loan Party, as the case may be, (ii) as to any document delivered on the Closing Date, any secretary or assistant secretary of such any Loan Party, as applicable, and (iii) any other officer or employee of the applicable Loan Party designated in or pursuant to an agreement between the applicable Loan Party and the Administrative Agent. Any document delivered hereunder that is signed by a Responsible Officer of any Loan Party, as the case may be, shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of such Loan Party, as applicable, and such Responsible Officer shall be conclusively presumed to have acted on behalf of such Loan Party, as applicable.

“ **Restricted Payment** ” means any dividend or other distribution (whether in cash, securities or other property) on or with respect to any Equity Interests in any Loan Party (other than Borrower Member), or any other payment (whether in cash, securities or other property on account of any Equity Interest in any Loan Party (other than Borrower Member)), including any sinking fund or similar deposit or any payment, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any Equity Interests in such Loan Party or any payments in respect of any management or development fees.

“ **Revenue Account** ” has the meaning set forth in the CADA.

“ **Revenues** ” means, for any period, with respect to any Person, all income, revenues or other amounts paid (or, with respect to financial forecasts, payable) to such Person.

“ **S&P** ” means Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc. and any successor thereto.

“ **Sanction(s)** ” means any international economic sanction administered or enforced by the United States Government (including without limitation, OFAC), the United Nations Security Council, the European Union or any member state of the European Union.

“ **Scheduled Payment Date** ” means each January 15th, April 15th, July 15th, and October 15th.

“ **Second Restatement Date** ” means March 9, 2017.

“ **Secured Parties** ” means (i) the Agents, (ii) the Lenders, (iii) the Depository and (iv) any Swap Counterparty that is a Lender or an Affiliate of a Lender at the time the applicable Permitted Swap Agreement is entered into.

“ **Security Agreement** ” means that certain Amended and Restated Pledge and Security Agreement, dated as of the Second Restatement Date, between the Borrower, Managing Members and the Collateral Agent.

“ **Solvent** ” and “ **Solvency** ” mean, with respect to any Person on any date of determination, that on such date (a) the fair value of the property of such Person is greater than the total amount of liabilities, including contingent liabilities, of such Person, (b) the present fair salable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured, (c) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person’s ability to pay such debts and liabilities as they mature, (d) such Person is not engaged in business or a transaction, and is not about to engage in business or a transaction, for which such Person’s property would constitute an unreasonably small capital, and (e) such Person generally is able to pay its debts and liabilities, contingent obligations and other commitments as they mature. The amount of contingent liabilities at any time shall be computed as the amount that, in the light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

“ **Specified Guarantor** ” means any Guarantor that is not an “eligible contract participant” under the Commodity Exchange Act (determined prior to giving effect to Section 11.11).

“ **Sponsor** ” means The Blackstone Group L.P. and its Affiliates.

“ **SREC** ” means the definition “SRECs”, “RECs” or “Renewable Energy Credits”, as applicable, given in the applicable Project Documents of the applicable Subject Fund, but in any event, includes credits, credit certificates, green tags or similar environmental or green energy

attributes (such as those for greenhouse gas reduction or the generation of green power or renewable energy) created by a Governmental Authority of any state or local jurisdiction and/or independent certification board or group generally recognized in the electric power generation industry, and generated by or associated with any System or electricity produced therefrom.

“ **Stalled Inspected-Only Systems** ” has the meaning set forth in Appendix 2

“ **Subject Fund** ” means, with respect to each Eligible Structure financed pursuant to this Agreement, (i) for each Partnership Flip Structure, the Partnership into which an Investor and Managing Member invests with respect to such Partnership Flip Structure, (ii) for each Inverted Lease Structure, (x) the limited liability company into which a Managing Member invests and (y) the limited liability company into which the Investor invests, (iii) for each Modified Inverted Lease Structure, (x) the limited liability company into which an Investor and Managing Member (for purposes of this definition, “ **Master Tenant/Lessee** ”) invests and (y) the limited liability company into which the Managing Member and such Master Tenant/Lessee invests, and (iv) for each Other Structure, the legal entity that directly owns the Systems subject to the Other Structure, as agreed by the Administrative Agent and Borrower at the time such Eligible Structure is financed pursuant to this Agreement. The Subject Funds are listed on Appendix 4 hereto, as the same may be updated from time to time in accordance with this Agreement.

“ **Subject Fund Borrowing Base** ” has the meaning set forth in Appendix 2.

“ **Subject Fund Value** ” has the meaning set forth in Appendix 2.

“ **Subsidiary** ” of any Person means any corporation, partnership, joint venture, limited liability company, trust or estate of which (or in which) more than 50% of (a) the issued and outstanding capital stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether at the time capital stock of any other class or classes of such corporation shall or might have voting power upon the occurrence of any contingency), (b) the interest in the capital or profits of such partnership, joint venture or limited liability company or (c) the beneficial interest in such trust or estate is at the time directly or indirectly owned or controlled by such Person, by such Person and one or more of its other Subsidiaries or by one or more of such Person’s other Subsidiaries.

“ **Subsidiary Guarantors** ” has the meaning set forth in the introductory paragraph of this Agreement.

“ **Supermajority Lenders** ” means, at any time, both (a) Majority Lenders and (b) Lenders constituting 66.67% of total number of Lenders party to this Agreement at such time.

“ **Swap Counterparty** ” means each counterparty to a Hedging Agreement (other than the Borrower) that is a Lender or an Affiliate of a Lender at the time it enters into such Hedging Agreement.

“ **Swap Obligations** ” means, with respect to any Guarantor, any obligation to pay or perform under any agreement, contract or transaction that constitutes a “swap” within the meaning of Section 1a(47) of the Commodity Exchange Act.

“ **Swap Termination Amount** ” means, in respect of any one or more Hedging Agreements entered into by any Person, after taking into account the effect of any legally enforceable netting agreement relating to such Hedging Agreements, for any date on or after the date such Hedging Agreements have been closed out and termination value(s) determined in accordance therewith, such termination value(s).

“ **System** ” means (i) a residential photovoltaic system including photovoltaic panels, racks, wiring and other electrical devices, conduit, weatherproof housings, hardware, one or more inverters, remote monitoring equipment, connectors, meters, disconnects, over current devices and battery storage, (ii) the applicable Customer Agreement related to such System and (iii) all other related rights applicable thereto.

“ **System Information** ” means the information listed on Appendix 6, which shall be in form, substance and content substantially the same as the tranche data file provided by the Loan Parties to the Administrative Agent during due diligence and on the Closing Date.

“ **Tax Equity Model** ” has the meaning set forth on Appendix 2.

“ **Tax Equity Representations** ” means, with respect to each Tax Equity Structure, representations set forth in Part I of Appendix 7.

“ **Tax Equity Required Consent** ” means, with respect to a Subject Fund, a consent executed by the Investor in such Subject Fund and each other party thereto containing, among others, each of the provisions set forth in Exhibit J and otherwise in form and substance acceptable to the Agents.

“ **Tax Equity Structure** ” means a Partnership Flip Structure, an Inverted Lease Structure, a Modified Inverted Lease Structure or a Repeat Tax Equity Structure.

“ **Tax Loss** ” means, with respect to any Subject Fund, the amount equal to the difference between (i) any investment tax credit under Section 48(a)(3)(A)(i) of the Code or any successor provision modeled for such Subject Fund or its Master Tenant/Lessee or Investor in the Advance Model, and (ii) the investment tax credit actually received for such Subject Fund as reduced by the loss of the benefit of, the right to claim, the disallowance of, or the recapture of, such investment tax credit.

“ **Tax Loss Fund** ” means any Subject Fund with respect to which a Tax Loss Indemnity could be payable.

“ **Tax Loss Indemnity** ” means, with respect to any Subject Fund, any obligation of the applicable Managing Member or its assignees to indemnify such Subject Fund or the applicable Investor for any Tax Loss due to a determination that the eligible basis of the photovoltaic systems of such Subject Fund (as defined in clause (i) of the definition of System) is less than fair market value pursuant to the terms of the applicable Project Document of such Subject Fund.

“ **Tax Loss Policy** ” means, with respect to each Subject Fund, an insurance policy in conformity with the requirements of Section 5.17, under which the issuer of such policy will pay

to the insured (or its additional insured, loss payee or other designee) the amount of any Tax Loss Indemnity payable by the Managing Member or its assignees of such Subject Fund pursuant to the applicable Project Documents, and including limits, deductibles and other terms and conditions (i) that do not materially and adversely diverge from any Tax Loss Policy that has previously been approved by the Administrative Agent and Majority Lenders, as determined by the Administrative Agent in its reasonable discretion; provided, however, that any policy containing identical terms to any previously approved Tax Loss Policy shall not require such review by the Administrative Agent so long as the limits, deductibles and other monetary terms of such policy in relation to the size of the Subject Fund that such policy will insure are proportional to the monetary terms of the previously approved Tax Loss Policy in relation to the size of the Subject Fund that it insured, or (ii) as otherwise approved by the Administrative Agent and Majority Lenders in their reasonable discretion.

“ **Tax Loss Policy Deductible** ” means, with respect to each Subject Fund that has a Tax Loss Policy, the aggregate retention amount, deductible, or similar amount of each Tax Loss Policy maintained for such Subject Fund.

“ **Tax Loss Reserve** ” means, with respect to each Subject Fund, the aggregate amount deposited in such Subject Fund’s Tax Loss Reserve Account.

“ **Tax Loss Reserve Account** ” has the meaning set forth in Section 5.17(d)(i).

“ **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, including any interest, additions to tax or penalties applicable thereto.

“ **Total Loan Commitment** ” means the aggregate amount of all Commitments of the Lenders hereunder as such amount may be (a) reduced from time to time pursuant to Section 2.2(c) or (b) increased pursuant to Section 2.9. The Total Loan Commitment on the Closing Date was Three Hundred Fifty Million Dollars (\$350,000,000), as of the First Amendment Date, the Total Loan Commitment was Three Hundred Seventy-Five Million Dollars (\$375,000,000), as of the First Restatement Date, the Total Loan Commitment was Three Hundred Seventy-Five Million Dollars (\$375,000,000), and, as of the Second Restatement Date, the Total Loan Commitment is Three Hundred Seventy-Five Million Dollars (\$375,000,000).

“ **True-Up Report** ” means, with respect to any Subject Fund, that report concerning the as-built state of each System after all such Systems are Placed-In-Service and the Investor’s commitment under such Subject Fund has been fully deployed or is otherwise no longer eligible to be deployed, as delivered by Vivint Solar Parent, Borrower Member, Borrower or the applicable Managing Member pursuant to the terms of the applicable Project Document of the applicable Subject Fund.

“ **Type** ” when used in respect of any Loan or Borrowing, shall refer to the Rate by reference to which interest on such Loan or on the Loans comprising such Borrowing is determined. For purposes hereof, the term “Rate” shall mean the LIBO Rate and the Base Rate.

“ **UCC** ” means the Uniform Commercial Code of the jurisdiction the law of which governs the document in which such term is used or which governs the creation or perfection of the Liens granted thereunder.

“ **Undrawn Fees** ” has the meaning set forth in Section 2.3(a).

“ **U.S. Tax Compliance Certificate** ” has the meaning set forth in Section 2.4(g)(ii)(B)(3).

“ **Vivint Solar Parent** ” means Vivint Solar, Inc., a Delaware corporation (f/k/a V Solar Holdings, Inc.).

“ **VS Provider** ” means Vivint Solar Provider, LLC, a Delaware limited liability company.

“ **VS Servicer** ” means Vivint Solar Servicer, LLC, a Delaware limited liability company.

“ **Watched Funds** ” has the meaning set forth in Appendix 2.

“ **Wells Fargo** ” means Wells Fargo Bank, National Association, a national banking association.

“ **Write-Down and Conversion Powers** ” means, 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.

1.2 Rules of Interpretation. Except as otherwise expressly provided, the rules of interpretation set forth below shall apply to this Agreement and the other Financing Documents:

(a) The singular includes the plural and the plural includes the singular. The definitions of terms apply equally to the singular and plural forms of the terms defined.

(b) A reference to a Governmental Rule includes any amendment or modification to such Governmental Rule, and all regulations, rulings and other Governmental Rules promulgated under such Governmental Rule.

(c) A reference to a Person includes its permitted successors and assigns.

(d) The words “include,” “includes” and “including” are not limiting.

(e) A reference in a document to an Article, Section, Exhibit, Schedule, Annex or Appendix is to the Article, Section, Exhibit, Schedule, Annex or Appendix of such document unless otherwise indicated. Exhibits, Schedules, Annexes or Appendices to any document shall be deemed incorporated by reference in such document. In the event of any conflict between the provisions of this Agreement (exclusive of the Exhibits, Schedules, Annexes and Appendices thereto) and any Exhibit, Schedule, Annex or Appendix thereto, the provisions of this Agreement shall control.

(f) References to any document, instrument or agreement (a) shall include all exhibits, schedules and other attachments thereto, (b) shall include all documents, instruments or agreements issued or executed in replacement thereof, and (c) shall mean such document, instrument or agreement, or replacement or predecessor thereto, as amended, modified and supplemented from time to time and in effect at any given time, provided such amendment, modification or supplement was made in compliance with this Agreement.

(g) The words “hereof,” “herein” and “hereunder” and words of similar import when used in any document shall refer to such document as a whole and not to any particular provision of such document.

(h) References to “days” shall mean calendar days, unless the term “Business Days” shall be used. References to a time of day shall mean such time in New York, New York, unless otherwise specified.

(i) The Financing Documents are the result of negotiations between, and have been reviewed by the Borrower, the Agents, each Lender and their respective counsel. Accordingly, the Financing Documents shall be deemed to be the product of all parties thereto, and no ambiguity shall be construed in favor of or against the Borrower, the Agents or any Lender.

(j) Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “will” and “shall” shall be construed to have the same meaning and effect.

(k) In the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including” and the words “to” and “until” each mean “to but excluding.”

(l) Accounting terms have the meanings assigned to them by GAAP, as applied by the accounting entity to which they refer.

(m) Unless otherwise specified in this Agreement, whenever a payment or performance of an action is required to be made pursuant to this Agreement on a day that is not a Business Day, such payment or performance shall be made on the next succeeding Business Day.

(n) If, at any time after the Closing Date, Moody’s or S&P or Moody’s RiskCalc shall change its respective system of classifications, then any Moody’s or S&P or Moody’s RiskCalc “rating” referred to herein shall be considered to be at or above a specified level if it is at or above the new rating which most closely corresponds to the specified level under the old rating system.

(o) (A) To the extent a provision in this Agreement, the Notes, the Collateral Documents, the Fee Letters, a New Lender Accession Agreement, a New Subject Fund Accession Agreement or a Tax Equity Required Consent containing the term “Financing Document” or “Financing Documents” (and not expressly containing the term “Permitted Swap Agreement” or “Permitted Swap Agreements”) would otherwise be inconsistent with the provisions of any Permitted Swap Agreement, such provisions shall be interpreted (including by disregarding, solely with respect to the affected Permitted Swap Agreement, the reference to “Permitted Swap

Agreement” in the definition of Financing Documents) so that such inconsistency would not exist, and (B) solely to the extent not otherwise specified or contemplated in the Permitted Swap Agreements, any amendment, supplement or alteration of any provision of any Permitted Swap Agreement (including, but not limited to, the termination provisions, tax provisions, document delivery provisions, or transfer provisions) that would have resulted from any amendment, modification or alteration of any other Financing Document shall not apply to such Permitted Swap Agreement; provided, however, notwithstanding the foregoing, (x) the interpretive provision set forth in this clause (o) shall not apply with respect to the (1) the determination or interpretation of whether any Hedging Agreement meets the definition of a “Permitted Swap Agreement” and (2) the applicability and enforcement of the covenants set forth in Section 5.20, 6.2, 6.4, 6.12, and 6.17 of this Agreement, which the Loan Parties shall comply with as set forth in those respective sections and (y) all Permitted Swap Agreements and the Borrower’s obligations thereunder shall benefit from the Guarantees set forth in Section 11.1 of this Agreement and the obligations under the Permitted Swap Agreements shall be secured by the Collateral.

ARTICLE 2

THE CREDIT FACILITY

2.1 Loan Facility.

(a) Loan Facility.

(i) Availability.

- (A) Subject to the terms and conditions set forth herein, each Lender agrees, severally and not jointly, to make one or more Loans to the Borrower, from time to time during the Availability Period, in an aggregate principal amount that will not result in such Lender’s Loans exceeding its Commitment.
- (B) Notwithstanding the foregoing, (x) there shall be no more than one (1) Borrowing per calendar month and (y) the total principal amount of all Loans outstanding hereunder shall not exceed the Total Loan Commitment.
- (C) Each Loan made by a Lender under this Agreement shall reduce such Lender’s proportionate share of the Total Loan Commitment available hereunder; provided, however, such proportionate share shall be proportionately increased upon repayment of such Loan in whole or in part pursuant to Section 2.1(f).
- (D) Amounts borrowed hereunder and repaid pursuant to Section 2.1(f) may be reborrowed under this Section 2.1(a).

(ii) Loan Sizing; Minimum Draw Amount. Notwithstanding anything to the contrary in Section 2.1(a)(i), the aggregate amount of each Borrowing (A) shall not cause

the Outstanding Principal (including the amounts of the requested Borrowing) to exceed the Available Borrowing Base and (B) shall exceed \$2,500,000 or such lesser amount as is remaining under the Total Loan Commitment.

(iii) Borrowing Notice. The Borrower shall request Loans by delivering to the Administrative Agent an irrevocable written notice in the form of Exhibit B-1 (or such other form as may be approved by the Administrative Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Administrative Agent)), appropriately completed and signed by a Responsible Officer of the Borrower (a “ **Borrowing Notice** ”) by no later than 2:00 p.m., New York time, at least five (5) Business Days before the requested date of each Borrowing. Notwithstanding anything to the contrary in this Agreement, the Borrower may submit a Borrowing Notice prior to the Closing Date requesting (i) a Base Rate Loan in the aggregate principal amount of \$87,000,000 to be funded on the Closing Date and (ii) that such Base Rate Loan will be converted on September 15, 2014 to a LIBO Rate Loan with an Interest Period of three (3) months, and the Administrative Agent shall be deemed to have approved such Borrowing Notice.

(iv) Borrowing Base Certificate; the Advance Model. In connection with any Borrowing Notice, the Borrower shall also deliver to the Administrative Agent simultaneously with such Borrowing Notice, the applicable final, complete and executed Borrowing Base Certificate and the Advance Model.

(v) Calculations and Computations. If the Administrative Agent delivers a written notice to the Borrower contesting the Borrower’s calculations in such Borrowing Base Certificate, it shall inform the Borrower and provide an amended Borrowing Base Certificate. Thereafter, Borrower may (A) agree to such amended Borrowing Base Certificate and deliver an amended Borrowing Notice to the Administrative Agent, or (B) by written notice to the Administrative Agent, rescind the Borrowing Notice. The delivery of an amendment to a Borrowing Notice or a rescission of a Borrowing Notice pursuant to this clause (v) shall not be subject to Section 2.7, provided that the Borrower delivers such amendment or rescission no later than 12:00 p.m. New York time three (3) Business Days before the requested Borrowing Date.

(b) Interest Provisions Relating to Loans.

(i) Interest Rate. Subject to Section 2.4(c), the Borrower shall pay interest (including interest accruing after the commencement of an insolvency proceeding under applicable Bankruptcy Law) on the unpaid principal amount of each Loan from the date of the funding of such Loan until the Loan Maturity Date at the Applicable Interest Rate.

(ii) Interest Payment Dates. Interest on the unpaid principal amount of each Loan shall be payable in arrears on (a) with respect to each LIBO Loan, the last day of any Interest Period with respect to such Loan, (b) with respect to each Base Rate Loan, each Scheduled Payment Date with respect to such Loan and (c) upon prepayment of any Loans as and to the extent provided in Section 2.1(f) and at maturity (whether by acceleration or

otherwise); provided that interest payable pursuant to Section 2.4(c) shall be payable on demand.

(iii) Interest Computations. All computations of interest on any LIBO Loan hereunder shall include the first day but exclude the last day of the Interest Period in effect for such Borrowing and shall be based upon a year of 360 days. All computations of interest on any Base Rate Loan hereunder shall be based upon a year of 365/366 days. The Applicable Interest Rate for each Interest Period or day within an Interest Period, as the case may be, shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

(iv) Interest Account and Interest Computations. The Administrative Agent shall record in an account or accounts maintained by the Administrative Agent on its books (A) the Applicable Interest Rate for the Loans; (B) the date and amount of each principal and interest payment on each Loan; and (C) such other information as the Administrative Agent may determine is necessary for the computation of interest payable by the Borrower hereunder consistent with the basis hereof. The Borrower agrees that all computations by the Administrative Agent of interest shall be deemed prima facie to be correct in the absence of manifest error.

(v) Continuation of Loans. Each Borrowing hereunder shall be automatically continued, at the end of each Interest Period that ends prior to the Loan Maturity Date for the Loans comprising such Borrowing, for an additional Interest Period of the same duration as such ending Interest Period, *unless* the Borrower delivers a written notice in the form of Exhibit B-2, appropriately completed (a “ **Continuation Notice** ”) electing a different Interest Period by no later than 2:00 p.m., New York Time, at least three (3) Business Days prior to the end of such Interest Period. Each such continuation shall be made pro rata among the Lenders in accordance with the respective principal amounts of the Loans comprising the continued Borrowing.

(vi) Alternate Rate of Interest. If prior to the commencement of any Interest Period for a Borrowing, (A) the Administrative Agent determines that (i) Dollar deposits are not being offered to banks in the London interbank market for the applicable amount and Interest Period of such LIBO Rate Loan, or (ii) adequate and reasonable means do not exist for determining the LIBO Rate or Daily LIBO Rate for any requested Interest Period with respect to a proposed LIBO Rate Loan or in connection with an existing or proposed Base Rate Loan (in each case with respect to clause (A) (i) and (ii) above, “ **Impacted Loans** ”), or (B) the Administrative Agent determines that for any reason the LIBO Rate or Daily LIBO Rate for any requested Interest Period with respect to a proposed LIBO Rate Loan does not adequately and fairly reflect the cost to such Lenders of funding such LIBO Rate Loan, the Administrative Agent will promptly so notify the Borrower and each Lender. Thereafter, (x) the obligation of the Lenders to make or maintain LIBO Rate Loans shall be suspended (to the extent of the affected LIBO Rate Loans or Interest Periods) and (y) in the event of a determination described in the preceding sentence with respect to the LIBO Rate component of the Base Rate, the utilization of the LIBO Rate component in determining the Base Rate shall be suspended, in each case until the Administrative Agent

upon the instruction of the Majority Lenders revokes such notice. Upon receipt of such notice, the Borrower may revoke any pending request for a borrowing of, conversion to or continuation of LIBO Rate Loans (to the extent of the affected LIBO Rate Loans or Interest Periods) or, failing that, will be deemed to have converted such request into a request for a borrowing of Base Rate Loans in the amount specified therein.

Notwithstanding the foregoing, if the Administrative Agent has made the determination described in clause (A) (i) of this Section, the Administrative Agent, in consultation with the Borrower and the affected Lenders, may establish an alternative interest rate for the Impacted Loans, in which case, such alternative rate of interest shall apply with respect to the Impacted Loans until (1) the Administrative Agent revokes the notice delivered with respect to the Impacted Loans under clause (A) of the first sentence of this Section, (2) the Administrative Agent notifies the Borrower that such alternative interest rate does not adequately and fairly reflect the cost to such Lenders of funding the Impacted Loans, or (3) 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 Loans whose interest is 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.

(vii) After giving effect to the Loans, all conversions of the Loans from one Type to the other, and all continuations of the Loans as the same Type, there shall not be more than five (5) Interest Periods in effect at any one time with respect to the Loans.

(c) Principal Payments of Loans. All outstanding principal of, and all unpaid interest, fees and costs payable hereunder with respect to each of the Loans shall be due and payable in full on such Loan's Loan Maturity Date.

(d) Promissory Notes. If requested by any Lender, the Borrower shall execute and deliver to such Lender a promissory note in the form of Exhibit A (individually, a " **Note** " and, collectively, the " **Notes** "), payable to the order of such Lender and in the principal amount of such Lender's Proportionate Share of the Loans.

(e) Loan Funding.

(i) Notice. The Borrowing Notice, as well as the applicable Borrowing Base Certificate and the Advance Model, shall be delivered to the Administrative Agent in accordance with Section 2.1(a). The Administrative Agent shall promptly notify each Lender of the date of each requested Borrowing and such Lender's Proportionate Share of the requested Borrowing.

(ii) Pro Rata Loans. All Loans shall be made on a *pro rata* basis by the Lenders in accordance with their respective Proportionate Share, with the Borrowing of Loans to

be comprised of a Loan by each Lender equal to such Lender's Proportionate Share of the Borrowing.

(iii) Administrative Agent Account. No later than 12:00 p.m., New York time on the date of the requested Borrowing, if the applicable conditions precedent listed in Sections 3.1 and 3.2 have been satisfied or waived, each Lender shall make available the Loans requested in the Borrowing Notice in Dollars and in immediately available funds to the Administrative Agent at its account in the United States identified in Annex 1.

(f) Prepayments.

(i) Voluntary Prepayment of Loans. The Borrower may, at its option, prepay, all outstanding Loans in whole or in part. Any partial prepayment hereunder shall be in a minimum aggregate amount of One Million Dollars (\$1,000,000) and in an integral multiple of One Million Dollars (\$1,000,000), provided, however, that any prepayment pursuant to this Section 2.1(f)(i) shall not result in any release of Collateral without further action of the Collateral Agent; provided, further, that the foregoing minimum amount requirement shall not apply to a prepayment of the Loans made pursuant to Section 8.4(c).

(ii) Mandatory Prepayments. In accordance with Section 2.1(f)(iii), (A) during a Repayment Event, on each Scheduled Payment Date, the Borrower shall prepay the Loans as required pursuant to Section 3.3(d)(3) of the CADA; (B) if any Loan Party or any of such Loan Party's Subsidiaries (x) incurs or issues any Debt after the Closing Date that is not otherwise permitted to be incurred pursuant to Section 6.3 or (y) issues any capital stock, then, in each case, the Borrower shall prepay the Loans, in an aggregate principal amount equal to 100% of all net proceeds received therefrom, on or prior to the date which is two (2) Business Days after the receipt by the Borrower or such Loan Party of such net proceeds; (C) upon receipt of any funds for the prepayment of principal pursuant to Section 2.10(b), the Borrower shall cause such funds to be applied as a prepayment of Outstanding Principal; (D) except as otherwise set forth in Section 2.10(b), upon receipt of any proceeds of any sale of a Subject Fund, the Borrower shall cause such proceeds to be deposited in the Revenue Account and applied as a prepayment of Outstanding Principal; (D) if for any reason the aggregate outstanding principal amount of any Lender's Loans exceeds the Commitment of such Lender during the Availability Period, the Borrower shall immediately prepay such Loans in an amount equal to such excess (and any such prepayment shall be applied to the outstanding principal of such Lender's Loans); and (E) upon receipt of any Equity Contributions for the purpose of curing a Default under Section 8.1(l), the Borrower shall cause the proceeds of such Equity Contribution to be applied as a prepayment of Outstanding Principal in an amount not less than the amount required to satisfy the Applicable Threshold Test; provided that the Borrower may cure any Default under Section 8.1(l) by, within ten (10) Business Days from the date of the Borrowing Base Certificate referred to in Section 8.1(l), making a request to the Administrative Agent to add additional Systems or Subject Funds to the Available Borrowing Base in accordance with the terms set forth in this Agreement in order to cause the Outstanding Principal to be less than the Available Borrowing Base. In the event that adding such additional Systems or Subject Funds to the Available Borrowing Base would

cause the Available Borrowing Base to exceed the Outstanding Principal, as evidenced by a new Borrowing Base Certificate approved by the Administrative Agent, and such new Systems or Subject Funds are subsequently added to the Available Borrowing Base in accordance with the terms of this Agreement within such ten (10) Business Day period, then any Default under Section 8.1(l) shall be deemed to be cured. For the avoidance of doubt, no such Default shall be deemed cured if the inclusion of new Systems or Subject Funds does not otherwise reduce the Outstanding Principal to an amount less than the Available Borrowing Base.

(iii) Terms of Prepayments.

- (A) All voluntary and mandatory prepayments of Loans under this Section 2.1(f) shall be subject to Section 2.7 but shall otherwise be without premium or penalty and shall be accompanied by accrued and unpaid interest on the principal amount to be prepaid to but excluding the date of payment.
- (B) The Borrower shall give the Administrative Agent at least three (3) Business Days' notice of any voluntary prepayment under Section 2.1(f)(i). Each notice of voluntary prepayment shall (x) specify the voluntary prepayment date, and (y) be accompanied by a certificate signed by a Responsible Officer of the Borrower setting forth in reasonable detail the calculation of the amount of such voluntary prepayment.

2.2 Commitments.

(a) Generally. Subject to the terms and conditions set forth herein, each Lender agrees, severally and not jointly, to make one or more Loans to the Borrower, from time to time during the Availability Period, in an aggregate principal amount that will not result in such Lender's Loans exceeding its Commitment.

(b) Scheduled Commitment Termination Date. Unless previously terminated, the Commitments shall automatically terminate on the last day of the Availability Period.

(c) Voluntary Termination or Reduction of Commitments. The Borrower may, at any time, terminate, or from time to time reduce, the Commitments provided that each partial reduction of the Commitments shall be in an amount that is One Million Dollars (\$1,000,000) or a larger multiple of Five Hundred Thousand Dollars (\$500,000); provided that no such reduction shall reduce the Commitments such that the amount of Outstanding Principal exceeds the Total Loan Commitment.

(d) Notice of Voluntary Termination or Reduction. The Borrower shall notify the Administrative Agent of any election to terminate or reduce the Commitments under this Section 2.2 at least three (3) Business Days prior to the effective date of such termination and reduction, specifying such election and the effective date thereof. Promptly following receipt of any notice,

the Administrative Agent shall advise the Lenders of the contents thereof. Each notice delivered by the Borrower pursuant to this Section 2.2 shall be irrevocable.

(e) Effect of Termination or Reduction. Any termination or reduction of the Commitments shall be permanent. Each reduction of the Commitments shall be made ratably among the Lenders in accordance with their respective Commitments. Notwithstanding any termination or reduction of the Commitments pursuant to this Section 2.2(e), the Commitment Fee shall not be reduced in any event unless otherwise set forth in the Fee Letters.

2.3 Fees.

(a) Undrawn Fee. On each Scheduled Payment Date and on and until the earlier of (i) the last day of the Availability Period and (ii) the date on which the Total Loan Commitments are canceled or terminated, the Borrower shall pay to the Administrative Agent, for the account of each applicable Lender, a commitment fee for each such Lender (the “ **Undrawn Fees** ”) accruing from the date of execution of this Agreement or the preceding Scheduled Payment Date, as applicable, until the date of such payment (the “ **Calculation Period** ”) equal to (A) during the six months following the First Restatement Date, ***% per annum (based upon a year of 365/366 days) on the average daily unutilized portion of the Commitment of such Lender during such Calculation Period and (B) thereafter, (x) subject to the proviso below, if the average daily unutilized portion of the Commitment of such Lender during such Calculation Period exceeds 50% of such Lender’s Commitment, ***% per annum (based upon a year of 365/366 days) on the average daily unutilized portion of the Commitment of such Lender during such Calculation Period and (y) if the average daily unutilized portion of the Commitment of such Lender during such Calculation Period is 50% or less of such Lender’s Commitment, ***% per annum (based upon a year of 365/366 days) on the average daily unutilized portion of the Commitment of such Lender during such Calculation Period; provided that in calculating the average daily unutilized portion of a Lender’s Commitment, any amounts repaid hereunder for the purpose of releasing a Subject Fund from the Liens of the Financing Documents (as indicated by written notice from the Borrower to the Administrative Agent in connection with such repayment) shall be deemed to be utilized for a period of three (3) months commencing on the date of such repayment.

(b) Fee Letters. On the Closing Date and thereafter, including on the First Restatement Date and the Second Restatement Date, the Borrower shall pay to the Lead Arrangers, the Administrative Agent, the Lenders, the Depository and any other parties thereto (for their respective accounts) such fees in the amount and at the times set forth in the Fee Letters.

2.4 Other Payment Terms.

(a) Place and Manner. All payments to be made by the Borrower shall be made free and clear of and without condition or deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise expressly provided herein, all payments by the Borrower hereunder shall be made to the Administrative Agent, for the account of the respective Lenders to which such payment is owed, at the Administrative Agent’s Office in Dollars and in immediately available funds not later than 2:00 p.m., New York time, on the date specified herein. The Administrative Agent will promptly distribute to each Lender its Proportionate Share (or other applicable share as

provided herein) of such payment in like funds as received by wire transfer to such Lender's Lending Office. All payments received by the Administrative Agent after 2:00 p.m., New York time, shall be deemed received on the next succeeding Business Day (it being understood that the Administrative Agent, in its sole discretion, may deem payments received after such time on any day to be received on the date due) and any applicable interest or fee shall continue to accrue.

(b) Date. Unless otherwise specified in this Agreement, whenever any payment due hereunder shall fall due on a day other than a Business Day, such payment shall instead be due on the next succeeding Business Day, and such extension of time shall be included in the computation of interest or fees, as the case may be.

(c) Default Interest. If any amounts required to be paid by the Borrower under this Agreement or any other Financing Document (including principal or interest payable on any Loan, and any fees or other amounts payable to the Agents or any 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 per annum rate equal to the Default Rate. Such Default Rate shall apply automatically without the need for any notice from the Administrative Agent or any Lender; provided that the foregoing shall not be intended to modify any other notice obligation hereunder including the notice provisions applicable to Events of Default.

(d) Net of Taxes, Etc.

- (i) (A) Taxes. Any and all payments by or on account of any obligation of any Loan Party under any Financing Document shall be made without deduction or withholding for any Taxes, except as required by applicable Laws. If any applicable Laws (as determined in the good faith discretion of the applicable withholding agent) require the deduction or withholding of any Tax from any such payment by the Administrative Agent or a Loan Party, then the Administrative Agent or such Loan Party shall be entitled to make such deduction or withholding, upon the basis or the information and documentation to be delivered pursuant to subsection (g) below.
- (B) If any Loan Party or the Administrative Agent shall be required by the Code to withhold or deduct any Taxes, including both United States Federal backup withholding and withholding taxes, from any payment, then (A) the Administrative Agent shall withhold or make such deductions as are determined by the Administrative Agent to be required based upon the information and documentation it has received pursuant to subsection (g) below, (B) the Administrative Agent shall timely pay the full amount withheld or deducted to the relevant Governmental Authority in accordance with the Code, and (C) to the extent that the withholding or deduction is made on account of Indemnified Taxes, the sum payable by the applicable Loan Party shall be increased as necessary so that after any required

withholding or the making of all required deductions (including deductions applicable to additional sums payable under this Section 2.4(d)) the applicable recipient receives an amount equal to the sum it would have received had no such withholding or deduction been made.

- (C) If any Loan Party or the Administrative Agent shall be required by any applicable Laws other than the Code to withhold or deduct any Taxes from any payment, then (A) such Loan Party or the Administrative Agent, as required by such Laws, shall withhold or make such deductions as are determined by it to be required based upon the information and documentation it has received pursuant to subsection (g) below, (B) such Loan Party or the Administrative Agent, to the extent required by such Laws, shall timely pay the full amount withheld or deducted to the relevant Governmental Authority in accordance with such Laws, and (C) to the extent that the withholding or deduction is made on account of Indemnified Taxes, the sum payable by the applicable Loan Party shall be increased as necessary so that after any required withholding or the making of all required deductions (including deductions applicable to additional sums payable under this Section 2.4(d)) the applicable recipient receives an amount equal to the sum it would have received had no such withholding or deduction been made.

(ii) Payment of Other Taxes by the Borrower. Without limiting the provisions of subsection (i) above, the Borrower shall timely pay to the relevant Governmental Authority in accordance with applicable Laws, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(iii) Indemnity.

- (A) The Borrower shall indemnify each Agent and each Lender for the full amount of Indemnified Taxes (including any Indemnified Taxes or Other Taxes imposed by any jurisdiction on amounts payable under this Section 2.4(d)) arising from the execution, delivery or performance of its obligations or from receiving a payment hereunder, or enforcing this Agreement or any Financing Document, paid by, or required to be withheld or deducted from a payment to, such Agent or Lender, or any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally asserted; provided that the Borrower shall not be obligated to indemnify any Agent or Lender for any penalties, additional interest or expense relating to Indemnified Taxes arising from such Agent's or Lender's gross negligence or willful misconduct. A certificate as to the amount of such payment or liability delivered to the Borrower by an

Agent or Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error. Payments by the Borrower pursuant to this indemnification shall be made within ten (10) days from the date such Agent or Lender makes written demand therefor. The Borrower shall, and does hereby indemnify the Administrative Agent, and shall make in respect thereof within ten (10) days after demand therefor, for any amount which a Lender for any reason fails to pay indefeasibly to the Administrative Agent as required pursuant to Section 2.4(d)(iii)(B) below.

- (B) Each Lender shall, and does hereby, severally indemnify, and shall make payment in respect thereof within ten (10) days after demand therefor, (x) the Administrative Agent against any Indemnified Taxes attributable to such Lender (but only to the extent that the Borrower has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Borrower to do so), (y) the Administrative Agent and the Borrower, as applicable, against any Taxes attributable to such Lender's failure to comply with the provisions of Section 9.13(b) relating to the maintenance of a Participant Register and (z) the Administrative Agent or the Borrower, as applicable, against any Excluded Taxes attributable to such Lender that are payable or paid by the Administrative Agent or the Borrower in connection with any Financing 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 Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender, as the case may be, under this Agreement or any other Financing Document against any amount due to the Administrative Agent under this clause (B).

(iv) Evidence of Payments. Upon request by the Borrower or the Administrative Agent, as the case may be, after any payment of Taxes by any Loan Party or by the Administrative Agent to a Government Authority as provided in this Section 2.4(d), the Borrower shall deliver to the Administrative Agent or the Administrative Agent shall deliver to the Borrower, as the case may be, the original or certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy any return required by Laws to report such payment or other evidence of such payment reasonably satisfactory to the Borrower or the Administrative Agent, as the case may be.

(v) Treatment of Certain Refunds. If any Agent or Lender 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 by the Borrower pursuant to this Section 2.4(d) (including by the payment of additional amounts pursuant to this Section 2.4(d)), it shall pay to the Borrower an amount equal to such refund (but only to the extent of the indemnity payments made under this Section 2.4(d) with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses related thereto (including taxes) of such Agent or Lender and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). The Borrower, upon the request of such Lender or Agent, shall repay to such Lender or Agent the amount paid over pursuant to this paragraph (v) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such Lender or Agent is required to repay such refund to such Governmental Authority; provided that the Borrower shall not be obligated to reimburse an Agent or any Lender for any penalties, additional interest or other charges arising from such Agent's or Lender's gross negligence or willful misconduct. Notwithstanding anything to the contrary in this paragraph (v), in no event will Lender or Agent be required to pay any amount to the Borrower pursuant to this paragraph (v) the payment of which could place such Lender or Agent in a less favorable net after-tax position than such Lender or Agent 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 Agent or Lender to make available its tax returns (or any other information relating to its taxes that it deems confidential) to the Borrower or any other Person.

(vi) Survival of Obligations. The obligations included in this Section 2.4(d) shall survive the termination of this Agreement and the repayment and discharge of the Obligations of the Loan Parties.

(e) Application of Payments.

(i) Except as otherwise provided herein (including in Section 7.1), payments made under this Agreement and the other Financing Documents shall be applied in accordance with Section 3.3(d) of the CADA.

(ii) The Administrative Agent shall promptly distribute to each Lender its Proportionate Share of each payment of principal, payments, fees and any other amounts received by the Administrative Agent for the account of the Lenders under the Financing Documents. The payments made for the account of each Lender shall be made, and distributed to it, for the account of such Lender's Lending Office.

(f) Failure to Pay Administrative Agent.

(i) Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Loan of LIBO Rate Loans (or, in the case of any Base Rate Loans, prior to 12:00 noon on the date of such proposed Borrowing) that such Lender

will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with Section 2.1(e)(iii) and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount in immediately available funds with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (A) in the case of a payment to be made by such Lender, the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation, plus any administrative, processing or similar fees customarily charged by the Administrative Agent in connection with the foregoing, and (B) in the case of a payment to be made by the Borrower, the interest rate applicable to Base Rate Loans. If the Borrower and such Lender shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to the Borrower the amount of such interest paid by the Borrower for such period. If such Lender pays its share of the applicable Borrowing to the Administrative Agent, then the amount so paid shall constitute such Lender's Proportionate Share included in such Borrowing. Any payment by the Borrower shall be without prejudice to any claim the Borrower may have against a Lender that shall have failed to make such payment to the Administrative Agent.

(ii) Unless the Administrative Agent shall have received notice from the Borrower at least two (2) Business Days prior to the date on which any payment is due to the Lenders hereunder that the Borrower will not make such payment in full, the Administrative Agent may assume that the Borrower has made such payment in full to the Administrative Agent on such date and the Administrative Agent may, in reliance upon such assumption, cause to be distributed to each Lender on such due date an amount equal to the amount then due such Lender. If and to the extent the Borrower shall not have so made such payment in full to the Administrative Agent, such Lender shall repay to the Administrative Agent forthwith upon demand such amount distributed to such Lender, together with interest thereon, for each day from the date such amount is distributed to such Lender until the date such Lender repays such amount to the Administrative Agent, at a rate equal to the Applicable Interest Rate for each day during such period. A certificate of the Administrative Agent submitted to any Lender with respect to any amounts owing by such Lender under this Section 2.4(f) shall be conclusive in the absence of manifest error.

(g) Withholding Exemption Certificates.

(i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Financing Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate

of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender 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 Sections 2.4(g)(ii)(A), 2.4(g)(ii)(B) and (ii)(D) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing,

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(1) in the case of a Foreign Lender 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 Financing Document, executed originals of IRS Form W-8BEN 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 Financing Document, IRS Form W-8BEN 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 originals of IRS Form W-8ECI;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit I to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A)

of the Code, a “10 percent shareholder” of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a “controlled foreign corporation” described in Section 881(c)(3)(C) of the Code (a “**U.S. Tax Compliance Certificate**”) and (y) executed originals of IRS Form W-8BEN; or

(4) to the extent a Foreign Lender is not the beneficial owner, executed originals of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, a U.S. Tax Compliance Certificate substantially in the form of Exhibit I, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit I on behalf of each such direct and indirect partner;

- (C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals 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 or the Administrative Agent to determine the withholding or deduction required to be made; and
- (D) if a payment made to a Lender under any Financing Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender’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.

(iii) Each Lender agrees that if any form or certification it previously delivered pursuant to this Section 2.4(g) expires or becomes obsolete or inaccurate in any respect, it shall promptly (but in any event on or before the next Scheduled Payment Date; provided that such Scheduled Payment Date is at least ten (10) Business Days after such certificate expires or becomes obsolete) update such form or certification or notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

2.5 Pro Rata Treatment.

(a) Except as otherwise provided herein each Borrowing, each payment of principal of any Borrowing, each payment of interest on the Loans, each payment of Commitment Fees, each payment of Undrawn Fees 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 Undrawn Fees, in accordance with the respective principal amounts of their outstanding Loans). Each Lender agrees that in computing each Lender's portion of any Borrowing to be made hereunder, the Administrative Agent may, in its discretion, round each Lender's percentage of such Borrowing to the next higher or lower whole Dollar amount.

(b) Sharing of Payments, Etc. If any Lender (a " **Benefited Lender** ") shall obtain any payment (whether voluntary, involuntary, through the exercise of any right of setoff, or otherwise) on account of Loans (or interest thereon) owed to it, in excess of its ratable share of payments on account of such Loans obtained by all Lenders entitled to such payments (for the avoidance of doubt, only Lenders holding Refinanced Debt shall be entitled to payment from the proceeds of Refinancing Loans until such Lenders are fully repaid), such Lender shall forthwith purchase from the other Lenders such participations in the Loans, as the case may be, as shall be necessary to cause such Benefited Lender to share the excess payment ratably with each of them; provided, however, that if all or any portion of such excess payment is thereafter recovered from such Benefited Lender, such purchase from such Lender shall be rescinded and each other Lender shall repay to the Benefited Lender the purchase price to the extent of such recovery together with an amount equal to such other Lender's ratable share (according to the proportion of (i) the amount of such other Lender's required repayment to (ii) the total amount so recovered from the purchasing Lender) of any interest or other amount paid or payable by the Benefited Lender in respect of the total amount so recovered. The Borrower agrees that any Lender so purchasing a participation from another Lender pursuant to this Section 2.5(b) may, to the fullest extent permitted by law, exercise all its rights of payment (including the right of setoff) with respect to such participation as fully as if such Lender were the direct creditor of the Borrower in the amount of such participation; provided, that the provisions of this Section 2.5(b) shall not be construed to apply to any payment made by the Borrower pursuant to and in accordance with the terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender) or any payment obtained by a Lender as consideration for the assignment of sale of a participation in any of its Loans to any assignee or participant, other than to a Loan Party or any of their Affiliates (as to which provisions of this Section 2.5(b) apply).

If any Swap Counterparty shall obtain any payment (whether voluntary, involuntary, through the exercise of any right of setoff, or otherwise) from the Borrower or any Guarantor other than in accordance with Article III of the CADA in respect of any payment due under its Permitted Swap Agreement then: (i) such Swap Counterparty shall, within three (3) Business Days, notify details of such receipt or recovery to the Administrative Agent; (ii) the Administrative Agent shall determine whether the receipt or recovery is in excess of the amount such Swap Counterparty would have been paid had the receipt or recovery been received or made in accordance with the pro rata share of payments across the agreed allocation of Permitted Swap Agreements among Swap Counterparties; and (iii) such Swap Counterparty shall, within three Business Days of demand by the Administrative Agent, pay to the Administrative Agent, for distribution to the other applicable Swap Counterparties in accordance with Article III of the CADA, an amount equal to such receipt or recovery less any amount which the Administrative Agent determines may be retained by such Swap Counterparty as its share of any payment to be made, in accordance with the pro rata share of payments across the agreed allocation of Permitted Swap Agreements among Swap Counterparties.

2.6 Change of Circumstances .

(a) Increased Costs . If, after the date of this Agreement, any Change of Law:

(i) shall impose, modify or hold applicable any reserve, special deposit or similar requirement (except any reserve requirement reflected in the LIBO Rate) against assets held by, deposits or other liabilities in or for the account of, advances or loans by any Lender;

(ii) shall impose on any Lender any other condition not otherwise contemplated hereunder affecting this Agreement or Loans made by such Lender; or

(iii) shall subject the Lender to any taxes other than Taxes covered by Section 2.4(d) or Excluded Taxes, and the effect of any of the foregoing is to increase the cost to such Lender of making or maintaining any such Loan or Commitment or to reduce any amount received or receivable by such Lender hereunder (whether of principal, interest or otherwise), then the Borrower shall promptly, but in no event later than ten (10) Business Days' after receipt of written demand therefor by such Lender (accompanied by a certificate from such Lender setting forth the amount of the incurred costs as determined by such Lender in good faith and which shall be conclusive absent manifest error), pay to such Lender such additional amounts sufficient to reimburse such Lender for such increased costs or to compensate such Lender for such reduced amounts, to the extent actually incurred by or suffered by such Lender.

(b) Capital Requirements . If any Lender reasonably determines that (i) any Change of Law that affects or would affect the amount of capital or liquidity required or expected to be maintained by such Lender or on the Lender's holding company (a "**Capital Adequacy Requirement** ") and (ii) the amount of capital or liquidity maintained by such Lender or such Lender's holding company which is attributable to or based upon the Loans, the Commitments or this Agreement must be increased as a result of such Capital Adequacy Requirement (taking into

account such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy), the Borrower shall promptly, but in no event later than ten (10) Business Days' after receipt of written demand therefor by such Lender (accompanied by a certificate from such Lender setting forth the amount of the incurred costs as determined by such Lender in good faith and which shall be conclusive absent manifest error), pay such amounts as such Lender shall determine are necessary to compensate such Lender for the increased costs to such Lender of such increased capital or liquidity.

(c) Notice. Each Lender will notify the Borrower of any event occurring after the date of this Agreement that will entitle such Lender to compensation pursuant to this Section 2.6, as promptly as is practicable. Failure or delay on the part of any Lender to demand compensation pursuant to this Section 2.6 shall not constitute a waiver of such Lender's right to demand such compensation; provided, that the Borrower shall not be required to compensate a Lender pursuant to this Section 2.6 for any 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 of Law giving rise to such increased costs or reductions and of such Lender's intention to claim compensation therefor; provided further that, if the Change of 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. The protection of this Section 2.6 shall be available to each Lender regardless of any possible contention of the invalidity or inapplicability of the Change of Law that shall have occurred or been imposed.

(d) Change in Legality. Notwithstanding any other provision of this Agreement, if any Change of Law shall make it unlawful for any Lender to make or maintain a LIBO Loan or to give effect to its obligations as contemplated hereby with respect to any LIBO Loan, then, by written notice to the Borrower and to the Administrative Agent:

(i) such Lender may declare that LIBO Loans will not thereafter (for the duration of such unlawfulness) be made by such Lender hereunder (or be continued), whereupon any request for a Borrowing (or any continuation of a Borrowing for an additional Interest Period) shall, as to such Lender only, be deemed a request for a Base Rate Loan (or a continuation of a LIBO Loan as a Base Rate Loan), unless such declaration shall be subsequently withdrawn; and

(ii) such Lender may require that all outstanding LIBO Loans made by it be converted to Base Rate Loans, in which event all such LIBO Loans shall be automatically converted to Base Rate Loans as of the effective date of such notice as provided below.

In the event any Lender shall exercise its rights under clauses (i) or (ii) above, all payments and prepayments of principal that would otherwise have been applied to repay the LIBO Loans that would have been made by such Lender or the converted LIBO Loans of such Lender shall instead be applied to repay the Base Rate Loans made by such Lender in lieu of, or resulting from the conversion of, such LIBO Loans. For purposes of this clause (d), a notice to the Borrower by any Lender shall be effective as to each LIBO Loan made by such Lender, if lawful, on the last day of the Interest Period then applicable to such LIBO Loan (which shall be a Scheduled Payment Date); in all other cases such notice shall be effective on the date of receipt by the Borrower.

2.7 Funding Losses . The Borrower shall indemnify each Lender against any loss or expense that such Lender may sustain or incur as a consequence of (a) any event, other than a default by such Lender in the performance of its obligations hereunder, which results in (i) such Lender receiving or being deemed to receive any amount for the prepayment of principal of any Loan (other than a Base Rate Loan) prior to the end of the Interest Period in effect therefor or (ii) any Loan (other than a Base Rate Loan) to be made by such Lender not being made after notice, (b) any default in the making, or failure to make on the date and in the amount notified of any payment or prepayment required to or permitted to be made by or on behalf of the Borrower hereunder on any Loan (other than a Base Rate Loan) (any of the events referred to in this clauses (a) and (b) being called a “ **Breakage Event** ”). In the case of any Breakage Event, such loss shall include an amount equal to the excess, as reasonably determined by such Lender, of (A) its costs of obtaining funds for the Loan that is the subject of such Breakage Event for the period from the date of such Breakage Event to the last day of the Interest Period in effect (or that would have been in effect) for such Loan over (B) the amount of interest likely to be realized by such Lender in redeploying the funds released or not utilized by reason of such Breakage Event for such period. A certificate of any Lender setting forth any amount or amounts which such Lender is entitled to receive pursuant to this Section 2.7 shall be delivered to the Borrower and shall be conclusive absent manifest error.

2.8 Alternate Office; Minimization of Costs .

(a) Any Lender may designate a Lending Office other than that set forth in Annex 2 and may assign all of its interests under the Financing Documents, and its Notes (if any), to such Lending Office, provided that such designation and assignment do not at the time of such designation and assignment increase the reasonably foreseeable liability of the Borrower under Section 2.4(d), Section 2.6(a) or Section 2.6(b) .

(b) If the Borrower is required to pay additional amounts under Section 2.4(d) or any Lender requests compensation under Section 2.6(a) or Section 2.6(b) , then such 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 (y) to 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 Section 2.4(d) , Section 2.6(a) or Section 2.6(b) ; 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 Loans 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.

(c) If (i) the Borrower incurs any liability to a Lender under Section 2.4(d) , Section 2.6(a) or Section 2.6(b) or (ii) any Lender is a Defaulting Lender, then the Borrower, at its sole expense (including with respect to the processing and recordation fee referred to in Section 10.4) may, upon notice to such Lender and the Administrative Agent require the Lender subject to this Section 2.8(c) to assign and delegate, without recourse, all its interests, rights and obligations under

this Agreement and under the Loans and Commitments of the Lender being replaced hereunder to an Eligible Assignee that shall assume all those rights and obligations; provided, however, that (x) such assignment shall not conflict with any law, rule or regulation or order of any court or other governmental authority having valid jurisdiction, (y) the Borrower shall have received the prior written consent of the Administrative Agent, which consent shall not be unreasonably withheld or delayed, and (z) 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 Loans of such Lender plus all fees and other amounts accrued for the account of such Lender hereunder with respect thereto (including any amounts under Sections 2.6 and 2.7). A Lender subject to this Section 2.8(c) 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 (including as a result of any action taken by such Lender pursuant to clause (b) above), (B) if such Lender shall waive its right to claim compensation or payment under Section 2.4(d), Section 2.6(a) or Section 2.6(b) or (C) if any Default or Event of Default then exists. Each Lender hereby grants to the Administrative Agent an irrevocable power of attorney (which power is coupled with an interest) to execute and deliver, on behalf of such Lender, as assignor, any Assignment and Acceptance necessary to effectuate any assignment of such Lender's interests hereunder in the circumstances contemplated by this Section 2.8(c). Nothing in this Section 2.8 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.

2.9 Increase in Loan Facility.

(a) Request for Increase. If the Available Borrowing Base exceeds \$200 million at any time following the Closing Date and the Borrower is in compliance with the Borrowing Base Requirement, the Borrower may request an increase in Commitments upon written notice to the Administrative Agent in the form of Exhibit D (each such notice, a “**Incremental Loan Commitment Increase Notice**”), pursuant to which the Borrower will request the Lenders to provide on a pro rata basis, or, in the event one or more of the Lenders declines to provide its pro rata share of the requested amount of the increase in commitments pursuant to Section 2.9(b), permit other existing Lenders (on a non-pro rata basis) or New Lenders (defined below) to provide, new Commitments to increase the Total Commitment Amount (each such new Commitment, an “**Incremental Loan Commitment**”); provided, that:

(i) the Incremental Loan Commitment Increase Notice shall set forth (A) the aggregate amount of the Incremental Loan Commitments requested, (B) the date on which such Incremental Loan Commitments are requested to be effective (“**Incremental Loan Increase Date**”), which shall not be less than sixty (60) days after the date of such notice, (C) the requested maturity date and interest rate of Incremental Loans related to such Incremental Loan Commitments, and (D) the upfront fees the Borrower proposes to pay to participating Lenders in such Incremental Loan Commitment,

(ii) all Incremental Loan Commitments hereunder shall not exceed \$175,000,000 (the “**Incremental Loan Amount**”) in the aggregate,

(iii) any request for an Incremental Loan Commitment shall be in a minimum amount of (x) \$50,000,000 or (y) such lesser amount equal to the Incremental Loan Amount *minus* the Incremental Loan Commitments granted on or prior to the date of such request,

(iv) the terms of each requested Incremental Loan Commitment are identical to those applicable to the original Commitment, other than with respect to (x) maturity (*provided* that the Loan Maturity Date of any Incremental Loan shall not be earlier than the Loan Maturity Date of the Initial Loans), (y) interest rates, and (z) upfront fees,

(v) if the All-In Yield applicable to such Incremental Loan Commitment shall be greater than the applicable All-In Yield payable with respect to any Loans (other than Incremental Loans made pursuant to such Incremental Loan Commitment) by more than 50 basis points per annum (the amount of such excess, the “ **Yield Differential** ”) then the interest rate (together with, as provided in the proviso below, the LIBO Rate or Base Rate floor) with respect to such Loans shall be increased by the applicable Yield Differential; provided, that, if any Incremental Loan Commitments include a LIBO Rate or Base Rate floor that is greater than the LIBO Rate or Base Rate floor applicable to any existing Loans, such differential between interest rate floors shall be included in the calculation of All-In Yield for purposes of this clause (v) but only to the extent an increase in the LIBO Rate or Base Rate Floor applicable to the existing Loans would cause an increase in the interest rate then in effect thereunder, and in such case the LIBO Rate and Base Rate floors (but not the Applicable Margin) applicable to the existing Loans shall be increased to the extent of such differential between interest rate floors; provided further that any undrawn or commitment fees applicable to such Incremental Loan Commitments shall be included in the foregoing calculation solely to the extent such fees exceed those applicable to the Loans by more than 50 basis points per annum;

(vi) no request for an Incremental Loan Commitment may be made after the end of the Availability Period,

(vii) the Borrower shall provide to the Administrative Agent such information that is reasonably requested by the Administrative Agent on behalf of the Lenders to evaluate the request for an Incremental Loan Commitment,

(viii) on the date of the request by the Borrower for an Incremental Loan Commitments, the conditions set forth in Section 2.9(e)(i) shall have been satisfied, and

(ix) no Lender shall be obligated to provide any new or additional Commitment.

(b) Lender Elections to Increase. Upon receipt of an Incremental Loan Commitment Increase Notice pursuant to Section 2.9(a), the Lenders shall have thirty (30) days to accept an offer to participate in the requested Incremental Loan Commitments by delivering to the Administrative Agent confirmation substantially in the form attached as Exhibit E (each, an “ **Increasing Incremental Lender Confirmation** ”). Any Lender may accept or decline such offer in any amount up to its pro rata share of the aggregate amount of the Incremental Loan

Commitments requested in such Lender's sole and absolute discretion. In the event that any one or more Lenders declines to increase its Commitment by its full pro rata share of the Incremental Loan Commitments requested, the Administrative Agent shall offer the other Lenders the opportunity to further increase their Commitments in an aggregate amount equal to the remaining requested increase.

(c) Notification by Administrative Agent; Additional Lenders. The Administrative Agent shall notify the Borrower and each Lender of the Lenders' responses to each request made hereunder. If the Lenders determine not to increase their Commitments in the amount of the requested increase, then in order to achieve the full amount of a requested increase, subject to (other than in the case of Eligible Assignees which are federally regulated banking institutions) the approval of the Administrative Agent (which approval shall not be unreasonably withheld), the Borrower may then invite additional Eligible Assignees to become Lenders on the same terms that were offered to the existing Lenders by executing a New Lender Accession Agreement (each such Eligible Assignee entering into a New Lender Accession Agreement, a "**New Lender**"). For the avoidance of doubt, the Borrower may not invite any additional Eligible Assignee to become a New Lender until all Lenders existing at such time have declined to increase their Commitments in an aggregate amount equal to the requested increase.

(d) Effective Date and Allocations. On each Incremental Loan Increase Date, upon the fulfillment of the conditions set forth in Section 2.9(e), the Administrative Agent shall notify the Lenders (including any New Lenders) and the Borrower, on or before 11:00 a.m., New York time, of the occurrence of the requested Incremental Loan Commitments to be effected on such Incremental Loan Increase Date and shall record in the Register with the relevant information with respect to each Lender that executes an Incremental Lender Confirmation and each New Lender on such date.

(e) Conditions to Effectiveness of Increase. Any Incremental Loan Commitments are subject to the occurrence of the Closing Date and the satisfaction of each of the following conditions on such Incremental Loan Increase Date:

- (i) no Default or Event of Default shall have occurred and be continuing;
- (ii) immediately before and after giving effect to such Incremental Loan Commitments, the Borrower is in pro forma compliance with the Borrowing Base Requirement;
- (iii) no Repayment Event has occurred and remains ongoing;
- (iv) the Available Borrowing Base exceeds \$200 million;
- (v) no New Lenders are Investors or Sponsor;
- (vi) since the delivery of the most recent financial statements of the Borrower delivered pursuant to Section 5.3, no Material Adverse Effect has occurred or is continuing;

(vii) the representations and warranties set forth in Section 4.1 and in each other Financing Document shall be true and correct in all material respects as of the Incremental Loan Increase Date (unless such representation or warranty relates solely to an earlier date, in which case it shall have been true and correct in all material respects as of such earlier date);

(viii) the Administrative Agent shall have received a duly executed Incremental Loan Commitment Increase Notice and any fee letters entered into in connection with such Incremental Loan Commitments;

(ix) the Administrative Agent shall have received for its own account, and for the account of each Incremental Loan Lender or New Lender entitled thereto, all fees due and payable as of the Incremental Loan Increase Date pursuant to Section 2.3, and all costs and expenses, including costs, fees and expenses of legal counsel, for which invoices have been presented; provided that costs, fees and expenses of legal counsel may be subject to caps as agreed to between the Borrower and the relevant party;

(x) if requested by an Incremental Loan Lender providing any portion of such Incremental Loan Commitments on such Incremental Loan Increase Date, such Incremental Loans shall be evidenced by a Note; and

(xi) the Borrower shall deliver to the Administrative Agent a certificate of the Borrower dated as of the Incremental Loan Increase Date signed by a Responsible Officer of the Borrower (x) certifying and attaching the resolutions adopted by the Borrower approving or consenting to such increase, and (y) certifying that each of the conditions set forth in this Section 2.9(e) have been met as of the Incremental Loan Increase Date.

(f) Upon any Incremental Loan Increase Date on which Incremental Loan Commitments are effected pursuant to this Section 2.9, (a) each of the Lenders as of such Incremental Loan Increase Date shall assign to each of the lenders providing such Incremental Loan Commitments and each of the lenders providing such Incremental Loan Commitments shall purchase from each of the Lenders, at the principal amount thereof plus accrued and unpaid interest as of the date of such assignment, such interests in the Commitments and Loans outstanding on such Incremental Loan Increase Date as shall be necessary in order that, after giving effect to all such assignments and purchases, such Commitments and Loans will be held by existing Lenders and lenders providing such Incremental Loan Commitments ratably in accordance with their Commitments after giving effect to the addition of such Incremental Loan Commitments to the Commitments, (b) each Incremental Loan Commitment shall be deemed for all purposes a Commitment and each Loan made thereunder shall be deemed, for all purposes, a Loan and (c) each lender providing such Incremental Loan Commitments shall become a Lender with respect to the Commitments and all matters relating thereto. Notwithstanding anything to the contrary herein, no consent of the Borrower shall be required for any of the foregoing assignments and purchases. For the avoidance of doubt, the Administrative Agent and the Lenders hereby agree that the minimum borrowing and prepayment requirements in Section 2.1(a) (ii) and 2.1(f) of this Agreement shall not apply to the transactions effected pursuant to the immediately preceding sentence.

(g) For the avoidance of doubt, no Incremental Loan Commitments (if any) shall result in any adverse change to the Loan Maturity Date, interest rates and/or upfront fees applicable to the Closing Date Commitments of existing Lenders.

(h) Notwithstanding any Incremental Loan Commitments, the Administrative Agent shall retain all of its rights hereunder, including with respect to determining the Available Borrowing Base and approving new Subject Funds.

(i) In the event of any conflict between this Section 2.9 and Section 9.9 of this Agreement, this Section 2.9 shall control and govern.

2.10 Eligible Structures; Addition of Subject Funds; Release of Subject Funds.

(a) To the extent that the Available Borrowing Base is less than the Total Loan Commitment prior to the expiration of the Availability Period, and no Default (other than a Default that the Borrower has certified to the Administrative Agent it intends to cure by the inclusion of such Potential New Fund as a Subject Fund) or Event of Default has occurred and is continuing:

(i) the Borrower may request the inclusion of additional potential Eligible Structures (each, a “ **Potential New Fund** ”); provided that:

- (A) the Borrower shall make such request no fewer than (x) with respect to any Eligible Structure other than a Repeat Tax Equity Structure, forty-five (45) days prior to the expiration of the Availability Period and (y) with respect to any Repeat Tax Equity Structure, fifteen (15) Business Days prior to the expiration of the Availability Period, in each case, by delivery of written notice of its request for the inclusion of such Potential New Fund in the form attached hereto as Exhibit K (a “ **Potential New Fund Notice** ”);
- (B) the Borrower shall not request, and Administrative Agent shall be under no obligation to review, more than one Potential New Fund (excluding Repeat Tax Equity Structures) at any one time;
- (C) with respect to any Tax Equity Structure other than a Repeat Tax Equity Structure (which Tax Equity Structure, for the avoidance of doubt, shall conform to the applicable characteristics set forth in Appendix 11), the Administrative Agent shall have forty-five (45) days following the Borrower’s satisfaction of the conditions precedent set forth in Sections 3.4(a) and (b) to conduct due diligence and determine, in its reasonable discretion, (i) whether such Potential New Fund is acceptable and (ii) if so, in consultation with the Borrower and the Lenders whether to designate such Potential New Fund as a Cash-Sweep Fund or a Non-Cash-Sweep Fund in Appendix 4 and for all purposes under this Agreement; and

- (D) with respect to Repeat Tax Equity Structures, the Administrative Agent shall have fifteen (15) Business Days following the Borrower's satisfaction of the conditions precedent set forth in Sections 3.4(a) and (b) to conduct, or cause to be conducted, legal reviews and reviews of underlying Systems and Host Customers related to such Repeat Tax Equity Structure to the extent it deems such reviews appropriate; the Administrative Agent may, but so long as the Borrower makes the Tax Equity Representations shall be under no obligation to, conduct any due diligence with respect to such Potential New Fund and such Potential New Fund shall be included as a Subject Fund for all purposes hereunder following satisfaction of the applicable conditions precedent set forth in Section 3.4; and
- (E) with respect to any Other Financed Structure, the Administrative Agent shall conduct due diligence for as long as it deems necessary and together with the Majority Lenders shall determine, in their reasonable discretion, whether such Other Financed Structure is acceptable.

(ii) If following review of any such Potential New Fund in consultation with the Borrower, the Administrative Agent notifies the Borrower in writing that such Potential New Fund is acceptable for inclusion in the Available Borrowing Base, such Potential New Fund shall become a Subject Fund subject to the terms of the Financing Documents upon the satisfaction by Borrower of each of the conditions precedent set forth in Section 3.4.

(iii) Simultaneously with the satisfaction of the conditions precedent set forth in Section 3.4, the Administrative Agent shall update (A) Appendix 4 to include such new Subject Fund, its related Managing Member, and whether it is a Cash-Sweep Fund or a Non-Cash-Sweep Fund, (B) Appendix 5 to include such new Subject Fund's Project Documents, (C) Schedule 1.1(b) to include the Responsible Officers of such Subject Fund, (D) Schedule 4.1(x) to reflect the Equity Interests related to such Subject Fund, (E) Schedule 4.1(f) to include any existing Debt of the Managing Member of such Subject Fund, (F) Schedule A of Appendix 7 to include any existing Debt of such Subject Fund, and (G) Schedule 6.7 to include the investments of all the Loan Parties related to such Subject Fund.

For the avoidance of doubt, subject to Section 5.17(c), each Repeat Tax Equity Structure shall be designated as a Cash-Sweep Fund or a Non-Cash-Sweep Fund in accordance with the designation of the current Subject Fund to which it is substantially similar unless the Administrative Agent determines in its reasonable discretion in consultation with the Borrower and the Lenders that the provision(s) of such current Subject Fund that caused it to be designated a Cash-Sweep Fund or Non-Cash-Sweep Fund have been modified or eliminated so as to change the appropriate designation of such Repeat Tax Equity Structure. Notwithstanding the foregoing, the Administrative Agent will determine on a de novo basis whether to designate any Repeat Tax Equity Structure that is substantially similar to either of the following former Subject Funds: (1)

*** and (2) *** as a Cash-Sweep Fund or a Non-Cash-Sweep Fund and shall not be obligated to apply the same designation that was applied to such former Subject Fund.

(iv) The Borrower will reimburse the Agents pursuant to Section 10.4 for their reasonable due diligence and legal expenses in connection with their review of any Potential New Fund (other than Repeat Tax Equity Structures).

(b) Subject to the final sentence of this Section 2.10(b), the Borrower may refinance the Actual Net Cash Flow arising from one or more Subject Funds in whole but not partially. Upon the satisfaction of the Partial Release Conditions with respect to a Subject Fund, (i) such Subject Fund shall no longer be subject to the Financing Documents, (ii) the Borrower shall be entitled to the release of the Collateral with respect to such Subject Fund (other than proceeds necessary to satisfy the Partial Release Conditions) and (iii) notwithstanding anything to the contrary in the CADA or the other Financing Documents, any proceeds of such Subject Fund in excess of the amount required to satisfy the Partial Release Conditions shall not be required to be deposited in the Revenue Account (or any other Account) and shall be released from the liens of the Financing Documents. Within five (5) Business Days of the release of such Collateral, Borrower shall cause the Managing Member related to such Subject Fund to no longer be a Subsidiary of Borrower by selling, winding up or otherwise disposing of (including, without limitation, transferring Borrower's Equity Interests in such Managing Member to a third party) such Managing Member.

(c) (i) To the extent that, the Available Borrowing Base is less than the Total Loan Commitment, and no Default (other than a Default that the Borrower has certified to the Administrative Agent it intends to cure by the addition of such Systems) or Event of Default has occurred and is continuing, the Borrower may request the inclusion of additional potential System(s) to existing Subject Funds by delivery of written notice of its request for the inclusion of such Systems in the form attached hereto as Exhibit L (a " **New Systems Notice** ") at least fifteen (15) Business Days prior to the requested date of inclusion set forth in such notice; provided that at least ten (10) Business Days shall have passed since delivery of the last New Systems Notice.

(ii) The Administrative Agent shall have fifteen (15) Business Days following the Borrower's satisfaction of the conditions precedent set forth in Sections 3.3(a) and (b) to conduct due diligence with respect to such new System(s).

(iii) The Borrower will reimburse the Administrative Agent pursuant to Section 10.4 for its reasonable due diligence and legal expenses in connection with such review of any new Systems.

(iv) If the conditions precedent set forth in Section 3.3 are satisfied with respect to such Systems, then such new Systems will be included in the appropriate Subject Fund.

2.11 Defaulting Lenders.

(a) 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:

(i) fees shall cease to accrue on the unused portion of the Commitment of such Defaulting Lender pursuant to Section 2.3(a); and

(ii) the Loans and unused Commitments of such Defaulting Lender shall not be included in determining whether the Majority Lenders have taken or may take any action hereunder (including any right to approve or disapprove to any amendment, waiver or consent pursuant to Section 9.12).

(b) Defaulting Lender Waterfall. Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article 8 or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to Section 10.2 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 Administrative Agent hereunder; *second*, as the Borrower may request (so long as no Default or Event of Default exists), to the funding of any Loan 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 Loans 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 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 Loans in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Loans 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 Loans of all non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of such Defaulting Lender until such time as all Loans 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 2.11(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 will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any

conditions set forth therein (which may include arrangements with respect to any Cash Collateral), that Lender will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Loans to be held on a pro rata basis by the Lenders in accordance with their Applicable Percentages, 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; and 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's having been a Defaulting Lender.

2.12 Refinancing Loans.

(a) The Borrower may by written notice to Administrative Agent request the establishment of one or more additional tranches of loans under this Agreement ("Refinancing Loans") to refinance outstanding Loans (such existing Loans being refinanced, the "Refinanced Debt"). Each such notice shall (1) specify (x) the date (each, a "**Refinancing Effective Date**") on which the Borrower proposes that the Refinancing Loans shall be made, which shall be a date not less than sixty (60) days after the date on which such notice is delivered to the Administrative Agent, (y) the type and amount of outstanding Loans the Borrower is requesting to refinance, and (z) the other proposed terms of the Refinancing Loans and (2) certify that the Borrower in compliance with the Borrowing Base Requirement; *provided* that:

(i) before and after giving effect to the borrowing of such Refinancing Loans on the Refinancing Effective Date each of the conditions set forth in Section 3.1 and Section 3.2 shall be satisfied;

(ii) any request for Refinancing Loans shall be in an aggregate amount not less than \$25,000,000;

(iii) the terms and conditions applicable to such Refinancing Loans shall be identical in all respects to the terms and conditions set forth in Appendix 1, Appendix 2 and Appendix 3 of this Agreement (and any related provision or definition under this Agreement or any other Financing Document) with respect to the subject matter thereof;

(iv) such Refinancing Loans have a maturity no earlier than the Refinanced Debt;

(v) such Refinancing Loans shall not have a greater principal amount than the principal amount of the Refinanced Debt;

(vi) except as described in clauses (iii), (iv) and (v) above, all other terms applicable to such Refinancing Loans as set forth in the Refinancing Amendment (other than provisions relating to original issue discount, upfront fees and interest rates which shall be as agreed between the Borrower and the lenders providing such Refinancing Loans) shall be substantially identical to, or less favorable to the lenders providing such Refinancing Loans than, those applicable to the then outstanding Loans except to the extent

such covenants and other terms apply solely to any period after the Latest Maturity Date of the Loans in effect on the Refinancing Effective Date immediately prior to the borrowing of such Refinancing Loans;

(vii) the Loan Parties and the Collateral Agent shall enter into such amendments to the Collateral Documents as may be requested by the Collateral Agent (which shall not require any consent from any Lender) in order to ensure that the Refinancing Loans are provided with the benefit of the applicable Collateral Documents and shall deliver such other documents, certificates and opinions of counsel in connection therewith as may be requested by the Collateral Agent; and

(viii) On the Refinancing Effective Date, the net proceeds of the Refinancing Loans shall be applied to the repayment of the then outstanding Loans.

(b) In connection with each Refinancing Request, the Lenders shall have thirty (30) days to accept an offer to provide the requested Refinancing Loans in an amount up to its pro rata share of the outstanding Loans under this Agreement by delivering written confirmation to the Administrative Agent, and in the event that any one or more Lenders declines to provide Refinancing Loans in an amount equal to its full pro rata share of the Refinancing Loans requested, the Administrative Agent shall offer the other Lenders the opportunity to provide further Refinancing Loans in an aggregate amount equal to the remaining requested amount; during the foregoing period, the Borrower shall not approach any other Person in connection with its Refinancing Request. Thereafter, the Borrower may approach any Lender or any other Person that would be a permitted Assignee pursuant to Section 9.15 (without consideration of any Borrower approval required by Section 9.15) to provide all or a portion of the requested Refinancing Loans (each, together with any Lender who delivers a confirmation pursuant to the first sentence of this clause (b), a “Refinancing Lender”); provided that any Lender offered or approached to provide all or a portion of the Refinancing Loans may elect or decline, in its sole discretion, to provide a Refinancing Loan. Each Refinancing Loan incurred on a Refinancing Effective Date shall have identical terms and conditions to each other Refinancing Loan incurred on such Refinancing Effective Date. Any Refinancing Loan made on any Refinancing Effective Date shall be designated Refinancing Loans for all purposes of this Agreement.

(c) The Refinancing Loans shall be established pursuant to an amendment to this Agreement among the Borrower, the Administrative Agent and the Refinancing Lenders providing such Refinancing Loans (a “ **Refinancing Loan Amendment** ”), which shall be consistent in all respects with the provisions set forth in paragraph (a) above. Each of the parties hereto hereby agrees that this Agreement and the other Financing Documents may be amended pursuant to a Refinancing Amendment, without the consent of any other Lenders, to the extent (but only to the extent) necessary to (i) reflect the existence and terms of the Refinancing Loans incurred pursuant thereto and (ii) effect such other amendments to this Agreement and the other Financing Documents as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent and the Borrower, to effect the provisions of this Section 2.12, and the Majority Lenders hereby expressly authorize the Administrative Agent to enter into any such Refinancing Amendment. Each Refinancing Loan Amendment shall be binding on the Lenders, the Loan Parties and the other parties hereto.

(d) Notwithstanding anything to the contrary herein, the Borrower shall not prepay any Refinancing Loans until all Initial Loans have been indefeasibly paid in full in cash and the Closing Date Commitments have been terminated.

2.13 Extended Loans.

(a) So long as no Default or Event of Default has occurred and is continuing, the Borrower may by written notice to Administrative Agent request that all or a portion of the Loans (“ **Existing Loans** ”) be amended to extend by up to twelve (12) months both (x) the applicable Availability Period and (y) the scheduled maturity date(s) of any payment of principal with respect to all or a portion of any principal amount of such Loans (any such Loans which have been so amended, “ **Extended Loans** ”). In order to establish any Extended Loans, the Borrower shall provide a notice to the Administrative Agent (who shall provide a copy of such notice to each of the Lenders) (an “ **Extension Request** ”) setting forth the proposed terms of the Extended Loans to be established which shall be identical to the Existing Loans except that:

(i) the terms and conditions applicable to such Extended Loans shall be identical in all respects to the terms and conditions set forth in Appendix 1, Appendix 2 and Appendix 3 of this Agreement (and any related provision or definition under this Agreement or any other Financing Document) with respect to the subject matter thereof;

(ii) the interest margins with respect to the Extended Loans may be different than the interest margins for the Existing Loans being converted and upfront fees may be paid to the Extending Lenders, in each case, to the extent provided in the applicable Loan Extension Amendment;

(iii) the Loan Extension Amendment may provide for other covenants and terms that apply solely to any period after the Latest Maturity Date of all Loans in effect on the effective date of the Loan Extension Amendment immediately prior to the establishment of such Extended Loans

(iv) no Extended Loans may be optionally prepaid prior to the date on which the Loans from which they were converted are repaid in full and the related Commitments terminated unless such optional prepayment is accompanied by a *pro rata* optional prepayment of the Loans that were not converted; and

(v) each Extended Loan (x) shall rank *pari passu* in right of payment with the Obligations and (y) shall be secured by the Collateral and shall rank *pari passu* in right of security with the Obligations; *provided* , that (I) such Extended Loan shall not be subject to any Guarantee by any person other than a Loan Party and (II) the obligations in respect of such Extended Loan shall not be secured by a Lien on any asset other than any asset constituting Collateral.

Any Extended Loans converted pursuant to any Extension Request shall be designated Extended Loans for all purposes of this Agreement; *provided* that any Extended Loans converted may, to the extent provided in the applicable Loan Extension Amendment, be designated as an increase in any previously established Extended Loans.

(b) The Borrower shall provide the applicable Extension Request to all Lenders of the Loans that are subject to the Extension Request at least six (6) months prior to the end of the Availability Period. No Lender shall have any obligation to agree to have any of its Loans of such class converted into Extended Loans pursuant to any Extension Request; *provided, however*, that if a Lender that does not agree to have its Loans converted into Extended Loans pursuant to any Extension Request to which the Majority Lenders have agreed, the Borrower may (i) deem such Lender to be a “Non-Consenting Lender” for purposes of Section 9.12(i) and (ii) replace such Lender on the terms and subject to the conditions of Section 9.12(i). Any Lender (an “**Extending Lender**”) wishing to have all or a portion of its Loans converted into Extended Loans shall notify the Administrative Agent (an “**Extension Election**”) on or prior to the date specified in such Extension Request of the amount of its Loans which it has elected to request be converted into Extended Loans (subject to any minimum denomination requirements reasonably imposed by the Administrative Agent). A fee in an amount to be determined and set forth in the applicable Extension Request shall be due and payable to each Extending Lender on the date specified in the applicable Extension Request. In the event that the aggregate amount of Loans being converted exceeds the amount of Extended Loans requested pursuant to the Extension Request, Loans subject to Extension Elections shall be converted to Extended Loans on a *pro rata* basis based on the amount of Loans included in each such Extension Election.

(c) Extended Loans shall be established pursuant to an amendment (a “**Loan Extension Amendment**”) to this Agreement among the Borrower, the Administrative Agent and each Extending Lender providing an Extended Loan thereunder which shall be consistent with the provisions set forth in paragraph (a) above (but which shall not require the consent of any other Lender). Each Loan Extension Amendment shall be binding on the Lenders, the Loan Parties and the other parties hereto. In connection with any Loan Extension Amendment, the Loan Parties and the Collateral Agent shall enter into such amendments to the Collateral Documents as may be reasonably requested by the Collateral Agent (which shall not require any consent from any Lender) in order to ensure that the Extended Loans are provided with the benefit of the applicable Collateral Documents consistent with the provisions set forth in paragraph (a) above and shall deliver such other documents, certificates and opinions of counsel in connection therewith as may be requested by the Collateral Agent.

ARTICLE 3

CONDITIONS PRECEDENT

3.1 Conditions Precedent to the Closing Date. The obligation of each Lender to make Loans and the effectiveness of this Agreement are subject to the prior satisfaction of each of the following conditions, in each case to the satisfaction of the Administrative Agent and each of the Lenders (unless waived pursuant to Section 9.12(a)) on or prior to the Closing Date:

(a) Delivery to the Agents of each of the following Financing Documents, each duly executed and delivered by the parties thereto:

(i) the Original Loan Agreement;

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[***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

- (ii) the Original CADA;
- (iii) the Original Member Pledge;
- (iv) the Original Security Agreement;
- (v) the Fee Letters (excluding Fee Letters dated after the Closing Date);
- (vi) the Tax Equity Required Consents (if any);
- (vii) the LLC Agreements (amended and restated to comply with the provisions of this Agreement, as necessary); and
- (viii) the Notes (if requested by a Lender).

(b) Each representation and warranty set forth in Section 4.1 is true and correct in all material respects as of the Closing Date, other than 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 (unless such representation or warranty relates solely to an earlier date, in which case it shall have been true and correct in all material respects as of such earlier date).

(c) As of the Closing Date, no event shall have occurred and be continuing or would result from the consummation of the transactions contemplated by this Agreement on the Closing Date that would constitute a Default or an Event of Default under this Agreement.

(d) Delivery to the Administrative Agent and each Lender of the following:

(i) an omnibus secretary's certificate, satisfactory in form and substance to the Administrative Agent, from Borrower Member, signed by an authorized Responsible Officer and dated as of the Closing Date, attaching and certifying as to the Organizational Documents of each Loan Party (which, to the extent filed with a Governmental Authority, shall be certified as of a recent date by such Governmental Authority), and attaching and certifying as to the resolutions of the governing body of each Loan Party, the good standing, existence or its equivalent of each Loan Party and of the incumbency of one or more Responsible Officers of each Loan Party;

(ii) a certificate executed by a Responsible Officer of the Borrower certifying to (A) the representations and warranties made by each Loan Party in each Financing Document to which it is a party being true and correct in all material respects as of the Closing Date (unless such representation or warranty relates solely to an earlier date, in which case it shall have been true and correct in all material respects as of such earlier date), (B) the absence of a Default or an Event of Default, (C) the absence of any (x) material breach by any Loan Party of any Material Project Documents to which it is a party or (y) breach of any Other Documents that could have a Material Adverse Effect, (D) the absence of any Bankruptcy Event with respect to any Loan Party and any Subject Fund in which such Loan Party owns an interest, and (E) 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;

(iii) a certificate executed by a Responsible Officer of the Borrower certifying to (A) the absence of a Default or an Event of Default with respect to Borrower Member or Vivint Solar Parent, (B) the absence of any Bankruptcy Event with respect to Borrower Member or Vivint Solar Parent;

(iv) an opinion, dated as of the Closing Date, of Simpson Thacher & Bartlett LLP, counsel to the Loan Parties, in form and substance reasonably acceptable to the Agents and each Lender; and

(v) an opinion, dated as of the Closing Date, of Simpson Thacher & Bartlett LLP, special bankruptcy counsel to the Loan Parties, in form and substance reasonably acceptable to the Agents and each Lender.

(e) The Collateral Documents shall have been duly executed and delivered by each Loan Party that is to be a party thereto, together with (x) certificates representing the Equity Interests of the Borrower, the Equity Interests of each Managing Member and each Equity Interest owned by any Managing Member in another Person accompanied, in each case, by undated stock powers executed in blank and (y) documents and instruments to be recorded or filed that the Administrative Agent may deem reasonably necessary to perfect, record and file in the appropriate jurisdictions.

(f) The Administrative Agent and the Collateral Agent shall have received (A) searches of UCC filings in the jurisdiction of incorporation or formation, as applicable, of each Loan Party and each jurisdiction where a filing would need to be made in order to perfect the security interest of the Collateral Agent (for the benefit of the Secured Parties) in the Collateral, (B) copies of the financing statements on file in such jurisdictions and evidence that no Liens exist other than Permitted Liens and (C) copies of tax lien, judgment and bankruptcy searches in such jurisdictions.

(g) 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. The Borrower shall have properly delivered or caused to be delivered to the Collateral Agent all Collateral that requires perfection of the Lien and security interest described above by possession or control, including delivery of original certificates representing all issued and outstanding Equity Interests in the Borrower, each Managing Member and each Equity Interest owned by any Managing Member in another Person along with blank transfer powers and proxies.

(h) All amounts required to be paid to or deposited with the Administrative Agent, the Collateral Agent, the Depository or any Lender under this Agreement, the Fee Letters (as of the Closing Date), or any other Financing Document, or under any separate agreement with such parties, and all taxes, fees and other costs payable in connection with the execution, delivery and filing of the documents and instruments required to be filed pursuant to this Section 3.1, shall have

been paid in full (or in connection with such taxes, fees (other than fees payable to the Lenders or the Agents) and costs, the Borrower shall have made other arrangements acceptable to the Agents, the Depository or such Lender(s), as the case may be, in their sole discretion).

(i) The Agents and Lenders shall have received all such documentation and information requested by the Agents and the Lenders that is necessary (including the names and addresses of the Borrower, taxpayer identification forms, name of officers/board members, documents and copies of government-issued identification of the Borrower and each other Loan Party (or owners thereof) for the Agents and the Lenders to identify the Borrower and each other Loan Party (or owners thereof) in accordance with the requirements of the Patriot Act (including the “know your customer” and similar regulations thereunder).

(j) All Accounts required to be open as of the Closing Date under the CADA (including the Interest Reserve Account) shall have been opened in the name of the Borrower and each Managing Member.

(k) The expenses incurred and invoiced as of or prior to the Closing Date shall have been paid by the Borrower or its Affiliates in accordance with Section 10.4.

(l) The Borrower shall have delivered an unaudited financial statement in form and substance satisfactory to the Administrative Agent.

(m) The Borrower shall have obtained all approvals (to the extent required to have been obtained by such time) and all consents, including any applicable Tax Equity Required Consents, modifications to Project Documents or Organizational Documents of any Subject Fund, in each case that are necessary for its entry into the Financing Documents to which it is a party and implementation of the transactions contemplated in the Financing Documents, each of which is listed on Schedule 3.1(m).

(n) All outstanding obligations under the Bridge Loan Credit Facility have been indefeasibly paid in full in cash on the Closing Date.

(o) The Administrative Agent shall have received the Tax Equity Model for each Subject Fund.

3.2 Conditions Precedent to Each Borrowing. The obligation of each Lender to make any Loans is subject to the prior satisfaction of the following conditions (unless waived pursuant to Section 9.12(a)); provided, however, that there shall be no duplication with respect to the satisfaction of conditions precedent under Sections 3.1 and 3.2 if the Closing Date and the initial Borrowing Date occur on the same Business Day:

(a) Delivery of an Officer’s Certificate executed by a Responsible Officer of the Borrower in the form of Exhibit N, dated as of the Borrowing Date (a “Borrowing Date Certificate”):

(i) certifying that all representations and warranties made by each Loan Party under the Financing Documents are true and correct in all material respects as of such

Borrowing Date, other than those representations and warranties which are modified by materiality by their own terms, which shall be true and correct in all respects as of such Borrowing Date (unless such representation or warranty relates solely to an earlier date, in which case it shall have been true and correct in all material respects as of such earlier date); *provided, however*, that with respect to each System, the Borrower shall only be required to make the Eligibility Representations for such System as of the first Borrowing Date on or after the date such System becomes subject to the Financing Documents;

(ii) certifying that no Default or Event of Default has occurred and is continuing or will result from the Borrowing of such Loan;

(iii) certifying that the Borrower is in compliance with Section 6.1 as of the most recent Quarterly Date;

(iv) either (x) certifying that no Watched Funds exist or (y) setting forth a true, complete and correct list identifying each Subject Fund that is a Watched Fund and the condition or conditions that resulted in such Subject Fund being a Watched Fund;

(v) either (x) certifying that the Borrower is in compliance with the Borrowing Base Requirement or (y) setting forth details of the Borrower's non-compliance with the Borrowing Base Requirement;

(vi) certifying that no Material Adverse Effect has occurred and is continuing since the Closing Date, and, to the Borrower's Knowledge, no event or circumstance exists that could reasonably be expected to result in a Material Adverse Effect has occurred; and

(vii) certifying to the absence of any Bankruptcy Event with respect to Borrower Member or Vivint Solar Parent;

(b) Delivery to the Administrative Agent of a Borrowing Notice in accordance with Section 2.1(a)(iii) and a Borrowing Base Certificate and the Advance Model in accordance with Section 2.1(a)(iv) that are subsequently reviewed, accepted and approved by the Administrative Agent.

(c) The conditions precedent set forth in Sections 3.3 and 3.4, respectively, with respect to any new Systems or any new Subject Funds added to the Available Borrowing Base for the purpose of making such Borrowing have been satisfied in all respects as of the Borrowing Date (as determined by the Administrative Agent in its reasonable discretion);

(d) All Liens contemplated to be created and perfected in favor of the Collateral Agent pursuant to the Collateral Documents shall have been so created, perfected and filed in the applicable jurisdictions, including in respect of any Subject Fund that becomes subject to this Agreement on or prior to the making of such Loan.

(e) All amounts required to be paid to or deposited with any Secured Party hereunder or under any other Financing 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 paid in full (or shall be paid concurrently with the occurrence of such Borrowing) or arrangements for the payment thereof from the Loans shall have been made, which arrangements shall be acceptable to the Agents and the Lenders.

(f) After giving effect to such proposed Borrowing and any Watched Fund identified in the Borrowing Base Certificate, the Borrower shall be in compliance with the Borrowing Base Requirement.

(g) After giving effect to such proposed Borrowing, the Interest Reserve Account shall be funded in an amount greater than or equal to the Interest Reserve Required Amount (as defined in the CADA).

(h) After giving effect to such proposed Borrowing, the Inspected-Only Reserve Account shall be funded in an amount greater than or equal to the Inspected-Only Reserve Required Amount (as defined in the CADA).

(i) The Administrative Agent shall have received a duly executed funds flow memorandum in form and substance acceptable to the Administrative Agent.

3.3 Conditions Precedent to Addition of New Systems to Existing Subject Fund.

The inclusion of either (i) any new System in an existing Subject Fund or (ii) any System as part of a new Subject Fund is subject to the satisfaction of the following conditions precedent:

(a) The Borrower has delivered to the Administrative Agent a New Systems Notice in accordance with Section 2.10(c)(i), together with the revised Advance Model with respect to the applicable Subject Fund;

(b) The Borrower has delivered to the Administrative Agent (or provided the Administrative Agent access to an online data room that contains true, complete and correct copies of the following) (i) a complete set of Customer Agreements for each such System, (ii) System Information for each such System and (iii) any other data, documentation, analysis or report reasonably requested by the Administrative Agent with respect to such Systems or the associated Host Customers and commercially available to the Borrower.

(c) Solely with respect to any new System in an existing Subject Fund, the Borrower has delivered to the Administrative Agent a certificate executed by a Responsible Officer of the Borrower (i) making the Eligibility Representations with respect to such Systems and (ii) making the Tax Equity Representations or Other Structure Representations, as applicable, with respect to the Subject Fund to which such Systems will be subject after giving effect to the inclusion of such Systems;

(d) Each such System (i) is subject to and owned by an existing Subject Fund pursuant to the applicable Project Documents and (ii) (A) is an Inspected-Only System that is not a Stalled Inspected-Only System (as evidenced by satisfactory documentary evidence Borrower has made available, or caused to be made available, to the Administrative Agent), or (B) has received

permission to operate from the local utility as evidenced by Borrower's delivery or other notification to the Administrative Agent of such utility's permission to operate either in writing or in such other form as is customarily given by such local utility and in the case of clause (B) has commenced operation;

(e) Such System would not be a Defaulted System if included in the Available Borrowing Base;

(f) After giving effect to the inclusion of any such System, the weighted average FICO Score for all Host Customers in all Subject Funds subject to this Agreement is at least 720; and

(g) The Administrative Agent has updated Appendix 4 and/or Appendix 5, as appropriate to reflect the inclusion of the new Systems.

3.4 Conditions Precedent to Inclusion of New Subject Fund.

The inclusion of any Potential New Fund as a Subject Fund is subject to the satisfaction of the following conditions precedent:

(a) The Borrower has delivered a Potential New Fund Notice to the Administrative Agent in accordance with Section 2.10(b), together with the Tax Equity Model for the Potential New Fund and the revised Advance Model with respect to the Potential New Fund;

(b) The Borrower has delivered to the Administrative Agent (or provided the Administrative Agent (1) access to an online data room that contains true, complete and correct copies of the following) (i) a complete set of transaction documents for the Potential New Fund at least thirty (30) days prior to the requested date of inclusion set forth in the Potential New Fund Notice, (ii) if such Potential New Fund is a Repeat Tax Equity Structure, redline comparisons of the transactions documents for the potential new fund marked against the transaction documents of the current Subject Fund to which it is substantially similar, (iii) the information set forth in Section 3.3(b) with respect to each System included in such Potential New Fund and Host Customers and (iv) any other data, documentation, analysis or report reasonably requested by the Administrative Agent with respect to such Potential New Fund and (2) either (A) written confirmation that the transaction documents of such Potential New Fund do not contain any "cash sweep" provision (including, for example, any provision that would have the effect of (i) reducing the Managing Member's cash distribution percentage, (ii) increasing the Investor's cash distribution percentage or (iii) limiting, suspending or otherwise diverting cash distributions (whether temporarily, pursuant to an escrow or similar arrangement, or permanently) that would otherwise be payable to the Managing Member) or (B) written notice of the existence of such "cash sweep" provision and a written explanation of the events or circumstances that would give rise to a cash sweep;

(c) If the Potential New Fund is not a Repeat Tax Equity Structure, or if the Potential New Fund is a Repeat Tax Equity Structure with respect to which the Administrative Agent has decided to conduct due diligence, in each case, the Administrative Agent has conducted due diligence with respect to such Potential New Fund in consultation with the Borrower and the Administrative Agent has given the Borrower written notice that the Administrative Agent has

accepted such Potential New Fund and designated such Potential New Fund as a Cash-Sweep Fund, a Non-Cash-Sweep Fund or an Other Structure;

(d) The Administrative Agent has updated Appendix 4, Appendix 5, Schedule A to Appendix 7, Schedule 1.1(b), Schedule 3.1(m), Schedule 4.1(f), Schedule 4.1(x), and Schedule 6.7 pursuant to Section 2.10(a)(iii).

(e) The Borrower has delivered an Officer's Certificate duly executed by a Responsible Officer of the Borrower making the Eligibility Representations with respect to each System in such Potential New Fund;

(f) Each System then subject to such Potential New Fund is included in such Potential New Fund pursuant to the Material Project Documents;

(g) The Borrower has made the Tax Equity Representations or Other Structure Representations, as the case may be, required to be made pursuant to Section 2.10(a);

(h) Such Potential New Fund would not be a Watched Fund if it were included in the Available Borrowing Base and no System subject to such Subject Fund would be a Defaulted System if included in the Available Borrowing Base;

(i) Borrower shall have delivered or caused to be delivered (A) with respect to any Tax Equity Structure, a Tax Equity Required Consent for such Subject Fund if required by the Agents and (B) with respect to any Other Structure, all consents required by the Agents;

(j) No Default or Event of Default has occurred and is continuing or will result from the inclusion of the Potential New Fund as a Subject Fund;

(k) The Managing Member of the Subject Fund is a wholly-owned direct subsidiary of Borrower;

(l) Each of the conditions set forth in Section 5.18 have been satisfied; and

(m) (1) Each of the conditions set forth in Sections 3.1(d), (e), (f), (g), (h), (i), (m) and (o), including matters related to corporate authority, perfection of the Secured Parties' security interests in the Collateral, etc., shall have been satisfied with respect to such Subject Fund and (2) each of the conditions set forth in Sections 3.3(d), (e), (f) and (g) shall have been satisfied with respect to each System subject to such Subject Fund.

3.5 Conditions Precedent to the Second Restatement Date. The obligation of each Lender to make Loans and the effectiveness of this Agreement are subject to the prior satisfaction of each of the following conditions, in each case to the satisfaction of the Administrative Agent and each of the Lenders (unless waived pursuant to Section 9.12(a)) on or prior to the Second Restatement Date:

(a) Delivery to the Agents of each of the following Financing Documents, each duly executed and delivered by the parties thereto:

- (i) this Agreement;
- (ii) the CADA;
- (iii) the Fee Letters dated as of the Second Restatement Date; and
- (iv) the Security Agreement.

(b) Each representation and warranty set forth in Section 4.1 is true and correct in all material respects as of the Second Restatement Date, other than 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 Second Restatement Date (unless such representation or warranty relates solely to an earlier date, in which case it shall have been true and correct in all material respects as of such earlier date).

(c) As of the Second Restatement Date, no event shall have occurred and be continuing or would result from the consummation of the transactions contemplated by this Agreement on the Second Restatement Date that would constitute a Repayment Event, a Default or an Event of Default under this Agreement.

(d) Delivery to the Administrative Agent and each Lender of the following:

(i) a certificate executed by a Responsible Officer of the Borrower certifying to (A) the representations and warranties made by each Loan Party in each Financing Document to which it is a party being true and correct in all material respects as of the Second Restatement Date (unless such representation or warranty relates solely to an earlier date, in which case it shall have been true and correct in all material respects as of such earlier date), (B) the absence of a Repayment Event, a Default or an Event of Default, (C) the absence of any (x) material breach by any Loan Party of any Material Project Documents to which it is a party or (y) breach of any Other Documents that could reasonably be expected to have a Material Adverse Effect, (D) the absence of any Bankruptcy Event with respect to any of the following entities: (i) Borrower Member, (ii) Vivint Solar Parent, (iii) any Loan Party and (iv) any Subject Fund in which such Loan Party owns an interest, (E) that no Repayment Event, Default or Event of Default will result from transactions contemplated by this Agreement on the Second Restatement Date, (F) a current organizational chart of Vivint Solar Parent showing the Loan Parties and their Subsidiaries; and (G) the satisfaction (or waiver by the Administrative Agent) of all conditions precedent to the Second Restatement Date in accordance with the terms and conditions hereof;

(ii) an omnibus secretary's certificate, satisfactory in form and substance to the Administrative Agent, from Borrower Member, signed by an authorized Responsible Officer and dated as of the Second Restatement Date, attaching and certifying as to the Organizational Documents of each Loan Party (which, to the extent filed with a Governmental Authority, shall be certified as of a recent date by such Governmental Authority), and attaching and certifying as to the resolutions of the governing body of each

Loan Party, the good standing, existence or its equivalent of each Loan Party and of the incumbency of one or more Responsible Officers of each Loan Party;

(iii) [omitted]; and

(iv) an opinion, dated as of the Second Restatement Date, from Wilson Sonsini Goodrich & Rosati P.C., Skadden, Arps, Slate, Meagher & Flom LLP or another counsel reasonably acceptable to the Administrative Agent, as counsel to the Loan Parties, in form and substance reasonably acceptable to the Agents and each Lender.

(e) The UCC financing statements relating to the Collateral being secured as of the Second Restatement 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. The Borrower shall have properly delivered or caused to be delivered to the Collateral Agent all Collateral that requires perfection of the Lien and security interest described above by possession or control, including delivery of original certificates representing all issued and outstanding Equity Interests in the Borrower, each Managing Member and each Equity Interest owned by any Managing Member in another Person along with blank transfer powers and proxies.

(f) All amounts required to be paid to or deposited with the Administrative Agent, the Collateral Agent, the Depository or any Lender under this Agreement, the Fee Letters, or any other Financing Document, or under any separate agreement with such parties, and all taxes, fees and other costs payable in connection with the execution, delivery and filing of the documents and instruments required to be filed pursuant to this Section 3.5, shall have been paid in full (or in connection with such taxes, fees (other than fees payable to the Lenders or the Agents) and costs, the Borrower shall have made other arrangements acceptable to the Agents, the Depository or such Lender(s), as the case may be, in their sole discretion).

(g) All accrued and unpaid (i) fees due under the Original Loan Agreement immediately prior to the Second Restatement Date, including Undrawn Fees and (ii) interest under the Original Loan Agreement as of the Second Restatement Date, shall have been paid.

(h) All Accounts required to be open as of the Second Restatement Date under the CADA (including the Inspected-Only Reserve Account) shall have been opened in the name of the Borrower and each Managing Member.

(i) The expenses incurred and invoiced as of or prior to the Second Restatement Date shall have been paid by the Borrower or its Affiliates in accordance with Section 10.4.

(j) The Borrower shall have obtained all approvals (to the extent required to have been obtained by such time) and all consents, including any applicable Tax Equity Required Consents, modifications to Project Documents or Organizational Documents of any Subject Fund, in each case that are necessary for its entry into the Financing Documents to which it is a party and implementation of the transactions contemplated in the Financing Documents, each of which is listed on Schedule 3.1(m).

(k) The Administrative Agent shall have received an updated Tax Equity Model for each Subject Fund.

(l) Each of the preconditions set forth in the CADA described in Section 3.5(a)(ii) has been satisfied or otherwise waived.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES

4.1 Representations and Warranties. (1) Each of the Loan Parties represents, solely as to itself (except that (A) Borrower shall make the representations as to Developer set forth in clause (q) of this Section 4.1, (B) the Managing Member related to a Subject Fund shall, individually and not collectively, make the representations as to each Subject Fund set forth in clauses (a)(v), (w), (x) and (y) of this Section 4.1) as to each Subject Fund to each Agent and the Lenders as of the date such representations are given, including each Borrowing Date and the Second Restatement Date, and (2) the Borrower, solely as to itself, each of the other Loan Parties and Vivint Solar Parent, shall make the representation set forth in clause (z) of this Section 4.1:

(a) Organization.

(i) Such Loan Party (other than the Borrower Member) (A) is a limited liability company duly formed, validly existing and in good standing under the laws of the State of Delaware; (B) is duly qualified, authorized to do business and in good standing in each other jurisdiction where the character of its properties or the nature of its activities makes such qualification necessary; (C) has all requisite limited liability company power and authority to own or lease the property it purports to own or lease and to carry on its business as now being conducted and as proposed to be conducted under the Operative Documents to which it is a party; and (D) has all requisite limited liability company power and authority to execute and perform its obligations under each of the Financing Documents and each other agreement or instrument contemplated thereby to which it is a party and to borrow hereunder.

(ii) The Borrower Member (A) is a limited liability company duly formed, validly existing and in good standing under the laws of the State of Delaware; (B) is duly qualified, authorized to do business and in good standing in each other jurisdiction where the character of its properties or the nature of its activities makes such qualification necessary; (C) has all requisite limited liability company power and authority to own or hold its interest in the Borrower and to carry on its business as now being conducted and as proposed to be conducted by it under the Operative Documents in respect of the Systems; and (D) has all requisite limited liability company power and authority to execute and perform its obligations under each of the Financing Documents and each other agreement or instrument contemplated thereby to which it is a party.

(iii) The only holder of Equity Interests in the Borrower is the Borrower Member and (A) there are no outstanding Equity Interests with respect to the Borrower and (B) 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.

(iv) The only holder of Equity Interests in each Managing Member is the Borrower and (A) there are no outstanding Equity Interests with respect to each Managing Member and (B) there are no outstanding obligations of any Managing Member to repurchase, redeem, or otherwise acquire any membership or other equity interests in such Managing Member 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 such Managing Member. Each Managing Member is authorized to issue and has issued only one class of membership interests.

(v) The only holders of Equity Interests in each Subject Fund are (1) the applicable Managing Member and (2) either an Investor or another Subject Fund and, except as expressly set forth in each Subject Fund’s operating agreement, (A) there are no outstanding Equity Interests with respect to such Subject Fund and (B) there are no outstanding obligations of any Subject Fund to repurchase, redeem, or otherwise acquire any membership or other equity interests in such Subject Fund 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 such Subject Fund. The class or classes of membership interests that each Subject Fund is authorized to issue and has issued are expressly set forth in its operating agreement (except as otherwise agreed with the Administrative Agent and noted on Appendix 4).

(b) Authorization; No Conflict. Each Loan Party has duly authorized, executed and delivered each Financing Document to which it is a party, and neither such entity’s execution and delivery thereof nor the performance thereof (i) will be in conflict with or result in a breach of such entity’s Organizational Documents as amended, supplemented or modified; (ii) will violate any other material Legal Requirement applicable to or binding on such Loan Party or any of its respective properties; (iii) will result in any breach of or constitute any default under, or result in or require the creation of any Lien (other than Permitted Liens) upon any of the Collateral under any agreement or instrument to which it is a party or by which it or any of the Collateral may be bound or affected; or (iv) will require the consent or approval of any Person, which has not already been obtained.

(c) Enforceability. Each Financing Document to which a Loan Party is a party is a legal, valid and binding obligation of such Person, enforceable against such Person in accordance with its terms, except as may be limited by applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting the enforcement of creditors’ rights generally and subject to general equitable principles (regardless of whether enforceability is considered in a proceeding in equity or at law).

(d) ERISA. Neither the Borrower nor any member of the Controlled Group sponsors, maintains, administers, contributes to, participates in, or has any obligation to contribute to or any liability under, any ERISA Plan. Neither the Borrower nor any Managing Member has any employees. Without limiting the generality of the foregoing, there has been no and there is not reasonably expected to be any ERISA Event.

(e) Taxes. Except as would not, either individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect, each of the Loan Parties has filed, and the Borrower and applicable Managing Member have caused each Subject Fund to file, all tax returns required to be filed, and have paid all Taxes levied or imposed upon them or their properties, that are due and payable (including in their capacity as a withholding agent) and taking into account applicable extensions, except those which are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves have been provided in accordance with GAAP and enforcement of the contested tax is effectively stayed for the entire duration of such contest. There is no action, suit, proceeding, investigation, audit or claim now pending by a taxing authority regarding any taxes relating to the Loan Parties or Subject Funds that could, if made, individually or in the aggregate, have a Material Adverse Effect.

(f) Business. The Borrower and Managing Members have not conducted and have not permitted any Subject Fund to conduct any business other than acquisition, construction, installation, lease, ownership of, and sale of energy from, and the operation, management, maintenance and financing of, the Systems and activities related or incident thereto (including those contemplated by the Operative Documents). The Borrower and each of the Managing Members do not have any outstanding Debt or other material liabilities other than as permitted pursuant to Section 6.3 and as scheduled on Schedule 4.1(f). Each of Borrower and the Managing Members is not a party to or bound by any material contract other than, with respect to the Managing Members, the Operative Documents to which it is a party and, with respect to the Borrower, this Agreement, the LLC Agreements and the other Financing Documents.

(g) Collateral. Each Collateral Document will, upon execution and delivery thereof, be effective to create in favor of the Collateral Agent for the benefit of the Secured Parties, legal, valid and enforceable Liens on, and security interests in, the Collateral described therein to the extent intended to be created thereby and (i) when financing statements in appropriate form are filed in the appropriate offices and (ii) upon the taking of possession or control by the Collateral Agent of such Collateral with respect to which a security interest may be perfected only by possession or control (which possession or control shall be given to the Collateral Agent to the extent possession or control by the Collateral Agent is required hereunder), the Liens created by the Collateral Documents shall constitute fully perfected Liens on, and security interests in (to the extent intended to be created thereby), all right, title and interest of the grantors in such Collateral to the extent perfection can be obtained by filing financing statements or taking control, in each case subject to no Liens other than Permitted Liens.

(h) Investment Company, Holding Company Act. No Loan Party is an “investment company” within the meaning of, or is regulated as an “investment company” under, the Investment Company Act of 1940.

(i) Federal Reserve Regulations. No Loan Party is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying Margin Stock, and no part of the proceeds of the Loans will be used by any Loan Party to purchase Margin Stock, or to extend credit to others for the purpose of purchasing or carrying Margin Stock or otherwise in violation of Regulations T, U or X.

(j) Financial Statements. The Borrower represents that (x) the most recent financial statements (including the notes thereto) delivered in respect of the Borrower pursuant to Section 5.3 fairly present in all material respects the financial condition of the Borrower as of the date thereof and have been prepared in accordance with GAAP applied on a consistent basis, subject to the audit and normal year-end adjustments and the absence of footnotes and associated disclosures, (y) such financial statements and notes thereto disclose all direct or contingent material liabilities of the Borrower as of the dates thereof and (z) except as disclosed to the Administrative Agent in writing, there has occurred no Material Adverse Effect since the date of the most recent financial statements delivered pursuant to Section 5.3.

(k) Project Documents. Each Managing Member represents that (w) each of the Project Documents related to a Subject Fund to which such Managing Member is a party is listed on Appendix 5, as the same may be updated from time to time, (x) true, complete and correct copies of all Project Documents as currently in effect have been delivered via electronic data room to the Administrative Agent by the Borrower, (y) each Project Document to which a Managing Member or Subject Fund is a party is a legal, valid and binding obligation of such Person, enforceable against such Person in accordance with its terms, except as may be limited by applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting the enforcement of creditors' rights generally and subject to general equitable principles (regardless of whether enforceability is considered in a proceeding in equity or at law) and (z) none of the Project Documents to which a Managing Member or Subject Fund is a party has been materially amended or modified since the effective date of such Project Document other than as set forth in Appendix 5 or permitted by Section 6.10 and copies of all such amendments and modifications have been delivered to the Administrative Agent.

(l) Litigation. There are no instituted, pending or, to the Loan Parties' Knowledge, threatened actions, suits or proceedings of any kind, including actions, suits or proceedings by or before any Governmental Authority, against a Loan Party or Subject Fund or any business, property or rights of a Loan Party or Subject Fund as to which, if adversely determined against such Loan Party or Subject Fund, could reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

(m) Disclosure. To the Borrower's Knowledge, all written information that has been made available by any of the Loan Parties to any Secured Party in connection with the transactions contemplated by this Agreement and the other Operative Documents (such information to be taken as a whole, including, without limitation, updated or supplemented information), or that has been furnished by any of the Loan Parties to any third party in connection with the preparation and delivery by such third party of a report or certificate to any Secured Party, is complete and correct in all material respects, and does not 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 materially

misleading under the circumstances in which they are made; provided, however, that in each case no representation or warranty is made with respect to projections, assumptions or other forward-looking statements provided by or on behalf of the Loan Parties with respect to the Advance Model other than as provided in clause (s) of this Section 4.1.

(n) Tax Status. For United States federal and state income tax purposes the Borrower and each Managing Member (other than as otherwise agreed with the Administrative Agent and noted in Appendix 4) will be treated as a disregarded entity of Borrower Member. Neither the execution and delivery of the Financing Documents nor the consummation of any of the transactions contemplated by such Financing Documents will affect such status.

(o) No Other Subsidiaries. The Borrower has no subsidiaries other than the Managing Members existing on the Second Restatement Date as set forth in Appendix 4 and other subsidiaries that become a party to this Agreement pursuant to Section 2.10.

(p) Capital Structure. The Equity Interests of Borrower, each Managing Member and each Subject Fund has been duly authorized and validly issued and, except as otherwise provided for in such Loan Party's or Subject Fund's operating agreements, as the case may be, are fully paid and non-assessable. Except as expressly set forth in any Subject Fund's operating agreements, in each case, there is no existing option, warrant, call, right, commitment or other agreement to which Borrower, any Managing Member, or any Subject Fund is a party requiring, and there is no membership interest, partnership interest, or other Equity Interests of Borrower, any Managing Member, or any Subject Fund outstanding which upon conversion or exchange would require, the issuance by such Borrower, Managing Member of any additional membership interests, partnership interests or other Equity Interests of such Borrower, Managing Member 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 Borrower, Managing Member, or Subject Fund.

(q) Compliance with Law. Each Loan Party, and, solely with respect to Systems included in any Subject Fund, each of Borrower Member and Developer, has complied in all material respects with all applicable Legal Requirements, including consumer protection laws, except to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect.

(r) No Other Bank Accounts. The Borrower and Managing Members do not have any deposit or securities accounts other than the Accounts.

(s) Projections. The Borrower has disclosed to the Administrative Agent the assumptions that the Advance Model is based on (other than the Assumptions) and the forecasts and other projections in the Advance Model submitted to the Administrative Agent (i) are based on good faith estimates and commercially reasonable assumptions as to all factual matters material thereto and (ii) are generally 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 Loans 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.

(t) Solvency. Immediately after the consummation of the transactions to occur on the Second Restatement Date and immediately following the making of each Loan and after giving effect to the application of the proceeds thereof, the Borrower and its Subsidiaries, on a consolidated basis, are Solvent.

(u) Sanctioned Persons. No Loan Party, (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) 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 Loan, nor any part of the proceeds from any Loan, 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, the Lead Arranger, or any Agent) of Sanctions.

(v) Environmental Compliance. To the Borrower's and Managing Members' Knowledge (solely with respect to each Managing Member's applicable Subject Fund) there is no: (i) past or existing material violation of any applicable Environmental Law by the Borrower or any Managing Member, or any Affiliate thereof relating in any way to any System subject to the Financing Documents; (ii) Environmental Claim pending or, to any such party's Knowledge, threatened against any Subject Fund or Potential New Fund, Borrower or any Managing Member; and (iii) to the Borrower's and Managing Member's Knowledge, events, conditions or circumstances that could reasonably be expected to form a basis for an Environmental Claim against any Subject Fund, Potential New Fund, Borrower or Managing Member with respect thereto.

(w) Knowledge Individuals. Each of the individuals listed on Schedule 1.1(b) with respect to a Subject Fund is a Responsible Officer of such Subject Fund, who is responsible for the management and administration of such Subject Fund and its assets and operations.

(x) Subsidiaries; Equity Interests. As of the Second Restatement Date, no Loan Party has any Subsidiaries or other Equity Interests other than those specifically disclosed in Schedule 4.1(x), and all of the outstanding Equity Interests owned by the Loan Parties (or a Subsidiary of any Loan Party) in such Subsidiaries or other Equity Interests have been validly issued and are fully paid and all Equity Interests owned by a Loan Party (or a Subsidiary of any Loan Party) in such Subsidiaries or other Equity Interests are owned free and clear of all Liens except those created under the Operative Documents. As of the Second Restatement Date, Schedule 4.1(x) sets forth (a) the name and jurisdiction of each direct and indirect Subsidiary of Borrower, (b) the ownership interest of Borrower Member, the Borrower and any other Subsidiary of a Loan Party in each such Subsidiary, including the percentage of such ownership, (c) the ownership interest of each Managing Member in each Subject Fund, including the percentage of such ownership, (d) the

ownership interest of each Investor in each Subject Fund, including the percentage of such ownership, (e) the ownership interest of each Subject Fund in any other Subject Fund, including the percentage of such ownership and (f) to the extent applicable, the management role of each Subject Fund in any other Subject Fund.

(y) Tax Equity and Other Structure Representations. As of the Second Restatement Date, (i) with respect to each Subject Fund that is a Tax Equity Structure, each of the Tax Equity Representations is true, complete and correct and (ii) with respect to each Subject Fund that is an Other Structure (if any), each of the Other Structure Representations is true, complete and correct. Each Tax Equity Structure substantially conforms with the applicable characteristics set forth in Appendix 11.

(z) EEA Financial Institution. Neither the Borrower nor any Guarantor is an EEA Financial Institution.

ARTICLE 5

AFFIRMATIVE COVENANTS OF BORROWER AND MANAGING MEMBERS

The Borrower and (except as context otherwise requires) each Managing Member covenants and agrees that until the Discharge Date, it shall and (except as context otherwise requires) each Managing Member covenants and agrees that it shall take all applicable Relevant Member Action to cause the Subject Funds to:

5.1 Use of Proceeds. Use the proceeds of the Loans solely (a) to make Restricted Payments to the Borrower's direct or indirect owners for any purposes, (b) to pay fees (including the Commitment Fees), costs and expenses as required under this Agreement, and (c) to pay all outstanding obligations under the Bridge Loan Credit Facility as required pursuant to Section 3.1(n).

5.2 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:

(a) the 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 with respect to any Loan Party, any Financing Document, any Project Document or any Guarantee, except to the extent that such action, suit, litigation, investigation, proceeding or notice could not reasonably be expected to have a Material Adverse Effect;

(b) any dispute or disputes between the Borrower, Managing Member or a Subject Fund, 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 the Borrower, Managing Member or a Subject Fund, (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;

(c) the occurrence of a Default or Event of Default (and any notice thereof shall be entitled, respectively, “ **Notice of Default** ” or “ **Notice of Event of Default** ”);

(d) any matter which has, or could reasonably be expected to have, a Material Adverse Effect;

(e) (i) the occurrence of, or notice given or received by a Loan Party or a Subject Fund in respect of, any breach, default or claim under a Material Project Document, (ii) notice of any event of default or termination given to or received by a Managing Member, Borrower or Subject Fund under any Material Project Document, together with a copy of any such notice, and (iii) the occurrence of, or notice given or received by a Loan Party or a Subject fund in respect of any breach, default or claim under any Other Document that could have a Material Adverse Effect;

(f) The adoption of or participation in any ERISA Plan, or intention to adopt or participate in any ERISA Plan, by the Borrower or a Managing Member or a Subject Fund, or the occurrence of any ERISA Event; and

(g) any material change to the Developer’s, the Subject Funds or their respective Affiliates’ underwriting, appraisal or System development policies or processes, solely to the extent that such change renders invalid the assumptions used in the preparation of the previous report of the Independent Engineer provided to the Administrative Agent.

5.3 Portfolio Reports; Financial Statements. Deliver to the Administrative Agent (or cause to be delivered to the Administrative Agent) for further distribution to each Lender:

(a) No later than ten (10) days following the date of delivery of such reports, for each Subject Fund, any performance, financial or status reports, including any Portfolio Report, delivered or required to be delivered to each Investor under a Subject Fund’s Project Documents.

(b) Within thirty (30) days of the end of each fiscal quarter, to the extent not included in the reports delivered pursuant to Section 5.3(a), for each Subject Fund, each of the following:

(i) detailed accounts receivable aging taken directly from the source system including that maintained by any third party servicer;

(ii) financing deployment status by Subject Fund;

(iii) aggregated portfolio profile by credit composition, market composition and customer location;

(iv) the cumulative amount of billed Customer Payments delinquent for 120 days or more with respect to each Subject Fund;

(v) a summary and commentary with respect to the status of Customer Agreements that are greater than 120 days past due, to the extent not provided elsewhere within any other item delivered pursuant to Section 5.3(a);

(vi) a list of Inspected-Only Systems; and

(vii) a list of Defaulted Systems.

(c) No later than ten (10) Business Days following the date of delivery to any Investor, duplicate copies of any annual reporting package required to be delivered to any Investor with respect to a Subject Fund pursuant to the Subject Fund's Project Documents.

(d) As soon as available but no later than sixty (60) days after the close of each quarterly fiscal period, quarterly (and year-to-date) unaudited consolidated financial statements of (A) the Borrower and (B) Vivint Solar Parent (if such financial statements are not otherwise publicly available) and (C) each Subject Fund, in each case prepared by the issuing entity in accordance with GAAP and certified by the chief financial officer of the issuing entity as of the end of such period, including a balance sheet and the related statement of income, stockholders' or member's equity and cash flows, in each case setting forth comparative figures for the corresponding periods from the prior year, to the extent available; provided, no quarterly financial statements shall be due with respect to the fourth quarter of the fiscal year; provided, further, that no quarterly financial statements of the Borrower shall be due with respect the third quarter of 2014.

(e) As soon as available but no later than one hundred fifty (150) days after the close of each applicable fiscal year, the audited financial statements, including a balance sheet and the related statement of income, stockholders' or member's equity and cash flows, and any footnotes thereto, in each case setting forth comparative figures for the prior year, to the extent available, of (A) the Borrower, as certified by Ernst & Young LLP or another nationally-recognized independent certified public accountant selected by Borrower and reasonably acceptable to the Administrative Agent, (B) Vivint Solar Parent (if such financial statements are not otherwise publicly available as of such date), and as certified by a nationally-recognized independent certified public accountant, as certified by Ernst & Young LLP or another nationally-recognized independent certified public accountant selected by Borrower and reasonably acceptable to the Administrative Agent and (C) each Subject Fund, as certified by Ernst & Young LLP or another nationally-recognized independent certified public accountant selected by the applicable Subject Fund pursuant to its operating agreement; provided, the accountant certifications accompanying such audited financial statements shall not be qualified, or limited because of restricted or limited examination by such accountant of any material portion of the records of any entity. Such audited financial statements shall be certified by the chief financial officer of the issuing entity as of the end of such period.

(f) Concurrently with any delivery of a Draft Withdrawal/Transfer Certificate (as defined in the CADA) which specifies a distribution to be made to Borrower Member in accordance with Section 3.3(d) of the CADA or otherwise on each Scheduled Payment Date, a certificate signed by an authorized Responsible Officer of the Borrower (i) certifying that such Responsible Officer has made or caused to be made a review of the transactions and financial condition of the Borrower during the relevant fiscal period and that, to the knowledge of such Responsible Officer, no Default or Event of Default exists or if any such event or condition existed or exists, the nature thereof and the corrective actions that the Borrower has taken or proposes to

take with respect thereto and (ii) setting forth whether or not Borrower was in compliance with the requirements of Section 6.1 as of the end of the applicable quarter, including computations in reasonable detail satisfactory to the Administrative Agent demonstrating such compliance.

(g) Documents required to be delivered pursuant to Section 5.3(d) or (e) (to the extent any such documents are included in materials otherwise filed with the U.S. Securities and Exchange Commission) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date (i) on which Vivint Solar Parent posts such documents, or provides a link thereto on Vivint Solar Parent's website on the Internet at the following website address: www.vivintsolar.com; or (ii) on which such documents are posted on Vivint Solar Parent's behalf on an Internet or intranet website, if any, to which each Lender and Administrative Agent have access (whether a commercial, third-party website or whether sponsored by Administrative Agent); provided that: (i) Borrower shall deliver paper copies of such documents to Administrative Agent on behalf of any Lender that reasonably requests delivery of such paper copies until a written request to cease delivering paper copies is given by Administrative Agent or such Lender and (ii) Borrower shall notify Administrative Agent and each Lender (by telecopier or electronic mail) of the posting of any such documents. Administrative Agent shall have no obligation to request the delivery or to maintain copies of the documents referred to above, and in any event shall have no responsibility to monitor compliance by Borrower with any request for delivery, and each Lender shall be solely responsible for requesting delivery to it or maintaining copies of such documents.

5.4 Reports; Other Information.

(a) Deliver to the Administrative Agent copies of any material documents and reports related to the Subject Funds furnished to the Borrower or a Managing Member by a Governmental Authority or by any counterparty to a Material Project Document (other than reports already delivered pursuant to Section 5.3(a)), or furnished by the Borrower to such Governmental Authority or such counterparty.

(b) Deliver to the Administrative Agent promptly after receipt thereof a copy of any "management letter" received by the Borrower, any Managing Member or any Subject Fund from its independent accounts and management's response thereto.

(c) Deliver to the Administrative Agent no later than three (3) Business Days of delivery to the applicable Investor, any True-Up Reports and models in connection therewith delivered to an Investor in a Subject Fund.

(d) Promptly, from time to time, deliver such other information regarding the operations, business affairs and financial condition of the Borrower or any other Loan Party, or compliance with the terms of any Operative Document, as the Administrative Agent or any Lender may reasonably request through the Administrative Agent.

(e) Within sixty (60) days after any notice is delivered pursuant to Section 5.2(g), upon the request of the Administrative Agent, the Borrower shall deliver an Independent Engineer's report in the same form, and regarding the same substance, as the Independent Engineer's report

provided to the Administrative Agent in connection with the structuring of this Agreement and covering any other matters that the Administrative Agent may reasonably request.

5.5 Maintenance of Existence. Except as otherwise expressly permitted under this Agreement: (i) do or cause to be done all things required to maintain and preserve and keep in full force its existence as a Delaware limited liability company; (ii) take all reasonable action required to maintain all material rights, privileges (including its good standing where applicable in the relevant jurisdiction), permits, licenses and franchises necessary or desirable in the normal conduct of its business, (iii) perform all of its material obligations under the Material Project Documents; (iv) perform all of its obligations under the Other Documents and (v) to engage only in the activities permitted by the Operative Documents, and activities related or incident thereto, except, in the cases of clauses (ii) and (iv) above, where the failure to take such actions could not reasonably be expected to have a Material Adverse Effect.

5.6 Books, Records, Access.

(a) The Borrower shall maintain, in respect of itself, each Managing Member and each Subject Fund, books, accounts and records in accordance with GAAP and in material compliance with applicable law and the regulations of any Governmental Authority having jurisdiction thereof.

(b) At any time during normal business hours and upon reasonable written notice to the Borrower, but so long as no Event of Default has occurred and is continuing, no more frequently than twice per calendar year, subject to Section 10.17, and to the extent permitted by applicable Laws, permit any representatives and independent contractors of the Administrative Agent and (and, during the continuance of an Event of Default, any Lender) to visit the premises of the Borrower, Borrower Member or Vivint Solar Parent, inspect all of the Borrower's and each Managing Member's, and (to the extent permitted by the Subject Fund Project Documents) each Subject Fund's books, accounts, records and properties and make copies thereof and to discuss its affairs, finances and accounts with its directors, officers, and independent public accountants (subject to such accountants' customary policies and procedures). Notwithstanding anything to the contrary in this Section 5.6(b), none of the Borrower, Borrower Member, Vivint Solar Parent or Managing Members shall 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 (z) is subject to attorney client or similar privilege or constitutes attorney work-product.

(c) The Borrower shall reimburse the Administrative Agent and Lenders for reasonable out-of-pocket expenses incurred in connection with Section 5.6(b) by the Administrative Agent and Lenders and their respective Representatives limited to, so long as no Event of Default has occurred, one inspection per year; provided, that such expenses shall be agreed to by the Borrower and the Administrative Agent in advance on commercially reasonable terms, and provided, further, that notwithstanding anything to contrary herein, any expenses incurred pursuant to Section 5.6(b) by the Administrative Agent or any Lender during the continuance of an Event of Default shall be for the account of the Borrower and not subject to any limitations set forth herein or elsewhere.

5.7 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 Subject Fund 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 Project Document of the applicable Subject 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 recordings, 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 Financing 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.

5.8 Taxes and Other Government Changes .

(a) Pay, or cause to be paid, as and when due and prior to delinquency, all taxes, assessments and governmental charges of any kind that may at any time be lawfully assessed or levied against or with respect to the Borrower, each Managing Member and each Subject Fund, except, in each case, to the extent any such amount is being contested in good faith and by appropriate proceedings, the enforcement of such contested taxes, assessments and governmental charges is effectively stayed for the entire duration of such proceedings, and appropriate reserves for such contested taxes, assessments and governmental charges have been established in accordance with GAAP.

(b) The Borrower and each Managing Member (other than as otherwise agreed with the Administrative Agent and noted in Appendix 4) shall at all times be classified as disregarded entities for U.S. federal income tax purposes.

5.9 Compliance With Laws; Instruments, Etc. Comply, or cause compliance by each Managing Member and Subject Fund, in all respects, with all Laws, including consumer protection laws, and all orders, writs, injunctions and decrees applicable to it or to its business or property, except (i) if the failure to comply therewith could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect and (ii) that the Borrower, Managing Member or

Subject Fund may contest by appropriate proceedings conducted in good faith the validity or application of any such Laws.

5.10 Indemnification.

(a) Without duplication of the Borrower's obligations under Section 2.4(d) or Section 2.6, the Borrower agrees to indemnify each Secured Party (other than the Depositary, who is indemnified under Section 6.2 of the CADA) and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and to hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including reasonable counsel fees, charges and disbursements of one counsel to the Agents (and one local counsel in each applicable jurisdiction and, in the event of any actual conflict of interest, one additional counsel of each type to the affected parties), incurred by or asserted against any Indemnitee arising out of, connected with, or as a result of (i) (x) the execution or delivery of this Agreement or any other Financing Document or any agreement or instrument contemplated thereby, the performance by the parties thereto of their respective obligations thereunder or the consummation of the transactions contemplated hereby and thereby or (y) the Merger Agreement or any amendment, supplement, or modification thereto and any agreement entered into by Vivint Solar Parent or any Loan Party in connection therewith, (ii) the use of the proceeds of the Loans, (iii) any claim, litigation, investigation or proceeding relating to any of the foregoing, whether or not any Indemnitee is a party thereto (and regardless of whether such matter is initiated by a third party or by the Borrower, any other Loan Party or any of their respective Affiliates), or (iv) any actual or alleged presence or Release of Hazardous Materials on any property currently or formerly owned, leased or occupied by the Borrower, any Managing Member or any Subject Fund or, or any Environmental Claim related in any way to the Borrower, any Managing Member or any Subject Fund, in all cases, whether or not caused by or arising, in whole or in part, out of the comparative, contributory or sole negligence of the Indemnitee; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from such Indemnitee's gross negligence, bad faith or willful misconduct of such Indemnitee or (y) result from a claim brought by the Borrower or any other Loan Party against an Indemnitee for breach in bad faith of such Indemnitee's obligations hereunder or under any other Financing Document, if the Borrower or such Loan Party has obtained a final or nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction. Notwithstanding the foregoing, any indemnification relating to Taxes, other than Taxes resulting from any non-Tax claim, shall be covered by Sections 2.4(d) and 2.6 and shall not be covered by this Section 5.10.

(b) To the extent that the Borrower fails to pay any amount required to be paid by them to the Administrative Agent or the Collateral Agent under Section 5.10(a) or Section 10.4(a), each Lender severally agrees to pay to the Administrative Agent and the Collateral Agent, as the case may be, such Lender's Proportionate Share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount; 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 the Collateral Agent in its capacity as such.

(c) To the extent permitted by applicable law, the Borrowers and Lenders shall not assert and hereby waive any claim against any 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 or any agreement or instrument contemplated hereby, any transaction contemplated hereby or by the other Financing Documents, any Loan or the use of the proceeds thereof.

(d) The provisions of this Section 5.10 shall remain operative and in full force and effect regardless of the expiration of the term of this Agreement, the resignation of any Agent, the consummation of the transactions contemplated hereby, the repayment of any of the Loans, the expiration of the Commitments, the invalidity or unenforceability of any term or provision of this Agreement or any other Financing Document, or any investigation made by or on behalf of the Administrative Agent, the Collateral Agent or any Lender. Any amounts due and payable by the Borrower under this Section 5.10 shall be payable on demand by the applicable Indemnitee, but in no event later than ten (10) Business Days after receipt of an invoice for such amounts from such Indemnitee; provided, however, that such 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 5.10.

5.11 Revenue Account. Each Managing Member shall, and the Borrower shall cause each Managing Member to, deposit all income, fees, revenue and other funds payable or distributable to such Managing Member into such Managing Member's related Account. In the event that, notwithstanding the foregoing, the Borrower receives any such amounts, the Borrower will hold such amounts in trust and promptly (and in any event within five (5) Business Days) after receipt thereof deposit such amounts in the Revenue Account.

5.12 [Intentionally omitted.]

5.13 Separateness Provisions; Required Provisions in LLC Agreements.

(a) The LLC Agreement of the Borrower shall include, and the Borrower shall comply with, (i) the provisions set forth in Appendix 8 and (ii) Independent Member provisions in conformity with the requirements of Section 5.13(c) below.

(b) The LLC Agreement of each Managing Member shall provide that the Managing Member's only purposes are to (i) hold its Equity Interests in the applicable Subject Fund, (ii) enter into and perform the Project Documents applicable to its Subject Fund and documents ancillary thereto and (iii) enter into and perform the Financing Documents and any documents ancillary thereto.

(c) The LLC Agreement of each Managing Member shall include each of the following terms (collectively, the "**Required LLC Provisions**"): requires unanimous written approval of all members, partners or managers of such Managing Member, as the case may be, (which approval, pursuant to the terms of the Borrower's LLC Agreement requires the consent of the Independent Member of the Borrower), in order to authorize the filing of any insolvency or

reorganization case or proceeding, instituting proceedings to have such Managing Member adjudicated bankrupt or insolvent, instituting proceedings under any applicable insolvency law, seeking any relief under any law relating to relief from debts or the protection of debtors, consenting to the filing or institution of bankruptcy or insolvency proceedings against such Managing Member, filing a petition seeking or consenting to reorganization, liquidation or relief with respect to such Managing Member under any applicable federal or state law relating to bankruptcy, reorganization or insolvency, seeking or consenting to the appointment of a receiver, liquidator, assignee, trustee, sequestrator, custodian, or any similar official for such Managing Member or a substantial part of its respective property, making any assignment for the benefit of creditors, admitting in writing the inability of such Managing Member to pay its debts as they become due, or taking action in furtherance of any of the foregoing.

5.14 Distributions by Certain Subsidiaries. The Borrower shall cause each Managing Member to promptly distribute cash flows as per the requirements, and in accordance with and subject to any limitations in, the distribution allocation of the Subject Fund and to pay all such cash flows paid or distributed to such Managing Member into its related Account.

5.15 Borrowing Base Certificate. The Borrower shall deliver a fully executed and complete Borrowing Base Certificate to the Administrative Agent, (a) once per month for every month during the term hereof on the fifteenth (15th) day of such month, (b) on each Borrowing Date, (c) on each date interest is payable pursuant to Section 2.1(b)(ii), (d) on any other date on which the Borrower first obtains Knowledge that a Subject Fund has become a Watched Fund, (e) on any date on which a Loan Party first procures a Tax Loss Policy for any Subject Fund or obtains Knowledge that a Subject Fund has ceased to maintain any Tax Loss Policy previously maintained pursuant to Section 5.17(c), and (f) as otherwise expressly required herein; *provided*, that if a date specified in the foregoing clauses (b) or (c) occurs on the fifteenth (15th) day of a month, only one Borrowing Base Certificate will be required to be delivered on such day; *provided further*, that the Advance Rate shall be updated only in each Borrowing Base Certificate delivered in the first month of each calendar quarter pursuant to clause (a) and in the Borrowing Base Certificate delivered pursuant to clause (e), and in all other Borrowing Base Certificates the Advance Rate from the prior Borrowing Base Certificate shall be used without being updated. Each Borrowing Base Certificate will include all the items specified in Appendix 2.

5.16 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 or Approved Form Agreement 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 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 could reasonably be expected to have a Material Adverse Effect.

5.17 Insurance.

(a) Maintain with Qualified Insurers, insurance with respect to its properties and business against loss or damage of the kinds customarily insured against by Persons engaged in the same or similar business as the Borrower and Managing Members, of such types and in such amounts as are customarily carried under similar circumstances by such other Persons, which types and amounts shall be adjusted annually pursuant to Section 5.17(b). In addition, Borrower and the Managing Members shall take all Relevant Member Action to cause each of the Subject Funds to maintain any insurance that such Subject Fund is required to maintain pursuant to the terms and conditions of the Project Documents. The following terms and conditions apply with respect to property and liability insurance and Tax Loss Policies maintained by or on behalf of the Borrower or Subject Funds:

(i) All-Risk Property Insurance (Including Excess Policies):

- (A) Borrower, Borrower Member and each Managing Member shall be included as an additional “named insured”; and
- (B) Borrower, Borrower Member and each Managing Member hereby waives any rights of subrogation against the Secured Parties and shall cause any such property insurance policies to include or be endorsed to include a waiver of subrogation in their favor;

(ii) General Liability / Excess Liability Insurance:

- (A) Borrower, Borrower Member and each Managing Member shall be included as an additional “named insured”;
- (B) Secured Parties shall be included as additional insureds on a primary and non-contributory basis; and
- (C) Borrower, Borrower Member and each Managing Member hereby waives any rights of subrogation against the Secured Parties and shall cause any such liability insurance policies to include or be endorsed to include a waiver of subrogation in their favor;

(iii) Tax Loss Insurance:

- (A) Borrower, Borrower Member and the applicable Managing Member of each Tax Loss Fund shall be included as an additional “named insured”;
- (B) Collateral Agent, on behalf of the Secured Parties, shall be included as an additional insured or loss payee on a primary and non-contributory basis; provided, that if a Subject Fund’s LLC Agreement requires the applicable Subject Fund be included as the

additional insured or loss payee on a primary and non-contributory basis, the requirements of this paragraph (B) shall not apply; and

- (C) Borrower, Borrower Member and the applicable Managing Member of each Tax Loss Fund hereby waives any rights of subrogation against the Secured Parties and shall cause any such insurance policies to include or be endorsed to include a waiver of subrogation in their favor;

(iv) To the extent commercially available, the policies shall be endorsed to provide the Administrative Agent with thirty (30) days' written notice of cancellation, except ten (10) days for non-payment of premium at the following address:

Bank of America, N.A.,
as Administrative Agent
Agency Management

Attention: ***

Telephone: ***

Telecopier: ***

Electronic Mail: ***

(v) *General Terms and Conditions*

- (A) Borrower and/or Borrower Member shall be obligated to provide written notice of material change to the Administrative Agent unless such notice is otherwise provided by endorsement of the required policies. For the purposes of this Section 5.17(a)(iii), "materially changed" means any reduction of more than twenty-five percent (25%) of any policy aggregate limit for earthquake (or earth movement as the case may be), flood, windstorm (if applicable) or excess liability or a change that would cause the Subject Fund to be in non-compliance with the insurance requirements of the Project Documents;
- (B) Prior to Closing Date and annually thereafter, the Borrower and/or Borrower Member shall provide detailed evidence of insurance (in a form acceptable to the Administrative Agent) including certificates of insurance and copies of applicable insurance binders and policies (if requested), as well as a statement from the Borrower and/or its authorized insurance representative confirming that such insurance is in compliance with the terms and conditions of this Section 5.17, is in full force and effect and all premiums then due have been paid or are not in arrears; and

(C) No provision of this Agreement shall impose on the Administrative Agent or any Secured Party any duty or obligation to verify the existence or adequacy of the insurance coverage maintained by or on behalf of the Borrower, Borrower Member, Managing Member or Subject Fund, nor shall the Administrative Agent or any Secured Party be responsible for any representations or warranties made by or on behalf of the Borrower, Borrower Member, Managing Member or Subject Fund, or any other party to any insurance agent or broker, insurance company or underwriter.

(b) On an annual basis, not later than sixty (60) days before the end of the Borrower's fiscal year, the Borrower shall cause a nationally recognized insurance or other applicable expert to perform and deliver, with a copy to the Administrative Agent, a probable maximum loss analysis with respect to the properties of the Borrower and the Managing Members. The Administrative Agent, the Borrower and each Managing Member shall review such probable maximum loss analysis and, the Borrower and Managing Members shall make appropriate adjustments (in consultation with, and with the prior written approval of, the Administrative Agent) to the types and amounts of insurance it maintains pursuant to Section 5.17(a) to reflect the results of such probable maximum loss analysis.

(c) Borrower or the related Managing Member may procure from and maintain with Qualified Insurers Tax Loss Policies for the Tax Loss Funds; *provided* that, each Insured Tax Loss Fund that would otherwise be included in Cash-Sweep Fund Category II shall be deemed to be a Non-Cash-Sweep Fund for all purposes under this Agreement for so long as such Subject Fund qualifies as an Insured Tax Loss Fund. Upon procurement of a Tax Loss Policy for any Tax Loss Fund after the date such Tax Loss Fund was included hereunder as a Subject Fund, Appendix 4 shall be updated to reflect such Tax Loss Fund as an Insured Tax Loss Fund and a Borrowing Base Certificate shall be delivered pursuant to Section 5.15(e). Borrower may not materially amend, modify, supplement or consent to any change in any provision of, or the performance of a material obligation by any Person under, in each case, any Tax Loss Policy, unless such action is approved in writing by the Administrative Agent and Majority Lenders.

(d) With respect to each Subject Fund that is an Insured Tax Loss Fund:

(i) The Borrower and applicable Managing Member shall cause to be established and maintained in respect of such Subject Fund either (x) a Tax Loss Reserve Subaccount (as defined in the CADA) under the CADA or (y) solely if approved in advance by the Administrative Agent pursuant to such Subject Fund's New Subject Fund Accession Agreement or a separate written notice, a tax loss reserve account established and maintained pursuant to the Material Project Documents of such Subject Fund (such account established and maintained pursuant to clause (x) or (y), a “ **Tax Loss Reserve Account** ”).

(ii) (A) for the first year following the later of (x) the date such Subject Fund is included in the Available Borrowing Base and (y) the date such Subject Fund becomes an Insured Tax Loss Fund, Borrower and applicable Managing Member shall maintain a Tax Loss Reserve in an amount equal to or greater than the amount obtained by multiplying

such Subject Fund's Deployment Percentage by its Tax Loss Policy Deductible as of the date each Borrowing Base Certificate is delivered pursuant to Section 5.15 and (B) thereafter, Borrower and applicable Managing Member shall maintain a Tax Loss Reserve in an amount equal to or greater than 100% of its Tax Loss Policy Deductible; provided that Vivint Solar Parent and its Affiliates may remedy any shortfall in a Subject Fund's Tax Loss Reserve by timely depositing the amount necessary to eliminate the shortfall in such Subject Fund's Tax Loss Reserve Account in accordance with Section 8.1(f)(ii).

5.18 New Subject Funds. In connection with the inclusion of any Potential New Fund as a Subject Fund, the Loan Parties shall simultaneously with such Potential New Fund becoming a Subject Fund:

(a) deliver to the Administrative Agent such modifications to the terms of the Financing Documents (or, to the extent applicable as determined by the Administrative Agent, such other documents), in each case in form and substance reasonably satisfactory to the Administrative Agent and as the Administrative Agent deems necessary or advisable in order to ensure the following:

(i) the Managing Member of such Potential New Fund (but, for the avoidance of doubt, not any Subject Fund itself) shall guaranty, as primary obligor and not as surety, the payment of the Obligations; and

(ii) the Managing Member of such Potential New Fund shall effectively grant to the Administrative Agent, for the benefit of the Secured Parties, a valid and enforceable security interest in all of its property, including all of the Equity Interests it owns, as security for the Obligations;

(b) deliver to the Administrative Agent all documents representing all Equity Interests pledged pursuant to the documents delivered pursuant to clause (a) above, together with undated powers or endorsements duly executed in blank;

(c) the Loan Parties shall take any actions reasonably required by the Administrative Agent to ensure and/or demonstrate that the Liens and security interests granted by the applicable Financing Documents continue to be perfected under applicable law after giving effect to the Potential New Fund becoming a Subject Fund hereunder and thereunder;

(d) to take all other actions necessary or advisable to ensure the validity or continuing validity of any guaranty for any Obligation or any Lien securing any Obligation, to perfect, maintain, evidence or enforce any Lien securing any Obligation or to ensure such Liens have the same priority as that of the Liens on similar Collateral set forth in the Financing Documents executed on the Closing Date (or, for Collateral located outside the United States, a similar priority acceptable to the Administrative Agent), including the filing of UCC financing statements in such jurisdictions as may be required by the Financing Documents or applicable law or as the Administrative Agent or Collateral Agent may otherwise reasonably request;

(e) without duplication of documents delivered pursuant to Section 3.4(b), deliver all Project Documents for such Subject Fund to the Administrative Agent;

(f) in connection with any Other Structure, execute agreements and other documents indicating their consent to the incorporation of supplemental or modified terms and conditions to the Financing Documents regarding such Other Structure reasonably requested by the Agents and Majority Lenders, including supplemental representations, warranties, covenants and defaults and amendments to the existing terms of this Agreement and the other Financing Documents;

(g) in accordance with Section 5.17 provide evidence of insurance with respect to such new Subject Fund in form and substance acceptable to the Administrative Agent, including copies of policies of such insurance upon the Administrative Agent's request; and

(h) the Managing Member for such Subject Fund has duly executed and delivered an agreement in the form of Exhibit M (a “ **New Subject Fund Accession Agreement** ”).

5.19 Backup Servicer. Within 90 days following the Closing Date, the Borrower shall appoint, and thereafter maintain at all times, a backup servicer with respect to the management, administration and servicing of all the Systems in the Available Borrowing Base on terms and conditions reasonably acceptable to the Administrative Agent. The Administrative Agent acknowledges and agrees that it has approved the Master Backup Services Agreement, dated June 15, 2016, between Wells Fargo and VS Provider, as amended by the Amendment and Joinder Agreement dated November 7, 2016, by and among VS Provider, VS Servicer and Wells Fargo.

5.20 Hedging Agreement.

(a) Borrower shall, no later than March 12, 2017, enter into one or more Permitted Swap Agreements such that it has in place:

(i) *either*

(1) until the end of the Availability Period, one or more Permitted Swap Agreements that (A) are cap transactions that hedge against 1, 2 or 3-month LIBOR exceeding 2.50% or lower, (B) have an aggregate notional amount equal to at least 75% and no more than 100% of the Outstanding Principal from the date hedging commences (which shall be, with respect to the first such Permitted Swap Agreement, no later than March 12, 2017) until hedging terminates, and (C) terminate not later than the end of the Availability Period; *and*

(2) until the Discharge Date, one or more forward-starting Permitted Swap Agreements that (A) are swap transactions hedging interest rate risks, (B) have an aggregate notional amount equal to at least 75% and no more than 100% of the Outstanding Principal on the date such forward-starting Permitted Swap Agreements are entered into and from the date hedging commences until hedging terminates, (C) commence hedging not later than the earlier of (x) the end of the Availability Period and (y) the termination of the corresponding cap under Section 5.20(a)(i)(1), (D) have an amortization profile matching a reasonably expected takeout financing on no longer than an 18-year amortization profile that is mutually acceptable

to the Borrower and Administrative Agent, and (E) may contain, during the Availability Period, a provision to terminate on the Latest Maturity Date (it being understood that Borrower will use commercially reasonable efforts to remove any such provision from outstanding Permitted Swap Agreements by the end of the Availability Period);

or

(3) until the Discharge Date, one or more Permitted Swap Agreements that (A) are swap transactions hedging interest rate risks, (B) have an aggregate notional amount equal to at least 75% and no more than 100% of the Outstanding Principal from the date hedging commences (which shall be, with respect to the first such Permitted Swap Agreement, no later than March 12, 2017 and, for all such Permitted Swap Agreements, no later than the end of the Availability Period) until hedging terminates, as applicable, (C) have an amortization profile matching a reasonably expected takeout financing on no longer than an 18-year amortization profile that is mutually acceptable to the Borrower and Administrative Agent, and (D) may contain, during the Availability Period, a provision to terminate on the Latest Maturity Date (it being understood that Borrower will use commercially reasonable efforts to remove any such provision from outstanding Permitted Swap Agreements by the end of the Availability Period); and

(ii) a collateral assignment in form and substance satisfactory to the Administrative Agent in respect of each such Permitted Swap Agreement.

(b) The Borrower shall maintain, at all times from March 12, 2017 until the Discharge Date, Permitted Swap Agreements that collectively satisfy the requirements of Section 5.20(a)(i) and collateral assignments that satisfy the requirements of Section 5.20(a)(ii); provided that the Borrower, Agents and Lenders agree that, if the Permitted Swap Agreements maintained by the Borrower collectively fail to satisfy the requirements of Section 5.20(a)(i) as of any date of determination after March 12, 2017, the Borrower shall remedy such failure by supplementing, amending, modifying, extending or replacing such Permitted Swap Agreements no later than fifteen (15) Business Days after the Quarterly Date immediately following such date of determination.

(c) On the date the Borrower enters into any Hedging Agreement, the Borrower shall deliver to the Administrative Agent a certificate executed by a Responsible Officer of the Borrower that:

(i) attaches (x) a copy of the Confirmation (as defined in such Hedging Agreement) and (y) solely to the extent such documents have not been previously delivered to the Administrative Agent, complete copies of any other documents integral to such Hedging Agreement,

(ii) identifies whether such Hedging Agreement is intended to meet the requirements of Section 5.20(a)(i)(1), (i)(2), or (i)(3), and

(iii) certifies that (A) such Hedging Agreement meets the requirements of the definition of “Permitted Swap Agreement” and Section 5.20(a)(i), (i)(2) or (i)(3), as applicable and (B) such Confirmation conforms to the Hedge Term Sheet.

(d) The parties agree that each Hedging Agreement that meets the requirements of the definition of “Permitted Swap Agreement” and Section 5.20(a)(i), and includes one or more confirmations that conform to the Hedge Term Sheet attached hereto as Exhibit O is in form and substance reasonably acceptable to the Lenders and the Administrative Agent (except with respect to the amortization profile, if applicable, which shall be separately agreed from time to time between the Borrower and the Administrative Agent as provided in Sections 5.20(a)(i)(2)(D) and (i)(3)(C)).

ARTICLE 6

NEGATIVE COVENANTS OF BORROWER AND MANAGING MEMBERS

Borrower and, other than with respect to Section 6.1, each of the Managing Members covenants and agrees that until the Discharge Date it shall not, and each Managing Member covenants and agrees that it shall take all applicable Relevant Member Action to cause the Subject Funds not to:

6.1 Cash Flow Coverage Ratio. Permit the Cash Flow Coverage Ratio as of a Quarterly Date to be less than 1.40:1.00.

6.2 Limitations on Liens. (a) Create or assume any Lien on any of its property assets or revenue, whether now owned or hereafter acquired, except for Permitted Liens or (b) suffer to exist any Lien on any of its property assets or revenues, whether now owned or hereafter acquired, except for Permitted Liens.

6.3 Indebtedness. Incur, create, assume or permit to exist any Debt except for (i) Debt created under the Financing Documents, (ii) Debt in respect of Permitted Swap Agreements that comply with Section 5.20, and (iii) Debt permitted (without requiring any amendment, consent, waiver, or vote by any member of a Subject Fund, including any Investor, under the terms and conditions of such Material Project Documents and Other Documents unless such amendment, consent or waiver is approved in accordance with the terms hereof) to be incurred by a Subject Fund under any Material Project Document or Other Document;

6.4 Sale or Lease of Assets. Directly or indirectly sell, lease, assign, transfer or otherwise dispose of any of its Property (including any portion of any Equity Interest owned by the Borrower or a Managing Member), whether now owned or hereafter acquired except:

(a) the granting of Liens to the Collateral Agent;

(b) with respect to the property of a Subject Fund, to the extent permitted (without requiring any amendment, consent, waiver, or vote by any member of a Subject Fund, including any Investor, under the terms and conditions of such Material Project Documents and Other

Documents unless such amendment, consent or waiver is approved in accordance with the terms hereof) pursuant to any Material Project Document or Other Document;

(c) any Restricted Payment by a Subject Fund to a Managing Member or from the Managing Member to the Borrower;

(d) so long as no Default or Event of Default has occurred and is continuing or would result therefrom, the sale by Borrower of a Subject Fund (including, without limitation, the sale of the Equity Interests in a Managing Member or Equity Interests in such Subject Fund or the applicable Managing Member) in an arm's length transaction; provided that (i) the consideration for such sale is paid entirely in cash and, subject to Section 2.10(b), is paid directly into the Revenue Account, (ii) as evidenced by a Borrowing Base Certificate delivered by Borrower to Administrative Agent giving pro forma effect to such sale, the Available Borrowing Base exceeds the Outstanding Principal, and (iii) such sale will be non-recourse to the Borrower, any Loan Party not fully disposed as part of such sale, or any other Subject Fund and Borrower and the remaining Loan Parties will cease to have any obligation, liability or responsibility in respect of any disposed Subject Fund and any disposed Loan Party;

(e) the sale by Borrower of its interest in one or more Permitted Swap Agreements, in whole or in part, so long as:

(i) in connection with a refinancing transaction pursuant to Section 2.10(b), (1) the Partial Release Conditions are satisfied and (2) immediately after giving effect to the refinancing transaction and such sale, the Borrower has in place Permitted Swap Agreements that collectively satisfy the requirements of Section 5.20(a)(i); and

(ii) in any other connection, (1) no Default or Event of Default has occurred and is continuing, (2) no Repayment Event has occurred and is continuing, and (3) immediately after giving effect to such sale, the Borrower has in place Permitted Swap Agreements that collectively satisfy the requirements of Section 5.20(a)(i).

For the avoidance of doubt, this Section 6.4 does not prohibit any transfer, assignment, early termination or unwind (including partial early termination or partial unwind) of any Permitted Swap Agreement in accordance with the terms therein, for so long as immediately after giving effect to such transfer, assignment, early termination or unwind, (1) no Default or Event of Default has occurred and is continuing, (2) no Repayment Event has occurred and is continuing, and (3) the Borrower has in place Permitted Swap Agreements that collectively satisfy the requirements of Section 5.20(a)(i).

6.5 Changes. Conduct any business other than the acquisition and ownership of subsidiaries which engage in the acquisition, ownership, leasing and financing of the Systems and activities related or incident thereto (including those contemplated by the Operative Documents but excluding the engineering, development, construction or creation of Systems), hire or become an employer of an employee or assume or incur any obligation under or in connection with any ERISA Plan.

6.6 Distributions. Directly or indirectly, make or declare any Restricted Payment or incur any obligation (contingent or otherwise) to do so, except for Restricted Payments:

(a) from proceeds of the Loans in accordance with Section 5.1;

(b) from a Subject Fund to its Managing Member;

(c) from a Managing Member to Borrower;

(d) to the extent required under the Project Documents of a Subject Fund to each direct owner of Equity Interests in such Subject Fund (other than to the Managing Member, which payments are permitted pursuant to clause (b) of this Section 6.6); and

(e) on any Scheduled Payment Date, so long as (i) no Default or Event of Default has occurred and is continuing or would be caused thereby, (ii) no Repayment Event has occurred and is continuing, (iii) the Borrower, after giving effect to any prepayments made pursuant to Section 2.1(f)(ii), is in compliance with the Borrowing Base Requirement, and (iv) each of the Interest Reserve Account and the Inspected-Only Reserve Account has been fully funded in an amount at least equal to the required reserve amount under the CADA, from Borrower to Borrower Member from any monies remaining in the Revenue Account after giving effect to the withdrawals and transfers specified in clauses (1) through (5) of Section 3.3(d) of the CADA.

6.7 Investments. Make or permit to remain outstanding any advances or loans or extensions of credit to, or purchase, redeem or own any Equity Interests in, or any assets constituting an ongoing business from, or make or permit any other investment in, any Person, except for:

(a) investments by each Managing Member in a Subject Fund in which it holds an Equity Interest and investments by Borrower in each Managing Member (including, for the avoidance of doubt, investments made using equity contributions to Borrower or any Managing Member by Borrower Member or Vivint Solar Parent, in each case, with respect to Equity Interests existing as of the Closing Date (and in the case of Subject Funds and Managing Members added after the Closing Date, existing as of the date of such addition) and as set forth in Schedule 6.7. For the avoidance of doubt, each Managing Member may exercise, subject to compliance with the other terms and conditions of the Financing Documents, any call option, purchase option or other similar right to purchase the Equity Interests of an Investor in its Subject Fund, without the consent of any Agent or Lender; and

(b) investments in the form of loans and advances by each Managing Member to the Subject Fund or any Potential New Fund in which it holds an Equity Interest and capital contributions by the Borrower and each Managing Member to or in the Subject Fund or any Potential New Fund in which it holds an Equity Interest made on or after the Closing Date to the extent permitted (without requiring any amendment, consent, waiver, or vote by any member of a Subject Fund, including any Investor, under the terms and conditions of such Material Project Documents and Other Documents unless such amendment, consent or waiver is approved in accordance with the terms hereof) by the terms of the applicable Project Documents of the Subject

Funds or Potential New Fund (in each case, as reflected in an updated Schedule 6.7 with the prior written approval of the Administrative Agent) ;

provided, however, that if a Potential New Fund is not approved to become a Subject Fund, then upon the written request of the Majority Lenders, the Borrower shall within five (5) Business Days cause the Managing Member related to such Potential New Fund to no longer be a Subsidiary of Borrower by selling, winding up or otherwise disposing of (including, without limitation, transferring Borrower's Equity Interests in such Managing Member to a third party) such Managing Member.

6.8 Federal Reserve Regulations. Apply any part of the proceeds of any Loan to the purchasing or carrying of any Margin Stock.

6.9 Fundamental Changes. Liquidate or dissolve, or sell or lease or otherwise transfer or dispose of, all or any substantial part of its 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 the sale of assets as permitted by Section 6.4.

6.10 Amendments; Other Agreements.

(a) Without the prior written consent of the Majority Lenders, (i) terminate or cancel, exercise any right or remedy under or pursuant to any breach or default of, (ii) materially amend, modify, supplement or consent to any change in any provision of or (iii) materially waive any material default under, material breach of, material condition, closing deliverable or other required item under, or the performance of a material obligation by any Person, in each case, under any (x) Other Documents, except to the extent that such actions could not reasonably be expected to have a Material Adverse Effect or (y) Material Project Documents unless such amendment, consent or waiver is either approved in writing by the Administrative Agent or immaterial; provided, however, that no prior written consent by the Majority Lenders shall be required in the case of any amendment, modification or supplement to or waiver under Other Documents or Material Project Documents to (A) correct a manifest error therein that is not material or (B) to increase the aggregate amount of an Investor's commitment; provided, further, however, that for any amendment, consent or waiver that is ministerial in nature that would otherwise require approval in writing by the Administrative Agent, Borrower may provide two (2) Business Days' notice thereof to the Administrative Agent, including a copy of such amendment, consent or waiver in such notice, and such amendment, consent or waiver shall be deemed consented to unless the Administrative Agent provides a written response to Borrower demonstrating that such amendment, consent or waiver is adverse to the Agents or Lenders.

(b) Amend, modify, supplement or consent to any change in any provision of the LLC Agreements, except to the extent that such actions could not reasonably be expected to materially and adversely affect the Administrative Agent or the Lenders.

(c) Amend, modify, supplement or consent to any change in any Approved Form Agreement unless (i) such amendments, modifications, supplements or changes do not (w) reallocate risk from the Host Customer to the Subject Fund, Managing Member or any of its

Affiliates, or (x) reduce any payment obligations of the Host Customer, (y) reduces the creditworthiness standards with which the Host Customer must comply, or (z) otherwise materially increase the risk profile of the Lenders and (ii) the Borrower has promptly (and in any event within five (5) Business Days) provided copies of such amendments, modifications, supplements or changes to the Administrative Agent.

(d) Notwithstanding clause (a) – (c) of this Section 6.10, Borrower may permit any Subject Fund or Managing Member to enter into an agreement for the sale of SRECs, including any such agreement that, notwithstanding anything to the contrary herein, contains any provisions for liquidated damages, contingent liabilities or other damages, or the posting of collateral or other security, so long as such agreements are entered into in the ordinary course of business at prices and on terms and conditions not less favorable than could be obtained on an arm's-length basis from unrelated third parties, or as otherwise contemplated pursuant to the Material Project Documents; provided, further, that all Revenues received by any Managing Member from such sale of SRECs shall be paid to the Borrower by deposit by such Managing Member into the Revenue Account.

6.11 Name and Location; Fiscal Year. Change its name, its state of business, accounting policies (except as permitted by GAAP) or its fiscal year without the Administrative Agent's prior written consent.

6.12 Assignment. Assign its rights hereunder or under any other Operative Document except, with respect to any Permitted Swap Agreement, as permitted pursuant to Section 6.4(e).

6.13 Transfer of Equity Interest. Except to the extent permitted pursuant to Section 2.10(b) or Section 6.4, cause, make, suffer, permit or consent to any creation, sale, assignment or transfer of any Equity Interest in the Managing Members or Subject Funds except for the Liens in favor of the Collateral Agent under the Collateral Documents.

6.14 Accounts. Establish or maintain any deposit, securities or other account in its own name other than the Accounts.

6.15 Transaction with Affiliates. Engage in any transactions with any of its Affiliates except (i) transactions among the Loan Parties (other than the Borrower Member) and the Subject Funds or any entity that becomes a Loan Party or a Subject Fund as a result of such transaction, including, without limitation, transactions among such Persons pursuant to the Project Documents, in each case, subject to compliance with the other terms and conditions of the Financing Documents, (ii) transactions in the ordinary course of business at prices and on terms and conditions not less favorable to the Loan Party or the applicable Subject Fund than could be obtained on arm's-length basis from unrelated third parties and (iii) transactions pursuant to agreements in existence on the Closing Date and set forth on Schedule 6.15 or any amendment thereto to the extent such an amendment is not adverse to the Lenders in any material respect.

6.16 Limitation on Dividends and Other Payment Restrictions Affecting Certain Subsidiaries. Enter into, or allow a Borrower, any Managing Member or any Subject Fund to enter into, any agreement, instrument or other undertaking that (i) restricts or limits the ability of any

Managing Member or any Subject Fund to make any dividend or other distribution of Revenues with respect to its Equity Interests or (ii) restricts or limits the ability of any Loan Party to create, incur, assume or suffer to exist Liens on the property of such Person for the benefit of the Agents and Lender with respect to the Obligations of the Loan Parties or the Financing Documents, except, in each case, the Operative Documents in existence on the Closing Date as well as any other Operative Documents entered into by a Potential New Fund after the Closing Date, to the extent reviewed and approved by the Administrative Agent.

6.17 Hedging Agreement. Enter into any Hedging Agreement other than a Permitted Swap Agreement.

6.18 Operations and Maintenance in Partnership. Vote to terminate or to appoint a new operations and maintenance provider, or consent to the appointment of a new operations and maintenance provider; provided, that if any vote or appointment is required within a certain time period under the applicable Project Document, if Administrative Agent does not consent (unless such consent was reasonably withheld) within such time period, then the Borrower may, or cause any Managing Member of a Subject Fund to, vote or appoint or consent to a new operations and maintenance provider or administrative services provider in order to comply with the terms of the applicable Project Documents; provided, further, that the consent of the Administrative Agent may not be unreasonably withheld if the new operations and maintenance provider or administrative services provider meets the standards set forth in the applicable Project Documents.

ARTICLE 7

ACCOUNTS; APPLICATION OF FUNDS

7.1 Accounts; Application of Funds in Accounts.

(a) On or prior to the Closing Date, the Borrower shall cause the Accounts to be established at Depository. Each Loan Party shall, or shall take Relevant Member Action to cause, all Revenues, income and other amounts paid, payable or distributable to any Managing Member or the Borrower, when actually paid, to be deposited in the sub-account of the Revenue Account (as defined in the CADA) that is related to such Managing Member.

(b) Funds on deposit in the Accounts shall be applied in the manner, at the times and in the order of priority as set forth in the CADA.

ARTICLE 8

EVENTS OF DEFAULT; REMEDIES

8.1 Events of Default. The occurrence of any of the following events shall constitute an event of default (individually, an “**Event of Default**,” and collectively, “**Events of Default**”) hereunder:

(a) Failure to Make Payments. Any Loan Party shall fail to pay, in accordance with the terms of this Agreement, (i) any principal with respect to any Loan on the date that such

principal is due or (ii) any interest on any Loan or other amount payable hereunder, under any Permitted Swap Agreement, or with respect to any other Loan within five (5) Business Days after the date that such payment is due .

(b) Judgments. There is entered against any Loan Party any one or more final judgments or orders for the payment of money and the aggregate amount of all such judgments or orders for all such parties equals or exceeds \$2,000,000 (to the extent not covered by a valid and binding policy of insurance issued by an independent third party as to which the insurer has been notified of such judgment or order and has not denied coverage) and such judgments or orders shall not have been satisfied, vacated, discharged or stayed or bonded to the reasonable satisfaction of the Administrative Agent pending an appeal for a period of sixty (60) consecutive days;

(c) Misstatements. Any representation, warranty, certification or statement of trust made or deemed made by a Loan Party in the Financing Documents, any amendment or modification thereof or waiver thereto, or in any certificate or financial statement furnished pursuant thereto to any Agent or Secured Party pursuant to this Agreement or any other Financing Document, shall prove to have been inaccurate or misleading in any material respect as of the date made or deemed made, as applicable.

(d) Bankruptcy. Vivint Solar Parent, Borrower Member, or Borrower shall become subject to a Bankruptcy Event.

(e) ERISA. (i) The Borrower shall engage in any “prohibited transaction” (as defined in Section 406 of ERISA or Section 4975 of the Code) involving any ERISA Plan (that is not excepted under Section 408 of ERISA and regulatory guidance thereunder) resulting in a Material Adverse Effect to the Borrower; (ii) an ERISA Event shall occur with respect to any ERISA Plan which results in an aggregate amount which could reasonably be expected to result in a Material Adverse Effect; or (iii) the Borrower or any member of its Controlled Group fails to pay when due, after the expiration of any applicable grace period, any installment payment with respect to its withdrawal liability under Section 4201 of ERISA under a Multiemployer Plan in an aggregate amount which could reasonably be expected to result in a Material Adverse Effect.

(f) Breach of Terms of Financing Agreements.

(i) Any Loan Party shall fail to perform or observe any covenant set forth in Section 5.2, Section 5.5(i), Section 5.20, Article 6, or Section 8.4 of this Agreement.

(ii) The Borrower shall fail to perform or observe the covenant set forth in Section 5.17(d)(ii) of this Agreement and such failure shall continue unremedied for a period of five (5) Business Days after Borrower receives notice of such failure.

(iii) Any Loan Party shall fail to perform or observe any other covenant (not specified in Section 8.1(a) or clause (i) or (ii) of this Section 8.1(f)) to be performed or observed by it hereunder or under any Financing Document and not otherwise specifically provided for elsewhere in this Section 8.1, and such failure shall continue unremedied for a period of thirty (30) days after the Borrower becomes aware of such failure; provided, that if (x) such failure can be remedied, (y) such failure cannot reasonably be remedied

within such 30 day period, and (z) the Borrower commences cure of such failure within such 30 day period and thereafter diligently seeks to remedy the failure, then an “Event of Default” shall not be deemed to have occurred until the earlier of (A) such time as Borrower ceases reasonable efforts to cure such failure and (B) 90 calendar days following such failure.

(g) Security. Any of the Collateral Documents, once executed and delivered, (i) shall fail to provide the Collateral Agent (on behalf of the Secured Parties) a first priority perfected security interest (subject only to Permitted Liens) in all of the Collateral (except to the extent that any such perfection or priority results from the failure of the Collateral Agent to maintain possession of certificates actually delivered to it representing securities pledged under the Collateral Documents or the failure of the Collateral Agent to file uniform commercial code continuation statements), (ii) shall cease to be in full force and effect, or (iii) the validity or the applicability thereof to the Obligations to be secured or guaranteed thereby or any part thereof shall be disaffirmed by or on behalf of any Loan Party.

(h) Change of Control. A Change of Control shall have occurred.

(i) Invalidity of Financing Documents. Any material provision of any Financing 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 or Collateral Agent or any Lender or upon the occurrence of the Discharge Date, shall cease to be in full force and effect, or any Loan Party shall contest in writing the validity or enforceability of any provision of any Financing Document, or any Loan Party shall deny in writing that it has any or further liability or obligation under any Financing Document (other than as a result of repayment in full of the Obligations and termination of the Commitments), or any Loan Party shall purport in writing to revoke or rescind any Financing Document.

(j) Tax Equity Transaction Documents. Any Loan Party shall fail to observe or perform any of its obligations under or otherwise breaches (i) any representation, warranty, term or condition of the Material Project Documents applicable to it which is not immaterial or (ii) any representation, warranty, term or condition of the Other Documents applicable to it the effect of which could reasonably be expected to have a Material Adverse Effect.

(k) Cross-Default. Any Loan Party (A) fails to make any payment beyond the applicable grace period with respect thereto, if any, (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise) in respect of any Debt (other than the Loans) and such Debt, either individually or in the aggregate for all such Loan Parties, has an outstanding aggregate principal amount or notional amount, as applicable, equal to or greater than \$2,000,000 or (B) fails to observe or perform any other agreement or condition relating to any such Debt, or any other event occurs, the effect of which default or other event is to cause, or to permit the holder or holders of such Debt (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, with the giving of notice if required, such Debt to become due or to be repurchased, prepaid, defeased or redeemed (automatically or otherwise), or an offer to repurchase, prepay, defease or redeem such Debt to be made, prior to its stated maturity; provided that this clause (k)(B) shall not apply to secured Debt that becomes due as a result of the voluntary sale or

transfer of the property or assets securing such Debt, if such sale or transfer is permitted hereunder and under the documents providing for such Debt .

(l) Borrowing Base. As of any date that a Borrowing Base Certificate is delivered, the Outstanding Principal does not satisfy the Applicable Threshold Test and such Default is not cured within ten (10) Business Days by the Borrower adding new Subject Funds to the Available Borrowing Base or by any Person making an Equity Contribution to Borrower in an amount sufficient to cure the Default, after giving effect to the prepayment of principal, in each case, as provided in Section 2.1(f).

8.2 Remedies.

(a) If any Event of Default (other than any event described in Section 8.1(d)) shall have occurred and be continuing, the Administrative Agent may, and upon the request of the Majority Lenders shall, by notice to the Borrower:

(i) immediately terminate the Commitments of each Lender and the obligation of each Lender to make Loans; and

(ii) declare the Loans then outstanding to be forthwith due and payable in whole or in part, whereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and any unpaid accrued fees and all other liabilities of the Borrower accrued hereunder and under any other Financing Document, shall become forthwith due and payable without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by the Borrower, anything contained herein or in any other Financing Document to the contrary notwithstanding.

(b) If any Event of Default described in Section 8.1(d) shall have occurred and be continuing:

(i) the Commitments of each Lender and the obligation of each Lender to make Loans shall automatically terminate (if not previously terminated or expired);

(ii) the principal of the Loans then outstanding, together with accrued interest thereon and any unpaid accrued fees and all other liabilities of the Borrower accrued hereunder and under any other Financing Document, shall automatically become due and payable without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by the Borrower, anything contained herein or in any other Financing Document to the contrary notwithstanding.

(c) Upon the occurrence and during the continuance of any Event of Default, in addition to the exercise of remedies set forth in clauses (a) and (b) above, (i) the Agents may immediately exercise exclusive control of or over any or all of the Accounts, including taking any and all actions necessary or advisable in pursuance of the foregoing, such as issuing any notice of exclusive control contemplated by the applicable control agreements and (ii) each Secured Party shall be, subject to the terms of the Financing Documents, entitled to exercise the rights and

remedies available to such Secured Party under and in accordance with the provisions of the other Financing Documents to which it is a party or any applicable law.

(d) Notwithstanding the foregoing, if an Event of Default with respect to Section 6.1 has occurred and the Borrower has delivered an irrevocable Notice of Intent to Cure, then, prior to the Cure Expiration Date, none of the actions in Section 8.2 may be taken on account of such Event of Default until the Cure Expiration Date (but it being understood that unless a Cure Amount in an amount sufficient to cure such Event of Default has been provided in accordance with Section 8.4, such actions under this Section 8.2 may then be taken on and following the Cure Expiration Date and that, notwithstanding anything contained herein, no Lender shall be required to make any Loans while an Event of Default with respect to Section 6.1 is continuing even if a Notice of Intent to Cure has been delivered).

8.3 Remedies Under Consents. Each of the Agents or Lenders may exercise a cure right that vests in its favor under any of the Tax Equity Required Consents at the time of such vesting whether or not an Event of Default has occurred at such time, except to the extent that relevant Loan Party is diligently pursuing its cure rights under the Tax Equity Required Consents.

8.4 Borrower's Right to Cure.

(a) When an Event of Default under Section 6.1 has occurred (a "Coverage Ratio EOD"), the Borrower may provide an irrevocable notice (the "Notice of Intent to Cure") to the Administrative Agent committing to cure such Coverage Ratio EOD by depositing an amount in the Equity Cure Account sufficient to cause the Cash Flow Coverage Ratio to be greater than or equal to 1:40:1.00 (the "Cure Amount"). The Borrower shall specify the Cure Amount in its Notice of Intent to Cure.

(b) Within ten (10) days of the Quarterly Date when the Coverage Ratio EOD occurred (the "Cure Expiration Date"), the Borrower shall in accordance with its Notice of Intent to Cure, deposit Equity Contributions in an amount equal to the Cure Amount in the Equity Cure Account.

(c) Solely for purposes of calculating the Cash Flow Coverage Ratio for any period that includes the fiscal quarter prior the Quarterly Date when the applicable Coverage Ratio EOD occurred, the Cure Amount shall be added to the Actual Net Cash Flow of the Borrower to the extent such Cure Amount remains on deposit in the Equity Cure Account (except to the extent applied to prepay the Loans in accordance with the following sentence). The Borrower may at any time apply amounts on deposit in the Equity Cure Account to prepay the Loans pursuant to Section 2.1(f).

(d) In furtherance of clause (b) above, (A) upon actual deposit of the full Cure Amount in the Equity Cure Account, the covenant under Section 6.1 shall be deemed satisfied and complied with as of Quarterly Date when the applicable Coverage Ratio EOD occurred with the same effect as though there had been no failure to comply with such covenant and the applicable Coverage Ratio EOD shall be deemed not to have occurred for purposes of the Financing Documents, and (B) upon receipt by the Administrative Agent of a Notice of Intent to Cure prior the Cure Expiration Date, neither the Administrative Agent nor any Lender may exercise any rights or

remedies under Section 8.2 (or under any other Financing Document) on the basis of any actual or purported Event of Default under Section 6.1 until and unless the Cure Expiration Date has occurred without the Cure Amount having been deposited pursuant to Section 8.4(b).

(e) There shall be no more than (i) two (2) consecutive fiscal quarters and (ii) four (4) total fiscal quarters in which the cure rights set forth in this Section 8.4 are exercised during the term of this Agreement.

ARTICLE 9

THE AGENTS; AMENDMENTS; ASSIGNMENTS

9.1 Appointment and Authority. Each of the Lenders with respect to the Administrative Agent, and each of the Secured Parties with respect to the Collateral Agent, hereby irrevocably appoints Bank of America to act on its behalf as Administrative Agent and Collateral Agent, respectively, hereunder and under the other Financing Documents and authorizes the Administrative Agent and Collateral Agent, respectively, to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent and Collateral Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article are solely for the benefit of the Administrative Agent, Collateral Agent, and the Secured Parties, and the Borrower shall not have rights as a third party beneficiary of any of such provisions. It is understood and agreed that the use of the term “agent” herein or in any other Financing Documents (or any other similar term) with reference to the Administrative Agent or Collateral Agent is not intended to denote or connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable Law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

9.2 Rights as a Lender. The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent and the term “Lender” or “Lenders” shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders.

9.3 Exculpatory Provisions. The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Financing 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 Default 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 Financing 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 Financing 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 Financing Document or applicable law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Bankruptcy Law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Bankruptcy Law; and

(c) shall not, except as expressly set forth herein and in the other Financing 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.

The Administrative Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Majority Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 10.1 and 8.2) or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and nonappealable judgment. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given in writing to the Administrative Agent by the Borrower or a Lender.

The Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Financing Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Financing Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in Article 3 or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

9.4 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 a Loan 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 Loan. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), 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.

9.5 Delegation of Duties. The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Financing Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent 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 shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, 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 sub-agents except to the extent that a court of competent jurisdiction determines in a final and non-appealable judgment that the Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub-agents.

9.6 Resignation of Administrative Agent.

(a) The Administrative Agent may at any time give notice of its resignation to the Lenders and the Borrower. Upon receipt of any such notice of resignation, the Majority Lenders shall have the right, in consultation with the Borrower, to appoint a successor, which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States. If no such successor shall have been so appointed by the Majority Lenders or shall have accepted such appointment within thirty (30) days after the retiring Administrative Agent gives notice of its resignation (or such earlier day as shall be agreed by the Majority Lenders) (the “ **Resignation Effective Date** ”), then the retiring Administrative Agent may (but shall not be obligated to) on behalf of the Lenders, appoint a successor Administrative Agent meeting the qualifications set forth above. Whether or not a successor has been appointed, such resignation shall become effective in accordance with such notice on the 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, in consultation with the Borrower, appoint a successor. If no such successor shall have been so appointed by the Majority Lenders and shall have accepted such appointment within thirty (30) days (or such earlier day as shall be agreed by the Majority Lenders) (the “ **Removal Effective Date** ”), then such removal shall nonetheless become effective in accordance with such notice on the Removal Effective Date.

(c) 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 Financing 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 2.4(d)(vi) 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 Financing Documents (if not already discharged therefrom as provided above in this Section). 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 Financing Documents, the provisions of this Article and Sections 10.4 and 5.10 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 while the retiring or removed Administrative Agent was acting as Administrative Agent.

9.7 Non-Reliance on Administrative Agent and Other Lenders. Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Financing Document or any related agreement or any document furnished hereunder or thereunder.

9.8 Administrative Agent May File Proofs of Claim. In case of the pendency of any proceeding under any Bankruptcy Law or any other judicial proceeding relative to any Loan Party, the Administrative Agent (irrespective of whether the principal of any Loan 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 Loans and all other Obligations of the Loan Parties 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 2.3 and 10.4) 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, in the event that 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 2.3 and 10.4.

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 in any such proceeding.

9.9 Collateral Matters. Without limiting the provisions of Section 9.8, the Lenders irrevocably authorize the Administrative Agent, at its option and in its discretion:

(a) to release any Lien on any property granted to or held by the Administrative Agent under any Financing Document (i) upon termination of the Commitments and payment in full of all Obligations (other than contingent indemnification obligations), (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 Financing Document, or (iii) subject to Section 9.12, if approved, authorized or ratified in writing by the Majority Lenders; and

(b) to subordinate any Lien on any property granted to or held by the Administrative Agent under any Financing Document to the holder of any Lien on such property that is permitted by Section 6.2.

9.10 Indemnification. Without limiting the obligations (including, but not limited to, the Obligations) of the Borrower hereunder, each Lender agrees to indemnify each of the Agents, ratably in accordance with its Proportionate Share for any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may at any time be imposed on, incurred by or asserted against such Agent in any way relating to or arising out of this Agreement or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or the enforcement of any of the terms hereof or thereof or of any such other documents; provided, however, that no Lender shall be liable for any of the foregoing to the extent they arise solely from the relevant Agent's gross negligence or willful misconduct as determined by a final non-appealable judgment of a court of competent jurisdiction. The Agents shall be fully justified in refusing to take or to continue to take any action hereunder unless it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. Without limitation of the foregoing, each Lender agrees to reimburse the relevant Agent promptly upon demand for its ratable share of any out-of-pocket expenses (including counsel fees) incurred by such Agent in connection with the preparation, execution, administration or enforcement of, or legal advice in respect of rights or responsibilities under, the Operative Documents, to the extent that such Agent is not reimbursed promptly for such expenses by the Borrower.

9.11 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 Financing 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 Financing Documents; (ii) (A) the Administrative Agent and each Lender 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 Financing Documents; and (iii) the Administrative Agent and 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 or any Lender with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

9.12 Amendments.

(a) *Generally*. Subject to Sections 2.12 and 2.13, no amendment or waiver of any provision of this Agreement or any other Financing Document, and no consent to any departure by the Borrower or any other Loan Party therefrom, shall be effective unless in writing signed by the Majority Lenders and the Borrower or the applicable Loan Party, as the case may be, and acknowledged by the Administrative Agent (except that, with respect to a Permitted Swap Agreement, any amendment or waiver thereof, or departure therefrom may become effective without being signed or approved by the Majority Lenders), and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no such amendment, waiver or consent shall effect any of the changes described in clauses (b), (c), and/or (d) of this Section 9.12 without the additional consent(s) required therein.

(b) *Consent of Affected Lenders*. Subject to Sections 2.12 and 2.13, no amendment, waiver or consent described in clause (a) of this Section 9.12 shall, without the written consent of each Lender affected thereby:

(i) extend or increase the Commitment of any Lender (or reinstate any Commitment terminated pursuant to Section 8.2);

(ii) postpone any date fixed by this Agreement or any other Financing Document for or reduce or forgive the amount of any payment or mandatory prepayment

of principal, interest, fees or other amounts due to the Lenders (or any of them) hereunder or under any other Financing Document;

(iii) reduce or forgive the principal of, or the rate of interest specified herein on, any Loan, or any fees or other amounts payable hereunder or under any other Financing Document to the Lenders (it being understood that the waiver of (or amendment to the terms of) any mandatory prepayment of a Loan (other than pursuant to Section 2.1(f)(ii) (A)) shall not constitute a postponement of any date scheduled for the payment of principal or interest) (or change the timing of payment of such fees or other amounts), or change the manner of computation of any financial ratio (including any change in any applicable defined term) used in determining the Applicable Interest Rate that would result in a reduction of any interest rate on any Loan or any fee payable hereunder; provided, however, that only the consent of the Majority Lenders shall be necessary to amend the definition of “Default Rate” or to waive any obligation of the Borrower to pay interest at the Default Rate; or

(iv) amend, waive or otherwise modify any term or provision (including the availability and conditions to funding under Section 2.9 with respect to Incremental Loans, under Section 2.12 with respect to Refinancing Loans, and under Section 2.13 with respect to Extended Loans and, in each case, the rate of interest applicable thereto) which directly affects Lenders of one or more Incremental Loans, Refinancing Loans or Extended Loans and does not directly affect Lenders of any other Loans, in each case, without the written consent of the directly affected Lenders under such Incremental Loans, Refinancing Loans or Extended Loans; *provided*, *however*, that the waivers described in this clause (iv) shall not require the consent of any Lenders other than the affected Lenders under such Incremental Loans, Refinancing Loans or Extended Loans, as the case may be.

(c) *Borrowing Base Amendments*. No amendment, waiver or consent described in clause (a) of this Section 9.12 shall, without the written consent of Lenders holding at least 90% of the sum of (i) the aggregate unused amount of the Commitments then in effect and (ii) the aggregate unpaid principal amount of the Loans then outstanding, affect the Available Borrowing Base, Appendix 1, Appendix 2, Appendix 3, any provision relating to the Available Borrowing Base, Appendix 1, Appendix 2 or Appendix 3, or any related definition under this Agreement or any other Financing Document; provided, however, that the proviso to the definition of “Available Borrowing Base” in Appendix 2 may be amended with the written consent of the Supermajority Lenders.

(d) *Consent of All Lenders*. Subject to Sections 2.12 and 2.13, no amendment, waiver or consent described in clause (a) of this Section 9.12 shall, without the written consent of each Lender:

(i) waive any condition set forth in Sections 3.1 or 3.2;

(ii) change any provision of this Section or the definition of “Majority Lenders,” “Supermajority Lenders,” or any other provision hereof specifying the number

or percentage of Lenders required to amend, waive or otherwise modify any rights hereunder or make any determination or grant any consent hereunder;

(iii) change the definition of “Eligible Assignee”;

(iv) amend the definition of “Eligible Structure” or permit a fund that is not an Eligible Structure to be included in the Available Borrowing Base; or

(v) release all or substantially all the Collateral, or release any Loan Party from such Person’s obligations under this Agreement or any Collateral Document, or permit the release of any funds from the Revenue Account, in each case, unless in accordance with the Financing Documents.

(e) *Consent of Administrative Agent* . No amendment, waiver or consent described in clause (a) of this Section 9.12 shall, without the written consent of the Administrative Agent (in addition to the Lenders required above):

(i) affect the rights or duties of the Administrative Agent or Collateral Agent under this Agreement or any other Financing Document; or

(ii) affect the Available Borrowing Base, Appendix 1, Appendix 2, Appendix 3, any provision relating to the Available Borrowing Base, Appendix 1, Appendix 2 or Appendix 3, or any related definition under this Agreement or any other Financing Document.

(f) *Fee Letters* . The Fee Letters may be amended, or rights or privileges thereunder waived, in a writing executed only by the parties thereto.

(g) *Defaulting Lenders* . 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 without the consent of such Lender, (y) any waiver, amendment or modification requiring the consent of all Lenders or each affected Lender that by its terms affects any Defaulting Lender disproportionately adversely relative to other affected Lenders shall require the consent of such Defaulting Lender, and (z) the interest, principal and maturity of Loans made by such Defaulting Lender may not be modified without the Defaulting Lender’s consent.

(h) *Errors and Omissions* . The Administrative Agent and the Borrower may amend any Financing Document to correct administrative errors or omissions, or to effect administrative changes that are not adverse to any Lender. Notwithstanding anything to the contrary contained herein, such amendments shall become effective without any further consent of any other party to such Financing Document.

(i) *Non-Consenting Lenders* . In the event that (i) the Borrower or the Administrative Agent has requested that the Lenders consent to a departure or waiver of any provisions of the

Financing Documents or agree to any amendment thereto, (ii) the consent, waiver or amendment in question requires the agreement of all affected Lenders in accordance with the terms of Section 9.12(b) or all Lenders in accordance with the terms of Section 9.12(d) and (iii) the Majority Lenders have agreed to such consent, waiver or amendment, then any Lender who does not agree to such consent, waiver or amendment shall be deemed to be a “Non-Consenting Lender.” If any Lender becomes a Non-Consenting Lender, then the Borrower may, on ten (10) Business Days’ prior written notice to the Administrative Agent and such Lender, replace such Lender by causing such Lender to (and such Lender shall be obligated to) assign pursuant to Section 9.15 (with the assignment fee to be paid by the Borrower in such instance) its Commitment and its outstanding Loans, if any, to one or more Eligible Assignees approved by the Administrative Agent in its sole and absolute discretion; provided that (i) neither the Administrative Agent nor any Lender shall have any obligation to the Borrower to find a replacement Lender or other such Person, (ii) on the date of such assignment, the replacement Lender shall pay to the Non-Consenting Lender an amount equal to the sum of (A) an amount equal to the principal of, and all accrued interest on, all outstanding Loans of such Non-Consenting Lender and (B) an amount equal to all accrued, but theretofore unpaid fees, if any, owing to such Non-Consenting Lender pursuant to Section 2.3 and (iii) on the date of such assignment, the Borrower shall pay any amounts payable to such Non-Consenting Lender pursuant to Sections 2.6 or 2.7.

(j) *Consent of Swap Counterparty* . No amendment, waiver or consent described in clause (a) of this Section 9.12 shall materially and adversely affect the rights of a Swap Counterparty or cause a Hedging Agreement to which a Swap Counterparty is party to cease to be a Permitted Swap Agreement, in each case, without the written consent of such Swap Counterparty (in addition to the Lenders required above).

9.13 Withholding Tax .

(a) If the forms or other documentation required by Section 2.4(g) are not delivered to the Administrative Agent, then the Administrative Agent may withhold from any interest payment to any Lender not providing such forms or other documentation, an amount equivalent to the applicable withholding tax.

(b) If the Internal Revenue Service or any authority of the United States of America or other jurisdiction asserts a claim that the Administrative Agent did not properly withhold tax from amounts paid to or for the account of any Lender (because the appropriate form was not delivered, was not properly executed, or because such Lender failed to notify the Administrative Agent or any other Person of a change in circumstances which rendered the exemption from, or reduction of, withholding tax ineffective, or for any other reason) such Lender shall indemnify promptly the Administrative Agent fully for all amounts paid, directly or indirectly, by such Person as tax or otherwise, including penalties and interest, together with all expenses incurred, including legal expenses, allocated staff costs, and any out-of-pocket expenses.

9.14 Participations .

(a) Each Lender may, without the consent of the Borrower or the Administrative Agent, sell participations to one or more banks or other Persons in all or a portion of its rights and

obligations under this Agreement and the other Financing Documents (including all or a portion of its Commitment and the Loans owing to it); provided, however, that (i) such Lender's obligations under this Agreement and the other Financing Documents shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (iii) the participating banks or other Persons shall be entitled to the benefit of the cost protection provisions contained in Sections 2.4(d), 2.6, and 2.7 to the same extent as if they were Lenders and (iv) the Borrower, the Administrative Agent and the Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement, and such Lender shall retain the sole right to enforce the obligations of the Borrower relating to the Loans and to approve any amendment, modification or waiver of any provision of this Agreement (other than amendments, modifications or waivers with respect to matters requiring consent of all Lenders pursuant to Section 9.9). To the extent permitted by law, each participating bank or other Person shall also be entitled to the benefits of Section 10.2 as though it were a Lender, provided such participating bank or other Person agrees to be subject to Section 2.5(b) as though it were a Lender. Other than as otherwise specified in this clause (a), no participating bank or other Person shall have any other rights under this Agreement, including direct rights against any Loan Party nor any rights to any remedies and shall not be considered for any purpose to be a party to this Agreement. In no event shall a Loan Party be responsible for any costs or expenses of any counsel engaged by a participating bank or other Person that has acquired a participation from a Lender.

(b) Any Lender that sells a participation, acting solely for this purpose as an agent of the Borrower, shall maintain a register in which it enters the name and address of each participant, and the principal amount (and stated interest) of each participant's interest in the Loans under the Financing Documents (the "Participant Register"); provided, that no Lender shall have an obligation to disclose 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 Financing Document) to any Person except to the extent that such disclosure is necessary to establish that the Loans or other obligations under this Agreement are in registered form for tax purposes under Section 5f.103-1(c) of the United States Treasury Regulation. The entries in the Participant Register shall be conclusive absent manifest error, and the Lender maintaining the Participant Register shall treat each person whose name is recorded in the register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent, in its capacity as such, shall have no responsibility for maintaining a Participant Register.

(c) Any Lender or participant may, in connection with any participation or proposed participation pursuant to this Section 9.14, disclose to the participant or proposed participant any information relating to the Loan Parties or their respective Affiliates furnished to such Lender by or on behalf of the Loan Parties; provided, that, prior to any such disclosure of information designated by the Borrower as confidential, each such participant or proposed participant shall execute an agreement whereby such participant shall agree (subject to customary exceptions) to preserve the confidentiality of such confidential information on terms no less restrictive than those applicable to the Lenders pursuant to Section 10.17.

9.15 Assignments .

(a) Each Lender may assign to one or more Eligible Assignees all or a portion of its interests, rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it) with the prior written consent of the Administrative Agent (such consent not to be unreasonably withheld, conditioned or delayed) and, unless an Event of Default pursuant to Sections 8.1(a) or (d) has occurred and is continuing, the Borrower (such consent not to be unreasonably withheld, conditioned or delayed); provided, however, that if such assignment is to a Lender or an Affiliate of a Lender whose credit-worthiness is reasonably comparable to that of the transferring Lender, no consent of the Borrower or the Administrative Agent shall be required; provided, further, that (i) the amount of the Commitment or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to the Administrative Agent) shall be in an integral multiple of, and not less than One Million Dollars (\$1,000,000) (or, if less, the entire remaining amount of such Lender's Commitment or Loans), except for any assignments made to National Bank of Arizona by Lenders on the First Amendment Date pursuant to the "Rebalancing Transactions" (as defined in the First Amendment), in which case, the amount of the Loans assigned by each assigning Lender may be less than One Million Dollars (\$1,000,000) provided that (i) the parties to each assignment shall (A) execute and deliver to the Administrative Agent an Assignment and Acceptance via an electronic settlement system acceptable to the Administrative Agent or (B) if previously agreed with the Administrative Agent, manually execute and deliver to the Administrative Agent an Assignment and Acceptance, and, in each case, shall pay to the Administrative Agent a processing and recordation fee of Three Thousand Five Hundred Dollars (\$3,500) (which fee may be waived or reduced in the sole discretion of the Administrative Agent), (ii) if the assigning Lender is assigning all of its interests, rights and obligations under this Agreement and such assigning Lender or its Affiliate is a Swap Counterparty, such Swap Counterparty shall make commercially reasonable efforts to assign all of its interests, rights and obligations under each Permitted Swap Agreement to another Lender or an Affiliate of another Lender, and (iii) the assignee (including any assignee of a Permitted Swap Agreement that is an Affiliate of another Lender), if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire (in which the assignee shall designate one or more credit contacts to whom all syndicate-level information (which may contain material non-public information about the Loan Parties and their Affiliates or their respective securities) will be made available and who may receive such information in accordance with the assignee's compliance procedures and applicable laws, including Federal and state securities laws) and all applicable tax forms. Upon acceptance and recording pursuant to clause (a) of this Section 9.15, from and after the effective date specified in each Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all or the remaining portion of an assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.4(d), 2.6, 2.7, 5.9, 5.10 and 10.4, as well as to any Fees accrued for its account and not yet paid).

(b) By executing and delivering an Assignment and Acceptance, the assigning Lender thereunder and the assignee thereunder shall be deemed to confirm to and agree with each other and the other parties hereto as follows: (i) such assigning Lender warrants that it is the legal and beneficial owner of the interest being assigned thereby free and clear of any Lien or adverse claim

and that its Commitment, and the outstanding balances of its Loans, in each case without giving effect to assignments thereof which have not become effective, are as set forth in such Assignment and Acceptance, (ii) except as set forth in subclause (i) above, such assigning Lender makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or the other Financing Documents, or the execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement, any other Financing Document or any other instrument or document furnished pursuant hereto, or the financial condition of the Borrower or any other Loan Party or the performance or observance by the Borrower or any other Person of any of its obligations under this Agreement, any other Financing Document or any other instrument or document furnished pursuant hereto, or thereto, or in connection therewith; (iii) such assignee represents and warrants that it is an Eligible Assignee legally authorized to enter into such Assignment and Acceptance; (iv) such assignee confirms that it has received a copy of this Agreement and the other Financing Documents (other than the Fee Letters), together with copies of the most recent financial statements delivered pursuant to Section 5.3 and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance; (v) such assignee will independently and without reliance upon the Administrative Agent, the Collateral Agent, such assigning Lender or any other Secured Party 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; (vi) such assignee appoints and authorizes the Administrative Agent and the Collateral Agent to take such action as agent on its behalf and to exercise such powers under this Agreement as are delegated to the Administrative Agent and the Collateral Agent, respectively, by the terms hereof, together with such powers as are reasonably incidental thereto; and (vii) such assignee agrees that it will perform in accordance with their terms all the obligations which by the terms of this Agreement are required to be performed by it as a Lender; provided, that except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

(c) The Administrative Agent, acting for this purpose as an agent of the Borrower, shall maintain at one of its offices in the City of New York a copy of each Assignment and Agreement referred delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment thereof, and principal amount of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the “ **Register** ”). The entries in the Register shall be conclusive absent manifest error and the Borrower, each Lender and the Agents may 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, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower, the Collateral Agent and any Lender at any reasonable time and from time to time upon reasonable prior notice.

(d) Upon its receipt of, and consent to, a duly completed Assignment and Acceptance executed by an assigning Lender and an assignee, an Administrative Questionnaire completed in respect of the assignee (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in clause (a) above, if applicable, and the written consent of the Administrative Agent and, if required, the Borrower, to such assignment and any applicable tax forms, the Administrative Agent shall (i) accept such Assignment and Acceptance and (ii) record

the information contained therein in the Register. No assignment shall be effective unless it has been recorded in the Register as provided in this clause (d).

(e) At the assigning Lender's option, the Borrower shall execute and deliver to such new lender a new Note in the form attached hereto as Exhibit A, in a principal amount equal to the Loans being assigned, and the Borrower shall execute and exchange with the assigning Lender a replacement note for any Note in an amount equal to amount of the Loans retained by the Lender, if any.

(f) Any Lender may, in connection with any assignment or proposed assignment pursuant to this Section 9.15, disclose to the assignee or proposed assignee any information relating to the Loan Parties or their respective Affiliates furnished to such Lender by or on behalf of the Loan Parties; provided, that, prior to any such disclosure of information designated by the Borrower as confidential, each such assignee or proposed assignee shall execute an agreement whereby such assignee shall agree (subject to customary exceptions) to preserve the confidentiality of such confidential information on terms no less restrictive than those applicable to the Lenders pursuant to Section 10.17.

9.16 Assignability to Federal Reserve Bank or Central Bank.

(a) Any Lender may at any time assign all or any portion of its rights under this Agreement to secure extensions of credit to such Lender or in support of obligations owed by such Lender; provided that no such assignment shall release a Lender from any of its obligations hereunder or substitute any such assignee for such Lender as a party hereto.

(b) Any Lender or its direct or indirect parent may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any such pledge or assignment to a Federal Reserve Bank or any other central bank in the jurisdiction of such Lender or its direct or indirect parent, and this Section 9.16 shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto; and provided further that any payment in respect of such pledge or assignment made by the Borrower to or for the account of the pledging or assigning Lender in accordance with the terms of this Agreement shall satisfy the Borrower's obligations hereunder in respect of such pledged or assigned Loans to the extent of such payment.

9.17 No Other Duties, Etc. Notwithstanding anything to the contrary herein, none of the Lead Arrangers listed on the cover page hereof shall have any powers, duties or responsibilities under this Agreement or any of the other Financing Documents, except in its capacity, as applicable, as the Administrative Agent, Collateral Agent, a Lender, a Swap Counterparty, or the Depositary hereunder.

ARTICLE 10

MISCELLANEOUS

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[***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

10.1 Addresses; Notices .

(a) Any communications between the parties hereto or notices provided herein to be given may be given to the following addresses:

To the Borrower:

Vivint Solar Financing I, LLC
c/o Vivint Solar, Inc.
1800 W. Ashton Blvd.
Lehi, UT 84043
Attention: ***
E-Mail: ***
Facsimile: ***

with a copy to:

Vivint Solar Inc.
1800 W. Ashton Blvd.
Lehi, UT 84043
Attention: ***
E-Mail: ***
Facsimile: ***

To the Administrative Agent or Collateral Agent:

Administrative Agent/Collateral Agent Office:

(For financial/loan activity – advances, pay down, interest/fee billing and payments, rollovers, rate-settings):

Mail Code: ***

Attention: ***

Phone: ***

Fax: ***

Electronic Mail: ***

Other Notices as Administrative Agent/Collateral Agent:

(For financial statements, compliance certificates, maturity extension and commitment change notices, amendments, consents, vote taking, etc.)

Agency Management

Mail Code: ***

Attention: ***

Phone: ***

Telecopier: ***

Electronic Mail: ***

To the Lenders: At such address and fax number as set forth in Annex 2 or as each Lender may provide in writing to the Borrower and the Administrative Agent.

(b) All notices or other communications required or permitted to be given hereunder shall be in writing and shall be considered as properly given (i) if delivered in person; (ii) if sent by a nationally recognized overnight delivery service; (iii) in the event overnight delivery services are not readily available, if mailed by first class mail, postage prepaid, registered or certified with return receipt requested; or (iv) if sent by telecopy or electronic mail with a confirmation of receipt. Notice so given shall be effective upon receipt by the addressee, except that communication or notice so transmitted by telecopy or other direct written electronic means shall be deemed to have been validly and effectively given on the day (if a Business Day and, if not, on the next following Business Day) on which it is transmitted if transmitted before 4:00 p.m., recipient's time, and if transmitted after that time, on the next following Business Day; provided, however, that if any notice is tendered to an addressee and the delivery thereof is refused by such addressee, such notice shall be effective upon such tender. Any party shall have the right to change its address for notice hereunder to any other location by giving of thirty (30) days' written notice to the other parties in the manner set forth hereinabove.

(c) The Borrower hereby agrees, unless directed otherwise by the Administrative Agent or unless the electronic mail address referred to below has not been provided by the Administrative Agent to the Borrower, that notwithstanding anything to the contrary in clause (b) above, it will provide to the Administrative Agent all information, documents and other materials that it is obligated to furnish to the Administrative Agent pursuant to the Financing Documents or to the Lenders under Article 5, including all notices, requests, financial statements, financial and other reports, certificates and other information materials, but excluding any such communication that (i) is or relates to a Borrowing Notice or a notice pursuant to Section 2.1(a)(iii), (ii) relates to the payment of any principal or other amount due under this Agreement prior to the scheduled date therefor, (iii) provides a Notice of Default or Notice of Event of Default under this Agreement or any other Financing Document or (iv) is required to be delivered to satisfy any condition precedent to the effectiveness of this Agreement and/or any Borrowing or other extension of credit hereunder (all such non-excluded communications being referred to herein collectively as "**Communications**"), by transmitting the Communications in an electronic/soft medium that is properly identified in a format acceptable to the Administrative Agent to an electronic mail address as directed by the Administrative Agent. In addition, the Borrower agrees to continue to provide

the Communications to the Administrative Agent or the Lenders, as the case may be, in the manner specified in the Financing Documents but only to the extent requested by the Administrative Agent.

(d) The Borrower hereby acknowledges that (i) the Administrative Agent will make available to the Lenders materials and/or information provided by or on behalf of the Borrower hereunder (collectively, the “ **Borrower Materials** ”) by posting the Borrower Materials on Intralinks or another similar electronic system (the “ **Platform** ”) and (ii) certain of the Lenders may be “public-side” Lenders (i.e., Lenders that do not wish to receive material non-public information with respect to the Borrower or its securities) (each, a “ **Public Lender** ”). The Borrower hereby agrees that (w) all Borrower Materials that are to be made available to Public Lenders shall be clearly and conspicuously marked “PUBLIC” which, at a minimum, shall mean that the word “PUBLIC” shall appear prominently on the first page thereof; (x) by marking Borrower Materials “PUBLIC,” the Borrower shall be deemed to have authorized the Administrative Agent and the Lenders to treat such Borrower Materials as not containing any material non-public information with respect to the Borrower or its securities for purposes of United States federal and state securities laws ; (y) all Borrower Materials marked “PUBLIC” are permitted to be made available through a portion of the Platform designated as “Public Investor;” and (z) the Administrative Agent shall be entitled to treat any Borrower Materials that are not marked “PUBLIC” as being suitable only for posting on a portion of the Platform not marked as “Public Investor.” The following Borrower Materials shall be marked “PUBLIC”, unless the Borrower notifies the Administrative Agent promptly that any such document contains material non-public information: (1) the Financing Documents and (2) notification of changes in the terms of the Financing Documents; provided, however, that the parties acknowledge and agree that the Fee Letters contain sensitive proprietary information and shall not be marked, treated as, or considered “PUBLIC” in any respect. Notwithstanding anything herein to the contrary, any and all Borrower Materials are subject to the confidentiality provisions of Section 10.17.

(e) Each Public Lender agrees to cause at least one individual at or on behalf of such Public Lender to at all times have selected the “Private Side Information” or similar designation on the content declaration screen of the Platform in order to enable such Public Lender or its delegate, in accordance with such Public Lender’s compliance procedures and applicable law, including United States Federal and state securities laws, to make reference to Communications that are not made available through the “Public Side Information” portion of the Platform and that may contain material non-public information with respect to the Borrower or its securities for purposes of United States Federal or state securities laws.

(f) THE PLATFORM IS PROVIDED “AS IS” AND “AS AVAILABLE”. NEITHER THE ADMINISTRATIVE AGENT NOR ANY OF ITS RELATED PARTIES WARRANTS THE ACCURACY OR COMPLETENESS OF THE COMMUNICATIONS OR THE ADEQUACY OF THE PLATFORM AND EACH EXPRESSLY DISCLAIMS LIABILITY FOR ERRORS OR OMISSIONS IN THE COMMUNICATIONS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS IS MADE BY THE ADMINISTRATIVE AGENT OR ANY OF ITS RELATED PARTIES IN CONNECTION WITH

THE COMMUNICATIONS OR THE PLATFORM. IN NO EVENT SHALL THE ADMINISTRATIVE AGENT OR ANY OF ITS RELATED PARTIES HAVE ANY LIABILITY TO THE MEMBER, THE BORROWER, ANY LENDER OR ANY OTHER PERSON FOR DAMAGES OF ANY KIND, WHETHER OR NOT BASED ON STRICT LIABILITY AND INCLUDING DIRECT OR INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, LOSSES OR EXPENSES (WHETHER IN TORT, CONTRACT OR OTHERWISE) ARISING OUT OF THE MEMBER'S, THE BORROWER'S OR THE ADMINISTRATIVE AGENT'S TRANSMISSION OF COMMUNICATIONS THROUGH THE PLATFORM, ANY OTHER ELECTRONIC PLATFORM OR ELECTRONIC MESSAGING SERVICE OR THROUGH THE INTERNET, EXCEPT TO THE EXTENT THE LIABILITY OF ANY SUCH PERSON IS FOUND IN A FINAL RULING BY A COURT OF COMPETENT JURISDICTION TO HAVE RESULTED PRIMARILY FROM SUCH PERSON'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

(g) The Administrative Agent agrees that the receipt of the Communications by the Administrative Agent at its e-mail address set forth above shall constitute effective delivery of the Communications to the Administrative Agent for purposes of the Financing Documents. Each Lender agrees that receipt of notice to it (as provided in the next sentence) specifying that the Communications have been posted to the Platform shall constitute effective delivery of the Communications to such Lender for purposes of the Financing Documents. Each Lender agrees to notify the Administrative Agent in writing (including by electronic communication) from time to time of such Lender's e-mail address to which the foregoing notice may be sent by electronic transmission and that the foregoing notice may be sent to such e-mail address.

(h) Nothing herein shall prejudice the right of the Administrative Agent or any Lender to give notice or other communications pursuant to any Financing Document in any other manner specified in such Financing Document.

10.2 Right to Set-Off. If an Event of Default shall have occurred and be continuing, each Lender is hereby authorized at any time and from time to time, except to the extent prohibited by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Lender to or for the credit or the account of any Loan Party against any of and all the obligations of any Loan Party now or hereafter existing under this Agreement and other Financing Documents held by such Lender, irrespective of whether or not such Lender shall have made any demand under this Agreement or such other Financing Document and although such obligations may be unmatured; provided that in the event that any Defaulting Lender shall exercise any such right of setoff, the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. The rights of each Lender under this Section 10.2 are in addition to other rights and remedies (including other rights of setoff) which such Lender may have; provided further, that no amounts received from, or set off with respect to, any Guarantor shall be applied to any Excluded Swap Obligations of such Guarantor.

10.3 Delay and Waiver. No failure by any Lender or the Administrative Agent to exercise, and no delay by any such Person in exercising, any right, remedy, power or privilege

hereunder or under any other Financing Document shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder or under any other Financing Document preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided, and provided under each other Financing Document, are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

Notwithstanding anything to the contrary contained herein or in any other Financing Document, the authority to enforce rights and remedies hereunder and under the other Financing Documents against the Loan Parties or any of them shall be vested exclusively in, and all actions and proceedings at law in connection with such enforcement shall be instituted and maintained exclusively by, the Administrative Agent in accordance with Section 8.2 for the benefit of all the Lenders; provided, however, that the foregoing shall not prohibit (a) the Administrative Agent from exercising on its own behalf the rights and remedies that inure to its benefit (solely in its capacity as Administrative Agent) hereunder and under the other Financing Documents, (b) any Lender from exercising setoff rights in accordance with Section 10.2 (subject to the terms of Section 2.5), or (d) any Lender from filing proofs of claim or appearing and filing pleadings on its own behalf during the pendency of a proceeding relative to any Loan Party under any Bankruptcy Law; and provided, further, that if at any time there is no Person acting as Administrative Agent hereunder and under the other Financing Documents, then (i) the Majority Lenders shall have the rights otherwise ascribed to the Administrative Agent pursuant to Section 8.2 and (ii) in addition to the matters set forth in clauses (b), (c) and (d) of the preceding proviso and subject to Section 2.5, any Lender may, with the consent of the Majority Lenders, enforce any rights and remedies available to it and as authorized by the Majority Lenders.

10.4 Costs, Expenses and Attorney's Fees. The Borrower shall pay all reasonable costs and out-of-pocket expenses (a) incurred by the Agents and their Affiliates, Depositary and any Lender in connection with the preparation, negotiation, closing and costs of administering this Agreement and the other Financing Documents (whether or not the transactions contemplated hereby or thereby shall be consummated and regardless of whether any Borrowing Date occurs) or in connection with any amendments, modifications or waivers of the provisions hereof and thereof, including the reasonable fees, out-of-pocket expenses and disbursements of any single counsel for the Agents and one local counsel in each applicable jurisdiction (and, in the event of any conflict of interest, one additional counsel of each type to the affected parties) or (b) incurred by the Agents and their Affiliates, Depositary or any Lender in connection with the enforcement or protection of its rights under this Agreement and the other Financing Documents or in connection with the Loans or the performance of this Agreement (including, for the avoidance of doubt, any expenses related to an Incremental Loan Commitment, review of a Potential New Fund, or review of potential new Systems); *provided, however*, that the reimbursement provided by the Borrower for the benefit of the Administrative Agent pursuant to clause (a) of this Section 10.4 for legal expenses incurred prior to the Closing Date shall be subject to the limitation set forth in Section 4 of the Engagement Letter dated April 30, 2014 and Section 3 of the Engagement Letter dated March 9, 2017.

10.5 Entire Agreement. This Agreement, the Fee Letters and the other Financing Documents constitute the entire contract between the parties relative to the subject matter hereof

and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the Parties. There are no unwritten oral agreements among the parties. Any other previous agreement among the parties with respect to the subject matter hereof is superseded by this Agreement and the other Financing Documents. Nothing in this Agreement or in the other Financing Documents, expressed or implied, is intended to confer upon any Person (other than the parties hereto and thereto, their respective successors and assigns permitted hereunder and, to the extent expressly contemplated hereby, the Related Parties of each of the Agents and the Lenders) any rights, remedies, obligations or liabilities under or by reason of this Agreement or the other Financing Documents.

10.6 Governing Law. THIS AGREEMENT, THE OTHER FINANCING DOCUMENTS, AND ANY INSTRUMENT OR AGREEMENT REQUIRED HEREUNDER (TO THE EXTENT NOT EXPRESSLY PROVIDED FOR THEREIN) SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

10.7 Severability. In case any one or more of the provisions contained in this Agreement or any other Financing Document should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and therein shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction). The parties hereto shall enter into good faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

10.8 Headings. Article, Section and paragraph headings and the table of contents used herein have been inserted in this Agreement as a matter of convenience for reference only and are not a part of this Agreement and shall not be used in the interpretation of any provision of this Agreement.

10.9 Accounting Terms. All accounting terms not specifically defined herein shall be construed in accordance with GAAP and practices consistent with those applied in the preparation of the financial statements submitted by the Borrower to the Administrative Agent and Lenders pursuant to this Agreement, and (unless otherwise indicated) all financial data submitted pursuant to this Agreement shall be prepared in accordance with such principles and practices consistently applied.

10.10 No Partnership, Etc. The Agents, the Lenders and the Borrower intend that the relationship between them shall be solely that of creditor and debtor. Nothing contained in this Agreement, the Notes or in any of the other Financing Documents shall be deemed or construed to create a partnership, tenancy-in-common, joint tenancy, joint venture or co-ownership by or between or among the Agents, the Lenders and the Borrower or any other Person. Neither the Agents nor the Lenders shall be in any way responsible or liable for the debts, losses, obligations or duties of the Borrower or any other Person with respect to the Systems or otherwise. All obligations to pay real property or other taxes, assessments, insurance premiums, and all other fees and charges arising from the ownership, operation or occupancy of the Systems and to perform all

obligations under other agreements and contracts relating to the Systems shall be the sole responsibility of the Borrower.

10.11 Waiver of Jury Trial. EACH PARTY HERETO HEREBY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHTS IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS AGREEMENT OR ANY OTHER FINANCING DOCUMENT. EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER FINANCING DOCUMENTS, AS APPLICABLE, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 10.11.

10.12 Consent to Jurisdiction; Service of Process.

(a) Each of the parties hereto hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the courts of the State of New York, sitting in the Borough of Manhattan, The City of New York, New York, United States of America, or of the United States of America for the Southern District of New York sitting in the Borough of Manhattan, The City of New York, New York, United States of America, any appellate court from any thereof, in any legal action or proceeding arising out of or relating to this Agreement or the other Financing Documents, or for the recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such courts of the State of New York or, to the extent permitted by law, such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that the Administrative Agent, the Collateral Agent, or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or the other Financing Documents against the Loan Parties or their respective properties in the courts of any jurisdiction.

(b) Each of the parties hereto hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or the other Financing Documents in any courts of the State of New York or Federal court, each sitting in the Borough of Manhattan, The City of New York, New York, United States of America. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court. Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 10.1. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

10.13 Interest Rate Limitation . Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts which are treated as interest on such Loan under applicable law (collectively the “ **Charges** ”), shall exceed the maximum lawful rate (the “ **Maximum Rate** ”) which may be contracted for, charged, taken, received or reserved by the Lender holding such Loan in accordance with applicable law, the rate of interest payable in respect of such Loan, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan but were not payable as a result of the operation of this Section 10.13 shall be cumulated and the interest and Charges payable to such Lender in respect of other Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Rate to the date of repayment, shall have been received by such Lender.

10.14 Successors and Assigns .

(a) Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the permitted successors and assigns of such party; and all covenants, promises and agreements by or on behalf of any Loan Party, the Agents or the Lenders that are contained in this Agreement shall bind and inure to the benefit of their respective successors and assigns.

(b) No Loan Party shall assign or delegate any of its rights or duties under this Agreement or any Financing Document without the prior written consent of the Administrative Agent and each Lender, and any attempted assignment shall be null and void.

10.15 Patriot Act Compliance . The Administrative Agent hereby notifies the Borrower that, pursuant to the requirements of the Patriot Act, it and any other Agent and any Lender shall be required to obtain, verify and record information that identifies the Borrower and the Borrower Member, which information includes the names and addresses and other information that will allow it, any other Agent or any Lender to identify the Borrower and the Borrower Member in accordance with the requirements of the Patriot Act. The Borrower shall promptly deliver information described in the immediately preceding sentence when requested by the Administrative Agent, any other Agent or any Lender in writing pursuant to the requirements of the Patriot Act, and shall promptly deliver such other information when requested by the Administrative Agent, any other Agent or any Lender in writing pursuant to such Person’s ongoing obligations under “know your customer” and anti-money laundering rules and regulations.

10.16 Binding Effect; Counterparts .

(a) This Agreement shall become effective when it shall have been executed by the Borrower and each of the Agents and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto.

(b) This Agreement may be executed in one or more duplicate counterparts and by facsimile or other electronic transmission, each of which shall constitute an original but all of

which shall become effective as provided in clause (a) above. Delivery of an executed signature page to this Agreement by facsimile transmission shall be as effective as delivery of a manually signed counterparty of this Agreement.

10.17 **Confidentiality**. Each of the Agents and the Lenders agree to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' officers, directors, employees, agents, advisors, counsel and representatives (collectively, its "**Representatives**") who have the need to know the Information to evaluate or engage in transactions contemplated by the Financing Documents (it being understood that, prior to any such disclosure, the Representative has signed a non-use and non-disclosure agreement in content similar to the provisions of this Section 10.17 or have otherwise been instructed by the Agent or Lender, as applicable, not to disclose such Information and to treat such Information confidentially in accordance with the terms of this Section 10.17), (b) to the extent requested or required by any governmental agency or other regulatory authority (including any self-regulatory organization having or claiming to have jurisdiction) or in connection with any legal proceedings to make any disclosure that is prohibited or otherwise constrained by this Section 10.17, the Agent or Lender, as applicable, will (other than in connection with any regulatory inquiry or proceeding), to the extent reasonably practicable and permitted by law, judicial or regulatory authority, provide the Borrower and Borrower Member with prompt written notice of such requirement so that the Borrower or Borrower Member, as the case may be, may seek a protective order or other appropriate relief (at the Borrower's sole expense), and subject to the foregoing, such Agent or Lender, as applicable, may furnish that portion (and only that portion) of the Information that the Agent or Lender, as applicable, is legally compelled or is otherwise required to disclose without liability hereunder, (c) subject to an agreement containing provisions substantially the same as those of this Section 10.17, to (i) any actual or prospective assignee of or participant in any of its rights or obligations under this Agreement and the other Financing Documents or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Borrower or any of its obligations, (d) with the consent of the Borrower or (e) to the extent such Information becomes publicly known or generally made available other than as a result of a breach of this Section 10.17. For the purposes of this Section 10.17, "**Information**" shall mean (A) any information disclosed by the Borrower, Borrower Member or its Affiliates, either directly or indirectly, in writing, orally or by inspection of tangible objects, including without limitation, algorithms, business plans, customer data, customer lists, customer names, designs documents, drawing, engineering information, financial analysis, forecasts, formulas, hardware configuration information, know-how, ideas, inventions, market information, marketing plans, processes, products, product plans, research, specifications, software, data tags and content, source code, trade secrets or any other information which is designated as "confidential," "proprietary" or some similar designation or should be reasonably be understood by the receiving party as being confidential, (B) any information otherwise obtained, directly or indirectly, by a receiving party through inspection, review or analysis of the disclosed information, (C) this Agreement, the terms hereof and the transactions contemplated hereby, and (D) indicative and final pricing information regarding any transactions under the Permitted Swap Agreements. Information that is disclosed orally shall be "Information" for purposes of this Section 10.17 if it is (x) designated as confidential at the time of disclosure or within a reasonable time after disclosure; or (y) should be reasonably understood to be confidential. Information may also include information of a third party that is in the possession of the Borrower, Borrower Member

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[***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

or its Affiliate and is disclosed to the Agents and the Lenders in connection with this Agreement. Clause (a) and (b) of the definition of Information shall not, however, include any information that (1) was publicly known and made generally available in the public domain prior to the time of disclosure, (2) becomes publicly known and made generally available after disclosure other than as a result of a breach of this Section 10.17, (3) is already in the possession of the Agent or Lender at the time of disclosure as shown by the Agent's or Lender's files and records immediately prior to the time of disclosure, (4) is obtained by the Agent or Lender from a third party lawfully in possession of such information and without a breach of such third party's obligations of confidentiality, or (5) is independently developed by the Agent or Lender without use or reference to the Borrower's, Borrower Member's or their Affiliates' Information, as shown by documents and other competent evidence in the Agent's or Lender's possession. Any Person required to maintain the confidentiality of Information as provided in this Section 10.17 shall be considered to have complied with its obligation to do so if such Person has taken at least those measures that it take to protect its own confidential information of a similar nature, but in no case less than reasonable care (including, without limitation, all precautions the Agent or Lender employs with respect to its confidential materials). For the avoidance of doubt, any and all Borrower Materials are subject to the confidentiality provisions of this Section 10.17.

10.18 Survival of Agreements. All covenants, agreements, representations and warranties made by the Borrower herein and in the certificates or other instruments prepared or delivered in connection with or pursuant to this Agreement or any other Financing Document shall be considered to have been relied upon by the Lenders and shall survive the making by the Lenders of the Loans, regardless of any investigation made by the Lenders or on their behalf, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any Fees or any other amount payable under this Agreement or any other Financing Document is outstanding and unpaid and so long as the Commitments have not been terminated. The provisions of Sections 2.4(d), 2.6, 2.7, 5.9, 5.10, 10.4 and 10.18 shall remain operative and in full force and effect regardless of the expiration of the term of this Agreement, the consummation of the transactions contemplated hereby, the repayment of any of the Loans, the expiration of the Commitments, the invalidity or unenforceability of any term or provision of this Agreement or any other Financing Document, or any investigation made by or on behalf of the Administrative Agent, the Collateral Agent or any Lender.

10.19 Electronic Execution of Assignments and Certain Other Documents. The words "execute," "execution," "signed," "signature," and words of like import in any document to be signed in connection with this Agreement and the transactions contemplated hereby (including assignment agreements, amendments or other modifications, Borrowing Notices, waivers and consents) shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Administrative Agent, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act; provided that notwithstanding anything contained herein to the contrary, solely with respect to the Administrative Agent's "Cash Pro" electronic platform and the

Platform, the Administrative Agent is under no obligation to agree to accept electronic signatures in any form or in any format unless expressly agreed to by the Administrative Agent pursuant to procedures approved by it.

10.20 Acknowledgement and Consent to Bail-In of EEA Financial Institutions. Notwithstanding anything to the contrary in any Financing 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 EEA Financial Institution arising under any Financing Document, to the extent such liability is unsecured, may be subject to the Write-Down and Conversion Powers of an EEA 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 an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any Lender that is an EEA 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 EEA 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 Financing Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of any EEA Resolution Authority.

ARTICLE 11

GUARANTY

11.1 The Guarantee.

Each Guarantor hereby jointly and severally with the other Guarantors guarantees, as a primary obligor and not as a surety to each Secured Party and their respective successors and assigns, the prompt payment in full when due (whether at stated maturity, by required prepayment, declaration, demand, by acceleration or otherwise) of (A) the principal of and interest (including any interest, fees, costs or charges that would accrue but for the provisions of (i) the Title 11 of the United States Code after any bankruptcy or insolvency petition under Title 11 of the United States Code and (ii) any other Bankruptcy Laws) on the Loans made by the Lenders to, and the Notes, if any, held by each Lender of, the Borrower and (B) Obligations arising under any Permitted Swap Agreement, in each case strictly in accordance with the terms thereof (such obligations being herein collectively called the “**Guaranteed Obligations** ”); *provided* that no Guarantor shall provide any guarantee in respect of any Excluded Swap Obligations. The Guarantors hereby jointly and severally agree that if the Borrower or other Guarantor(s) shall fail

to pay in full when due (whether at stated maturity, by acceleration or otherwise) any of the Guaranteed Obligations, the Guarantors will promptly pay the same in cash, without any demand or notice whatsoever, and that in the case of any extension of time of payment or renewal of any of the Guaranteed Obligations, the same will be promptly paid in full when due (whether at extended maturity, by acceleration or otherwise) in accordance with the terms of such extension or renewal.

11.2 Obligations Unconditional.

The obligations of the Guarantors under Section 11.1 shall constitute a guarantee of payment and to the fullest extent permitted by applicable Law, are absolute, irrevocable and unconditional, joint and several, irrespective of the value, genuineness, validity, regularity or enforceability of the Guaranteed Obligations of the Borrower under this Agreement, the Notes, if any, or any other agreement or instrument referred to herein or therein, or any substitution, release or exchange of any other guarantee of or security for any of the Guaranteed Obligations, and, irrespective of any other circumstance whatsoever that might otherwise constitute a legal or equitable discharge or defense of a surety or Guarantor (except for payment in full). Without limiting the generality of the foregoing, it is agreed that the occurrence of any one or more of the following shall not alter or impair the liability of the Guarantors hereunder which shall remain absolute, irrevocable and unconditional under any and all circumstances as described above:

- (A) at any time or from time to time, without notice to the Guarantors, to the extent permitted by Law, the time for any performance of or compliance with any of the Guaranteed Obligations shall be extended, or such performance or compliance shall be waived;
- (B) any of the acts mentioned in any of the provisions of this Agreement or the Notes, if any, or any other agreement or instrument referred to herein or therein shall be done or omitted;
- (C) the maturity of any of the Guaranteed Obligations shall be accelerated, or any of the Guaranteed Obligations shall be amended in any respect, or any right under the Financing Documents or any other agreement or instrument referred to herein or therein shall be amended or waived in any respect or any other guarantee of any of the Guaranteed Obligations or except as permitted pursuant to Section 11.9, any security therefor shall be released or exchanged in whole or in part or otherwise dealt with;
- (D) any Lien or security interest granted to, or in favor of any Lender or Agent as security for any of the Guaranteed Obligations shall fail to be perfected; or
- (E) the release of any other Guarantor pursuant to Section 11.9 or otherwise.

The Guarantors hereby expressly waive diligence, presentment, demand of payment, protest and, to the extent permitted by Law, all notices whatsoever, and any requirement that any Secured Party exhaust any right, power or remedy or proceed against the Borrower under this Agreement or the Notes, if any, or any other agreement or instrument referred to herein or therein, or against any other person under any other guarantee of, or security for, any of the Guaranteed Obligations. The Guarantors waive, to the extent permitted by Law, any and all notice of the creation, renewal, extension, waiver, termination or accrual of any of the Guaranteed Obligations and notice of or proof of reliance by any Secured Party upon this Guarantee or acceptance of this Guarantee, and the Guaranteed Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred in reliance upon this Guarantee, and all dealings between the Borrower and the Secured Parties shall likewise be conclusively presumed to have been had or consummated in reliance upon this Guarantee. This Guarantee shall be construed as a continuing, absolute, irrevocable and unconditional guarantee of payment without regard to any right of offset with respect to the Guaranteed Obligations at any time or from time to time held by Secured Parties, and the obligations and liabilities of the Guarantors hereunder shall not be conditioned or contingent upon the pursuit by the Secured Parties or any other person at any time of any right or remedy against the Borrower or against any other person which may be or become liable in respect of all or any part of the Guaranteed Obligations or against any collateral security or guarantee therefor or right of offset with respect thereto. This Guarantee shall remain in full force and effect and be binding in accordance with and to the extent of its terms upon the Guarantors and the successors and assigns thereof, and shall inure to the benefit of the Lenders, and their respective successors and assigns, notwithstanding that from time to time during the term of this Agreement there may be no Guaranteed Obligations outstanding.

11.3 Reinstatement.

The obligations of the Guarantors under this Article 11 shall be automatically reinstated if and to the extent that for any reason any payment by or on behalf of the Borrower or other Loan Party in respect of the Guaranteed Obligations is rescinded or must be otherwise restored by any holder of any of the Guaranteed Obligations, whether as a result of any proceedings in bankruptcy or reorganization or otherwise.

11.4 Subrogation; Subordination.

Each Guarantor hereby agrees that until the Discharge Date and the expiration and termination of the Commitments of the Lenders under this Agreement it shall waive any claim and shall not exercise any right or remedy, direct or indirect, arising by reason of any performance by it of its guarantee in Section 11.1, whether by subrogation or otherwise, against the Borrower or any other Guarantor of any of the Guaranteed Obligations or any security for any of the Guaranteed Obligations. Any Indebtedness of any Loan Party permitted pursuant to this Agreement shall be subordinated to such Loan Party's Obligations in the manner set forth in documentation acceptable in form and substance to the Administrative Agent.

11.5 Remedies.

The Guarantors jointly and severally agree that, as between the Guarantors and the Lenders, the obligations of the Borrower under this Agreement and the Notes, if any, may be declared to be forthwith due and payable as provided in Section 8.2 (and shall be deemed to have become automatically due and payable in the circumstances provided in Section 8.2) for purposes of Section 11.1, notwithstanding any stay, injunction or other prohibition preventing such declaration (or such obligations from becoming automatically due and payable) as against the Borrower and that, in the event of such declaration (or such obligations being deemed to have become automatically due and payable), such obligations (whether or not due and payable by the Borrower) shall forthwith become due and payable by the Guarantors for purposes of Section 11.1.

11.6 Instrument for the Payment of Money.

Each Guarantor hereby acknowledges that the guarantee in this Article 11 constitutes an instrument for the payment of money, and consents and agrees that any Lender or Agent, at its sole option, in the event of a dispute by such Guarantor in the payment of any moneys due hereunder, shall have the right to bring a motion-action under New York CPLR Section 3213.

11.7 Continuing Guarantee.

The guarantee in this Article 11 is a continuing guarantee of payment, and shall apply to all Guaranteed Obligations whenever arising.

11.8 General Limitation on Guarantee Obligations.

In any action or proceeding involving any state corporate limited partnership or limited liability company law, or any applicable state, federal or foreign bankruptcy, insolvency, reorganization or other Law affecting the rights of creditors generally, if the obligations of any Guarantor under Section 11.1 would otherwise be held or determined to be void, voidable, invalid or unenforceable, or subordinated to the claims of any other creditors, on account of the amount of its liability under Section 11.1, then, notwithstanding any other provision to the contrary, the amount of such liability shall, without any further action by such Guarantor, any Loan Party or any other person, be automatically limited and reduced to the highest amount (after giving effect to the right of contribution established in Section 11.10) that is valid and enforceable and not subordinated to the claims of other creditors as determined in such action or proceeding.

11.9 Release of Guarantors.

Upon the occurrence of the Discharge Date, this Agreement and the Guarantees made herein shall terminate with respect to all Obligations, except with respect to Obligations that expressly survive the Discharge Date pursuant to the terms of this Agreement.

11.10 Right of Contribution.

Each Guarantor hereby agrees that to the extent that a Guarantor shall have paid more than its proportionate share of any payment made hereunder, such Guarantor shall be entitled to seek

and receive contribution from and against any other Guarantor hereunder which has not paid its proportionate share of such payment. Each Guarantor's right of contribution shall be subject to the terms and conditions of Section 11.4. The provisions of this Section 11.10 shall in no respect limit the obligations and liabilities of any Guarantor to the Administrative Agent and the Lenders, and each Guarantor shall remain liable to the Administrative Agent and the Lenders for the full amount guaranteed by such Guarantor hereunder.

11.11 Keepwell.

Each Qualified ECP Guarantor hereby jointly and severally, absolutely, unconditionally and irrevocably undertakes to provide such funds or other support to each Specified Guarantor as may be needed by such Specified Guarantor from time to time to honor all of its obligations under its Guarantee of the Guaranteed Obligations and the other Financing Documents in respect of any Swap Obligation (provided, however, that each Qualified ECP Guarantor shall only be liable under this Section for up to the maximum amount of such liability that can be hereby incurred without rendering such Qualified ECP Guarantor's obligations and undertakings under this Article 11 voidable under applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations and undertakings of each Qualified ECP Guarantor under this Section shall remain in full force and effect until the Discharge Date. Each Qualified ECP Guarantor intends that this Section constitute, and this Section shall be deemed to constitute, a "keepwell, support, or other agreement" for the benefit of each Specified Guarantor for all purposes of Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

11.12 Limited Recourse. Notwithstanding anything to the contrary in this Agreement, the obligations of the Loan Parties under this Agreement and the other Financing Documents, and any certificate, notice, instrument or document delivered pursuant hereto or thereto are obligations of the Loan Parties and do not constitute a debt or obligation of (and no recourse shall be had with respect thereto to) the Nonrecourse Parties except to the extent of the obligations of any such Nonrecourse Parties expressly provided for in any of the Financing Documents. Except as provided in the Financing Documents to which they are a party, no claim of deficiency with respect to the obligations of the Loan Parties under this Agreement and the other Financing Documents shall be brought against the Nonrecourse Parties by any Secured Party; provided, that nothing contained in this Section 11.12 shall be deemed to release any Nonrecourse Party from liability for its own breach, fraudulent actions or willful misconduct.

11.13 Amendments with respect to a Permitted Swap Agreement. The parties hereby acknowledge and agree that amendments and modifications to this Agreement and the other Financing Documents will be required in connection with the execution and delivery of a Permitted Swap Agreement and that such amendments and modifications must be in form, structure and substance acceptable to the Administrative Agent and Majority Lenders.

ARTICLE 12

CONVERSION TO REVOLVING LOANS

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[***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

12.1 Conversion to Revolving Loans . The parties acknowledge and agree that all outstanding Loans on the First Restatement Date were converted from term loans to revolving loans on the First Restatement Date.

12.2 Conversion to Revolving Commitments . The Loan Parties hereby represent, warrant and agree that the amount of each Lender's Commitment and the outstanding principal amount of each Lender's Loans, in each case as of the Second Restatement Date, is accurately set forth on Annex 3 hereto. The parties acknowledge and agree that, on and after the First Restatement Date until the end of the Availability Period, amounts borrowed and repaid hereunder may be reborrowed on the terms and subject to the conditions hereof.

12.3 Effect of Amendment and Restatement . The parties hereto agree that, upon the Second Restatement Date and the satisfaction of the conditions precedent set forth in Section 3.5, the following transactions shall be deemed to occur automatically, without further action by any party hereto:

(i) the Original Loan Agreement shall be deemed to be amended and restated in its entirety in the form of this Agreement;

(ii) all Obligations outstanding on the Second Restatement Date (the “ **Existing Obligations** ”) shall, to the extent not paid on the Second Restatement Date, in all respects be continuing, without novation, and shall be deemed to be Obligations outstanding hereunder;

(iii) the Liens and security interests in favor of Agents for the benefit of the Secured Parties securing payment of the Existing Obligations are in all respects continuing and in full force and effect with respect to all Obligations and are hereby reaffirmed;

(iv) all references in the other Financing Documents to the Original Loan Agreement shall be deemed to refer without further amendment to this Agreement;

(v) the Majority Lenders hereby consent to (A) the amendment and restatement of the Original Security Agreement on the Second Restatement Date and (B) the incorporation from time to time on and after the Second Restatement Date of specific provisions not materially adverse to the Lenders into the Security Agreement with respect to a particular Subject Fund to the extent agreed by the Collateral Agent and the Managing Member with respect to such Subject Fund in the applicable supplement to the Security Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed by their officers thereunto duly authorized as of the Second Restatement Date.

VIVINT SOLAR FINANCING I, LLC , a
Delaware limited liability company

By: /s/ Thomas Plagemann
Name: Thomas Plagemann
Title: Chief Commercial Officer

**VIVINT SOLAR FINANCING I PARENT ,
LLC**, a Delaware limited liability company

By: /s/ Thomas Plagemann
Name: Thomas Plagemann
Title: Chief Commercial Officer

VIVINT SOLAR OWNER I, LLC , a Delaware limited liability
company

By: /s/ Thomas Plagemann
Name: Thomas Plagemann
Title: Chief Commercial Officer

VIVINT SOLAR FUND XV MANAGER, LLC , a Delaware limited
liability company

By: /s/ Thomas Plagemann
Name: Thomas Plagemann
Title: Chief Commercial Officer

[Signature Page to Second Amended and Restated Loan Agreement (Spotlight)]

[***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

BANK OF AMERICA, N.A. , as
Collateral Agent

By: /s/ Darleen R DiGrazia
Name: Darleen R DiGrazia
Title: Vice President

[Signature Page to Second Amended and Restated Loan Agreement (Spotlight)]

***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

BANK OF AMERICA, N.A. , as
Administrative Agent

By: /s/ Darleen R DiGrazia
Name: Darleen R DiGrazia
Title: Vice President

[Signature Page to Second Amended and Restated Loan Agreement (Spotlight)]

***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

BANK OF AMERICA, N.A. ,
as a Lender

By: /s/ Sheikh Omer-Farooq
Name: Sheikh Omer-Farooq
Title: Managing Director

[Signature Page to Second Amended and Restated Loan Agreement (Spotlight)]

***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

CIT FINANCE LLC ,
as a Lender

By: /s/ Andre Vousrecet
Name: Andre Vousrecet
Title: Vice President

[Signature Page to Second Amended and Restated Loan Agreement (Spotlight)]

***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

DEUTSCHE BANK AG, NEW YORK BRANCH ,
as a Lender

By: /s/ Rich Mauro
Name: Rich Mauro
Title: Vice President

By: /s/ Birgit Brinda
Name: Birgit Brinda
Title: Director

[Signature Page to Second Amended and Restated Loan Agreement (Spotlight)]

[***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

ING CAPITAL LLC ,
as a Lender

By: /s/ Erwin Thomet
Name: Erwin Thomet
Title: Managing Director

By: /s/ Thomas Cantello
Name: Thomas Cantello
Title: Director

[Signature Page to Second Amended and Restated Loan Agreement (Spotlight)]

[***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

NATIONAL BANK OF ARIZONA ,
as a Lender

By: /s/ Robert E. Cooper, Jr.
Name: Robert E. Cooper, Jr.
Title: Vice President

[Signature Page to Second Amended and Restated Loan Agreement (Spotlight)]

***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

SILICON VALLEY BANK ,
as a Lender

By: /s/ Sayoji Goli
Name: Sayoji Goli
Title: Vice President

[Signature Page to Second Amended and Restated Loan Agreement (Spotlight)]

***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

EXHIBIT A
to Loan Agreement

FORM OF NOTE

[See Attached]

A-1

***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

NOTE

FOR VALUE RECEIVED, the undersigned (the “Borrower”), hereby promises to pay to [_____] or registered assigns (the “Lender”), in accordance with the provisions of the Agreement (as hereinafter defined), the principal amount of each Loan from time to time made by the Lender to the Borrower under that certain Second Amended and Restated Loan Agreement, originally dated as of September 12, 2014, as amended and restated as of November 25, 2015 and as further amended and restated as of March 9, 2017 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the “Agreement,” the terms defined therein being used herein as therein defined), among the Borrower, the Guarantors from time to time party thereto, the Lenders from time to time party thereto, and Bank of America, N.A., as Lead Arranger, Administrative Agent and Collateral Agent.

The Borrower promises to pay interest on the unpaid principal amount of each Loan from the date of such Loan until such principal amount is paid in full, at such interest rates and at such times as provided in the Agreement. All payments of principal and interest shall be made to the Administrative Agent for the account of the Lender in Dollars in immediately available funds at the Administrative Agent’s office. If any amount is not paid in full when due hereunder, such unpaid amount shall bear interest, to be paid upon demand, from the due date thereof until the date of actual payment (and before as well as after judgment) computed at the per annum rate set forth in the Agreement.

This Note is one of the Notes referred to in the Agreement, is entitled to the benefits thereof and may be prepaid in whole or in part subject to the terms and conditions provided therein. Upon the occurrence and continuation of one or more of the Events of Default specified in the Agreement, all amounts then remaining unpaid on this Note may be declared to be, or may automatically become, immediately due and payable all as provided in the Agreement. Loans made by the Lender shall be evidenced by one or more loan accounts or records maintained by the Lender in the ordinary course of business. The Lender may also attach schedules to this Note and endorse thereon the date, amount and maturity of its Loans and payments with respect thereto.

The Borrower, for itself, its successors and assigns, hereby waives diligence, presentment, protest and demand and notice of protest, demand, dishonor and non-payment of this Note.

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***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

THIS NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

VIVINT SOLAR FINANCING I, LLC

By: _____

Name: _____

Title: _____

A-3

***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

EXHIBIT B-1
to Loan Agreement

FORM OF BORROWING NOTICE

[See Attached]

B-1-1

***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

FORM OF BORROWING NOTICE

Date: _____
Requested Borrowing Date: _____

Bank of America Plaza

Mail Code: ***

Attention: ***
Phone: ***

Fax: ***
Electronic Mail: ***

Agency Management

Attention: ***
Telephone: ***
Telecopier: ***
Electronic Mail: ***

Re: Project Spotlight Master Credit Facility

This Borrowing Notice is delivered to you pursuant to Section 2.1(a)(iii) of the Second Amended and Restated Loan Agreement, originally dated as of September 12, 2014, as amended and restated as of November 25, 2015 and as further amended and restated as of March 9, 2017 (as amended, modified or supplemented and in effect from time to time, the “ **Loan Agreement** ”) by and among Vivint Solar Financing I, LLC, a Delaware limited liability company (the “ **Borrower** ”), Vivint Solar Financing I Parent, LLC, a Delaware limited liability company (the “ **Member** ”), each guarantor from time to time party thereto (collectively and together with the Member, the “ **Guarantors** ” and individually, a “ **Guarantor** ”), each lender from time to time party thereto (collectively, the “ **Lenders** ” and individually, a “ **Lender** ”), and Bank of America, N.A., as collateral agent (together with its successors and permitted assigns in such capacity, the “ **Collateral Agent** ”) and as administrative agent (together with its successors and permitted assigns in such capacity, the “ **Administrative Agent** ”), pursuant to which the Lenders have agreed to make Loans to the Borrower. Each capitalized term used and not otherwise defined herein shall have the meaning assigned thereto in Section 1.1 of the Loan Agreement.

This Borrowing Notice constitutes a request for a Loan as set forth below:

1. The aggregate principal amount of the Loan requested is \$_____ (the “ **Requested Amount** ”).

1

¹ The Requested Amount must exceed \$2,500,000 or such lesser amount as is remaining under the Total Loan Commitment. The total aggregate principal amount advanced to date under the Loan Agreement, when aggregated with the Requested Amount, must not exceed the Total Loan Commitment.

2. The Borrowing Date of the Loan requested is _____ (the “ **Requested Borrowing Date** ”), which is a Business Day.

3. The Interest Period of the Loan requested is _____ [one (1) month]/[two (2) months]/[three (3) months].

4. Proceeds of the Loan requested should be directed to the following account[s]:

[]

The undersigned further confirms and certifies to Administrative Agent and each Lender that, as of the date hereof:

(a) The Requested Amount, when aggregated with the Outstanding Principal, is no greater than the Available Borrowing Base;

(b) Attached hereto as Schedule 1 is a Borrowing Base Certificate, dated as of the date hereof ;

(c) Attached hereto as Schedule 2 is the proposed updated Advance Model for each Subject Fund; and

(d) Attached hereto as Schedule 3 is a Borrowing Date Certificate, delivered pursuant to Section 3.2(a) of the Loan Agreement.

[*Remainder of page intentionally left blank*]

B-1-3

[***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

IN WITNESS WHEREOF, the undersigned has caused this Borrowing Notice to be executed as of the date first written above.

VIVINT SOLAR FINANCING I, LLC,
a Delaware limited liability company, as Borrower

By:
Name:
Title:

B-1-4

***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

Schedule 1

Borrowing Base Certificate

[*See Attached.*]

B-1-5

***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

Schedule 2

Advance Model

[*See Attached.*]

B-1-6

[**] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

Schedule 3

Borrowing Date Certificate

[*See Attached.*]

B-1-7

[**] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

EXHIBIT B-2
to Loan Agreement

FORM OF CONTINUATION NOTICE

[See Attached]

B-2-1

***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

FORM OF CONTINUATION NOTICE

Date: _____

Bank of America Plaza

Mail Code: ***

Attention: ***

Phone: ***

Fax: ***

Electronic Mail: ***

Agency Management

Attention: ***

Telephone: ***

Telecopier: ***

Electronic Mail: ***

Re: Project Spotlight Master Credit Facility

This Continuation Notice is delivered to you pursuant to Section 2.1(a)(iii) of the Second Amended and Restated Loan Agreement, originally dated as of September 12, 2014, as amended and restated as of November 25, 2015 and as further amended and restated as of March 9, 2017 (as amended, modified or supplemented and in effect from time to time, the “**Loan Agreement**”) by and among Vivint Solar Financing I, LLC, a Delaware limited liability company (the “**Borrower**”), Vivint Solar Financing I Parent, LLC a Delaware limited liability company (the “**Member**”), each guarantor from time to time party thereto (collectively and together with the Member, the “**Guarantors**” and individually, a “**Guarantor**”), each lender from time to time party thereto (collectively, the “**Lenders**” and individually, a “**Lender**”) and Bank of America, N.A., as collateral agent (together with its successors and permitted assigns in such capacity, the “**Collateral Agent**”) and as administrative agent (together with its successors and permitted assigns in such capacity, the “**Administrative Agent**”), pursuant to which the Lenders have agreed to make Loans to the Borrower. Each capitalized term used and not otherwise defined herein shall have the meaning assigned thereto in Section 1.1 of the Loan Agreement.

This Continuation Notice constitutes a request to continue a LIBO Rate Loan as set forth below:

1. The aggregate principal amount of the Loan was originally \$ _____ and is currently \$ _____.
2. The Borrowing Date of the Loan was _____.

B-2-2

[***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

3. The Interest Period of the Loan is currently [one (1) month]/[two (2) months]/[three (3) months] and is requested to be continued as [one (1) month]/[two (2) months]/[three (3) months].

IN WITNESS WHEREOF, the undersigned has caused this Continuation Notice to be executed as of the date first written above.

VIVINT SOLAR FINANCING I, LLC,
a Delaware limited liability company, as Borrower

By:
Name:
Title:

B-2-3

***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

EXHIBIT C
to Loan Agreement

FORM OF ASSIGNMENT AND ACCEPTANCE

[See Attached]

C-1

***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

FORM OF ASSIGNMENT AND ACCEPTANCE

This Assignment and Acceptance (this “Assignment and Acceptance”) is dated as of the Effective Date set forth below and is entered into by and between [the][each] ¹ Assignor identified in item 1 below ([the][each, an] “Assignor”) and [the][each] ² Assignee identified in item 2 below ([the][each, an] “Assignee”). [It is understood and agreed that the rights and obligations of [the Assignors][the Assignees] ³ hereunder are several and not joint.] ⁴ Capitalized terms used but not defined herein shall have the meanings given to them in the Loan Agreement identified below (as amended, the “Loan Agreement”), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto (the “Standard Terms”) are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Acceptance as if set forth herein in full.

For an agreed consideration, [the][each] Assignor hereby irrevocably sells and assigns to [the Assignee][the respective Assignees], and [the][each] Assignee hereby irrevocably purchases and assumes from [the Assignor][the respective Assignors], subject to and in accordance with the Standard Terms and the Loan Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of [the Assignor’s][the respective Assignors’] rights and obligations in [its capacity as a Lender][their respective capacities as Lenders] under the Loan Agreement and any other documents or instruments delivered pursuant thereto in the amount[s] and equal to the percentage interest[s] identified below of all the outstanding rights and obligations under the respective facilities identified below, and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of [the Assignor (in its capacity as a Lender)][the respective Assignors (in their respective capacities as Lenders)] against any Person, whether known or unknown, arising under or in connection with the Loan Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned by [the][any] Assignor to [the][any] Assignee pursuant to clauses (i) and (ii) above being referred to herein collectively as [the][an] “Assigned Interest”). Each such sale and assignment is without recourse to [the][any] Assignor and, except as expressly provided in this Assignment and Acceptance, without representation or warranty by [the][any] Assignor.

1. Assignor[s]:

¹ For bracketed language here and elsewhere in this form relating to the Assignor(s), if the assignment is from a single Assignor, choose the first bracketed language. If the assignment is from multiple Assignors, choose the second bracketed language.

² For bracketed language here and elsewhere in this form relating to the Assignee(s), if the assignment is to a single Assignee, choose the first bracketed language. If the assignment is to multiple Assignees, choose the second bracketed language.

³ Select as appropriate.

⁴ Include bracketed language if there are either multiple Assignors or multiple Assignees.

[Assignor [is] [is not] a Defaulting Lender]

2. Assignee[s]:

[for each Assignee, indicate [Lender], [Affiliate] of [*identify Lender*], or [other Person (other than the Borrower, Sponsor, a Subject Fund or any of their respective Affiliates)]]

3. Borrower(s):

4. Administrative Agent: Bank of America, N.A., as the administrative agent under the Loan Agreement

5. Loan Agreement: Second Amended and Restated Loan Agreement, originally dated as of September 12, 2014, as amended and restated as of November 25, 2015 and as further amended and restated as of March 9, 2017 among Vivint Solar Financing I, LLC, the Guarantors from time to time party thereto, the Lenders from time to time party thereto, and Bank of America, N.A., as Administrative Agent and Collateral Agent

6. Assigned Interest[s]:

<u>Assignor[s]</u> ¹	<u>Assignee[s]</u> ²	<u>Facility Assigned</u> ³	<u>Aggregate Amount of Commitment/Loans for all Lenders</u> ⁴	<u>Amount of Commitment/Loans Assigned</u>	<u>Percentage Assigned of Commitment/Loans</u> ⁵	<u>CUSIP Number</u>
		_____	\$ _____	\$ _____	_____ %	
		_____	\$ _____	\$ _____	_____ %	
		_____	\$ _____	\$ _____	_____ %	

[7. Trade Date:] ⁶

- ¹ List each Assignor, as appropriate.
- ² List each Assignee and, if available, its market entity identifier, as appropriate.
- ³ Fill in the appropriate terminology for the types of facilities under the Loan Agreement that are being assigned under this Assignment (e.g., “Term Loan Commitment”, etc.).
- ⁴ Amounts in this column and in the column immediately to the right to be adjusted to take into account any payments or prepayments made between the Trade Date and the Effective Date.
- ⁵ Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.
- ⁶ To be completed if the Assignor and the Assignee intend that the minimum assignment amount is to be determined as of the Trade Date.

Effective Date: _____, 20__ [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

The terms set forth in this Assignment and Acceptance are hereby agreed to:

ASSIGNOR[S]¹
[NAME OF ASSIGNOR]

By:

[NAME OF ASSIGNOR]

By:

Title:

ASSIGNEE[S]²
[NAME OF ASSIGNEE]

By:

Title:

[NAME OF ASSIGNEE]

By:

Title:

¹ Add additional signature blocks as needed. Include both Fund/Pension Plan and manager making the trade (if applicable).
² Add additional signature blocks as needed. Include both Fund/Pension Plan and manager making the trade (if applicable).

Consented to and Accepted:

BANK OF AMERICA, N.A., as
Administrative Agent

By:
Title:

[VIVINT SOLAR FINANCING I LLC, as
Borrower

By:
Title:]¹

¹ To be included to the extent Borrower consent is required.

C-5

***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

ANNEX 1 TO ASSIGNMENT AND ACCEPTANCE

STANDARD TERMS AND CONDITIONS FOR ASSIGNMENT AND ACCEPTANCE

1. Representations and Warranties.

1.1. Assignor. [The][Each] Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of [the][the relevant] Assigned Interest, (ii) [the][such] Assigned Interest is free and clear of any lien, encumbrance or other adverse claim, (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Acceptance and to consummate the transactions contemplated hereby and (iv) it is [not] a Defaulting Lender; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Loan Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of the Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

1.2. Assignee. [The][Each] Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Acceptance and to consummate the transactions contemplated hereby and to become a Lender under the Loan Agreement, (ii) it is an Eligible Assignee pursuant to the Loan Agreement, (iii) from and after the Effective Date, it shall be bound by the provisions of the Loan Agreement as a Lender thereunder and, to the extent of [the][the relevant] Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it is sophisticated with respect to decisions to acquire assets of the type represented by [the][such] Assigned Interest and either it, or the Person exercising discretion in making its decision to acquire [the][such] Assigned Interest, is experienced in acquiring assets of such type, (v) it has received a copy of the Loan Agreement, and has received or has been accorded the opportunity to receive copies of the most recent financial statements delivered pursuant to Section 5.3 thereof, as applicable, and such other documents and information as it deems appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance and to purchase [the][such] Assigned Interest, (vi) it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Assignment and Acceptance and to purchase [the][such] Assigned Interest, and (vii) if it is a Foreign Lender, attached hereto is any documentation required to be delivered by it pursuant to the terms of the Loan Agreement, duly completed and executed by [the][such] Assignee; and (b) agrees that (i) it will, independently and without reliance upon the Administrative Agent, [the][any] Assignor 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 the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

C-6

[***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

2. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of [the][each] Assigned Interest (including payments of principal, interest, fees and other amounts) to [the][the relevant] Assignor for amounts which have accrued to but excluding the Effective Date and to [the][the relevant] Assignee for amounts which have accrued from and after the Effective Date. Notwithstanding the foregoing, the Administrative Agent shall make all payments of interest, fees or other amounts paid or payable in kind from and after the Effective Date to [the][the relevant] Assignee.

3. General Provisions. This Assignment and Acceptance shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Acceptance may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Acceptance by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Acceptance. This Assignment and Acceptance shall be governed by, and construed in accordance with, the law of the State of New York.

C-7

[***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

EXHIBIT D
to Loan Agreement

FORM OF INCREMENTAL LOAN COMMITMENT INCREASE NOTICE

[See Attached]

D-1

***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

INCREMENTAL LOAN COMMITMENT INCREASE NOTICE

Bank of America Plaza

Mail Code: ***

Attention: ***

Phone: ***

Fax: ***

Electronic Mail: ***

Agency Management

Attention: ***

Telephone: ***

Telecopier: ***

Electronic Mail: ***

[DATE]

Re: Vivint Solar Financing I, LLC

Incremental Loan Commitment Increase Notice

Ladies and Gentlemen:

The undersigned, Vivint Solar Financing I, LLC, a Delaware limited liability company (the “Borrower”), refers to the Second Amended and Restated Loan Agreement, originally dated as of September 12, 2014, as amended and restated as of November 25, 2015 and as further amended and restated as of March 9, 2017 (as amended, modified or supplemented and in effect from time to time, the “**Loan Agreement**”) by and among the Borrower, Vivint Solar Financing I Parent, LLC a Delaware limited liability company (the “**Member**”), each guarantor from time to time party thereto (collectively and together with the Member, the “**Guarantors**” and individually, a “**Guarantor**”), each lender from time to time party thereto (collectively, the “**Lenders**” and individually, a “**Lender**”), Bank of America, N.A. as Lead Arranger, as administrative agent for the Lenders (together with its successors and permitted assigns in such capacity, the “**Administrative Agent**”) and as collateral agent for the Secured Parties (together with its successors and permitted assigns in such capacity, the “**Collateral Agent**”), and the other Persons party thereto. Capitalized terms used herein but not otherwise defined herein shall have the respective meanings set forth in the Loan Agreement.

The Borrower hereby requests an Incremental Loan Commitment Increase under Section 2.9 of the Loan Agreement (the “Proposed Incremental Loan Commitment Increase”) and in connection therewith certifies as follows:

D-2

[***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

- _____, 20__.¹
- (a) The requested effective date of the Proposed Incremental Loan Commitment Increase is _____.
- (b) The aggregate amount of the Proposed Incremental Loan Commitment Increase is _____ Dollars (\$_____).²
- (c) The maturity date and interest rate of Incremental Loans related to such Proposed Incremental Loan Commitment Increase are _____ and _____.³
- (d) The upfront fees the Borrower proposes to pay to participating Lenders in such Proposed Incremental Loan Commitment Increase are _____.
- (e) The Available Borrowing Base exceeds \$200 million.
- (f) Immediately before and after giving effect to the Proposed Incremental Loan Commitment Increase, the Borrower is in compliance, and will be in pro forma compliance, with the Borrowing Base Requirements.
- (g) no Default, Event of Default or Repayment Event has occurred and is continuing.

[*The remainder of this page is intentionally blank. The next page is the signature page .*]

¹ Such date must be no less than sixty (60) days after the date of such notice.
² Request must comply with the applicable provisions of the Loan Agreement, including Section 2.9(a)(ii)-(viii).
³ The proposed maturity date must be no earlier than the Loan Maturity Date of the Initial Loans.

IN WITNESS WHEREOF, the undersigned has executed this Incremental Loan Increase Notice as of the date first written above.

VIVINT SOLAR FINANCING I, LLC ,
a Delaware limited liability company, as Borrower

By:
Name:
Title:

D-4

***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

EXHIBIT E
to Loan Agreement

FORM OF INCREASING INCREMENTAL LENDER CONFIRMATION

[See Attached]

E-1

***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

FORM OF INCREASING INCREMENTAL LENDER CONFIRMATION

Reference is made to the Second Amended and Restated Loan Agreement, originally dated as of September 12, 2014, as amended and restated as of November 25, 2015 and as further amended and restated as of March 9, 2017 (as amended, modified or supplemented and in effect from time to time, the “ **Loan Agreement** ”) by and among Vivint Solar Financing I, LLC, a Delaware limited liability company (the “ **Borrower** ”), Vivint Solar Financing I Parent, LLC a Delaware limited liability company (the “ **Member** ”), each guarantor from time to time party thereto (collectively and together with the Member, the “ **Guarantors** ” and individually, a “ **Guarantor** ”), each lender from time to time party thereto (collectively, the “ **Lenders** ” and individually, a “ **Lender** ”), Bank of America, N.A., as Lead Arranger, as administrative agent for the Lenders (together with its successors and permitted assigns in such capacity, the “ **Administrative Agent** ”) and as collateral agent for the Secured Parties (together with its successors and permitted assigns in such capacity, the “ **Collateral Agent** ”), and the other Persons party thereto. Capitalized terms used herein but not otherwise defined herein shall have the respective meanings set forth in the Loan Agreement.

The undersigned Lender hereby certifies that in accordance with Section 2.9(b) of the Loan Agreement and the Incremental Loan Increase Notice dated as of [•], 201[•], such Lender has agreed to increase its Incremental Loan Commitment under the Loan Agreement as of [•], 201[•] (the “ Incremental Loan Increase Date ”). Such Incremental Loan Commitment Increase is subject to the satisfaction (or waiver) of the conditions set forth in Section 2.9(e) of the Loan Agreement on or prior to the Incremental Loan Commitment Increase Date. After giving effect to such Incremental Loan Commitment Increase, the Commitments of such Lender shall be in the amounts set forth on Annex 1 hereto. The Incremental Loan Commitments of such Lender shall have the Loan Maturity Date and Applicable Interest Rate set forth on Annex I hereto.

[The remainder of this page is intentionally blank. The next page is the signature page .]

E-2

[***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

IN WITNESS WHEREOF , the undersigned have caused this Increasing Incremental Lender Confirmation to be duly executed as of the date first above written.

[NAME OF INCREASING INCREMENTAL LENDER]

By:
Name:
Title:
Date:

For acceptance and recordation in the register:

BANK OF AMERICA, N.A.,
as Administrative Agent

By:
Name:
Title:

E-3

[***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

Annex I
to Increasing Incremental Lender Confirmation

Lender's Undisbursed Commitment Pre- Commitment Increase	Lender's Outstanding Loans Pre- Commitment Increase	Lender's Undisbursed Commitment Post- Commitment Increase	Lender's Outstanding Loans Post-Commitment Increase
\$	\$	\$	\$

Incremental Loan Commitment Terms:

Loan Maturity Date	_____, 20__
Applicable Interest Rate	_____%
Upfront Fees	

E-4

***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

EXHIBIT F
to Loan Agreement

FORM OF NEW LENDER ACCESSION AGREEMENT

[See Attached]

FORM OF NEW LENDER ACCESSION AGREEMENT

This ACCESSION AGREEMENT (this “ Accession Agreement ”), dated as of _____, is entered into by and among _____ (the “ New Lender ”) Vivint Solar Financing I, LLC, a Delaware limited liability company (the “ Borrower ”) and Bank of America, N.A., administrative agent for the Lenders (together with its successors and permitted assigns in such capacity, the “ Administrative Agent ”).

RECITALS

WHEREAS, reference is made to the Second Amended and Restated Loan Agreement, originally dated as of September 12, 2014, as amended and restated as of November 25, 2015 and as further amended and restated as of March 9, 2017 (as amended, modified or supplemented and in effect from time to time, the “ Loan Agreement ”) by and among the Borrower, Vivint Solar Financing I Parent, LLC a Delaware limited liability company (the “ Member ”), each guarantor from time to time party thereto (collectively and together with the Member, the “ Guarantors ” and individually, a “ Guarantor ”), each lender from time to time party thereto (collectively, the “ Lenders ” and individually, a “ Lender ”), the Administrative Agent, Bank of America, N.A., as collateral agent for the Secured Parties (together with its successors and permitted assigns in such capacity, the “ Collateral Agent ”) and the other Persons party thereto; and

WHEREAS, the New Lender has accepted an offer to provide an Incremental Loan Commitment to the Borrower on the terms set forth on Annex I attached hereto subject to the terms and conditions of the Loan Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

SECTION 1. Definitions. All capitalized terms not otherwise defined herein shall have the respective meanings set forth in the Loan Agreement.

SECTION 2. Assumption. As of the effective date set forth on the signature page to this Accession Agreement (the “ Effective Date ”), subject to and in accordance with the Loan Agreement, the New Lender irrevocably agrees to provide the Incremental Loan Commitment on the terms set forth on Annex I subject to the terms and conditions of the Loan Agreement, including Section 2.9(f) of the Loan Agreement and the additional purchases of Commitments and Loans the New Lender is required to make thereunder. The New Lender shall have all of the rights and be subject to all of the obligations in its capacity as a Lender under the Loan Agreement, each other Financing Document, and any other documents or instruments delivered pursuant thereto or in connection therewith and shall have all rights to all claims, suits, causes of action and any other right of a Lender against any Person, that arise from transactions, events or occurrences on or after the Effective Date, whether known or unknown, arising under or in connection with the Loan Agreement, each other Financing Document, and any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, statutory claims and all other claims at law or in equity.

Upon acceptance and recording of the assumption made pursuant to this Accession Agreement by the Administrative Agent, from and after the Effective Date, the Administrative Agent shall make all payments in respect of the Incremental Loan Commitment and any Incremental Loans made by the New Lender (including all payments of principal, interest, fees and other amounts) to the New Lender for amounts that have accrued from and including the Effective Date.

SECTION 3. Representations, Warranties and Undertakings. The New Lender: (i) represents and warrants that (A) it has full power and authority, and has taken all action necessary, to execute and deliver this Accession Agreement and to consummate the transactions contemplated hereby and to become a Lender under the Loan Agreement and the other Financing Documents and (B) it is not an Investor or the Sponsor, (ii) acknowledges and confirms that it has received a copy of the Loan Agreement, each other Financing Document and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Accession Agreement and to provide the Incremental Loan Commitment and any Incremental Loans made by the New Lender, on the basis of which it has made such analysis and decision independently and without reliance on the Administrative Agent or any other Secured Party, (iii) agrees that it will, independently and without reliance upon the Administrative Agent, the Borrower, or any other Secured Party 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 the Loan Agreement or any other Financing Document, (iv) appoints and authorizes each Agent and the Depository to take such action as agent on its behalf and to exercise such powers under the Loan Agreement or the other Financing Documents as are delegated to such Agent or the Depository, as applicable, by the terms thereof, together with such powers as are reasonably incidental thereto and (v) will perform in accordance with their terms all of the obligations that by the terms of the Financing Documents are required to be performed by it as a Lender. The New Lender further confirms and agrees that in becoming a Lender and in making Loans under the Loan Agreement, such actions have and will be made without recourse to, or representation or warranty, by any Secured Party.

The New Lender further agrees to furnish to the Administrative Agent and, to the extent required by the Loan Agreement, the Borrower, no later than the Effective Date, an Administrative Questionnaire and any tax forms required under the Loan Agreement.

SECTION 4. Effectiveness. The effectiveness of the making of the Commitment hereunder is subject to (i) the due execution and delivery of this Accession Agreement by the New Lender, (ii) consent, not to be unreasonably withheld, by the Administrative Agent and the Borrower to this Accession Agreement, (iii) the registration of such Incremental Loan Commitment by the Administrative Agent in the Register and (iv) the satisfaction (or waiver) of each of the conditions set forth in Section 2.9(e) of the Loan Agreement.

Simultaneously with the execution and delivery by the parties hereto of this Accession Agreement to the Administrative Agent for its recording in the Register, the New Lender may request that Notes be executed and delivered to the New Lender reflecting the amounts of the Commitment of the New Lender.

Except as otherwise provided in the Loan Agreement, effective as of the Effective Date, the New Lender shall be deemed automatically to have become a party to, and the New Lender agrees that

it will be bound by the terms and conditions set forth in, the Loan Agreement, and shall have all the rights and obligations of a “Lender” under the Loan Agreement and the other Financing Documents for the Loans and/or Commitments held by it as if it were an original signatory thereto or an original Lender thereunder.

SECTION 5. Governing Law. THIS ACCESSION AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK.

SECTION 6. Counterparts. This Accession Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of this Accession Agreement by telecopy or portable document format (“ pdf”) shall be effective as delivery of a manually executed counterpart of this Accession Agreement.

SECTION 7. Further Assurances. The New Lender hereby agrees to execute and deliver such other instruments, and take such other action, as either the Borrower or the Administrative Agent may reasonably request in connection with the transactions contemplated by this Accession Agreement including, without limitation, the delivery of any notices to the Borrower or the Agents that may be required in connection herewith.

SECTION 8. Binding Effect; Amendment. This Accession Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns, subject, however, to the provisions of the Loan Agreement. No provision of this Accession Agreement may be amended, waived or otherwise modified except by an instrument in writing signed by the New Lender and the Administrative Agent.

SECTION 9. Administrative Agent Enforcement. The Administrative Agent shall be entitled to rely upon and enforce this Accession Agreement against the New Lender in all respects.

[The remainder of this page is intentionally blank. The next page is the signature page.]

IN WITNESS WHEREOF , the undersigned have caused this Accession Agreement to be duly executed by a Responsible Officer as of the date first above written.

The effective date for this Accession Agreement is the date this Accession Agreement is acknowledged and accepted by the Administrative Agent and the Borrower _____, 20__ (the “Effective Date”).

[NEW LENDER]

By:
Name:
Title:

BANK OF AMERICA, N.A.
as Administrative Agent

By:
Name:
Title:

VIVINT SOLAR FINANCING I, LLC,
as Borrower

By:
Name:
Title:

Annex I
to New Lender Accession Agreement

Incremental Loan Commitment Terms:

New Lender's Incremental Loan Commitment 1	
Loan Maturity Date	_____, 20__
Applicable Interest Rate	_____ %
Upfront Fees	

¹ Does not include additional purchases of Commitments and Loans that New Lender is required to make pursuant to Section 2.9(f) of the Loan Agreement .

EXHIBIT G
to Loan Agreement

FORM OF BORROWING BASE CERTIFICATE

[See Attached]

G-1

[***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

BORROWING BASE CERTIFICATE

This Borrowing Base Certificate (this “Borrowing Base Certificate”) dated as of _____, 20__, in respect of the period ending on _____, 20__ (the “Computation Date”) is delivered to you pursuant to Section 5.15 of the Second Amended and Restated Loan Agreement, originally dated as of September 12, 2014, as amended and restated as of November 25, 2015 and as further amended and restated as of March 9, 2017 (as amended, modified or supplemented and in effect from time to time, the “Loan Agreement”) by and among Vivint Solar Financing I, LLC, a Delaware limited liability company (the “Borrower”), Vivint Solar Financing I Parent, LLC a Delaware limited liability company (the “Member”), each guarantor from time to time party thereto (collectively and together with the Member, the “Guarantors” and individually, a “Guarantor”), each lender from time to time party thereto (collectively, the “Lenders” and individually, a “Lender”), Bank of America, N.A., as Lead Arranger, as administrative agent for the Lenders (together with its successors and permitted assigns in such capacity, the “Administrative Agent”) and as collateral agent for the Secured Parties (together with its successors and permitted assigns in such capacity, the “Collateral Agent”) and the other Persons party thereto, pursuant to which the Lenders have agreed to make Loans to the Borrower. Each capitalized term used and not otherwise defined herein shall have the meaning assigned thereto in Section 1.1 of the Loan Agreement.

The undersigned Responsible Officer of Borrower hereby certifies, represents and warrants as of the date hereof that he/she is the _____ of Borrower, and that, as such, he/she is authorized to execute and deliver this Borrowing Base Certificate to the Administrative Agent on behalf of the Borrower, and that:

- (a) all information contained herein and attached hereto is true and complete, and calculations contained herein and attached hereto as Schedule 1 (the “Borrowing Base Certificate Calculations”) are true and complete.
- (b) to the extent not provided concurrently in connection with a Borrowing Notice dated of even date herewith, Schedule 2 hereto contains the Advance Models, Net Cash Flows and Revised Net Cash Flows for each Subject Fund used to calculate the Subject Fund Value for each such Subject Fund;
- (c) as of the date hereof, the Subject Fund Value, Subject Fund Borrowing Base and Advance Rate for each Subject Fund are as follows:

Subject Fund	Subject Fund Value	Advance Rate	Subject Fund Borrowing Base

[***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

--	--	--	--

(d) as of the date hereof, the Available Borrowing Base is \$ _____, and Outstanding Principal is \$ _____;

(e) as of the date hereof, no Subject Fund is a Watched Fund [other than the following:

Watched Fund	Conditions/Circumstances causing Watched Fund

];

(f) as of the date hereof, no System is a Defaulted System or a Non-Operable System [other than the following: •];

(g) as of the date hereof, the Borrower [is] [is not] in compliance with the Borrowing Base Requirement;

(h) the Borrower is in compliance with Section 6.1 of the Loan Agreement as of the Quarterly Date for the calendar quarter that ended immediately prior to the date hereof; and

(i) no Default or Event of Default has occurred and is continuing pursuant to the Loan Agreement.

(j) as of the date hereof, the weighted average FICO Score for all Host Customers in all Subject Funds subject to the Loan Agreement is at least 720. For purposes of determining such weighted average, (i) weighting shall be based on the nameplate capacity of each Host Customer's System, and (ii) the FICO Scores for Host Customers in a Subject Fund shall be the FICO Scores included in the System Information delivered to the Administrative Agent for which the Borrower makes or has previously made, the Eligibility Representations.

(k) as of the date hereof, the Deployment Percentage, Tax Loss Policy Deductible and Tax Loss Reserve for each Subject Fund are as follows:

Subject Fund	Deployment Percentage	Tax Loss Policy Deductible	Tax Loss Reserve

[*Remainder of page intentionally left blank*]

***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

IN WITNESS WHEREOF, the undersigned has caused this Borrowing Base Certificate to be executed and delivered, and the certifications and warranties contained herein to be made on behalf of the Borrower, by a Responsible Officer of the Borrower as of the date first written above.

VIVINT SOLAR FINANCING I, LLC,
a Delaware limited liability company

By:
Name:
Title:

G-5

***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

Schedule 1

Borrowing Base Calculations

[To be provided by the Borrower on each Borrowing Base Certificate Date]

G-6

***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

Schedule 2

Advance Models and Net Cash Flows

[*see attached.*]

G-7

[**] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

EXHIBIT H
to Loan Agreement

FORM OF ADVANCE MODEL

[*included in electronic closing set – see file name ‘Vivint Solar Aggregation Model – 2017-03-07 – Sent to BAML.xlsm’*]

H-1

***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

EXHIBIT I
to Loan Agreement

FORM OF US TAX COMPLIANCE CERTIFICATE

[See Attached]

I-1

***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

**FORM OF
U.S. TAX COMPLIANCE CERTIFICATE**

(For Foreign Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Second Amended and Restated Loan Agreement, originally dated as of September 12, 2014, as amended and restated as of November 25, 2015 and as further amended and restated as of March 9, 2017 (as amended, modified or supplemented and in effect from time to time, the “Loan Agreement”) by and among Vivint Solar Financing I, LLC, a Delaware limited liability company (“Borrower”), Vivint Solar Financing I Parent, LLC a Delaware limited liability company (the “Member”), each guarantor from time to time party thereto (collectively and together with the Member, the “Guarantors” and individually, a “Guarantor”), each lender from time to time party thereto (collectively, the “Lenders” and individually, a “Lender”) and Bank of America, N.A., as lead arranger, as administrative agent (together with its successors and permitted assigns in such capacity, the “Administrative Agent”) and as collateral agent (together with its successors and permitted assigns in such capacity, the “Collateral Agent”).

Pursuant to the provisions of Section 2.4(g) of the Loan Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of the Borrower (or its regarded parent) within the meaning of Section 871(h)(3)(B) of the Code and (iv) it is not a controlled foreign corporation related to the Borrower (or its regarded parent) as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Borrower with a certificate of its non-U.S. Person status on IRS Form W-8BEN. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Loan Agreement and used herein shall have the meanings given to them in the Loan Agreement.

[NAME OF LENDER]

By:

Name:

Title:

Date: , 20[]

**FORM OF
U.S. TAX COMPLIANCE CERTIFICATE**
(For Foreign Participants That Are Not Partnerships For U.S. Federal Income Tax
Purposes)

Reference is hereby made to the Second Amended and Restated Loan Agreement, originally dated as of September 12, 2014, as amended and restated as of November 25, 2015 and as further amended and restated as of March 9, 2017 (as amended, modified or supplemented and in effect from time to time, the “Loan Agreement”) by and among Vivint Solar Financing I, LLC, a Delaware limited liability company (“Borrower”), Vivint Solar Financing I Parent, LLC a Delaware limited liability company (the “Member”), each guarantor from time to time party thereto (collectively and together with the Member, the “Guarantors” and individually, a “Guarantor”), each lender from time to time party thereto (collectively, the “Lenders” and individually, a “Lender”) and Bank of America, N.A., as administrative agent (together with its successors and permitted assigns in such capacity, the “Administrative Agent”) and as collateral agent (together with its successors and permitted assigns in such capacity, the “Collateral Agent”).

Pursuant to the provisions of Section 2.4(g) of the Loan Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the participation in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of the Borrower (or its regarded parent) within the meaning of Section 871(h)(3)(B) of the Code, and (iv) it is not a controlled foreign corporation related to the Borrower (or its regarded parent) as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with a certificate of its non-U.S. Person status on IRS Form W-8BEN. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender in writing, and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Loan Agreement and used herein shall have the meanings given to them in the Loan Agreement.

[NAME OF PARTICIPANT]

By:

Name:

Title:

Date: , 20[]

**FORM OF
U.S. TAX COMPLIANCE CERTIFICATE**
(For Foreign Participants That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Second Amended and Restated Loan Agreement, originally dated as of September 12, 2014, as amended and restated as of November 25, 2015 and as further amended and restated as of March 9, 2017 (as amended, modified or supplemented and in effect from time to time, the “Loan Agreement”) by and among Vivint Solar Financing I, LLC, a Delaware limited liability company (“Borrower”), Vivint Solar Financing I Parent, LLC a Delaware limited liability company (the “Member”), each guarantor from time to time party thereto (collectively and together with the Member, the “Guarantors” and individually, a “Guarantor”), each lender from time to time party thereto (collectively, the “Lenders” and individually, a “Lender”) and Bank of America, N.A., as lead arranger, as administrative agent (together with its successors and permitted assigns in such capacity, the “Administrative Agent”) and as collateral agent (together with its successors and permitted assigns in such capacity, the “Collateral Agent”).

Pursuant to the provisions of Section 2.4(g) of the Loan Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the participation in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such participation, (iii) with respect such participation, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of the Borrower (or its regarded parent) within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower (or its regarded parent) as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN from each of such partner’s/member’s beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Loan Agreement and used herein shall have the meanings given to them in the Loan Agreement.

[NAME OF PARTICIPANT]

By:

Name:

Title:

Date: , 20[]

I-5

***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

FORM OF
U.S. TAX COMPLIANCE CERTIFICATE
(For Foreign Lenders That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Second Amended and Restated Loan Agreement, originally dated as of September 12, 2014, as amended and restated as of November 25, 2015 and as further amended and restated as of March 9, 2017 (as amended, modified or supplemented and in effect from time to time, the “Loan Agreement”) by and among Vivint Solar Financing I, LLC, a Delaware limited liability company (“Borrower”), Vivint Solar Financing I Parent, LLC a Delaware limited liability company (the “Member”), each guarantor from time to time party thereto (collectively and together with the Member, the “Guarantors” and individually, a “Guarantor”), each lender from time to time party thereto (collectively, the “Lenders” and individually, a “Lender”) and Bank of America, N.A., as lead arranger, as administrative agent (together with its successors and permitted assigns in such capacity, the “Administrative Agent”) and as collateral agent (together with its successors and permitted assigns in such capacity, the “Collateral Agent”).

Pursuant to the provisions of Section 2.4(g) of the Loan Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such Loan(s) (as well as any Note(s) evidencing such Loan(s)), (iii) with respect to the extension of credit pursuant to this Loan Agreement or any other Loan Document, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of the Borrower (or its regarded parent) within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower (or its regarded parent) as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Borrower with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN from each of such partner’s/member’s beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Loan Agreement and used herein shall have the meanings given to them in the Loan Agreement.

[NAME OF LENDER]

By:

Name:

Title:

Date: , 20[]

I-7

***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

EXHIBIT J

REQUIRED PERMISSIVE TRANSFER PROVISIONS

Part I – Partnership Flip Structures

Pursuant to a Subject Fund LLC Agreement (“**LLCA**”) or a valid, enforceable and irrevocable consent of the Investor or another Subject Fund that owns a direct Equity Interest in such Subject Fund (such party, the “**Class A Member**”):

- (a) The Managing Member (the “**Class B Member**”) is permitted to freely encumber all of its Class B Units in favor of a lender (or an agent acting on behalf of such lender) of such Class B Member (or an affiliate of such Class B Member) (“**Lender**”) without the further consent of the Class A Member;
- (b) each Lender (or its transferee or an agent acting on behalf of such lender) is permitted to foreclose (or transfer in lieu thereof) on the Class B Units under the Financing Documents without the consent of the Class A Member and such lender is entitled to enforce such foreclosure rights so long as (I) any exercise of remedies in respect of such foreclosure (or transfer in lieu thereof) does not cause either a (x) recapture event for the Class A Member or (y) termination of the LLC for income tax purposes unless the transferee or another Person reasonably acceptable to the Class A Member has agreed to indemnify the Class A Member for any losses associated with such termination and (II) the transferee is not a tax-exempt entity (collectively, clauses (I) and (II), “**Tax Transfer Preconditions**”);
- (c) subject to the Tax Transfer Preconditions and any other conditions acceptable to the Administrative Agent and specifically set forth in a consent otherwise meeting the requirements of Part I of this Exhibit J, Lender (or an agent acting on behalf of such Lender) is permitted, without the consent of the Class A Member after foreclosure (or transfer in lieu thereof) on the Class B Units by Lender (or an agent acting on behalf of such Lender), to transfer all of the Class B Units to any Person; provided that the LLCA may require that such Person be a “Qualified Transferee” (or such other term as may be used in the applicable LLCA) meeting certain ownership, management and/or operating experience criteria, which Class A Member has expressly agreed may be met by appointment of a third party satisfying such criteria; (for the avoidance of doubt, each Lender shall not be subject to such Qualified Transferee criteria unless such Lender is the transferee of the Class B Units transferred as contemplated by this clause (c)); and
- (d) each Lender (or its transferee or an agent acting on behalf of such Lender) after foreclosure (or transfer in lieu thereof) on the Class B Units shall not be responsible for any obligations and liabilities of the Class B Member incurred or arising prior to such foreclosure (or transfer in lieu thereof) or any obligations and liabilities incurred or arising after the date of such foreclosure (or transfer in lieu thereof), in either case resulting from the Class B Member’s acts or omissions, misrepresentations or default under any LLCA.

In addition to the foregoing:

- (e) The LLCA shall not grant or provide a right of first refusal or offer in favor of a Class A Member in respect of any transfer of the Class B Units;
- (f) Either (i) pursuant to the express terms of the LLCA, (A) the parent of the Class B Member (the “ **Borrower** ”) is permitted to freely encumber all of the equity interests it holds in the Class B Member and (B) the parent of the Borrower is permitted to freely encumber all of the equity interests it holds in the Borrower, in each case, without the further consent of the Class A Member or (ii) there is no provision of the LLCA that prohibits the encumbrances or requires the consent described in the foregoing subclause (i); and
- (g) Either (i) pursuant to the express terms of the LLCA, (A) each Lender (or its transferee or an agent acting on behalf of such Lender) is permitted to foreclose (or transfer in lieu thereof) on the equity interests described in clause (f) above without the consent of the Class A Member or satisfaction of any further conditions under any LLCA and such Lender is entitled to enforce such foreclosure rights and (B) any such exercise by a Lender shall not constitute a change of control of the Class B Member or (ii) there is no provision of the LLCA that prohibits the actions or requires the consent described in the foregoing subclause (i).

Part II – Inverted Lease Structures¹

Pursuant to the Master Lease, a Subject Fund Material Project Document to which Investor or Lessee is a party, or a valid, enforceable and irrevocable agreement or consent of the Investor or Lessee:

- (a) The Manager is permitted to freely encumber all of the membership interests that it holds in the Lessor (collectively, the “ **Equity Interests** ”) in favor of a lender (or an agent acting on behalf of such lender) of such Manager (or an affiliate of such Manager) (“ **Lender** ”) without the further consent of the Lessee or Investor;
- (b) each Lender (or its transferee or an agent acting on behalf of such lender) is permitted to foreclose (or transfer in lieu thereof) on the Equity Interests under the Financing Documents without the consent of the Lessee or Investor and such lender is entitled to enforce such foreclosure rights so long as (I) any exercise of remedies in respect of such foreclosure (or transfer in lieu thereof) does not cause a recapture event for the Lessee or Investor, (II) such foreclosure or transfer does not violate any applicable Law or cause the Lessor to be required to be register as an “investment company” under the Investment Company Act of 1940, as amended, (III) the transferee is not a tax-exempt entity or described or designated in the Specially Designated Nationals and Blocked Persons List of the Office of Foreign Assets Control (collectively, clauses (I) through (III), “ **Tax Transfer Preconditions** ”);

¹ Subject to modification pursuant to Section 3.4(n).

- (c) subject to the Tax Transfer Preconditions and any other conditions acceptable to the Administrative Agent and specifically set forth in a consent otherwise meeting the requirements of Part II of this Exhibit J, Lender (or an agent acting on behalf of such Lender) is permitted, without the consent of Investor or Lessee after foreclosure (or transfer in lieu thereof) on any Equity Interest by Lender (or an agent acting on behalf of such Lender), to transfer any or all of the Equity Interests to any Person, subject to any management or operational experience requirements specifically set forth in a consent otherwise meeting the requirements of Part II of this Exhibit J;
- (d) No Lender (or its transferee or an agent acting on behalf of such Lender) after foreclosure (or transfer in lieu thereof) on any or all of the Equity Interest shall be responsible for any obligations and liabilities of Manager incurred or arising prior to such foreclosure (or transfer in lieu thereof) or any obligations and liabilities incurred or arising after the date of such foreclosure (or transfer in lieu thereof), in either case resulting from the Manager's acts or omissions or misrepresentations;
- (e) (A) the parent of the Manager (the “ **Borrower** ”) is permitted to freely encumber all of the equity interests it holds in the Manager and (B) the parent of the Borrower is permitted to freely encumber all of the equity interests it holds in the Borrower, in each case, without the further consent of the Investor or Lessee; and
- (f) each Lender (or its transferee or an agent acting on behalf of such Lender) is permitted to foreclose (or transfer in lieu thereof) on the equity interests described in clause (e) without the consent of the Investor or Lessee, or satisfaction of any further conditions under the operating agreement of Lessor and any such Lender is entitled to enforce such foreclosure rights.

In addition to the foregoing, neither the Investor nor Lessee shall have been granted or provided a right of first refusal or offer in respect of any transfer of any Equity Interests.

Part III – Modified Inverted Lease Structures

Pursuant to the operating agreement of the Master Tenant and the operating agreement of the Owner (each individually, an “ **LLCA** ” and collectively, the “ **LLCAs** ”) or valid, enforceable and irrevocable consents of the Investor, Owner and the Master Tenant, as applicable:

- (a) The Managing Member under each LLCA is permitted to freely encumber all of the membership interests that it holds in the Master Tenant as well as all of the membership interest that it holds in the Owner (collectively, the “ **Equity Interests** ”) in favor of a lender (or an agent acting on behalf of such lender) of such Managing Member (or an affiliate of such Managing Member) (“ **Lender** ”) without the further consent of the Owner, Master Tenant or Investor;
- (b) each Lender (or its transferee or an agent acting on behalf of such lender) is permitted to foreclose (or transfer in lieu thereof) on the Equity Interests under the Financing Documents without the consent of the Owner, Master Tenant or Investor and such lender is entitled to enforce such foreclosure rights so long as (I) any exercise of

remedies in respect of such foreclosure (or transfer in lieu thereof) does not cause either a (x) recapture event for Investor or (y) termination of an LLCA for income tax purposes and (II) the transferee is not a tax-exempt entity (collectively, clauses (I) and (II), “**Tax Transfer Preconditions**”);

- (c) subject to the Tax Transfer Preconditions and any other conditions acceptable to the Administrative Agent and specifically set forth in a consent otherwise meeting the requirements of Part III of this Exhibit J, Lender (or an agent acting on behalf of such Lender) is permitted, without the consent of Investor, Master Tenant or Owner after foreclosure (or transfer in lieu thereof) on any Equity Interest by Lender (or an agent acting on behalf of such Lender), to transfer any or all of the Equity Interests to any Person, subject to any management or operational experience requirements specifically set forth in a consent otherwise meeting the requirements of Part III of this Exhibit J;
- (d) No Lender (or its transferee or an agent acting on behalf of such Lender) after foreclosure (or transfer in lieu thereof) on any or all of the Equity Interest shall be responsible for any obligations and liabilities of Managing Member incurred or arising prior to such foreclosure (or transfer in lieu thereof) or any obligations and liabilities incurred or arising after the date of such foreclosure (or transfer in lieu thereof), in either case resulting from the Managing Member’s acts or omissions, misrepresentations or default under any LLCA or its failure to make a Capital Contribution;

In addition to the foregoing:

- (e) No LLCA shall grant or provide a right of first refusal or offer in favor of Investor, Master Tenant or Owner in respect of any transfer of any Equity Interests.
- (f) Either (i) pursuant to the express terms of the LLCA or (ii) a consent otherwise meeting the requirements of Part II of this Exhibit J, (A) the parent of the Managing Member (the “Borrower”) is permitted to freely encumber all of the equity interests it holds in the Managing Member and (B) the parent of the Borrower is permitted to freely encumber all of the equity interests it holds in the Borrower, in each case, without the further consent of the Investor, Master Tenant or Owner; and
- (g) Either (i) pursuant to the express terms of the LLCA or (ii) a consent otherwise meeting the requirements of Part II of this Exhibit J, (A) each Lender (or its transferee or an agent acting on behalf of such Lender) is permitted to foreclose (or transfer in lieu thereof) on the equity interests described in clause (f) without the consent of the Investor, Master Tenant or Owner, or satisfaction of any further conditions under any LLCA and any such Lender is entitled to enforce such foreclosure rights and (B) any such exercise by a Lender shall not constitute a change of control of the Owner or Master Tenant as the case may be.

EXHIBIT K
to Loan Agreement

FORM OF POTENTIAL NEW FUND NOTICE

[See Attached]

K-1

***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

POTENTIAL NEW FUND NOTICE

Bank of America Plaza

Mail Code: ***

Attention: ***
Phone: ***

Fax: ***
Electronic Mail: ***

Agency Management

Attention: ***
Telephone: ***
Telecopier: ***
Electronic Mail: ***

[DATE 1]

Re: Vivint Solar Financing I, LLC
Potential New Fund Notice

Ladies and Gentlemen:

The undersigned, Vivint Solar Financing I, LLC, a Delaware limited liability company (the “Borrower”), refers to the Second Amended and Restated Loan Agreement, originally dated as of September 12, 2014, as amended and restated as of November 25, 2015 and as further amended and restated as of March 9, 2017 (as amended, modified or supplemented and in effect from time to time, the “Loan Agreement”) by and among the Borrower, Vivint Solar Financing I Parent, LLC a Delaware limited liability company (the “Member”), each guarantor from time to time party thereto (collectively and together with the Member, the “Guarantors” and individually, a “Guarantor”), each lender from time to time party thereto (collectively, the “Lenders” and individually, a “Lender”), Bank of America, N.A., as Lead Arranger, as administrative agent for the Lenders (in such capacity, including any successor thereto, the “Administrative Agent”) and as collateral agent for the Secured Parties (in such capacity, including any successor thereto, the “Collateral Agent”) and the other Persons party thereto. Capitalized terms used herein but not otherwise defined herein shall have the respective meanings set forth in the Loan Agreement.

¹ Date of request must be no fewer than (x) with respect to any Eligible Structure other than a Repeat Tax Equity Structure, forty-five (45) days prior to the expiration of the Availability Period and (y) with respect to any Repeat Tax Equity Structure, fifteen (15) Business Days prior to the expiration of the Availability Period.

The Borrower hereby requests the inclusion of the Potential New Fund identified below under Section 2.10(a) of the Loan Agreement and in connection therewith certifies as follows:

- (A) The requested date of inclusion of the Potential New Fund is: _____.
- (B) The details of the Potential New Fund are set forth in the following table:

Type of Eligible Structure (<i>check one</i>):	<input type="checkbox"/> Repeat Tax Equity Structure <input type="checkbox"/> Tax Equity Structure (non-repeat) <input type="checkbox"/> Other Financed Structure <input type="checkbox"/> Other Non-Financed Structure
Managing Member (<i>if applicable, insert entity name, type of legal entity and jurisdiction of organization</i>):	
Subject Fund(s) (<i>if applicable, insert entity name(s), type(s) of legal entity and jurisdiction(s) of organization</i>):	
Investor (<i>if applicable, insert entity name</i>):	
Recommended Designation (<i>check one, in accordance with certification in (F) below</i>)	<input type="checkbox"/> Non-Cash-Sweep Fund <input type="checkbox"/> Cash-Sweep Fund Category I <input type="checkbox"/> Cash-Sweep Fund Category II <input type="checkbox"/> (not applicable)

(C) The Borrower has delivered to the Administrative Agent the Tax Equity Model for the Potential New Fund.

(D) The Borrower has delivered to the Administrative Agent (or provided the Administrative Agent access to an online data room that contains true, complete and correct copies of the following) (i) a complete set of transaction documents for the Potential New Fund, [(ii) redline comparisons of the transaction documents for the Potential New Fund marked against the transaction documents of the current Subject Fund to which it is substantially similar,]¹ and [(ii)][(iii)] the information set forth in Section 3.3(b) of the Loan Agreement with respect to each System included in the Potential New Fund or the associated Host Customers.

¹ To be included if the Potential New Fund is a Repeat Tax Equity Structure.

(E) The Borrower will deliver to the Administrative Agent (or provide the Administrative Agent access to an online data room that contains true, complete and correct copies of the following) any other data, documentation, analysis or report reasonably requested by the Administrative Agent with respect to the Potential New Fund.

(F) The Borrower [hereby confirms that the transaction documents of the Potential New Fund do not contain any provision that cause such Potential New Fund to be a Cash-Sweep Fund Category I or a Cash-Sweep Fund Category II] [hereby gives notice of the existence of a provision in the transaction documents of the Potential New Fund that result in the Potential New Fund being designated as a [Cash-Sweep Fund Category I][Cash-Sweep Fund Category II]; the following events or circumstances would give rise to a cash sweep with respect to the Potential New Fund: _____].¹

[*The remainder of this page is intentionally blank. The next page is the signature page .*]

¹ Pick and complete the applicable certification. For Other Non-Financed Structures, delete this clause (F) entirely and check “not applicable” where indicated in the table above.

K-5

***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

IN WITNESS WHEREOF, the undersigned has executed this Potential New Fund Notice as of the date first written above.

VIVINT SOLAR FINANCING I, LLC ,
a Delaware limited liability company, as Borrower

By:
Name:
Title:

K-6

***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

EXHIBIT L
to Loan Agreement

FORM OF NEW SYSTEMS NOTICE

[See Attached]

L-1

[***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

NEW SYSTEMS NOTICE

Bank of America Plaza

Mail Code: ***

Attention: ***
Phone: ***
Fax: ***
Electronic Mail: ***

Agency Management

Attention: ***
Telephone: ***
Telecopier: ***
Electronic Mail: ***

[DATE 1]

Re: Vivint Solar Financing I, LLC
New Systems Notice

Ladies and Gentlemen:

The undersigned, Vivint Solar Financing I, LLC, a Delaware limited liability company (the “ Borrower ”), refers to the Second Amended and Restated Loan Agreement, originally dated as of September 12, 2014, as amended and restated as of November 25, 2015 and as further amended and restated as of March 9, 2017 (as amended, modified or supplemented and in effect from time to time, the “ Loan Agreement ”) by and among the Borrower, Vivint Solar Financing I Parent, LLC a Delaware limited liability company (the “ Member ”), each guarantor from time to time party thereto (collectively and together with the Member, the “ Guarantors ” and individually, a “ Guarantor ”), each lender from time to time party thereto (collectively, the “ Lenders ” and individually, a “ Lender ”), Bank of America, N.A., as Lead Arranger, as administrative agent for the Lenders (in such capacity, including any successor thereto, the “ Administrative Agent ”) and as collateral agent for the Secured Parties (in such capacity, including any successor thereto, the “ Collateral Agent ”) and the other Persons party thereto. Capitalized terms used herein but not otherwise defined herein shall have the respective meanings set forth in the Loan Agreement.

The Borrower hereby requests the inclusion of new Systems identified below under Section 2.10(c) of the Loan Agreement and in connection therewith certifies as follows:

¹ Date of request must be at least 15 Business Days prior to the requested date of inclusion [and at least 10 Business Days after the date of the most recent prior New Systems Notice (if any)].

(A) The requested date of inclusion of the new Systems is: _____.

(B) Each of new Systems that are the subject of this request are identified on Annex I attached hereto, along with the Subject Fund into which each such System is requested to be included.

(C) The Borrower has delivered a revised Advance Model to the Administrative Agent reflecting the pro forma inclusion of the new Systems.

(D) The Borrower has delivered to the Administrative Agent (or provided the Administrative Agent access to an online data room that contains true, complete and correct copies of the following) (i) a complete set of Customer Agreements for each such System and (ii) System Information for each such System.

(E) The Borrower will deliver to the Administrative Agent (or provide the Administrative Agent access to an online data room that contains true, complete and correct copies of the following) any other data, documentation, analysis or report reasonably requested by the Administrative Agent with respect to such Systems or the associated Host Customers and commercially available to the Borrower.

[*The remainder of this page is intentionally blank. The next page is the signature page .*]

L-3

[***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

IN WITNESS WHEREOF, the undersigned has executed this New Systems Notice as of the date first written above.

VIVINT SOLAR FINANCING I, LLC ,
a Delaware limited liability company, as Borrower

By:
Name:
Title:

L-4

***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

Annex I

New Systems

L-5

***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

EXHIBIT M
to Loan Agreement

FORM OF NEW SUBJECT FUND ACCESSION AGREEMENT

[See Attached]

M-1

***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

FORM OF NEW SUBJECT FUND ACCESSION AGREEMENT

This ACCESSION AGREEMENT (this “Accession Agreement”), dated as of _____, is entered into by and among _____, a Delaware limited liability company (the “New Managing Member”), Vivint Solar Financing I, LLC, a Delaware limited liability company (the “Borrower”) and Bank of America, N.A., as administrative agent for the Lenders (in such capacity, including any successor thereto, the “Administrative Agent”) and as collateral agent for the Secured Parties (in such capacity, including any successor thereto, the “Collateral Agent”).

RECITALS

WHEREAS, reference is made to the Second Amended and Restated Loan Agreement, originally dated as of September 12, 2014, as amended and restated as of November 25, 2015 and as further amended and restated as of March 9, 2017 (as amended, modified or supplemented and in effect from time to time, the “Loan Agreement”) by and among the Borrower, Vivint Solar Financing I Parent, LLC a Delaware limited liability company (the “Member”), each guarantor from time to time party thereto (collectively and together with the Member, the “Guarantors” and individually, a “Guarantor”), each lender from time to time party thereto (collectively, the “Lenders” and individually, a “Lender”), the Administrative Agent, the Collateral Agent, and the other Persons party thereto; and

WHEREAS, pursuant to Section 2.10(a) of the Loan Agreement, the Borrower has requested the inclusion of a Potential New Fund of which the New Managing Member is managing member (the “New Subject Fund”) and the Administrative Agent has notified the Borrower that such Potential New Fund is acceptable for inclusion in the Available Borrowing Base.

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

SECTION 1. Definitions. All capitalized terms not otherwise defined herein shall have the respective meanings set forth in the Loan Agreement.

SECTION 2. Joinder.

- (A) Pursuant to Sections 2.10(a), 3.4 and 5.18 of the Credit Agreement, the New Managing Member hereby:
- (i) agrees that this Accession Agreement may be attached to the Loan Agreement and that by execution and delivery hereof, the New Managing Member hereby accepts the duties and responsibilities of a Managing Member under the Loan Agreement and the other Financing Documents, including without limitation the CADA and the Security Agreement;
 - (ii) makes, solely as to itself (except that the New Managing Member shall make the representations as to its related Subject Fund or Subject Funds, as the case may be, pursuant to Sections 4.1(a)(v), 4.1(w), 4.1(x) and 4.1(y)

M-2

[***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

of the Loan Agreement), each of the representations and warranties made by the Managing Members under the Loan Agreement and each other Financing Document, as if each such representation or warranty was set forth herein, *mutatis mutandis* ;

- (iii) agrees to and makes, solely with respect to itself, each of the covenants and agreements made by the Managing Members under the Loan Agreement and each other Financing Document, as if each such covenant was set forth herein, *mutatis mutandis* ;
- (iv) certifies that no event has occurred and is continuing as of the date hereof, or will result from the transactions contemplated hereby, that would constitute a Default or Event of Default;
- (v) agrees to comply with all the terms and conditions of the Loan Agreement as if it were an original signatory thereto;
- (vi) agrees to provide the Administrative Agent, the Collateral Agent and each Lender all documents, instruments, agreements and certificates required by such Lender in connection with such New Managing Members' execution of this Accession Agreement;
- (vii) agrees to complete a Perfection Certificate pursuant to the terms of the Security Agreement and deliver the same to the Collateral Agent on or before the date hereof;
- (viii) agrees to deliver to the Collateral Agent, simultaneously with its execution hereof, an original certificate evidencing the Pledged Equity (as defined in the Security Agreement) in the New Subject Fund, together with an undated limited liability company interest power, and such other instruments and documents as the Collateral Agent may reasonably request, in accordance with the terms and conditions of the Security Agreement; and
- (ix) authorizes the filing of all financing statements deemed reasonably necessary or advisable by the Collateral Agent in connection with the Collateral Agent's perfection of the Liens created against the assets of the New Managing Member pursuant to the terms of the Financing Documents.

(B) Effective as of the date hereof, the Administrative Agent and the Collateral Agent, on behalf of each Lender, hereby consent to this Accession Agreement and the New Managing Member becoming a Managing Member under the Loan Agreement and the other Financing Documents.

SECTION 3. Representations, Warranties and Undertakings. The New Managing Member: (i) represents and warrants that it has full power and authority, and has taken all action necessary, to execute and deliver this Accession Agreement and to consummate the transactions contemplated hereby and to become a Managing Member under the Loan Agreement and the other Financing Documents and (ii) acknowledges and confirms that it has received a copy of the Loan Agreement,

M-3

[***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

each other Financing Document and such other documents and information as it has deemed appropriate to make its own decision to enter into this Accession Agreement.

SECTION 4. New Account. The Borrower, Administrative Agent, Depositary, and Collateral Agent acknowledge and agree that, (i) the New Managing Members have established the respective bank accounts set forth in Schedule 1 hereto (each a “New Account”, with each of the accounts listed under “Revenue Account Sub Accounts” a “Revenue Account Sub Account”, and the accounts listed under “Capital Contribution Accounts” a “Capital Contribution Account”), (ii) pursuant to Sections 2.3(b) and 2.3(c) of the CADA, each such New Account is an Account (as such term is defined in the CADA) for all purposes under the CADA, and (iii) pursuant to Sections 2.3(b) and 2.3(c) of the CADA, the parties hereto agree to replace Schedule II to the CADA with Schedule 2 hereto and to replace Schedule III to the CADA with Schedule 3 hereto.

SECTION 5. Effectiveness. The effectiveness of this Accession Agreement is subject to (i) the satisfaction (or waiver) of each of the conditions set forth in Sections 3.3 and 5.18 of the Loan Agreement, (ii) the due execution and delivery of this Accession Agreement by the New Managing Member, and (iii) consent, not to be unreasonably withheld, conditioned or delayed by the Administrative Agent, the Collateral Agent and the Borrower to this Accession Agreement; provided, that such consent of the Administrative Agent or the Collateral Agent shall not be withheld if the New Subject Fund is a Repeat Tax Equity Structure with respect to which the Administrative Agent has decided not to conduct due diligence.

Except as otherwise provided in the Loan Agreement, effective as of the Effective Date, the New Managing Member shall be deemed automatically to have become a party to, and the New Managing Member agrees that it will be bound by the terms and conditions set forth in, the Loan Agreement, the CADA and the Security Agreement, and shall have all the rights and obligations of a “Managing Member” under the Loan Agreement and the other Financing Documents as if it were an original signatory thereto.

SECTION 6. Governing Law. THIS ACCESSION AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK.

SECTION 7. Counterparts. This Accession Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of this Accession Agreement by telecopy or portable document format (“pdf”) shall be effective as delivery of a manually executed counterpart of this Accession Agreement.

SECTION 8. Further Assurances. The New Managing Member hereby agrees to execute and deliver such other instruments, amendments, agreements and authorizations, and take such other action, as the Administrative Agent, the Collateral Agent or any Lender may reasonably request in connection with the transactions contemplated by this Accession Agreement.

SECTION 9. Binding Effect; Amendment. This Accession Agreement shall be binding upon and inure to the benefit of the parties hereto, the Secured Parties, and their respective successors and

assigns, subject, however, to the provisions of the Loan Agreement. No provision of this Accession Agreement may be amended, waived or otherwise modified except by an instrument in writing signed by the New Managing Member, the Administrative Agent and the Collateral Agent.

SECTION 10. Borrower Undertaking. The Borrower agrees to deliver to the Collateral Agent, simultaneously with its execution hereof, an original certificate evidencing the Pledged Equity (as defined in the Security Agreement) in the New Managing Member, together with an undated limited liability company interest power, and such other instruments and documents as the Collateral Agent may reasonably request, in accordance with the terms and conditions of the Security Agreement.

SECTION 11. Administrative Agent Enforcement. The Administrative Agent, the Collateral Agent and each Lender shall be entitled to rely upon and enforce this Accession Agreement against the New Managing Member and the Borrower in all respects.

[The remainder of this page is intentionally blank. The next page is the signature page.]

M-5

[***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

IN WITNESS WHEREOF , the undersigned have caused this Accession Agreement to be duly executed by a Responsible Officer as of the date first above written.

The effective date for this Accession Agreement is the date this Accession Agreement is acknowledged and accepted by the Administrative Agent, the Collateral Agent and the Borrower _____, 20__ (the “Effective Date”).

[NEW MANAGING MEMBER]

By:
Name:
Title:

BANK OF AMERICA, N.A.
as Administrative Agent, Depository and Collateral Agent

By:
Name:
Title:

VIVINT SOLAR FINANCING I, LLC,
as Borrower

By:
Name:
Title:

M-6

[***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

SCHEDULE 1

Revenue Account Sub Accounts

<u>Bank</u>	<u>Account #</u>	<u>Account Owner</u>
--------------------	-------------------------	-----------------------------

Capital Contribution Accounts

<u>Bank</u>	<u>Account #</u>	<u>Account Owner</u>
--------------------	-------------------------	-----------------------------

M-7

***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

SCHEDULE 2

REVENUE ACCOUNT SUB-ACCOUNTS

M-8

***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

SCHEDULE 3

CAPITAL CONTRIBUTION ACCOUNTS

M-9

***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

EXHIBIT N
to Loan Agreement

FORM OF BORROWING DATE CERTIFICATE

[See Attached]

N-1

***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

BORROWING DATE CERTIFICATE

This Borrowing Date Certificate (this “ Borrowing Date Certificate ”) dated as of _____, 20__, is delivered to you pursuant to Section 3.2(a) of the Second Amended and Restated Loan Agreement, originally dated as of September 12, 2014, as amended and restated as of November 25, 2015 and as further amended and restated as of March 9, 2017 (as amended, modified or supplemented and in effect from time to time, the “ Loan Agreement ”) by and among Vivint Solar Financing I, LLC, a Delaware limited liability company (the “ Borrower ”), Vivint Solar Financing I Parent, LLC a Delaware limited liability company (the “ Member ”), each guarantor from time to time party thereto (collectively and together with the Member, the “ Guarantors ” and individually, a “ Guarantor ”), each lender from time to time party thereto (collectively, the “ Lenders ” and individually, a “ Lender ”), Bank of America, N.A., as Lead Arranger, as administrative agent for the Lenders (in such capacity, including any successor thereto, the “ Administrative Agent ”) and as collateral agent for the Secured Parties (in such capacity, including any successor thereto, the “ Collateral Agent ”) and the other Persons party thereto, pursuant to which the Lenders have agreed to make Loans to the Borrower. Each capitalized term used and not otherwise defined herein shall have the meaning assigned thereto in Section 1.1 of the Loan Agreement.

The undersigned Responsible Officer of Borrower hereby certifies, represents and warrants as of the date hereof that he/she is the _____ of Borrower, and that, as such, he/she is authorized to execute and deliver this Borrowing Date Certificate to the Administrative Agent on behalf of the Borrower, and that:

- (a) Each of the representations and warranties made by each Loan Party under the Financing Documents are true and correct in all material respects as of such Requested Borrowing Date (as defined in the Borrowing Notice to which this Borrowing Date Certificate is attached), other than those representations and warranties which are modified by materiality by their own terms, which are true and correct in all respects as of such Requested Borrowing Date (unless such representation or warranty relates solely to an earlier date, in which case it is true and correct in all material respects as of such earlier date);
- (b) The Eligibility Representations set forth in Appendix 3 of the Loan Agreement are true, complete, and correct with respect to each System for which the Requested Borrowing Date is the first Borrowing Date after such System became subject to the Financing Documents;
- (c) No Default of Event of Default has occurred and is continuing pursuant to the Loan Agreement or will result from the Borrowing of the requested Loan;
- (d) The Borrower is in compliance with Section 6.1 of the Loan Agreement as of the most recent Quarterly Date;
- (e) As of the date hereof, no Subject Fund is a Watched Fund [other than the following:

Watched Fund	Conditions/Circumstances causing Watched Fund
---------------------	--

N-2

***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

];

(f) the Borrower [is][is not] in compliance with the Borrowing Base Requirement [and the details of such non-compliance are as follows: _____];

(g) No Material Adverse Effect has occurred or is continuing since the Closing Date, and, to Borrower's knowledge, no event or circumstance exists that could reasonably be expected to result in a Material Adverse Effect has occurred; and

(h) No Bankruptcy Event has occurred with respect to either Borrower Member or Vivint Solar Parent.

[*Remainder of page intentionally left blank*]

N-3

***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

IN WITNESS WHEREOF, the undersigned has caused this Borrowing Date Certificate to be executed and delivered, and the certifications and warranties contained herein to be made on behalf of the Borrower, by a Responsible Officer of the Borrower as of the date first written above.

VIVINT SOLAR FINANCING I, LLC,
a Delaware limited liability company

By:
Name:
Title:

N-4

***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

EXHIBIT O
to Loan Agreement

HEDGE TERM SHEET

[See Attached]

O-1

***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

Knowledge Individuals

For each Loan Party, unless otherwise indicated on this Schedule 1.1(b) :

1. David Bywater – Chief Executive Officer; President
2. Dana Russell – Chief Financial Officer
3. Thomas Plagemann – Chief Commercial Officer
4. Dan Black – General Counsel; Secretary

-1-

***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

Consents

1. Consent and Agreement by and among Vivint Solar Financing I, LLC, Vivint Solar Fund XV Manager, LLC, Bank of America, N.A., and the Investor named therein, dated December 16, 2016.

-2-

***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

Outstanding Debt

Vivint Solar Financing I, LLC

1. None

Vivint Solar Fund XV Manager, LLC

1. None

Subsidiaries; Equity Interests

Current Legal Entities Owned	Loan Party Record Owner	Jurisdiction	Interest
Vivint Solar Financing I, LLC (BORROWER)	Vivint Solar Financing I Parent, LLC	Delaware	100%
Vivint Solar Fund XV Manager, LLC (GUARANTOR)	Vivint Solar Financing I, LLC	Delaware	100%
Vivint Solar Owner I, LLC (GUARANTOR)	Vivint Solar Financing I, LLC	Delaware	100%
Vivint Solar Fund XV Project Company, LLC	Vivint Solar Fund XV Manager, LLC	Delaware	100% of Class B
Vivint Solar Fund XV Project Company, LLC	[n/a; Investor]	Delaware	100% of Class A

Investments

Vivint Solar Financing I, LLC

1. Investments made from time-to-time in Vivint Solar Fund XV Manager, LLC

Vivint Solar Fund XV Manager, LLC

1. Investments made from time-to-time in Vivint Solar Fund XV Project Company, LLC

-5-

[***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

Transactions With Affiliates

None

-6-

***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

ANNEX I

Account Information

Bank: ***

Account Name: ***

Account Number: ***

ABA Routing Number: ***

Attn: ***

Ref: ***

[***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

ANNEX 2

Lenders/Lending Office

Lender	Lending Office
Bank of America, N.A.	Bank of America Plaza *** Mail Code: *** *** Attn: *** Phone – *** Fax – *** ***
CIT Finance LLC	*** *** Attn: *** ***
Deutsche Bank AG, New York Branch	*** *** Attn: *** ***
ING Capital LLC	*** *** Attn: *** ***
Silicon Valley Bank	*** *** Attn: *** ***
National Bank of Arizona	*** *** *** Attn: ***

***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

ANNEX 3

Lender Commitments

Lender	Initial Commitment and Commitment as of First Restatement Date	Commitment as of Second Restatement Date
Bank of America, N.A.	***	***
CIT Finance LLC	***	***
Deutsche Bank AG, New York Branch	***	***
ING Capital LLC	***	***
Société Générale	***	***
Silicon Valley Bank	***	***
National Bank of Arizona	***	***
Total	\$375,000,000.00	\$375,000,000.00

Lender Loans

Lender	Outstanding Loans as of First Restatement Date (prior to giving effect to Loans made on such date)	Outstanding Loans as of Second Restatement Date (prior to giving effect to any Loans made on such date)
Bank of America, N.A.	***	***
CIT Finance LLC	***	***
Deutsche Bank AG, New York Branch	***	***
ING Capital LLC	***	***
Silicon Valley Bank	***	***
Société Générale	***	***
National Bank of Arizona	***	***
Total	\$183,000,000.00	47,000,000

***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

APPENDIX 1**ADVANCE RATE CALCULATIONS**

“ **Advance Rate** ” means, as of any date of determination, the lesser of (x) ***% and (y) the percentage obtained by dividing (i) the maximum amount of debt as projected by the Advance Model that can be fully supported as of such date of determination assuming (1) interest accrues an Applicable Interest Rate equal to the Assumed Interest Rate as of such date of determination, (2) the Loans are required to be paid in full in *** (***) years from such date of determination, (3) application of the ITC Downside Case to each applicable Subject Fund and (4) all Net Cash Flows distributable to the Managing Members are applied to the repayment of Outstanding Principal by (ii) the aggregate Subject Fund Values as of such date of determination of all Subject Funds. The Advance Rate shall be calculated quarterly on each Scheduled Payment Date (and upon the addition of any new Subject Fund, the release of any Subject Fund, or any addition or withdrawal of Tax Loss Policies maintained with respect to any Tax Loss Funds) and set forth in the Borrowing Base Certificate approved by the Administrative Agent. For the avoidance of doubt, each Subject Fund shall have the same Advance Rate.

“ **Assumed Interest Rate** ” means the Projected LIBO Rate, plus the Applicable Margin, plus 2%.

“ **ITC Downside Case** ” means a scenario in which the following are assumed to occur (i) *** and (ii) any affiliate of Vivint Solar Parent that owes an indemnity payment to the Investor(s) in such Subject Fund relating to such reduction defaults on such payment, and the Advance Model is adjusted to calculate the Net Cash Flows distributable to the Managing Member of such Subject Fund in light of such assumptions and any applicable Cash-Sweep Event; *provided* that, with respect to any Tax Loss Fund, in the event a Loan Party has obtained a Tax Loss Policy for such Subject Fund, then the Advance Model prepared for the ITC Downside Case shall assume that the expected insurance proceeds from such policy are paid to such Loan Party.

“ **Projected LIBO Rate** ” means, as of any date of determination, the rate as determined by the Administrative Agent utilizing the 3-month forward LIBO Rate curve quoted by Bloomberg L.P (or such other commercially available source providing quotations of the 3-month forward LIBO Rate curve as designated by the Administrative Agent from time to time).

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APPENDIX 2

BORROWING BASE CERTIFICATE COMPONENTS AND CALCULATIONS

I. Borrowing Base Certificate Components

Borrower will submit a certificate (the “**Borrowing Base Certificate**”) setting forth:

- a. the Subject Fund Value of all Systems presented for financing to date, including Systems being submitted in connection with the contemplated draw, if any, including details of:
 - (i) the Advance Models and Net Cash Flows used to calculate such Subject Fund Value,
 - (ii) Revised Net Cash Flows; and
 - (iii) a list identifying each Defaulted System and Non-Operable System.
- b. the Subject Fund Borrowing Base for each Subject Fund;
- c. the Available Borrowing Base (including the components of the calculation thereof);
- d. a representation that the Borrower is in compliance with Section 6.1 as of the previous Quarterly Date;
- e. the Advance Rate;
- f. Either (x) certification that no Watched Funds exist or (y) a list identifying each Subject Fund that is a Watched Fund and the condition or conditions that resulted in such Subject Fund being a Watched Fund;
- g. Either (x) certification of compliance with the Borrowing Base Requirement or (y) notice of non-compliance with the Borrowing Base Requirement;
- h. a representation that the weighted average FICO Score for all Host Customers in all Subject Funds subject to the Loan Agreement is at least 720; and
- i. The Deployment Percentage, Tax Loss Policy Deductible and Tax Loss Reserve for each Subject Fund

II. Defined terms.

“**Advance Model**” means a model in respect of all Subject Funds in the form of Exhibit H (which Exhibit H may be updated from time to time with the addition of new Subject Funds or Systems pursuant to Section 2.10, 3.3(a), or in accordance with Section 9.12(a)), forecasting the Net Cash Flows to each Managing Member under each Subject 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 or Modified Inverted Lease Structure, before and after the expiration of the master lease), in each case: (i) calculated in accordance with and adjusted for the Assumptions, (ii) adjusted to exclude Excluded Revenues, (iii) accounting for the applicable System Information, (iv) adjusted for a Tax Loss Policy reserve (if applicable), and (v) with respect to each Subject Fund financed pursuant to the Loan Agreement after the Closing Date, in form and substance reasonably satisfactory to the Administrative Agent as determined in consultation with the Lenders and the

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Borrower . In addition, each Advance Model will be updated as of the date such model is delivered to reflect any modifications required due to changes in System Information or Revised Net Cash Flow. Each Advance Model shall identify Systems that have become Defaulted Systems and Subject Funds that have become Watched Funds.

“ **Assumptions** ” means the assumptions set forth in the following table:

<u>Characteristic</u>	<u>Assumption</u>	
***	***	
***	***	
***	***	
***	***	***
	***	***
	***	***
	***	***
***	***	
***	***	

“ **Available Borrowing Base** ” means ***

“ **Cash-Sweep Adjustment Percentage** ” means (1) with respect to each Cash-Sweep Fund, the percentage obtained by dividing (a) its Cash-Sweep Adjusted Subject Fund Borrowing Base by (b) its Subject Fund Borrowing Base prior to the application of clause (I) of the proviso of the definition of “Available Borrowing Base” and (2) with respect to each Non-Cash-Sweep Fund, 100%.

“ **Cash-Sweep Concentration** ” means, with respect to a Cash-Sweep Fund Category, the quotient obtained by dividing (x) the sum of the Subject Fund Borrowing Bases of each Subject Fund in such Cash-Sweep Fund Category by (y) the Initially Calculated Available Borrowing Base (as defined in the definition of Available Borrowing Base).

“ **Cash-Sweep Event** ” has the meaning set forth in Appendix 7.

“ **Cash-Sweep Fund Category** ” means each of the following categories, as designated for each Cash-Sweep Fund on Appendix 4: Cash-Sweep Funds whose Project Documents reduce, limit, suspend or otherwise restrict distributions (i) more than *** (“ **Cash-Sweep Fund Category I** ”) and (ii) more than *** (“ **Cash-Sweep Fund Category II** ”), in each case, of the cash otherwise distributable to the Managing Member following the occurrence of certain events enumerated in such Project Documents, in each case as reasonably determined by the Administrative Agent in consultation with the Borrower and Lenders; provided, however, with the prior written consent of Lenders holding at least 90% of the sum of (x) the aggregate unused amount of the Commitments then in effect and (y) the aggregate unpaid principal amount of the Loans then outstanding, Cash-Sweep Funds that would otherwise be included in Cash-Sweep Fund Category I may instead be designated as, and included in, Cash-Sweep Fund Category II for all purposes hereunder; provided, further, that each Insured Tax Loss Fund that would otherwise be a Cash-Sweep Fund Category II shall be deemed to be a Non-Cash-Sweep Fund for all purposes under this Agreement. For the avoidance of doubt, any Subject Fund that is included in Cash-Sweep Fund Category I shall continue to be (A) a Cash-Sweep Fund and (B) subject to the Concentration Limit for Cash-Sweep Fund Category I (0%), in each case, without regard to whether such Subject Fund is an Insured Tax Loss Fund.

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“ **Concentration Limit** ” means in respect of (i) Cash-Sweep Fund Category I, *** %, and (ii) Cash-Sweep Fund Category II, *** %.

“ **Default Corporate Tax Rate Assumptions** ” means, with respect to a calculation of Subject Fund Value, the assumption that the applicable corporate income tax rate is equal to the maximum allowable U.S. federal corporate income tax rate applicable to corporations as of the date such calculation is made.

“ **Defaulted System** ” means any System (i) that has not been in service for 180 days or more (subject to force majeure exceptions), (ii) with respect to which the Host Customer has failed to make any payment that is due and payable under a Customer Agreement for 120 days or more (including, without limitation, any recurring payments and shut-down payments), (iii) with respect to which a Host Customer has failed to make a transfer payment or buy-out payment that is due and payable under a Customer Agreement or (iv) in the case of a Customer Agreement with respect to a System included in an Inverted Lease Structure, the Lessee (as used herein, as defined in Part II of Appendix 11) fails to assign such Customer Agreement back to Lessor within ten (10) Business Days of the date such transfer is required pursuant to the applicable lease agreement.

“ **Discount Rate** ” means, with respect to any Net Cash Flows, a rate equal to the sum of:

(a) the Hedged Percentage *multiplied by* the Hedged Effective Interest Rate, *plus*

(b) Unhedged Percentage *multiplied by* the last rate quoted by Bloomberg L.P. as of 12:00 p.m. New York City time on the Borrowing Base Certificate Date using the following keystrokes: IRSB <go>, or any successor quotation, in each case, corresponding to the weighted average life of such Net Cash Flows plus 3.25%.

“ **Excluded Revenues** ” means *** .

“ **FICO *** Revenue**” means, collectively, revenues under any Customer Agreements with a Host Customer having a FICO Score of less than *** .

“ **FICO *** Fund Reduction Percentage** ” means, with respect to a Subject Fund, the ratio of (x) the amount by which (1) FICO *** Revenue for such Subject Fund *exceeds* (2) *** % of the projected first year revenue of such Subject Fund *divided by* (y) the projected first year revenue of such Subject Fund.

“ **FICO *** Portfolio Reduction Percentage** ” means the ratio of (x) the amount by which (1) FICO *** Revenue of all Subject Funds (*less* the aggregate amounts from clause (x) of the definition of FICO *** Fund Reduction Percentage with respect to each Subject Fund) *exceeds* (2) *** % of the projected first year revenue of all Subject Funds *divided by* (y) the aggregate projected first year revenue of all Subject Funds.

“ **FICO *** Revenue**” means, with respect to a Subject Fund, the projected first year revenues under any Customer Agreements in such Subject Fund with a Host Customer having a FICO Score of greater than or equal to *** and less than *** .

“ **FICO *** Revenue**” means, with respect to a Subject Fund, the projected first year revenues under any Customer Agreements in such Subject Fund with a Host Customer having a FICO Score of greater than or equal to *** and less than *** .

“ **FICO *** Fund Reduction Percentage** ” means, with respect to a Subject Fund, the ratio of (x) the amount by which (1) FICO *** Revenue for such Subject Fund (*less* the amount of clause (x) of the

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definition of FICO *** Fund Reduction Percentage) *exceeds* (2) *** % of the projected first year revenue of such Subject Fund *divided by* (y) the projected first year revenue of such Subject Fund.

“ **FICO *** Portfolio Reduction Percentage** ” means the ratio of (x) the amount by which (1) FICO *** Revenue of all Subject Funds (*less* the amount of clause (x) of the definition of FICO *** Portfolio Reduction Percentage, *less* the aggregate amounts from clause (x) of the definition of FICO *** Fund Reduction Percentage with respect to each Subject Fund, *less* the aggregate amounts from clause (x) of the definition of FICO *** Fund Reduction Percentage with respect to each Subject Fund) *exceeds* (2) *** % of the projected first year revenue of all Subject Funds *divided by* (y) the aggregate projected first year revenue of all Subject Funds.

“ **FICO Exclusions** ” means, collectively, the following:

(i) all FICO *** Revenue;

(ii) with respect to each Subject Fund, *** % of the product of (x) the FICO *** Fund Reduction Percentage for such Subject Fund and (y) the Subject Fund Value for such Subject Fund;

(iii) *** % of the product of (x) the FICO *** Portfolio Reduction Percentage and (y) the aggregate of all Subject Fund Values for all Subject Funds;

(iv) with respect to each Subject Fund, *** % of the product of (x) the FICO *** Fund Reduction Percentage for such Subject Fund and (y) the Subject Fund Value for such Subject Fund; and

(v) *** % of the product of (x) the FICO *** Portfolio Reduction Percentage and (y) the aggregate of all Subject Fund Values for all Subject Funds.

“ **HECO Systems** ” means any System located in Oahu, Hawaii.

“ **Hedged Effective Interest Rate** ” means the fixed-rate paid, or to be paid, by the Borrower as a fixed-rate payer under (x) the forward-starting Permitted Swap Agreement described in Section 5.20(a)(i)(2) or (y) the spot Permitted Swap Agreement described in Section 5.20(a)(i)(3), as the case may be.

“ **Hedged Percentage** ” means a percentage equal to the lesser of (x) the aggregate notional amount of all Permitted Swap Agreements that collectively satisfy the requirements of Section 5.20(a)(i) divided by the Outstanding Principal and (y) 100%.

“ **Inspected-Only Systems** ” means Systems (other than HECO Systems) that have been installed and have passed all inspections that are required by any Governmental Authority but that have not yet received PTO.

“ **Inspected-Only Systems Borrowing Base** ” means an amount equal to the aggregate Inspected-Only System Adjusted Values of all Inspected-Only Systems that are not Stalled Inspected-Only Systems.

“ **Inspected-Only System Adjusted Value** ” means, for each Inspected-Only System that is not a Stalled Inspected-Only System, an amount equal to (A)(i) the net present value of Net Cash Flow, calculated using a discount rate equal to the Discount Rate, from such Inspected-Only System multiplied by (ii) the Advance Rate multiplied by (B) the Cash-Sweep Adjustment Percentage for the Subject Fund in which such Inspected-Only System is included.

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“ **Investor Guarantor** ” means, with respect to any Subject Fund, the guarantor under any Guarantee or the indemnitor under any tax indemnity agreement, in each case issued by Vivint Solar Parent and/or any of its Affiliates for the benefit of the Investor in connection with such Subject Fund.

“ **Net Cash Flow** ” means an amount equal to the aggregate forecasted distributions paid or payable to each Managing Member on account of its respective interest in a Subject 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).

“ **Non-Operable System** ” means a System that is damaged or destroyed by fire, theft or other casualty (an “ Event of Loss ”) and such System has become inoperable because of such event and is not repaired, restored, replaced or rebuilt to substantially the same condition as it existed immediately prior to such Event of Loss within one hundred eighty (180) days of such Event of Loss.

“ **Reduced Corporate Tax Rate Assumptions** ” means, with respect to a calculation of Subject Fund Value, the assumption that (i) the applicable corporate income tax rate for calendar year 2017 is equal to the maximum allowable U.S. federal corporate income tax rate applicable to corporations as of the date such calculation is made and (ii) the applicable corporate income tax rate for each succeeding year thereafter (beginning on January 1, 2018) is 20%.

“ **Revised Net Cash Flow** ” means, as of each date a Borrowing Base Certificate is delivered, a revised calculation of Net Cash Flows that includes the effect of:

1. Any transfer payment or buy-out payment that has been received in accordance with the applicable Customer Agreement;
2. Host Customer transfers in accordance with the applicable Customer Agreement, with respect to which the transferee of a Host Customer’s interest in a System fails to meet the transfer requirements, including any credit requirements, as set forth in the Material Project Documents. For the avoidance of doubt, the FICO score associated with the System will be updated to reflect the transferee as part of such transfer;
3. Removal of cash flows associated with Non-Operable Systems and Defaulted Systems;
4. Updates (solely on a forward-looking basis) to *** based on the results of *** required to be delivered pursuant to *** ; and
5. Changes to (i) Managing Member cash distribution allocations or Flip Dates (as defined in each Subject Fund’s applicable Material Project Documents) as reflected in any True-Up Models (as defined in each Subject Fund’s applicable Material Project Documents) or updated Tax Equity Models, as applicable, delivered with respect to a Subject Fund or (ii) rent schedules.

“ **Stalled Inspected-Only Systems** ” means Inspected-Only Systems that have not received PTO within *** days of becoming Inspected-Only Systems.

“ **Subject Fund Borrowing Base** ” means, for each Subject Fund, an amount equal to the Subject Fund Value of Systems in such Subject Fund multiplied by the Advance Rate.

“ **Subject Fund Value** ” means for each Subject Fund, an amount equal to the lesser of (i) the net present value of Net Cash Flow under the applicable Project Documents using the Default Corporate Tax Rate Assumptions, calculated using a discount rate equal to the Discount Rate and (ii) the net present value of Net Cash Flow under the applicable Project Documents using in the Reduced Corporate Tax Rate Assumptions, calculated using a discount rate equal to the Discount Rate; provided, however, that with respect to any Subject Fund, Net Cash Flow from Stalled Inspected-Only Systems shall not be included in the calculation of Subject Fund Value; provided, further, that on and after the earlier of (x) the date that is

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ten (10) days (excluding Sundays) after adjournment *sine die* of the second session of the One Hundred and Fifteenth (115th) United States Congress and (y) the effective date of an amendment to the Code effecting a reduction of the U.S. federal corporate income tax rate, clause (ii) of this definition shall not apply and the “Subject Fund Value” shall be determined in accordance with clause (i).

“ **Tax Equity Model** ” means for each Subject Fund, the financial model delivered to the Administrative Agent as of the Closing Date or the date such Subject Fund was included in the Available Borrowing Base pursuant to Section 3.4, as agreed upon by the respective Investor and Managing Member with respect to a Subject Fund and as updated in accordance with the terms of the Project Documents and the terms hereof.

“ **Unhedged Rate** ” means a percentage equal to 100% minus the Hedged Rate.

“ **Watched Funds** ” means (a) any Subject Funds where:

- (i) an applicable Subject Fund or Managing Member is subject to a Bankruptcy Event, dissolution event or liquidation event;
- (ii) Investor Guarantor has failed to pay any tax or other indemnity amounts over \$ *** in the aggregate due and owing to the Investor (including amounts owed by any Managing Member, whether or not such amounts are guaranteed by Investor Guarantor), unless such amounts are being contested by Managing Member or the Lessor or Partnership in good faith; *** ; and *provided, further*, that neither the applicable Subject Fund nor Managing Member shall make any such tax or other indemnity payments out of its respective cash flows;
- (iii) the number of Defaulted Systems equals or exceeds *** % of the total number of Systems included in such Subject Fund (including, for the avoidance of doubt, any removed Systems);
- (iv) the Managing Member or any affiliate of the Borrower that is the manager of a Subject Fund is removed or a notice of the removal of the Managing Member or such affiliate is given and not rescinded or withdrawn within thirty (30) days following the date such notice is given;
- (v) the occurrence of any default under any Material Project Documents that has a Material Adverse Effect or a material adverse effect on the aggregate value of the Collateral;
- (vi) Eligibility Representations with respect to Systems constituting *** % or more of the Subject Fund Value of the Subject Fund (as reasonably determined by the Administrative Agent with prior written notice to the Borrower) were not true and correct as of any date such Eligibility Representations were made; or
- (vii) in the case of an Inverted Lease Structure, (1) Vivint Solar, Inc. ceases to be obligated under its related guaranty or repudiates its obligations under such guaranty in writing, or (2) the Lessor ceases to have a valid, perfected and enforceable security interest in the applicable Customer Agreements, the cash flows therefrom, and any account in which such cash flows are first deposited; and

(b) any Subject Fund meeting such other criteria as may be reasonably determined by the Administrative Agent in consultation with the Lenders and the Borrower in respect of any Potential New Funds that are added as Subject Funds.

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APPENDIX 3

ELIGIBILITY REPRESENTATIONS

As of the date that each System is added to a Subject Fund pursuant to Section 3.3, 3.4 or otherwise is added to the Available Borrowing Base, the Borrower will make the following Eligibility Representations:

1. **Accuracy of System Information:** The System Information for the System is complete, accurate, true and correct in all material respects and does not omit any necessary information that makes such entry misleading.
2. **Customer Agreement :** The Customer Agreement signed by a residential obligor relating to such System (x) is substantially in the form of (A) with respect to the Subject Funds as of the Closing Date, one of the forms of Customer Agreements as delivered by or on behalf of Borrower to Administrative Agent prior to the Closing Date and (B) with respect to a Subject Fund added after the Closing Date, one of the Approved Form Agreements and (y) complies with and satisfies the following conditions:
 - a. **Customer Agreement:** The related Customer Agreement provides that an affiliate of Borrower agrees to design, procure and install and maintain and repair Systems (subject to force majeure exceptions) at the property specified in such Customer Agreement for no charge (other than any fees related to activation, removal and reinstallation of the system, or other fees as set forth in the form of Customer Agreements as delivered by or on behalf of Borrower to Administrative Agent or the Approved Form Agreements, as applicable) over the term of the contract other than for power purchases or lease payments, and the Host Customer agrees to purchase electric energy produced by such Systems or lease such Systems.
 - b. **Host Customer Payments in U.S. Dollars:** The related Host Customer is obligated per the terms of the related Customer Agreement to make payments in U.S. dollars to the counterparty of the related Customer Agreement.
 - c. **Absolute and Unconditional Obligation:** The related Customer Agreement is by its terms an absolute and unconditional obligation of the Host Customer to pay for electricity generated and delivered, or that will be generated and delivered, by the related System to such Host Customer after the related System has received permission to operate from the local utility in writing or in such other form as is customarily given by such local utility (“ PTO ”), and such payment obligations under the related Customer Agreement do not provide for offset for any reason.
 - d. **Non-cancelable; Prepayable:** The related Customer Agreement is non-cancelable by its terms after the start of installation of the System and, other than with respect to Customer Agreements that have been fully prepaid or partially prepaid prior to the Borrowing Date, prepayable only in connection with (i) a Customer default or (ii) a Host Customer selling their home to a transferee that is not approved by the applicable Subject Fund, in either case in an amount determined by a stated formula (including, with respect to all of the Approved Form Agreements and certain other Customer Agreements, the discounting of a pre-determined \$/Watt System value at a pre-determined discount rate as specified in such Customer Agreement).

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- e. **Governing Law of Customer Agreement:** The related Customer Agreement is governed by the laws of a state of the United States and was not originated in, nor is it subject to the laws of, any jurisdiction, the laws of which would make unlawful the sale, transfer or assignment of the related Customer Agreement under the applicable Material Project Document .
 - f. **Assignments:** All related Customer Agreements have all been assigned to a special purpose entity (whether a Lessee (as used herein, as defined in Part II of Appendix 11), Lessor, Partnership, Vivint Solar Owner I, LLC or another special purpose vehicle wholly-owned by Borrower related to an Other Non-Financed Structure) (i) that is the seller of electricity produced by, or lessor of, the related System under such Customer Agreement, (ii) that is entitled to receive the payments to be made by the applicable Host Customer under such Customer Agreement, and (iii) with respect to Partnerships and Lessors, in which the applicable Managing Member has a direct Equity Interest.
3. **Legal Compliance:** The Customer Agreement and the origination thereof and the installation of the related System, in each case, was in compliance in all material respects with applicable federal, state and local laws and regulations (including without limitation, all consumer protection laws) at the time such Customer Agreement was originated and executed and such System was installed.
 4. **Legal, Valid and Binding Agreement:** To Borrower's Knowledge, the related Customer Agreement is legal, valid and binding on the related Host Customer, enforceable against such related Host Customer 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 in a suit at law or in equity).
 5. **Full Force and Effect:** With respect to the applicable Subject Fund counterparty, the related Customer Agreement is in full force and effect in accordance with its respective terms and such Subject Fund is not in material breach or default under such Customer Agreement, and, to the Borrower's Knowledge, with respect to the Host Customer, the related Customer Agreement is in full force and effect in accordance with its respective terms, and no material breach or default by such Host Customer has occurred and is continuing thereunder, and such Customer Agreement has not been rescinded, cancelled or otherwise terminated by such Host Customer.
 6. **Ordinary Course of Business:** The related Customer Agreement relates to the sale of power from or the leasing of a System originated in the ordinary course of business of an affiliate of Borrower .
 7. **System:** The System is an Inspected-Only System (as evidenced by satisfactory documentary evidence Borrower has made available, or caused to be made available, to the Administrative Agent), or has received PTO. The solar photovoltaic panels and inverters used in the related System were obtained from, and are a product of, an Approved Manufacturer. After giving effect to the inclusion of the System, no more than *** percent (*** %) of the Systems subject to the Financing Documents are products of *** .
 8. **Project States:** The System is located in a state or locality that is approved in the applicable Subject Fund.
 9. **No Condemnation:** To Borrower's Knowledge, no condemnation is pending or threatened with respect to the System, or any portion thereof material to the ownership or operation of the System,

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and no unrepaired casualty exists with respect to the System or any portion thereof material to the ownership or operation of the System or the sale of electricity therefrom.

10. **Warranties:** All manufacturer warranties relating to the related Customer Agreement and the related System are in full force and effect and can be enforced by the owner or lessee of such System, as applicable (other than with respect to those manufacturer warranties that are no longer being honored by the relevant manufacturer with respect to all customers generally).
11. **Covered Assets:** An affiliate of Borrower, which is an experienced operator licensed, or using licensed personnel (including, without limitation, by subcontracting certain maintenance and administrative services), as applicable, as required by applicable law, is obligated to provide certain maintenance and administrative services associated with such Systems in accordance with the applicable servicing arrangement for such Subject Fund and the standards set forth in the Material Project Documents.
12. **Ownership and Liens:** Such System and the related Customer Agreement have been assigned (i) to and are owned by the Lessor or Partnership (or such other ownership arrangement acceptable to the Administrative Agent) within the Subject Fund, to which the Managing Member has an Equity Interest, (ii) to Vivint Solar Owner I, LLC or another special purpose vehicle wholly-owned by Borrower related to an Other Non-Financed Structure, or (iii) with respect to an Inverted Lease Structure, the Lessor and the Lessee, respectively, in each case of clause (i), (ii) and (iii) hereof, free and clear of all liens and encumbrances, except for Permitted Liens.
13. **Notices of Ownership :** An affiliate of Borrower has filed a precautionary fixture filing in respect of the related System or such other similar filing as may be required by applicable law including, without limitation, pursuant to Cal. Pub. Util. Code §§ 2868-2869; *provided, however*, that (i) certain of such filings may be released from time-to-time in order to assist the applicable Host Customer in a pending refinancing of such Host Customer's mortgage loan or sale of home and (ii) such filings may not have been filed or maintained in a manner that would provide priority under applicable law over an encumbrance or owner of the real property subject to the filing.
14. **Insurance:** (i) If the applicable Subject Fund is a Partnership Flip Structure, the System is insured as specified under the Material Project Documents of such Subject Fund, or (ii) if the applicable Subject Fund is an Inverted Lease Structure or a Modified Inverted Lease Structure, Lessor is not aware of a breach of Lessee's covenant to insure the System pursuant to the terms of the applicable tax equity documents.

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APPENDIX 4

LIST OF MANAGING MEMBERS, SUBJECT FUNDS, CASH-SWEEP FUND DESIGNATIONS AND INVESTORS

Managing Member	Subject Fund(s)	Cash-Sweep Fund Category or Non-Cash-Sweep Fund	Investor	Insured Tax Loss Fund
Vivint Solar Owner I, LLC ¹	Vivint Solar Owner I, LLC	***	***	No
Vivint Solar Fund XV Manager, LLC	Vivint Solar Fund XV Project Company, LLC	***	***	No

¹ Vivint Solar Owner I, LLC is an Other Non-Financed Structure.

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APPENDIX 5

MATERIAL PROJECT DOCUMENTS

Fund XV Fund

1. Amended and Restated Limited Liability Company Agreement of Vivint Solar Fund XV Project Company, LLC, between Vivint Solar Fund XV Manager, LLC and the Investor named therein, dated May 20, 2016, as amended by Amendment No. 1 dated July 15, 2016
2. Master Engineering, Procurement and Construction Agreement between Vivint Solar Developer, LLC and Vivint Solar Fund XV Project Company, LLC, dated May 20, 2016
3. Maintenance Services Agreement between Vivint Solar Provider, LLC and Vivint Solar Fund XV Project Company, LLC, dated May 20, 2016
4. Administrative Services Agreement between Vivint Solar Provider, LLC and Vivint Solar Fund XV Project Company, LLC, dated May 20, 2016
5. Guaranty by Vivint Solar, Inc. in favor of the Investor named therein, dated May 20, 2016
6. Covered Agreement Addendum No. 15, dated August 17, 2016, between Vivint Solar Fund XV Project Company, LLC, Vivint Solar Provider, LLC and Wells Fargo Bank, National Association

Owner I Fund

1. Master Purchase Agreement between Vivint Solar Developer, LLC and Vivint Solar Owner I, LLC, dated July 18, 2016
2. Maintenance Services Agreement between Vivint Solar Provider, LLC, and Vivint Solar Owner I, LLC, dated December 31, 2016
3. Limited Liability Company Agreement of Vivint Solar Owner I, LLC by Vivint Solar Financing I, LLC as sole member, dated September 12, 2014
4. Covered Agreement Addendum No. 21 between Vivint Solar Owner I, LLC, Vivint Solar Provider, LLC and Wells Fargo Bank, National Bank, dated December 31, 2016

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APPENDIX 6

SYSTEM INFORMATION

The following information with respect to each applicable System is the “**System Information**”:

- (a) the applicable Subject Fund;
- (b) Host Customer (i) account reference numbers, and (ii) city, state and ZIP code;
- (c) type of agreement (i.e., power purchase agreement or lease agreement);
- (d) Host Customer FICO score;
- (e) Date(s) inspected by any Governmental Authority whose inspection is required (if applicable) and the outcome of such inspection;
- (f) PTO dates (as such dates become available);
- (g) Substantial Completion dates (as such dates become available);
- (h) Tranche presentation dates (as such dates become available);
- (i) The projected annual insolation with respect to the System for the first full year of operation of such System;
- (j) System size;
- (k) the length of the remaining term of the applicable Customer Agreement;
- (l) the model, make and manufacturer (as available after the Closing Date) of the solar panels and inverters used in the System;
- (m) if requested by the Administrative Agent from time to time:
 - the CAD design of such System;
 - the Solmetric PV Designer report and any available associated data with respect to such System;
 - the billing history of such System; and
 - the operational history of such System.

APPENDIX 7

TAX EQUITY REPRESENTATIONS AND OTHER REPRESENTATIONS

Part I – Tax Equity Representations

As of the date that a Subject Fund is added to the Available Borrowing Base or pursuant to Section 3.3 or 3.4, with respect to such Subject Fund, the Borrower will make the following representations:

(a) the Managing Member (i) has entered into only one tax equity transaction, namely the applicable Tax Equity Structure, and (ii) owns no assets other than (x) its Equity Interests in the Subject Fund or Subject Funds related to such Tax Equity Structure as set forth on **Schedule 4.1(x)** and (y) its contractual rights arising from the Project Documents related to such Tax Equity Structure. All of the Material Project Documents for the Subject Fund that are in effect on such date are set forth on **Appendix 5**, and true, complete and correct copies of all such Material Project Documents have been delivered to the Administrative Agent.

(b) To the actual Knowledge of the Managing Member with respect to such Subject Fund, the Subject Fund operating agreement(s) is (or are) in full force and effect and no material breach, default or event of default has occurred and is continuing under or in connection with (x) such Subject Fund operating agreement(s) or (y) the Subject Fund Guaranty (if any), 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.

(c) Neither the Managing Member nor the Subject Fund has incurred any Debt or other obligations or liabilities, direct or contingent other than (i) with respect to the Managing Member, (x) the Debt and other obligations and liabilities arising under the Financing Documents and (y) contingent indemnification obligations and loans required to be made to the Subject Fund, in each case under clause (y), under the Subject Fund operating agreements, (ii) with respect to the Subject Fund, the Debt and other obligations and liabilities (including for Taxes) arising under or in relation to the Project Documents or (iii) Debt in accordance with Section 6.3 of the Loan Agreement and otherwise in connection with Permitted Liens. No claim with respect to the contingent indemnification obligations of (i) the Managing Member under the Subject Fund operating agreement(s) or (ii) the Lessor under the master lease agreement, in each case of clauses (i) and (ii) has been asserted on or prior to the date hereof against the Managing Member or Lessor, as applicable, and remains outstanding.

(d) No loan to the Subject Fund required or permitted to be made under the Subject Fund operating agreement(s) has been made and remains outstanding, except loans required to be made under a Subject Fund operating agreement that are set forth on Schedule A or that otherwise constitute Debt in accordance with Section 6.3 of the Loan Agreement. All preferred return payments required to be made on or prior to such date pursuant to the Subject Fund operating agreement(s) have been made.

(e) Except as otherwise listed on **Appendix 4**, each of the Managing Members is a limited liability company that is disregarded for federal income tax purposes.

Second AR Loan Agreement – Appendices

[***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

(f) Neither the Managing Member nor the Subject Fund 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.

(g) Neither the Managing Member nor the Subject Fund has conducted any business other than the business contemplated by the Project Documents applicable to such Managing Member and the Subject Fund.

(h) Neither the Managing Member nor any affiliate of Borrower serving as a managing member of the Subject Fund has been removed as managing member under the Subject Fund operating agreement(s) nor has the Managing Member or any such affiliate given or received notice of an action, claim or threat of removal.

(i) No event has occurred under the Subject Fund operating agreement(s) that would allow the Investor or another member to remove, or give notice of removal, of the Managing Member or any affiliate of Borrower serving as a managing member of the Subject Fund.

(j) 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 Managing Member, which limitation, reduction, suspension or other restriction is set forth in the applicable Subject Fund operating agreement(s) or other Material Project Document (any such event or circumstance, a “**Cash-Sweep Event**”). For the avoidance of doubt, “Cash-Sweep Event” shall not include any insolation-, customer default-, or serial defect-related events or circumstances, or other events or circumstances, that are not addressed in the applicable Subject Fund operating agreement(s) as modifying the cash flow distributions under such operating agreement(s).

(k) 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 the Subject Fund, the 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.

(l) No notice or action challenging the tax structure, tax basis validity, tax characterization or tax-related legal compliance of the Subject Fund or the tax benefits associated with the Subject Fund is ongoing or has been resolved in a manner materially adverse to the Subject Fund or Managing Member or, the Borrower’s Knowledge, any other member.

(m) The Subject Fund’s initial tax basis in its respective Systems was equal to the total purchase price paid by such Subject Fund for such Systems.

(n) Solely with respect to a Repeat Tax Equity Structure, (A) the Subject Fund uses a Tax Equity Structure that is on substantially similar terms as those previously approved by the Administrative Agent with respect to the same Investor (or an Affiliate of such Investor) and the Managing Member has provided the Administrative Agent with a written explanation of those terms that are not substantially similar to those of the previously approved transaction, (B)

no change in law has occurred that would reasonably be expect to have a material adverse effect on the tax benefits associated with such Subject Fund and (C) any priority return payable to the Investor has not materially and adversely changed relative to that of the Subject Fund previously approved by the Administrative Agent.

Part II – Other Non-Financed Structure Representations

(a) The Subject Fund owns no assets other than the Systems and the contractual rights related thereto and has engaged in no other business (other than owning and managing the Systems).

(b) The Subject Fund operating agreement is in full force and effect and no material breach, default or event of default has occurred and is continuing under the Subject Fund operating agreement.

(c) The Subject Fund has not incurred any Debt or other obligations or liabilities, direct or contingent other than the Debt and other obligations and liabilities arising under the Financing Documents.

(d) No Debt has been or will be created, incurred, assumed or permitted under the Subject Fund operating agreement, other than the Debt arising under the Financing Documents .

(e) The Subject Fund is a limited liability company that is disregarded for federal income tax purposes and wholly owned by the Borrower.

(f) The Subject Fund 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.

(g) All revenue received by the Subject Fund shall at all times be distributed to the Borrower.

(h) 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 the Subject Fund or its properties or revenues that, either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

Schedule A

Subject Fund Required Loans

None.

Second AR Loan Agreement – Appendices

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APPENDIX 8

SEPARATENESS PROVISIONS

The Borrower shall maintain its existence separate and distinct from any other Person, including taking the following actions:

(i) maintaining in full effect its existence, rights and franchises as a limited liability company under the laws of the formation state and obtaining and preserving its qualification to do business in each jurisdiction in which such qualification is or shall be necessary to protect the validity and enforceability of this Agreement and each other instrument or agreement necessary or appropriate to properly administer this Agreement and permit and effectuate the transactions contemplated hereby and thereby;

(ii) maintaining its own deposit accounts, separate from those of any other Person, any of its officers and their respective Affiliates;

(iii) conducting all material transactions between the Borrower and any of its Affiliates on an arm's length basis and on a commercially reasonable basis;

(iv) conducting its affairs separately from those of any other Person, any of its officers or any of their respective Affiliates and maintaining accurate and separate books, records and accounts and financial statements;

(v) acting solely in its own limited liability company name and not that of any other Person, any of its officers or any of their respective Affiliates, and at all times using its own stationery, invoices and checks separate from those of any other Person, any of its officers or any of their respective Affiliates;

(vi) not holding itself out as having agreed to pay, or as being liable for, the, obligations of the Member or any of its respective Affiliates;

(vii) other than in connection with the Financing Documents, not pledging its assets or securing its liabilities for the benefit of any other Person or guarantee or becoming obligated for the debts of any other Person;

(viii) not acquiring any securities of any Member;

(ix) other than in connection with the Financing Documents and as expressly permitted by the Loan Agreement, not incurring, creating or assuming any indebtedness, and not making or granting liens on, or security interests in, any assets of the Company;

(x) maintaining all of its assets in its own name and not commingling its assets with those of any other Person;

(xi) paying its own operating expenses and other liabilities out of its own funds;

Second AR Loan Agreement – Appendices

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(xii) observing all limited liability company formalities, including maintaining meeting minutes or records of meetings and acting on behalf of itself only pursuant to due authorization, required hereby and by the Certificate;

(xiii) maintaining adequate capital for the normal obligations reasonably foreseeable in light of its contemplated business operations;

(xiv) paying its debts and liabilities (including, as applicable, shared personnel and overhead expenses) from its own assets;

(xv) prior to the Independent Member Termination Date, at all times having an Independent Member;

(xvi) holding itself out to the public as a legal entity separate and distinct from any other Person; and

(xvii) correcting any known misunderstanding regarding its separate identity.

Second AR Loan Agreement – Appendices

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APPENDIX 9

APPROVED MANUFACTURERS

Panels

- First Solar
- Yingli
- Trina
- Canadian Solar
- ReneSola
- REC Solar
- Sharp
- Kyocera
- Solarworld
- SunPower
- LG Solar USA
- Suniva Inc.
- Hanwha
- Jinko
- JA Solar

Inverters

- Enphase
- SolarEdge
- SMA
- Fronius
- Kaco
- Schneider
- Xantrex
- PowerOne
- Advanced Energy
- Solectria

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APPENDIX 10

APPROVED FORM AGREEMENTS

[*see attached*]

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APPENDIX 11

TAX EQUITY STRUCTURE CHARACTERISTICS

Part I – Partnership Flip Structure .

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 “ **Subject 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 “ **Systems** ”).
2. The Subject Fund operating agreement provides that the Subject Fund will make no election to be treated other than as a partnership for federal tax purposes.
3. The Limited Liability Company Agreement of the Subject Fund (the “ **LLCA** ”) provides for two classes of limited liability company interests – for purposes of this Part I, “ **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 of the Subject Fund (in such capacity, the “ **Manager** ”).
6. Manager is solely responsible for the management of the Systems and the Subject Fund subject to certain customary approval rights of the Class A Member. The Subject Fund shall be prohibited from incurring any indebtedness above a limit specified in the Subject 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 LLCA provides a standard of care that requires the Manager to manage the Subject Fund in accordance with prudent industry standards or to at all times act in good faith and in the best interests of the Subject Fund.
8. The Subject Fund has acquired each System pursuant to an agreement (the “ **EPC Contract** ”) with an affiliate of the Borrower (the “ **Seller** ”). Each System was acquired prior to it receiving permission to operate from the applicable interconnecting utility.
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, without limitation, end of year true-up and curative flip allocations).

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10. After certain criteria have been satisfied, the Class B Member will have the option to purchase all of the Class A Units from the Class A Member for a stated amount or pursuant to an agreed methodology (which may include a purchase price equal to the greater of (x) the fair market value of the Class A Units or (y) an amount necessary to cause the Class A Member to reach its Target IRR).

11. Pursuant to the LLCA or a valid, enforceable and irrevocable consent of the Class A Member, each of the Required Permissive Transfer Provisions set forth in Exhibit J is satisfied.

12. The LLCA may not be amended without the written consent of each Member.

13. Class B Member's obligation to indemnify the Class A Member, if any, will be limited to customary indemnities for breach of the LLCA or bad acts, standard tax indemnities (but not structure or tax ownership) and environmental indemnities. Any such obligation to indemnify the Class A Member is guaranteed by Borrower Member or Vivint Solar Parent.

14. No provision in the LLCA would require or cause the Class B Member to forfeit, transfer or otherwise divest itself of such Member's economic interest in the Subject Fund.

15. The Project Documents require the Subject Fund to appoint and maintain an operations and maintenance provider for each System, and the Subject Fund is in compliance with such requirements of the Project Documents.

16. The LLCA identifies fixed tax assumptions regarding the treatment of the Subject Fund as a partnership, tax ownership of the Systems, depreciation, allocations of income and loss, and economic substance and 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.

17. Solely for a Partnership Flip Structure submitted after the Closing Date, any priority return payable to the Investor has not materially and adversely changed relative to that of any Partnership Flip Structure previously approved by the Administrative Agent.

Part II – Inverted Lease Structure

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 systems that have been leased to or are producing power for sale to host customers (the “**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 Systems from the Lessor, taking assignment of the Customer Agreements for the Systems and managing the Systems (the “**Lessee**”).

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3. The operating agreement of the Lessor provides that such entity will be disregarded from Manager (as defined below) for tax purposes and that such entity will not make a “check the box” election.
4. The Investor directly or indirectly owns all of the equity interests in the Lessee (the “**Lessee Member**”).
5. A wholly-owned subsidiary of the Borrower (the “**Manager**”) owns all of the equity interests of the Lessor.
6. 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 Borrower (the “**Lessee Manager**”) has been appointed as the initial manager of the Lessee.
8. Lessee Manager is solely responsible for the management of the 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 Manager 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.
10. The Lessor has acquired each System pursuant to an agreement (the “**ECCA**”) with an Affiliate of the Borrower (the “**Seller**”). Each System was acquired prior to it receiving permission to operate from the applicable interconnecting utility. Lessee has leased each System from Lessor pursuant to a lease agreement (the “**Master Lease**”). 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 Manager will be distributed at least quarterly (or annually with respect to certain items) in accordance with the agreed upon priority in the Subject Fund’s Material Project Documents. The Lessor has elected to pass through the ITC benefits to the Lessee.
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.

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14. Pursuant to an agreement with the Investor, Lessee Member and/or Lessee (as applicable), or a valid, enforceable and irrevocable consent of such Person, each of the applicable Required Permissive Transfer Provisions set forth in Exhibit J is satisfied.
15. Neither Manager nor an Affiliate of Manager has assumed any structural or tax ownership risk in respect of any Subject Fund under any Project Document other than as a result of Manager's or its Affiliate's breach or default.
16. Lessor's obligation to indemnify the Lessee will be limited to customary indemnities for breach or bad acts. Lessor has recourse to Borrower Member, Vivint Solar Parent or an affiliate for any such obligation to indemnify the Lessee.
17. 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.
18. Other than with respect to the Vivint Solar Fund XVI Manager, LLC Subject Fund, ownership of each Customer Agreement automatically reverts to the Lessor immediately upon termination of the Master Lease.
19. The Master Lease obligates the Lessee to, at its own cost and expense, keep all Systems in good repair, good operating condition, appearance and working order.

Part III – Modified Inverted Lease Structure

The following are characteristics of a “Modified Inverted Lease Structure” for purposes of the Agreement:

1. Borrower or an affiliate has formed two limited liability companies, one for the sole purpose of owning solar photovoltaic systems that have been leased to or are producing power for sale to host customers (the “ **Systems** ”) (such entity, the “ **Owner** ”) and one for the sole purpose of leasing the Systems from the Owner and managing the Systems (the “ **Master Tenant** ”).
2. Each of the Master Tenant operating agreement and the Owner operating agreement provides that such entity will not elect to be treated other than as a partnership for federal tax purposes.
3. The Limited Liability Company Agreement of the Owner (the “ **Owner LLCA** ”) and the Limited Liability Company Agreement of the Master Tenant (the “ **Master Tenant LLCA** ”), as modified by a consent that has been accepted by the Administrative Agent, provides for two classes of limited liability company interests – for purposes of this Part II.A, the “ **Class A Units** ” and “ **Class B Units** .”
4. The tax equity investor (the “ **Investor** ”) owns the Class A Units of the Master Tenant (as holder thereof, the “ **Master Tenant Class A Member** ”) and a wholly owned subsidiary of the Borrower owns the Class B Units of the Master Tenant (as holder thereof, the “ **Master Tenant Class B Member** ”). The Master Tenant Class A Member

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and the Master Tenant Class B Member are collectively referred to herein as the “ **Master Tenant Members** .”

5. Master Tenant Class B Member has been appointed as the initial managing member of the Master Tenant (in such capacity, the “ **Master Tenant Manager** ”).
6. The Master Tenant owns the Class A Units of the Owner (as holder thereof, the “ **Owner Class A Member** ” and together with the Master Tenant Class A Member, collectively, the “ **Class A Members** ” and each a “ **Class A Member** ”) and the same entity that owns the Class B Units of the Master Tenant owns the Class B Units of the Owner (as holder thereof, the “ **Owner Class B Member** ” and together with the Master Tenant Class B Member, collectively, the “ **Class B Members** ” and each a “ **Class B Member** ”). The Owner Class A Member and the Owner Class B Member are collectively referred to herein as the “ **Owner Members** .”
7. Owner Class B Member has been appointed as the initial managing member of the Owner (in such capacity, the “ **Owner Manager** ”). The Master Tenant Manager and the Owner Manager are collectively referred to herein as the “ **Managers** ” and each, a “ **Manager** .”
8. Master Tenant Manager is solely responsible for the management of the Systems and the Master Tenant subject to certain customary approval rights of the Master Tenant Class A Member. Owner Manager is solely responsible for the management of the Owner subject to certain customary approval rights of the Owner Class A Member, which also requires the approval of the Master Tenant Class A Member. Both the Owner and the Master Tenant are prohibited from incurring any indebtedness above a limit specified in the Owner LLCA or the Master Tenant LLCA, as applicable, without the applicable Class A 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. Profits, losses and deductions are generally allocated between the Members in proportion to their respective percentages interests as set forth in the applicable LLCA.
10. Both the Owner LLCA and the Master Tenant LLCA provide a standard of care that requires the applicable Manager to manage the Subject Fund in accordance with prudent industry standards or to at all times act in good faith and in the best interests of the Owner or Master Tenant, as applicable.
11. The Owner has acquired each System pursuant to an agreement (the “ **ECCA** ”) with an affiliate of the Borrower (the “ **Seller** ”). Each System was acquired prior to it receiving permission to operate from the applicable interconnecting utility. Master Tenant has leased each System from Owner pursuant to a lease agreement (the “ **Master Lease** ”). A portion of the rent or power payments paid to the Master Tenant by the host customers is used to pay rent to the Owner under the Master Lease.
12. Cash available for distribution to the Owner Members will be distributed at least quarterly (or annually with respect to certain items) in accordance with the agreed upon

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priority in the Owner LLCA. Owner has elected to pass through the ITC benefits to Master Tenant.

13. Cash distributions in the form of rent will be paid by the Master Tenant to the Owner as an operating expense. Cash available for distribution to the Master Tenant Members will be distributed at least quarterly in accordance with the agreed upon priority in the Master Tenant LLCA.
14. After the end of the recapture period , the Master Tenant Class B Member will have the option to purchase all of the Class A Units in the Master Tenant from the Master Tenant Class A Member for an amount equal to the sum of (x) a stated price equal to the projected fair market value of the Class A Units and (y) any accrued but unpaid priority return and prepaid priority return. Neither the Owner LLCA nor the Master Tenant LLCA provide for a right of first refusal or offer in favor of either Class A Member in respect of any potential transfer of the Class B Units in either the Owner or the Master Tenant.
15. Pursuant to each LLCA or a valid, enforceable and irrevocable consent of the Class A Member and/or Master Tenant, as applicable, each of the applicable Required Permissive Transfer Provisions set forth in Exhibit J is satisfied.
16. Neither the Owner LLCA nor the Master Tenant LLCA may be amended without the written consent of each Owner Member or Master Tenant Member, as applicable.
17. No Managing Member or Affiliate of a Managing Member has assumed any structural or tax ownership risk in respect of any Subject Fund under any Project Document other than as a result of such Managing Member's or Affiliates breach or default.
18. Each Class B Member's obligation to indemnify the applicable Class A Member will be limited to customary indemnities for breach of the LLCA or bad acts, standard tax indemnities (but not structure or tax ownership) and environmental indemnities. Any such obligation to indemnify the Class A Member is guaranteed by Borrower Member or Vivint Solar Parent.
19. Solely for an Inverted Lease Structure submitted after the Closing Date, any priority return payable to the Investor has not materially and adversely changed relative to that of any Inverted Lease Structure previously approved by the Administrative Agent.

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Certain portions of this document have been omitted pursuant to a request for Confidential Treatment and, where applicable, have been marked with “[***]” to indicate where omissions have been made. The confidential material has been filed separately with the Securities and Exchange Commission.

EXECUTION VERSION

SECOND AMENDED AND RESTATED COLLATERAL AGENCY AND DEPOSITARY AGREEMENT

Originally dated as of September 12, 2014

As amended and restated as of November 25, 2015 and as further amended and restated as of March 9, 2017

among

VIVINT SOLAR FINANCING I PARENT, LLC,
as Borrower Member,

VIVINT SOLAR FINANCING I, LLC,
as Borrower,

VIVINT SOLAR FUND XV MANAGER, LLC
and
VIVINT SOLAR OWNER I, LLC, as Subsidiary Parties
BANK OF AMERICA, N.A.,
as Administrative Agent,

BANK OF AMERICA, N.A.
as Collateral Agent,

BANK OF AMERICA, N.A.,
as Depositary and Securities Intermediary,

and

EACH SECURED LENDER SIGNATORY HERETO
(solely for purposes of Section 2.1, Section 6.2 and Article VII hereof)

[***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

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SECOND AMENDED AND RESTATED COLLATERAL AGENCY AND DEPOSITARY AGREEMENT

This SECOND AMENDED AND RESTATED COLLATERAL AGENCY AND DEPOSITARY AGREEMENT, originally dated as of September 12, 2014 (the “Effective Date”) and as amended and restated as of November 25, 2015 and as further amended and restated as of March 9, 2017 (this “Agreement”), is made by and among Vivint Solar Financing I Parent, LLC, a Delaware limited liability company (“Borrower Member”), Vivint Solar Financing I, LLC, a Delaware limited liability company (“Borrower”), and Vivint Solar Fund XV Manager, LLC, a Delaware limited liability company (“Fund XV Manager”), and Vivint Solar Owner I, LLC (“Owner I,” and together with Fund XV Manager and each other Person that subsequently becomes a party hereto in accordance with Section 8.14 of this Agreement, the “Subsidiary Parties”), Bank of America, N.A., as the administrative agent under the Loan Agreement (as defined below) for the Lenders (as defined below) (together with its successors and permitted assigns in such capacity, the “Administrative Agent”), Bank of America, N.A., in its capacity as collateral agent for the Secured Beneficiaries (as defined below) (together with its successors and permitted assigns in such capacity, the “Collateral Agent” and together with the Administrative Agent, the “Agents”), Bank of America, N.A., in its capacity as depositary bank and as securities intermediary (together with its successors and permitted assigns in such capacity, the “Depositary”) and solely for purposes of Section 2.1, Section 6.2 and Article VII, the Lenders (as defined below).

RECITALS

A. Borrower has entered into that certain Loan Agreement dated as of September 12, 2014, as amended and restated as of November 25, 2015 (as further amended prior to the date hereof, the “Original Loan Agreement”) as such Loan Agreement shall be further amended and restated as of the date hereof simultaneously with the execution and delivery of this Agreement (as amended, restated and otherwise modified from time to time, the “Loan Agreement”), by and among Borrower, the lenders from time to time party thereto (collectively, the “Lenders”) and the Administrative Agent (together with the Lenders and other Secured Parties (as defined in the Loan Agreement), collectively, the “Secured Beneficiaries”).

B. As a condition precedent to the extension of credit pursuant to the Original Loan Agreement, the parties hereto entered into a Collateral Agency and Depositary Agreement, dated September 12, 2014 and amended and restated as of November 25, 2015 (as further amended prior to the date hereof, the “Original CADA”) and certain other Financing Documents (as defined in the Original Loan Agreement), and Lenders made certain term loans upon the terms and subject to the conditions of the Original Loan Agreement, the Original CADA and the other Financing Documents (as defined in the Original Loan Agreement);

C. The Borrower requested that the Agents and the Lenders agree to amend and restate the Original CADA to effect certain modifications;

D. The parties hereto are willing to agree to amend and restate the Original CADA on the terms and subject to the conditions set forth herein.

[***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

AGREEMENT

In consideration of the premises and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree to amend and restate the Original CADA as of the Second Restatement Date as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Capitalized Terms. Capitalized terms used and not otherwise defined herein shall have the meanings assigned to them in the Loan Agreement. In addition to the terms defined in the Loan Agreement, the following terms used herein (including the introductory paragraph and the recitals hereto) shall have the following respective meanings:

“Account Collateral” has the meaning set forth in Section 2.4(a).

“Accounts” has the meaning set forth in Section 2.3(a).

“Administrative Agent” has the meaning set forth in the preamble hereto.

“Agreement” has the meaning set forth in the preamble hereto.

“Authorized Signatory” has the meaning set forth in Section 8.10.

“Borrower” has the meaning set forth in the preamble hereto.

“Borrower Entity” means Borrower Member, Borrower and each Subsidiary Party.

“Borrower Member” has the meaning set forth in the preamble hereto.

“Capital Contribution Account” has the meaning set forth in Section 2.3(c).

“Capital Contribution Account Deposits” means any monies contributed by the Borrower or any of its direct or indirect parents to a Subsidiary Party for the purpose of funding any capital contribution or payment obligations required to be made to a Subject Fund by such Subsidiary Party in its capacity as Managing Member of such Subject Fund pursuant to the Project Documents of such Subject Fund. For the avoidance of doubt, the term “Capital Contribution Account Deposits” does not include (i) Revenues of the Borrower Entities or (ii) Equity Contributions (as defined herein).

“Cash Sweep” means, as of any Transfer Date, the amount of funds available at priority third of Section 3.3(d) of this Agreement as of such Transfer Date such that, after giving effect to the application of such amount to the prepayment of Loans in accordance with Section 2.1(f) of the Loan Agreement, no Repayment Event is continuing; provided, that, for the avoidance of doubt, if the amount of funds available at such priority is less than the amount required to eliminate any Repayment Event, the Cash Sweep shall be the full amount of funds available at such priority.

“CIP” has the meaning set forth in Section 8.11.

“Collateral Agent” has the meaning set forth in the preamble hereto.

“Depository” has the meaning set forth in the preamble hereto.

“Discharge Date” means the date when all Obligations have been paid in full in cash, all Commitments under the Loan Agreement have been terminated and each of the Financing Documents entered into by Borrower or its Affiliates in connection with the Loan Agreement have been terminated, or novated such that Borrower does not continue to have any obligations thereunder.

“Draft Withdrawal/Transfer Certificate” means a certificate of Borrower in the form of Exhibit A that has been submitted pursuant to Section 3.1(a) but not yet approved by the Collateral Agent.

“Effective Date” has the meaning set forth in the preamble hereto.

“Equity Contribution” any monies contributed to Borrower by any Person (a) for the purpose of prepaying principal and curing a default under Section 8.1(l) of the Loan Agreement or (b) pursuant to Section 8.4 of the Loan Agreement for the purpose of curing an Event of Default under Section 6.1 of the Loan Agreement.

“Equity Cure Account” has the meaning set forth in Section 2.3(a)(iii).

“Financial Assets” has the meaning set forth in Section 2.5.

“Indemnified Collateral Agent Liabilities” has the meaning set forth in Section 7.8(a).

“Indemnified Collateral Agent Parties” has the meaning set forth in Section 7.8(a).

“Indemnified Depository Liabilities” has the meaning set forth in Section 6.2(a).

“Indemnified Depository Parties” has the meaning set forth in Section 6.2(a).

“Inspected-Only Reserve Account” has the meaning set forth in Section 2.3(a)(v).

“Inspected-Only Reserve Required Amount” means, as of any date, an amount equal to the Inspected-Only Systems Proportionate Share *multiplied* by the Interest Reserve Required Amount.

“Inspected-Only Systems Proportionate Share” means, as of any date, the percentage obtained by dividing (i) the Inspected-Only Systems Borrowing Base by (ii) the Available Borrowing Base.

“Inspected-Only Reserve Release Certificate” means a certificate in substantially the form of Exhibit H, duly executed by a Responsible Officer of the Borrower and countersigned

by the Administrative Agent, directing the transfer or withdrawal of funds from the Inspected-Only Reserve Account.

“ Interest Reserve Account ” has the meaning set forth in Section 2.3(a)(iii).

“ Interest Reserve Release Certificate ” means a certificate in substantially the form of Exhibit G, duly executed by a Responsible Officer of the Borrower and countersigned by the Administrative Agent, directing the transfer or withdrawal of funds from the Interest Reserve Account.

“ Interest Reserve Required Amount ” means, as of any date, the amount equal to the aggregate amount of interest on all then-outstanding Loans scheduled to become due and payable for the succeeding six (6) months.

“ Lenders ” has the meaning set forth in the recitals hereto.

“ Loan Agreement ” has the meaning set forth in the recitals hereto.

“ New York UCC ” means the Uniform Commercial Code as in effect from time to time in the State of New York.

“ Notice of Suspension ” has the meaning set forth in Section 4.3(a).

“ Original CADA ” has the meaning set forth in the recitals hereto.

“ pdf ” has the meaning set forth in Section 8.2.

“ Prepayment Account ” has the meaning set forth in Section 2.3(a)(ii).

“ Revenue Account ” has the meaning set forth in Section 2.3(a)(i).

“ Revenue Account Sub-Account ” has the meaning set forth in Section 2.3(b).

“ Second Restatement Date ” means March 9, 2017.

“ Secured Beneficiaries ” has the meaning set forth in the recitals hereto.

“ Secured Obligations ” means the Obligations.

“ Securities ” has the meaning set forth in Section 4.1.

“ Securities Intermediary ” has the meaning set forth in Section 2.2(a).

“ Subsidiary Party ” has the meaning set forth in the recitals hereto.

“ Tax Loss Reserve Required Amount ” means, with respect to each Subject Fund that has a Tax Loss Policy, an amount equal to (i) prior to the Tax Loss Reserve True-Up Date, such Subject Fund’s Deployment Percentage *multiplied* by such Subject Fund’s Tax Loss Policy

Deductible and (ii) thereafter, the aggregate amount of such Subject Fund's Tax Loss Policy Deductible.

“Tax Loss Reserve Subaccount” has the meaning set forth in Section 2.3(c).

“Tax Loss Reserve True-Up Date” means, with respect to each Subject Fund that has a Tax Loss Policy, the date that is the later of (x) one year after the date such Subject Fund is included in the Available Borrowing Base and (y) the date such Subject Fund becomes an Insured Tax Loss Fund.

“Transfer Date” means the date the relevant withdrawal and/or transfer is to be made pursuant to a Withdrawal/Transfer Certificate.

“Withdrawal/Transfer Certificate” means a certificate of the Borrower in the form of Exhibit A and approved by the Administrative Agent in accordance with Section 3.1(b).

Section 1.2 Definitions; Construction. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

(a) all terms defined in this Article have the meanings assigned to them in this Article, and include the plural as well as the singular;

(b) all references in this Agreement to designated “Articles,” “Sections,” “Exhibits,” “Schedules” and other subdivisions are to the designated Articles, Sections, Exhibits, Schedules and other subdivisions of this Agreement;

(c) the words “herein,” “hereof” and “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision;

(d) unless otherwise expressly specified, any Financing Documents and any other agreement, contract or document defined or referred to herein shall mean such Loan Document, agreement, contract or document as in effect as of the date hereof, as the same may thereafter be amended, restated, supplemented or otherwise modified from time to time in accordance with the terms thereof and of the other Financing Documents and including any agreement, contract or document in substitution or replacement of any of the foregoing;

(e) unless the context clearly intends to the contrary, pronouns having a masculine or feminine gender shall be deemed to include the other; and

(f) any reference to any Person shall include its successors and assigns.

Section 1.3 Uniform Commercial Code. All terms defined in the New York UCC shall have the respective meanings given to those terms in the New York UCC, except where the context otherwise requires.

ARTICLE II

**APPOINTMENT OF DEPOSITARY;
ESTABLISHMENT OF ACCOUNTS; GRANT OF SECURITY INTEREST**

Section 2.1 Appointment of Depositary, Powers and Immunities. The Administrative Agent, the Collateral Agent, the Borrower Entities, and the Lenders, hereby appoint the Depositary to act as the agent of the Collateral Agent, for the benefit of the Secured Beneficiaries hereunder, with such powers as are expressly delegated to the Depositary by the terms of this Agreement, together with such other powers as are reasonably incidental thereto. The Depositary shall not have any duties or responsibilities except those expressly set forth in this Agreement and no implied duties or covenants shall be read against the Depositary. The Depositary shall not be a trustee or fiduciary to any Secured Beneficiary. Without limiting the generality of the foregoing, the Depositary shall take all actions as the applicable party shall direct it to perform in accordance with the express provisions of this Agreement. Notwithstanding anything to the contrary contained herein, the Depositary shall not be required to take any action which is contrary to this Agreement or applicable law. Neither the Depositary nor any of its Affiliates shall be responsible to the Secured Beneficiaries for any recitals, statements, representations or warranties made by any Borrower Entity contained in this Agreement or any other Financing Document or in any certificate or other document referred to or provided for in, or received by any Secured Beneficiary under any Financing Document for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Financing Document or any other document referred to or provided for herein or therein or for any failure by any Borrower Entity to perform its obligations hereunder or thereunder. The Depositary shall not be required to ascertain or inquire as to the performance by any Borrower Entity of any of their obligations under any Financing Document or any other document or agreement contemplated hereby or thereby. Except as otherwise provided under this Agreement, the Depositary shall take action under this Agreement only as it shall be directed in writing. Whenever in the administration of this Agreement the Depositary shall deem it necessary or desirable that a factual matter be proved or established in connection with the Depositary taking, suffering to exist or omitting to take any action hereunder, such matter (unless other evidence in respect thereof is herein specifically prescribed) may be deemed to be conclusively proved or established by a certificate of an Responsible Officer of Borrower or the Collateral Agent, if appropriate. The Depositary shall have the right at any time to seek instructions concerning the administration of this Agreement from the Administrative Agent, the Collateral Agent, Borrower or any court of competent jurisdiction. The Depositary shall have no obligation to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder. The Depositary may execute any of the powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care. Neither the Depositary nor any of its officers, directors, employees or agents shall be liable for any action taken or omitted under this Agreement or in connection therewith except to the extent caused by the Depositary's or any of its officer's, director's, employee's or agent's bad faith, gross negligence or willful misconduct.

Section 2.2 Acceptance of Appointment of Depositary.

(a) The Depositary hereby accepts each of the foregoing appointments and agrees to act as the depositary for the Collateral Agent and as a securities intermediary (within the meaning of Section 8-102(a)(14) of the New York UCC, the "Securities Intermediary") with

respect to the Accounts and to accept all cash, payments, other amounts and investments to be delivered to or held by the Depository pursuant to the terms of this Agreement and the other Financing Documents. The Depository shall hold and maintain the Accounts during the term of this Agreement and shall treat the Accounts and the cash, instruments and investments in the Accounts as monies, instruments and securities or securities entitlements, as applicable, pledged by a Borrower Entity to be held in the custody of the Depository, as agent solely for the benefit of the Secured Beneficiaries. In performing its functions and duties under this Agreement, the Depository shall act solely as agent for the Collateral Agent for the benefit of the Secured Beneficiaries and, except in such capacity, does not assume and shall not be deemed to have assumed any obligation toward or relationship of agency or trust with or for any Borrower Entity.

(b) No Borrower Entity shall have any rights to withdraw or transfer funds from the Accounts or rights against or to monies held in the Accounts, as third party beneficiaries or otherwise, except the Borrower Member's and Borrower's rights to withdraw or transfer funds in the Accounts that are expressly provided in Section 3.1.

Section 2.3 Establishment of Accounts.

(a) The Depository hereby agrees and confirms that it has established the following accounts (inclusive of any sub-accounts thereof (if any) as well as any additional accounts that may be established pursuant to clause (c) of this Section 2.3, collectively, the "Accounts") in the name of Borrower (as special, segregated accounts and sub-accounts thereof (if any)), which shall be maintained at all times until the termination of this Agreement:

(i) an Account (account no. ***) entitled "Revenue Account" (the "Revenue Account");

(ii) an Account (account no. ***) entitled "Prepayment Account" (the "Prepayment Account");

(iii) an Account (account no. ***), entitled "Interest Reserve Account" (the "Interest Reserve Account");

(iv) an Account (account no. ***), entitled "Equity Cure Account" (the "Equity Cure Account"); and

(v) an Account (account no. ***), entitled "Inspected-Only Reserve Account" (the "Inspected-Only Reserve Account").

(b) For administrative purposes, sub-accounts within the Accounts may be established and created by the Depository from time to time in accordance with this Agreement, each of which shall be, and be treated as, an Account. In furtherance of the foregoing, the Depository hereby agrees and confirms that it has established each of the accounts set forth in Schedule II hereto in the name of the respective Subsidiary Party set forth opposite such account (collectively, the "Revenue Account Sub-Accounts"), each of which shall be treated as a sub-account of the Revenue Account and shall be maintained at all times until the termination of this Agreement. Upon the effectiveness of any New Subject Fund Accession Agreement, the

parties hereto shall update Schedule II to include all sub-accounts established by the Depository in connection with such New Subject Fund Accession Agreement.

(c)

(1) For administrative purposes, accounts may be established and created by the Depository from time to time in accordance with this Agreement solely for the purpose of accepting and holding deposits of Capital Contribution Account Deposits and making disbursements in accordance with Section 3.6, each of which shall be an Account for all purposes hereunder (collectively, the “Capital Contribution Accounts”). The Depository hereby agrees and confirms that it has established each of the Capital Contribution Accounts set forth in Item A to Schedule III hereto in the name of the respective Subsidiary Party set forth opposite such account. Upon the effectiveness of any New Subject Fund Accession Agreement, the parties hereto shall update Schedule III to include all Capital Contribution Accounts established by the Depository in connection with such New Subject Fund Accession Agreement.

(2) Borrower may from time to time, with the prior written consent of the Collateral Agent and the Administrative Agent, establish additional accounts and sub-accounts at the Depository that will be subject to the terms hereof, which shall be set forth on Schedule IV hereto and shall constitute Accounts for all purposes hereunder. Borrower Member may establish an account (account no. ***), entitled “Borrower Member’s Account”, at the Depository that will be subject to the terms hereof and shall constitute an Account for all purposes hereunder.

(3) The Borrower Entities shall provide at least five (5) Business Days prior written notice to the Administrative Agent before closing or otherwise terminating any of the Capital Contribution Accounts or any Accounts established pursuant to the foregoing clause (2).

(4) The Borrower Entities shall not have any deposit accounts or securities accounts other than the Accounts.

(5) For administrative purposes, accounts may be established and created by the Depository from time to time in accordance with this Agreement and if required by Section 5.17(d)(i) of the Loan Agreement solely for the purpose of accepting and holding a Tax Loss Reserve Required Amount and making disbursements in accordance with Section 3.8, each of which shall be an Account for all purposes hereunder (collectively, the “Tax Loss Reserve Subaccounts”). The Depository hereby agrees and confirms that it has established each of the Tax Loss Reserve Subaccounts set forth in Item B to Schedule III hereto in the name of the respective Subsidiary Party set forth opposite such account. Upon the effectiveness of any New Subject Fund Accession Agreement or on any other date when a new Tax Loss Policy is procured, the parties hereto shall update Schedule III to include all Tax Loss Reserve Subaccounts established by the Depository in connection with such New Subject Fund Accession Agreement or new Tax Loss Policy.

Section 2.4 Account Security Interests .

(a) As collateral security for the prompt and complete payment and performance when due of all Obligations, each Borrower Entity hereby pledges, assigns, hypothecates and transfers to and grants to the Collateral Agent for the benefit of the Secured Beneficiaries a first priority Lien on and security interest in and to all of their right, title and interest in, to and under (the following described assets being the “ Account Collateral ”): whether now owned or hereafter acquired, (x) each Account held in its name and sub-account thereof (if any) and (y) all cash, instruments, investment property, securities, “ *security entitlements* ” (within the meaning of Section 8-102(a)(17) of the New York UCC) and Financial Assets, at any time on deposit in or credited to any Account held in its name or sub-account thereof (if any), including all income, earnings and distributions thereon and all proceeds, products and accessions of and to any and all of the foregoing, including whatever is received or receivable upon any collection, exchange, sale or other disposition of any of the foregoing and any property into which any of the foregoing is converted, whether cash or non-cash proceeds, and any and all other amounts paid or payable under or in connection with any of the foregoing.

(b) The Depository is the agent of the Collateral Agent, for the benefit of the Secured Beneficiaries for the purpose of receiving payments contemplated hereunder and for the purpose of perfecting the Lien of the Collateral Agent, for the benefit of the Secured Beneficiaries in and to the Accounts and the other Account Collateral; provided that the Depository shall not be responsible to take any action to perfect such Liens except through the performance of its express obligations hereunder or upon the written direction of the Collateral Agent. Each of the Accounts and the sub-accounts (if any) shall at all times be held in the sole custody and “ *control* ” (within the meaning of Section 8-106(d) or Section 9-104(a), as applicable, of the New York UCC) of the Collateral Agent for the purposes and on the terms set forth in this Agreement and all such amounts shall constitute a part of the Collateral. This Agreement constitutes a “ *security agreement* ” (within the meaning of Section 9-102(a) of the New York UCC).

Section 2.5 Accounts Maintained as UCC “Securities Accounts”. The Depository, each Borrower Entity agrees that (a) each Account is and will be maintained as a “ *securities account* ” (within the meaning of Section 8-501 of the New York UCC); (b) the applicable Borrower Entity is the “ *entitlement holder* ” (within the meaning of Section 8-102(a)(7) of the New York UCC) in respect of the “ *financial assets* ” (within the meaning of Section 8-102(a)(9) of the New York UCC, the “ Financial Assets ”) credited to such Accounts, as applicable; (c) each item of property (including a security, security entitlement, investment property, instrument or obligation, share, participation, interest or other property whatsoever) credited to any Account shall be treated as a Financial Asset; and (d) to the extent practicable, all Financial Assets in registered form or payable to or to the order of and credited to any Account shall be registered in the name of, payable to or to the order of, or specially endorsed to, the Depository or in blank and in no case will any Financial Asset credited to any Account be registered in the name of, payable to or to the order of, or endorsed to, a Borrower Entity, except to the extent the foregoing have been subsequently endorsed by such Borrower Entity to the Depository or in blank. The Collateral Agent shall have “ *control* ” (within the meaning of Section 8-106(d) or Section 9-104(a) (as applicable) of the New York UCC) of the Accounts and the “ *security entitlements* ” (within the meaning of Section 8-102(a)(17) of the New York UCC) with

respect to the Financial Assets credited to the Accounts. All property delivered to the Depository pursuant to this Agreement will be promptly credited to the Accounts. Each Borrower Entity hereby irrevocably directs, and the Depository hereby agrees, that the Depository will comply with all instructions and all “ *entitlement orders* ” (as defined in Section 8 -102(a)(8) of the New York UCC) originated by the Collateral Agent in accordance with this Agreement regarding each Account and each sub-account (if any) and any Financial Asset therein without the further consent of any Borrower Entity or any other Person. Until the Depository has been notified in writing by the Collateral Agent that the Discharge Date has occurred, in the case of a conflict between any instruction or order originated by the Collateral Agent and any instruction or order originated by a Borrower Entity or any other Person, the instruction or order originated by the Collateral Agent in accordance with this Agreement shall prevail. The Depository shall not change the name or account number of any Account without the prior written consent of the Collateral Agent and shall not change the entitlement holder in respect of any Financial Asset credited thereto. To the extent that the Accounts are not considered “ *securities accounts* ” (within the meaning of Section 8 -501(a) of the New York UCC), the Accounts shall be deemed to be “ *deposit accounts* ” (within the meaning of Section 9 -102(a)(29) of the New York UCC), which each Borrower Entity shall maintain with Depository acting not as a securities intermediary but as a “ *bank* ” (within the meaning of Section 9 -102(a)(8) of the New York UCC). Depository shall not have title to the funds on deposit in the Accounts, and shall credit the Accounts with all receipts of interest, dividends and other income received on the property held in the Accounts. Depository shall administer and manage the Accounts in strict compliance with all the terms applicable to the Accounts pursuant to this Agreement, and shall be subject to and comply with all the obligations that Depository owes to Collateral Agent with respect to the Accounts, including all subordination obligations, pursuant to the terms of this Agreement. Depository hereby agrees to comply with any and all instructions originated by the Collateral Agent directing disposition of funds and all other property in the Accounts without any further consent of any Borrower Entity or any other Person.

Section 2.6 Jurisdiction of Depository. The parties hereto agree that, for purposes of the New York UCC, notwithstanding anything to the contrary contained in any other agreement relating to the establishment and operation of the Accounts, the jurisdiction of the Depository (in its capacity as the Securities Intermediary and as a bank) is the State of New York and the laws of the State of New York govern the establishment and operation of the Accounts.

Section 2.7 Degree of Care; Liens. The Depository shall exercise the same degree of care in administering the funds held in the Accounts as the Depository exercises in the ordinary course of its day-to-day business in administering other funds for its own account and as required by applicable law. Other than this Agreement, the Depository is not party to and shall not execute and deliver, or otherwise become bound by, any agreement under which the Depository agrees with any Person other than the Collateral Agent to comply with entitlement orders or instructions originated by such Person relating to any of the Accounts. The Depository shall not grant any lien, pledge or security interest in any Financial Asset or any Account or funds therein that is the subject of any security entitlement that is the subject of this Agreement other than any Liens granted to the Collateral Agent hereunder.

Section 2.8 Subordination of Lien; Waiver of Set-Off. In the event that the Depository has or subsequently obtains by agreement, operation of law or otherwise a Lien in any Account, any security entitlement carried therein or credited thereto or any Financial Asset or any

Account or funds therein that is the subject of any such security entitlement, the Depository agrees that such Lien shall (except to the extent provided in the last sentence of this Section 2.8) be subordinate to the Liens of the Collateral Agent. The Financial Assets standing to the credit of the Accounts or any Account or funds therein 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 (except to the extent of returned items and chargebacks either for uncollected checks or other items of payment and transfers previously credited to one or more of the Accounts, and each Borrower Entity and the Collateral Agent hereby authorize the Depository to debit the relevant Account(s) for such amounts).

Section 2.9 No Other Agreements. None of the Depository, the Collateral Agent, or any Borrower Entity has entered or will enter into any agreement with respect to any Account or any security entitlements, or any Financial Assets or funds carried in or credited to any Account, other than this Agreement and the Financing Documents.

Section 2.10 Notice of Adverse Claims. The Depository hereby represents that, except for the claims and interests of the Collateral Agent and each Borrower Entity in each of the Accounts, as applicable, the Depository (a) as of the Second Restatement Date, has no knowledge of, and has received no notice of, and (b) as of the Second Restatement Date and as of each date on which any Account is established pursuant to this Agreement, has received no notice of, any claim to, or interest in, any Account or in any security entitlement, or Financial Asset or funds carried therein or credited thereto. If any Person asserts any Lien (including any writ, garnishment, judgment, warrant of attachment, execution or similar process) against any Account or in any security entitlement, or Financial Asset or funds carried therein or credited thereto, the Depository will promptly notify the Collateral Agent, Borrower and any applicable Borrower Entity thereof.

Section 2.11 Rights and Powers of the Collateral Agent. The rights and powers granted to the Collateral Agent by the Secured Beneficiaries have been granted in order to perfect their Lien in the Account Collateral, security entitlements and financial assets carried therein or credited thereto and to otherwise act as their agent with respect to the matters contemplated hereby.

Section 2.12 Powers of Collateral Agents and Depository. The Collateral Agent and, where appropriate, the Depository shall have the right (but not the obligation) to (a) refuse any item for credit to any Account except as required by the terms of this Agreement and (b) refuse to honor any request for a disbursement of Account Collateral that is not consistent with the terms of this Agreement. The Collateral Agent shall not take any actions unless consented to by the Administrative Agent. If any Borrower Entity fails to perform any of its obligations contained herein, the Collateral Agent may (but shall not be obligated to) itself perform, or cause the performance of, such agreement, and the expenses of the Collateral Agent incurred in connection therewith shall be payable by a Borrower Entity upon demand and shall be part of the Obligations. The powers conferred on the Collateral Agent and the Depository in this Agreement are solely to protect the Liens and security interests granted to the Collateral Agent pursuant to Section 2.4(a) in the Account Collateral and shall not impose any duty on any of the Collateral Agent or the Depository to exercise any of such powers. Except for the reasonable care of any Account in its possession or under its control and the accounting of funds received by it pursuant hereto, neither the Collateral Agent nor the Depository shall have any duty with respect to the Account Collateral,

or with respect to the taking of any necessary steps to preserve rights against prior parties or any other rights pertaining to the Account Collateral.

Section 2.13 Termination. The rights and powers granted herein to the Collateral Agent have been granted in order to, among other things, perfect the Liens and security interests granted to the Collateral Agent pursuant to Section 2.4(a) in the Account Collateral, and such rights and powers are coupled with an interest, and will not be affected by any bankruptcy or insolvency of a Borrower Entity or any other Person or by any lapse of time. Except as otherwise provided herein, the obligations of the Depository hereunder shall continue in effect until the Collateral Agent has notified the Depository in writing of the occurrence of the Discharge Date. After the Collateral Agent has notified the Depository in writing of the occurrence of the Discharge Date, all right, title and interest of the Collateral Agent and the Secured Beneficiaries in the Account Collateral shall revert to Borrower or Borrower Member, as applicable. At such time, the Collateral Agent shall direct the Depository to, and upon such direction the Depository shall, pay any Account Collateral then remaining in the Accounts to Borrower or Borrower Member, as applicable. No termination of any Secured Beneficiary's interest hereunder shall affect the rights of any other Secured Beneficiary hereunder. The Collateral Agent will inform the Depository of the occurrence of the Discharge Date promptly upon the occurrence thereof.

Section 2.14 Interpleader. In the event that the Depository should at any time be confronted with inconsistent claims or demands by the parties hereto, the Depository shall have the right, at its option, to interplead such parties in any court of competent jurisdiction and request that such court determine the respective rights of the parties with respect to this Agreement, and upon doing so, the Depository automatically shall be released from any obligations or liability as a consequence of any such claims or demands. The Depository is authorized, at its option, to deposit with the court in which such action is filed, all documents and assets held in the Accounts, except all costs, expenses, charges and reasonable attorney fees incurred by the Depository due to the interpleader action which the Borrower Entities agree on a joint and several basis to pay.

Section 2.15 Additional Duties of Agent.

(a) The Depository shall keep and maintain records of the Accounts in the normal course of business. Such records shall upon two (2) Business Days prior written request be available for inspection by authorized officers, employees, and agents of the Secured Beneficiaries and the Borrower during the normal business hours of the Depository.

(b) Each Borrower Entity will provide or caused to be provided to the Depository appropriate W-9 forms for tax I.D., number certifications, or W-8 forms for non-resident alien certifications and any other item reasonably requested in writing by the Depository to facilitate compliance with withholding regulations for all payees under the Accounts.

ARTICLE III

THE ACCO UNTS

Section 3.1 Deposits into and Withdrawals from Accounts

(a) With respect to all Accounts except for the Capital Contribution Accounts, at least three (3) Business Days (but no more than five (5) Business Days) prior to each Transfer Date, Borrower shall deliver to the Administrative Agent, the Collateral Agent and the Depository a Draft Withdrawal/Transfer Certificate signed by an Responsible Officer of Borrower specifying, as applicable:

(i) the relevant Account(s) or other account to which, and/or Person(s) to whom, each such transfer is to be made;

(ii) the amount requested to be transferred from such Account;

(iii) the proposed Transfer Date;

(iv) the purpose(s) to which the amount(s) so transferred are to be applied; and

(v) all of such other information required to be provided in such Draft Withdrawal/Transfer Certificate under the provisions thereof or of this Article III.

(b) A Draft Withdrawal/Transfer Certificate submitted by Borrower in accordance with Section 3.1(a) shall be deemed a "Withdrawal/Transfer Certificate" for purposes of this Agreement only if (A) submitted to the Administrative Agent, the Collateral Agent and the Depository by Borrower no later than 12:00 p.m. (New York time) three (3) Business Days (but no more than five (5) Business Days) prior to the relevant Transfer Date (Depository may conclusively presume that any Withdrawal/Transfer Certificate delivered to it was simultaneously delivered to the Administrative Agent and the Collateral Agent) and (B) the Collateral Agent and the Administrative Agent, if such Draft Withdrawal/Transfer Certificate complies with the Financing Documents, shall have acknowledged and approved such Draft Withdrawal/Transfer Certificate by delivery to Borrower and the Depository of a countersigned version of such Draft Withdrawal/Transfer Certificate no later than two (2) Business Days prior to such Transfer Date (provided, that any failure to deliver an acknowledgment by the Collateral Agent and the Administrative Agent shall not give rise to any claim, right or cause of action on the part of Borrower).

(c) Notwithstanding any other provision of this Agreement to the contrary, if at any time Borrower fails to submit a Draft Withdrawal/Transfer Certificate to the Administrative Agent, the Collateral Agent and the Depository for the transfer of any amounts required to be paid to any Person from any Account (other than any Capital Contribution Account) in accordance with this Agreement and the other Financing Documents, the Collateral Agent shall be authorized (and Borrower authorizes the Collateral Agent) to effect such transfer by directing the Depository without any further action of Borrower. The Collateral Agent will promptly notify Borrower if it instructs the Depository to effect a transfer pursuant to this Section 3.1(c); provided

that any failure or delay in doing so shall not diminish the rights of the Collateral Agent to take such actions or give rise to any claim, right or cause of action on the part of Borrower.

(d) In the event that any cash distribution is permitted to be paid to Borrower Member pursuant to Section 3.3(d)(6) hereof and Section 6.6 of the Loan Agreement, such cash distribution may be paid directly to Borrower Member and upon the receipt of any such cash distribution by Borrower Member the Collateral Agent's security interest in such cash distribution shall be automatically released, and the Collateral Agent shall honor any instructions from Borrower Member regarding the disposition of any such cash that is deposited into the Borrower Member's Account. No other cash or other assets shall be distributed from the Borrower Member's Account without Collateral Agent's prior written consent and direction.

Section 3.2 Prepayment Account.

(a) Each Borrower Entity shall cause to be deposited into the Prepayment Account 100% of the net proceeds of (A) any Debt incurred or issued by any Loan Party or any of its Subsidiaries after the Closing Date that is not otherwise permitted to be incurred pursuant to Section 6.3 of the Loan Agreement, and (B) any capital stock issued by any Loan Party or any of its Subsidiaries.

(b) At any time, upon receipt by the Depository of an instruction from the Collateral Agent (countersigned by the Administrative Agent), the Depository shall transfer funds in the Prepayment Account to the Administrative Agent (for the benefit and account of the Lenders), for application as a prepayment of Loans in accordance with Section 2.1(f) of the Loan Agreement.

Section 3.3 Revenue Account.

(a) Each Borrower Entity shall cause the following amounts to be paid into the Revenue Account (or sub-account thereof):

(1) all Revenues of any Borrower Entity, whether received by or on behalf of Borrower Member, Borrower or any Subsidiary Party;

(2) if applicable, such funds in the other Accounts as are required to be transferred to the Revenue Account pursuant to this Agreement; and

(3) any other income or other amount that is received by or on behalf of any Borrower Entity that is not required to be deposited in or credited to another Account, or applied directly to the Obligations, in accordance with the Loan Agreement and this Agreement.

(b) If any of the amounts described in Section 3.3(a) required to be deposited with the Depository in accordance with the terms of this Agreement are received by any Borrower Entity, such Borrower Entity shall hold such payments in trust for the Collateral Agent and shall remit such amounts to the Depository within one (1) Business Day upon receiving knowledge thereof for deposit in the Revenue Account, in the form received, with any necessary endorsements.

(c) In the event the Depository receives monies without adequate instruction with respect to the proper Account into which such monies are to be deposited, the Depository shall deposit such monies into the Revenue Account. Borrower shall, within five (5) Business Days after the receipt of notice from the Depository of such receipt, deliver to the Collateral Agent a duly executed and completed Withdrawal/Transfer Certificate specifying the proper Account(s) into which such monies are to be deposited. Absent receipt by the Depository from the Collateral Agent of a duly executed and completed Withdrawal/Transfer Certificate instructing the Depository as to the appropriate transfer of funds among Accounts to give effect thereto, such monies shall remain in the Revenue Account and be otherwise subject to the provisions of this Section 3.3. Any funds on deposit in any Revenue Account Sub-Account shall be withdrawn and transferred into the Revenue Account immediately prior to each Transfer Date. For the avoidance of doubt, funds on deposit in any Revenue Account Sub-Account shall not be withdrawn and transferred to any account other than the Revenue Account.

(d) Unless a Notice of Suspension is in effect, upon receipt of a duly completed and executed Withdrawal/Transfer Certificate, and in accordance with the directions set forth therein, Depository shall cause funds held in the Revenue Account to be withdrawn or transferred in accordance with such Withdrawal/Transfer Certificate. The Borrower, the Administrative Agent and the Collateral Agent hereby agree, solely as between such parties, that (i) no Withdrawal/Transfer Certificate will be issued to the Depository if an Event of Default would occur after giving effect to any application of funds contemplated by this Section 3.3(d) and (ii) that any such Withdrawal/Transfer Certificate will instruct disbursements to pay the following amounts on the dates and at the priorities indicated below:

(1) *first*, on any Transfer Date, to the Administrative Agent (for the benefit of each Secured Beneficiary, as applicable), the amount specified in the Withdrawal/Transfer Certificate as equal to all fees, costs, charges and any other amounts (except principal, interest and any amounts due to Swap Counterparties) then due and payable to the Depository and the Secured Beneficiaries pursuant to this Agreement, the Loan Agreement and the other Financing Documents;

(2) *second*, on any Transfer Date, to the Administrative Agent (for the benefit and account of the Lenders and the Swap Counterparties, on a pro rata basis), the amount specified in the Withdrawal/Transfer Certificate as equal to the sum of (x) all interest under or in respect of the Financing Documents then due and payable by Borrower and (y) the net amounts (other than any Swap Termination Amounts) then due and payable to the Swap Counterparties under any Permitted Swap Agreements;

(3) *third*, on any Transfer Date, to the Administrative Agent (for the benefit and account of the Lenders and the Swap Counterparties, on a pro rata basis), the amount specified in the Withdrawal/Transfer Certificate as equal to the sum of (x) all principal under or in respect of the Financing Documents then due and payable by Borrower (including, to the extent that a Repayment Event has occurred and is continuing, the Cash Sweep as of such Transfer Date), for application as a repayment or prepayment of Loans, as applicable, in accordance with Section 2.1 of the Loan Agreement and (y) any Swap Termination Amounts then due and payable to the Swap Counterparties under the Permitted Swap Agreements;

(4) *fourth*, on any Transfer Date, to the Interest Reserve Account, the amount specified in the Withdrawal/Transfer Certificate as equal to the difference between (i) the Interest Reserve Required Amount, and (ii) the funds on deposit in the Interest Reserve Account on such Transfer Date, after giving effect to any transfers made on such Transfer Date;

(5) *fifth*, on any Transfer Date, to the Inspected-Only Reserve Account, the amount specified on the Withdrawal/Transfer Certificate that is equal to the difference between (i) the Inspected-Only Reserve Required Amount, and (ii) the funds on deposit in the Inspected-Only Reserve Account on such Transfer Date, after giving effect to any transfers made on such Transfer Date; and

(6) *sixth*, on each Scheduled Payment Date, to each applicable Tax Loss Reserve Subaccount, the amount(s) specified on the Withdrawal/Transfer Certificate that is equal to the difference between (i) the applicable Tax Loss Reserve Required Amount, and (ii) the funds on deposit in such Tax Loss Reserve Subaccount on such Transfer Date, after giving effect to any transfers made on such Transfer Date;

(7) *seventh*, on each Scheduled Payment Date, subject to the satisfaction of all other conditions set forth in Section 6.6(e) of the Loan Agreement, to the Borrower Member (or a direct or indirect owner thereof), the amount specified in the Withdrawal/Transfer Certificate as the balance of any monies remaining in the Revenue Account after giving effect to the withdrawals and transfers specified in clauses (1) through (6) above on such date; provided, that in the event that any Borrowing has occurred since the immediately preceding Scheduled Payment Date, the foregoing transfer shall not occur until the later of (x) three (3) Business Days after the applicable Scheduled Payment Date or (y) the date on which the Administrative Agent confirms in writing that any interest paid under priority (2) constitutes the full amount of all interest under or in respect of the Financing Documents that was due as of Transfer Date, and, provided, further, in the event that the Administrative Agent determines that the transfer made pursuant to priority (2) above on such Scheduled Payment Date was for less than full amount of all interest under or in respect of the Financing Documents that was due as of Transfer Date, an amount equal to such deficit shall be paid to the Administrative Agent (for the benefit and account of the Lenders) prior to any transfers under this priority (6).

Section 3.4 Interest Reserve Account.

(a) Funds shall be deposited into the Interest Reserve Account pursuant to Section 3.3(d)(4).

(b) On any date when the amounts available at priorities first, second and third set forth in Section 3.3(d) are insufficient to pay amounts then due and owing, the Depository shall (upon written notification from the Borrower or the Administrative Agent, with a copy to the Administrative Agent or the Borrower, as applicable, setting forth the amount of such shortfall) withdraw funds from the Interest Reserve Account to pay to the Administrative Agent, for the account of the Lenders, the amount of such shortfall then due and payable, which funds shall be applied by the Administrative Agent to amounts owing to the Lenders (but not, for the avoidance of doubt, amounts owing to the Swap Counterparties) in the order of priority set forth in

priorities first, second, and third in Section 3.3(d). The Depository shall promptly notify the Administrative Agent and the Collateral Agent if, at any time, there are insufficient funds on deposit in the Interest Reserve Account to make the payments required under this Section 3.4(b).

(c) If, on any Scheduled Payment Date, the funds on deposit in the Interest Reserve Account are in excess of the Interest Reserve Required Amount, unless a Notice of Suspension is in effect, the Borrower may direct, by delivery of an Interest Reserve Release Certificate to the Depository, the transfer to the Revenue Account of an amount equal to the difference between (i) the aggregate total amount of all funds on deposit in the Interest Reserve Account and (ii) the Interest Reserve Required Amount, as certified by the Borrower and confirmed by the Administrative Agent in such Interest Reserve Release Certificate. Borrower, Administrative Agent and Collateral Agent hereby agree, solely as between such parties, that Borrower will not issue such an Interest Reserve Release Certificate to the Depository if an Event of Default would occur after giving effect to such transfer.

Section 3.5 Equity Cure Account .

(a) The Borrower Entities shall cause all Equity Contributions to be deposited into the Equity Cure Account.

(b) At any time, upon receipt by the Depository of an instruction from the Borrower (countersigned by the Collateral Agent and the Administrative Agent), the Depository shall transfer funds in the Equity Cure Account to the Administrative Agent (for the benefit and account of the Lenders), for application as a prepayment of Loans in accordance with Section 2.1(f) of the Loan Agreement.

(c) On any date when the amounts available at priorities first, second and third set forth in Section 3.3(d) are insufficient to pay amounts then due and owing, after making the transfers from the Interest Reserve Account under Section 3.4(b) above, the Depository shall (upon written notification from the Borrower or the Administrative Agent, with a copy to the Administrative Agent or the Borrower, as applicable, setting forth the amount of such shortfall) withdraw funds from the Equity Cure Account to pay to the Administrative Agent, for the account of the Lenders, the amount of such shortfall then due and payable, which funds shall be applied by the Administrative Agent in the order of priority set forth in priorities first, second, and third in Section 3.3(d).

(d) At any time, upon receipt of a duly completed and executed Withdrawal/Transfer Certificate, so long as the Cash Flow Coverage Ratio is not less than 1.40:1.00 after giving pro forma effect to such transfer, the Depository shall transfer funds in the Equity Cure Account to the Revenue Account for subsequent application in accordance with the priorities set forth in Section 3.3(d).

Section 3.6 Capital Contribution Accounts

(a) Deposits. The Borrower Entities shall cause all Capital Contribution Account Deposits with respect to a Subsidiary Party to be deposited into the Capital Contribution Account set forth opposite such Subsidiary Party's name on Item A to Schedule III hereto. No

Borrower Entity shall cause or permit any amounts to be deposited into the Capital Contribution Accounts other than Capital Contribution Account Deposits. For the avoidance of doubt, no funds from any other Accounts may be directly deposited or transferred into the Capital Contribution Accounts.

(b) Withdrawals. So long as no Notice of Suspension is in effect, and no Event of Default has occurred and is continuing, each Subsidiary Party may withdraw and transfer amounts on deposit in the Capital Contribution Account set forth opposite such Subsidiary Party's name on Item A to Schedule III hereto and make a required capital contribution or make a payment in respect of a payment obligation to its associated Subject Fund in accordance with the Project Documents of such Subject Fund.

Section 3.7 Inspected-Only Reserve Account.

(a) Funds shall be deposited into the Inspected-Only Reserve Account pursuant to Section 3.3(d)(5).

(b) On any date when the amounts available at priorities first, second, third and fourth set forth in Section 3.3(d) are insufficient to pay amounts then due and owing, the Depository shall (upon written notification from the Borrower or the Administrative Agent, with a copy to the Administrative Agent or the Borrower, as applicable, setting forth the amount of such shortfall) withdraw funds from the Inspected-Only Reserve Account to pay to the Administrative Agent, for the account of the Lenders, the amount of such shortfall then due and payable, which funds shall be applied by the Administrative Agent in the order of priority set forth in priorities first, second, third and fourth in Section 3.3(d). The Depository shall promptly notify the Administrative Agent and the Collateral Agent if, at any time, there are insufficient funds on deposit in the Inspected-Only Reserve Account to make the payments required under this Section 3.7(b).

(c) If, on any Scheduled Payment Date, the funds on deposit in the Inspected-Only Reserve Account are in excess of the Inspected-Only Reserve Required Amount, unless a Notice of Suspension is in effect, the Borrower may direct, by delivery of an Inspected Only Reserve Release Certificate to the Depository, the transfer to the Revenue Account of an amount equal to the difference between (i) the aggregate total amount of all funds on deposit in the Inspected-Only Reserve Account and (ii) the Inspected-Only Reserve Required Amount, as certified by the Borrower and confirmed by the Administrative Agent in such Inspected-Only Reserve Release Certificate. Borrower, Administrative Agent and Collateral Agent hereby agree, solely as between such parties, that Borrower will not issue such an Inspected-Only Reserve Release Certificate to the Depository if an Event of Default would occur after giving effect to such transfer.

Section 3.8 Tax Loss Reserve Subaccounts.

(a) Deposits. Funds shall be deposited into the Tax Loss Reserve Subaccounts pursuant to to Section 3.3(d)(6) hereof and Section 5.17(d)(ii) of the Loan Agreement.

(b) Withdrawals. So long as no Notice of Suspension is in effect, and no Event of Default has occurred and is continuing, a Subsidiary Party may withdraw and transfer amounts on deposit in the Tax Loss Reserve Subaccount set forth opposite such Subsidiary Party's name on Item B to Schedule III hereto if necessary to satisfy any Tax Loss Policy Deductible applicable to such Subsidiary Party.

ARTICLE IV

INVESTMENTS, EVENTS OF DEFAULT & PAYMENTS

Section 4.1 Investment of Accounts. Unless a Notice of Suspension is in effect, the Depository shall invest all funds on deposit in all Accounts including earnings thereon, in either (a) as instructed in writing on Exhibit E by Borrower, in a specific money market fund or bank deposit investment vehicle or (b) as instructed in writing on Exhibit C by Borrower in marketable obligations. It is understood and agreed Exhibit E represents money market funds which are currently available for investment of funds held in Bank of America, N.A. depository accounts, which availability is subject to change following the date of this Agreement. If Borrower chooses to invest in accordance with clause 4.1(a), the investment may be changed by delivery to the Depository of a written request including a revised and re-executed Exhibit E. Upon receipt of such request the Depository will reinvest the funds on deposit in all Accounts in the indicated investment within two (2) Business Days or such additional time as may be required due to circumstances beyond the Depository's control. If Borrower chooses to invest in accordance with clause 4.1(b), each of the parties hereto acknowledges that the Depository does not have the ability to purchase or sell securities, certificates, debt or equity instruments, exchange traded funds or other investment vehicles (collectively, "Securities") on behalf of any other person or party. Therefore, to the extent that Borrower elects to invest in Securities, Borrower will be responsible for initiating any purchase or sale of such Securities on the open market by whatever means necessary and available to it and the Depository will settle such purchases or sales into and out of the applicable Account, as necessary. Specifically, (A) for any purchase of Securities directed by Borrower, Borrower shall place a buy order on the open market for the Securities it wishes to purchase and shall indicate that such purchase is to be settled by the Depository into the applicable Account and (B) for any sale of Securities directed by Borrower, Borrower shall place a sell order on the open market for the Securities it wishes to sell and shall indicate that such sale is to be settled by the Depository out of the holdings of such Securities in the applicable Account and that all funds received from the sale of such Securities shall be paid to the Depository for deposit into the applicable Account. In order to ensure the proper settlement of purchases and sales of Securities, Borrower shall give the Depository written notice prior to the applicable settlement date in accordance with Exhibit D to the Agreement. Settlement of any trades of Securities into the Accounts will be on an actual basis. Additionally, the Depository shall not be required to comply with any settlement instructions requesting it to purchase any Securities for any Account unless the then-current balance of such Account is sufficient to purchase such Securities. In the event that a money market fund is designated herein as the initial investment, the party or parties designating the investment acknowledge receipt of the prospectus for such fund at the time of execution of this Agreement. The Depository is hereby authorized to make early withdrawal or sale of securities if necessary to make a distribution from any of the Accounts in accordance with this Agreement. The Depository shall not be liable or responsible for any loss or any penalties which are imposed

on any investments in any Account, including because of the early withdrawal or sale of the securities in which any portion of the Accounts may be invested.

Section 4.2 Disposition of Accounts Upon Discharge Date. In the event that the Depository shall have received a certificate from the Collateral Agent stating that the Discharge Date shall have occurred, all amounts remaining in the Accounts shall, upon receipt of a certificate from the Collateral Agent authorizing such payments from the Accounts, be remitted to or as otherwise directed by Borrower.

Section 4.3 Notices of Suspension of Accounts.

(a) The Collateral Agent may, but shall not be required to, suspend the right of the Depository and the Borrower to withdraw or otherwise deal with any funds deposited in or credited to the Accounts at any time during the occurrence and continuance of either (i) an Event of Default or (ii) a Default under Section 8.1(a) of the Loan Agreement, by delivering a notice to the Depository (with a copy to the Borrower and the Administrative Agent) (a “Notice of Suspension”).

(b) Notwithstanding any other provision of the Loan Agreement or any other Financing Document, after the issuance by the Collateral Agent of a Notice of Suspension and until such time as the Collateral Agent advises the Depository and the Borrower in writing that it has withdrawn such Notice of Suspension, no amount may be withdrawn by the Depository from any Account, without the express prior written consent of the Collateral Agent, and the Depository shall comply with any instruction given by the Collateral Agent as contemplated by Section 2.1, without reference to any inconsistent request or instruction from the Borrower or otherwise. For the avoidance of doubt, the withdrawal of a Notice of Suspension by the Collateral Agent shall not affect any other Notice of Suspension that it may have issued.

(c) Notwithstanding anything to the contrary in this Agreement, the Loan Agreement or any other Financing Document, the Borrower acknowledges that if an Event of Default has occurred and is continuing, and following delivery of a Notice of Suspension that has not been withdrawn (provided, that any failure to deliver such notice shall not affect the validity of any actions taken under this Agreement), the Collateral Agent, on behalf of the Secured Parties, is entitled to apply amounts deposited in or credited to any Account against all or any part of the Obligations in accordance with the Financing Documents. The Borrower shall remain liable for any deficiency in accordance with the respective Financing Documents to which it is a party.

Section 4.4 Payments. Borrower hereby instructs the Collateral Agent and the Depository to make all payments to be made in respect of the Secured Obligations hereunder, or with respect to any other payment, directly to the Administrative Agent, for the benefit of the Lenders and other Secured Beneficiaries, as applicable, in each case, in accordance with the instructions set forth in Schedule L, and the Collateral Agent and the Depository hereby acknowledge receipt of such instruction.

ARTICLE V

DEPOSITARY

Section 5.1 Reliance by Depositary. The Depositary shall be entitled to conclusively rely upon and shall not be bound to make any investigation into the facts or matters stated in any certificate of an Responsible Officer of Borrower, any certificate of the Administrative Agent, the Collateral Agent or any other notice or other document (including any cable, telegram, teletype, telex, or facsimile, and any document delivered or furnished by electronic communication including e-mail and Internet or intranet websites, including the Platform) believed by it to be genuine and to have been signed or sent by or on behalf of the proper Person or Persons, and upon advice and statement of legal counsel, independent accountants and other experts selected by the Depositary and shall have no liability for its actions taken thereupon, unless due to the Depositary's bad faith, willful misconduct or gross negligence. The Depositary is entitled to rely on, with no liability for such reliance, and shall not be obligated to monitor or verify, the accuracy of any certificate or other written instruction provided to the Depositary by any Borrower Entity, the Administrative Agent or the Collateral Agent. The Depositary shall be fully justified in failing or refusing to take any action under this Agreement (i) if such action would, in the reasonable opinion of the Depositary, be contrary to applicable law or the terms of this Agreement, (ii) if such action is not specifically provided for in this Agreement, it shall not have received any such advice or concurrence of the Collateral Agent as it deems appropriate or (iii) if, in connection with the taking of any such action that would constitute an exercise of remedies under this Agreement (whether such action is or is intended to be an action of the Depositary or the Collateral Agent), it shall not first be indemnified to its satisfaction by the applicable Secured Beneficiaries (other than the Collateral Agent (in its individual capacity), or any other agent or trustee under any of the documents for the Secured Obligations (in each case, in their respective individual capacities)) against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. The Depositary shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement in accordance with a request of the Collateral Agent, and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Secured Beneficiaries.

Section 5.2 Court Orders. The Depositary is hereby authorized, in its exclusive discretion, to obey and comply with all writs, orders, judgments or decrees issued by any court or administrative agency affecting any money, documents or things held by the Depositary. The Depositary shall not be liable to any of the parties hereto or any of the Secured Beneficiaries or their successors, heirs or personal representatives by reason of the Depositary's compliance with such writs, orders, judgments or decrees, notwithstanding such writ, order, judgment or decree is later reversed, modified, set aside or vacated.

Section 5.3 Resignation or Removal. Subject to the appointment and acceptance of a successor Depositary as provided below, the Depositary may resign at any time by giving thirty (30) days' written notice thereof to each party hereof. The Depositary may be removed at any time with or without cause by the Administrative Agent with, so long as no Event of Default is then continuing, the consent of the Borrower. Notwithstanding anything to the contrary, no resignation or removal of the Depositary shall be effective until: (i) a successor Depositary is appointed in accordance with this Section 5.3, (ii) the resigning or removed

Depository has transferred to its successor all of its rights and obligations in its capacity as the Depository under this Agreement, and (iii) the successor Depository has executed and delivered an agreement to be bound by the terms hereof and perform all duties required of the Depository hereunder and a copy of such agreement has been delivered to the Administrative Agent, the Collateral Agent and Borrower. Within thirty (30) days of receipt of a written notice of any resignation or removal of the Depository, the Administrative Agent and, if no Default or Event of Default is then continuing, Borrower shall appoint a successor Depository. If no successor Depository (x) shall have been appointed by the Administrative Agent and, if applicable, Borrower and (y) shall have accepted such appointment within thirty (30) days after the retiring Depository's giving of notice of resignation or the removal of the retiring Depository, then the retiring Depository may apply to a court of competent jurisdiction to appoint a successor Depository, which shall be a federally insured U.S.-domiciled bank or trust company that has a combined capital surplus of at least \$500,000,000. Upon the acceptance of any appointment as Depository hereunder by the successor Depository, (a) such successor Depository shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Depository, and the retiring Depository shall be discharged from its duties and obligations hereunder and (b) the retiring Depository shall promptly transfer all monies within its possession or control to the possession or control of the successor Depository and shall execute and deliver such notices, instructions and assignments as may be necessary or desirable to transfer the rights of the Depository with respect to the monies to the successor Depository. After the retiring Depository's resignation or removal hereunder as Depository, the provisions of this Article V and of Article VI 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 Depository. Any corporation into which the Depository may be merged or converted or with which it may be consolidated or any corporation resulting from any merger, conversion or consolidation to which the Depository shall be a party, or any corporation succeeding to the business of the Depository or its corporate trust operations shall be the successor of the Depository 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.

ARTICLE VI

EXPENSES; INDEMNIFICATION; FEES

Section 6.1 Expense s. Borrower agrees to pay or reimburse all reasonable and documented out-of-pocket costs and expenses of the Depository (including reasonable fees and expenses for legal services of a single law firm) in respect of, or incident to, the administration or enforcement of any of the provisions of this Agreement or in connection with any amendment, waiver or consent relating to this Agreement, except to the extent any costs or expenses of the Depository result from the Depository's bad faith, gross negligence or willful misconduct.

Section 6.2 Indemnification.

(a) Each Borrower Entity, jointly and severally, agrees to indemnify, protect, save and keep harmless the Depository and its officers, partners, members, directors, trustees, advisors, employees, agents, sub-agents and Affiliates and any of their successors, or

permitted assigns (collectively, the “ Indemnified Depository Parties ”) from and against, any and all claims, liabilities, obligations, losses, damages, penalties, costs and reasonable expenses that may be imposed on , incurred by, or asserted against, at any time, the Depository arising out of the execution, delivery and performance of this Agreement, the establishment of the Accounts, the acceptance of deposits or the proceeds thereof and any payment, transfer or other application of cash by the Depository in accordance with the provisions of this Agreement, or as may arise by reason of any act, omission or error of the Depository made in good faith in the conduct of its duties (collectively, the “ Indemnified Depository Liabilities ”); except that Borrower shall not be required to indemnify, protect, save and keep harmless any Indemnified Depository Parties against the Indemnified Depository Party’s own bad faith, gross negligence or willful misconduct as determined by the final judgment of a court of competent jurisdiction, no longer subject to appeal or review. Without limiting the foregoing, each Borrower Entity, jointly and severally, agrees to pay, and to hold the Depository harmless from, and to indemnify the Depository against, any and all liabilities with respect to, or resulting from any delay in paying, any and all stamp, excise, sales or other similar taxes which may be payable or determined to be payable with respect to any of the Account Collateral or in connection with any of the transactions contemplated hereby unless such delay is caused by the Depository’s own bad faith, gross negligence or willful misconduct. To the extent that the undertakings to indemnify, pay and hold harmless set forth in this Section 6.2 may be unenforceable in whole or in part because they are volatile of any law or public policy, each Borrower Entity shall contribute the maximum portion that it is permitted to pay and satisfy under applicable law to the payment and satisfaction of all of the Indemnified Liabilities incurred by the Indemnified Depository Parties or any of them. The Administrative Agent and the Collateral Agent each agrees to indemnify and hold harmless the Depository against any and all claims, losses, damages, liabilities, judgments, costs and expenses (including reasonable attorneys' fees) incurred or sustained by the Depository as a result of or in connection with the Depository’s reliance upon and compliance with instructions or directions given by the Administrative Agent or the Collateral Agent, as applicable, provided, however, that such losses have not arisen from the Depository’s own bad faith, gross negligence or willful misconduct as determined by the final judgment of a court of competent jurisdiction, no longer subject to appeal or review.

(b) To the extent permitted by applicable law, Administrative Agent, Collateral Agent, each Lender, and each Borrower Entity agrees not to assert, and each Borrower Entity hereby waives, any claim against the Depository and its Affiliates, directors, employees, attorneys, agents or subagents, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) (whether or not the claim therefor is based on contract, tort or duty imposed by any applicable legal requirement) arising out of, in connection with, as a result of, or in any way related to, this Agreement or any agreement or instrument contemplated hereby or referred to herein or therein, the transactions contemplated hereby or thereby or any act or omission or event occurring in connection therewith, and Administrative Agent, Collateral Agent, each Lender, and each Borrower Entity hereby waives, releases and agrees not to sue upon any such claim or any such damages, whether or not accrued and whether or not known or suspected to exist in its favor; provided that such claim is not for the bad faith, gross negligence or willful misconduct of any Indemnified Depository Party.

(c) The agreements in this Section 6.2 shall survive repayment of the Secured Obligations and all other amounts payable under the Financing Documents and the removal or resignation of the Depository.

ARTICLE VII

COLLATERAL AGENT

Section 7.1 Appointment of Collateral Agent. The Administrative Agent and the Lenders hereby irrevocably designate and appoint Bank of America, N.A. as collateral agent under this Agreement and the other Collateral Documents, and Bank of America, N.A. hereby accepts such appointment, and the Administrative Agent and Lenders, irrevocably authorizes the Collateral Agent to take such action on their behalf under the provisions of this Agreement and any other Collateral Documents, and to exercise such powers and perform such duties as are expressly delegated to the Collateral Agent by the terms of this Agreement and the other Collateral Documents, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Agreement, the Collateral Agent shall not have any duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship with the Administrative Agent or any other Person, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Loan Document or otherwise exist against the Collateral Agent. The Administrative Agent shall endeavor to provide to the Collateral Agent a copy of the Financing Documents (and any amendments thereto) and any notices received by the Administrative Agent from Borrower (provided that the Administrative Agent shall have no liability in respect of such obligation and any failure to provide such documents to the Collateral Agent shall not give rise to any claim, right or cause of action on the part of the Collateral Agent, any Borrower Entity or any other Person).

Section 7.2 Undertaking of Collateral Agent.

(a) Subject to, and in accordance with, this Agreement and the other Collateral Documents, the Collateral Agent will, for the benefit solely and exclusively of the present and future Secured Beneficiaries:

(i) accept, enter into, hold, maintain, administer and enforce all Collateral Documents, including all Collateral subject thereto, and all Liens created thereunder, perform its obligations under the Collateral Documents and protect, exercise and enforce the interests, rights, powers and remedies granted or available to it under, pursuant to or in connection with this Agreement and the other Collateral Documents;

(ii) take all lawful and commercially reasonable actions permitted under the Collateral Documents that it may deem necessary or advisable to protect or preserve its interest in the Collateral subject thereto and such interests, rights, powers and remedies;

(iii) deliver and receive notices pursuant to the Collateral Documents;

(iv) sell, assign, collect, assemble, foreclose on, institute legal proceedings with respect to, or otherwise exercise or enforce the rights and remedies of a Secured Beneficiary (including a mortgagee, trust deed beneficiary and insurance beneficiary or loss payee) with respect to the Collateral under the Collateral Documents and its other interests, rights, powers and remedies in accordance with Section 7.4; and

(v) remit all cash proceeds, cash equivalents and other distributions of or in respect of Collateral received by it from the collection, foreclosure or enforcement of its interest in the Collateral under the Collateral Documents or any of its other interests, rights, powers or remedies.

(b) Each party to this Agreement acknowledges and consents to the undertakings of the Collateral Agent set forth in Section 7.2(a) and agrees thereto and to each of the other provisions of this Agreement applicable to the Collateral Agent.

(c) Notwithstanding anything to the contrary contained in this Agreement, the Collateral Agent will not commence any exercise of remedies or any foreclosure actions or otherwise take any action or proceeding against or in respect of any of the Collateral or take other actions hereunder, including the delivering of any notice required to be delivered or the giving of any instruction required to be given by the Collateral Agent hereunder, unless and until it shall have been directed by written notice of the Administrative Agent on behalf of the Secured Beneficiaries and then only in accordance with the provisions of such notice, this Agreement and the other Collateral Documents.

(d) The Collateral Agent hereby acknowledges and agrees that any Liens and security interests granted to the Collateral Agent pursuant to this Agreement, the Collateral Documents and the other Financing Documents are granted to the Collateral Agent not for its own benefit, but solely for the benefit of the Administrative Agent and the Lenders.

Section 7.3 General Authority of the Collateral Agent over the Collateral. Borrower hereby irrevocably constitute and appoint the Collateral Agent and any officer or agent thereof, with full power of substitution as among such officers and agents, as their true and lawful attorney-in-fact with full power and authority, if a Notice of Suspension has been delivered to the Depository and until such Notice of Suspension has been withdrawn, in the name of the Administrative Agent and the Lenders, or in its own name, from time to time to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to carry out or cause to be carried out the terms of this Agreement and/or the other Collateral Documents (but subject to the terms hereof and thereof) and to accomplish the purposes hereof and thereof; and, without limiting the generality of the foregoing, Borrower hereby gives the Collateral Agent, during any Event of Default, the power and right on behalf of Borrower, without notice to or further assent by Borrower, to: (i) ask for, demand, sue for, collect, receive and give acquittance for any and all moneys due or to become due upon, or in connection with, the Collateral; (ii) receive, take, endorse, assign and deliver any and all checks, notes, drafts, acceptances, documents and other negotiable and non-negotiable instruments taken or received by the Collateral Agent as, or in connection with, the Collateral; (iii) commence, prosecute, defend, settle, compromise or adjust any claim, suit, action or proceeding with respect to, or in connection with, the Collateral; (iv) sell, transfer, assign or otherwise deal in or with the Collateral or any part thereof as fully and effectively as if the Collateral Agent were the absolute owner thereof; (v) exercise all remedies provided for by this Agreement or the other Collateral Documents; and (vi) do, at its option for the account of the Administrative Agent and the Lenders, at any time or from time to time, all acts and things which the Collateral Agent reasonably deems necessary to cause perfection of the liens and security interests of the Collateral Agent in the Collateral, to protect or preserve the Collateral and to realize upon the Collateral in each case in accordance with the

Collateral Documents. To the maximum extent permitted by law, the Borrower hereby ratifies all that said attorneys-in-fact shall lawfully do or cause to be done by virtue hereof. This power of attorney is a power coupled with an interest and shall, so long as the Secured Obligations are outstanding, be irrevocable and thereafter be deemed revoked.

Section 7.4 Enforcement of Liens. Following receipt of any notice that an Event of Default has occurred, the Collateral Agent shall await direction by the Administrative Agent on behalf of the Secured Beneficiaries and will act, or decline to act, as directed by the Administrative Agent on behalf of the Secured Beneficiaries, in the exercise and enforcement of the Collateral Agent's interests, rights, powers and remedies in respect of the Collateral or under the Collateral Documents or applicable law and, following the initiation of such exercise of remedies, the Collateral Agent will act, or decline to act, with respect to the manner of such exercise of remedies as directed by the Administrative Agent on behalf of the Secured Beneficiaries. Unless it has been directed to the contrary by the Administrative Agent on behalf of the Secured Beneficiaries, the Collateral Agent in any event may (but will not be obligated to) take all lawful and commercially reasonable actions permitted under the Collateral Documents that it may deem necessary or advisable to protect or preserve its interest in the Collateral as the Collateral Agent subject thereto, and the interests, rights, powers and remedies granted or available to it as the Collateral Agent for the Secured Beneficiaries under, pursuant to or in connection with the Collateral Documents.

Section 7.5 Rights, Duties, Etc. The acceptance by the Collateral Agent of its respective duties hereunder and under the other Collateral Documents is subject to the following terms and conditions which the parties to this Agreement hereby agree shall govern and control with respect to the rights, duties, liabilities, privileges, protections and immunities of the Collateral Agent:

(a) it shall not be responsible or liable in any manner whatever for soliciting any funds or for the sufficiency, correctness, genuineness or validity of any funds or securities deposited with or held by it;

(b) it shall be protected in acting or refraining from acting upon any written notice, certificate, instruction, request, or other paper or document, as to the due execution thereof and the validity and effectiveness of the provisions thereof and as to the truth of any information therein contained, which it in good faith believes to be genuine;

(c) it shall not be liable for any error of judgment or for any act done or step taken or omitted, except in the case of its gross negligence, willful misconduct or bad faith as determined pursuant to a final, non-appealable judgment of a court of competent jurisdiction;

(d) it may consult with and obtain advice from counsel of its own choice in the event of any dispute or question as to the construction of any provision hereof or of a Loan Document or in connection with any other matters arising hereunder or under any Loan Document 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 or under any Loan Document in good faith and in accordance with such advice or opinion of counsel;

(e) it shall have no duties or obligations hereunder or under any other Collateral Document to which it is a party, except those which are expressly set forth herein or in such other Collateral Documents, and it undertakes to perform such duties and only such duties as are specifically set forth herein or in such other Collateral Document;

(f) it may execute or perform any duties hereunder or under the other Collateral Documents to which it is a party either directly or through agents, nominees, custodians or attorneys and shall not be responsible for any failure, breach or omission of (including if resulting from willful misconduct or gross negligence on the part of) any agent, attorney, custodian or nominee so appointed with reasonable care;

(g) it may engage or be interested in any financial or other transactions with any party hereto or to any Loan Document and may act on, or as depository, collateral agent or agent for, any committee or body of holders of obligations of such Persons as freely as if it were not Collateral Agent hereunder; and

(h) it shall not be obligated to take any action which in its reasonable judgment would involve it in expense or liability unless it has been furnished with reasonable indemnity.

Subject to Section 4.2, the Collateral Agent shall have no obligation to invest and reinvest any cash held in the Accounts. In no event shall the Collateral Agent be liable for the selection of investments or for investment losses incurred thereon by reason of investment performance, liquidation prior to stated maturity or otherwise. The Collateral Agent shall have no liability in respect of losses incurred as a result of the liquidation of any investment prior to its stated maturity.

Section 7.6 Exculpatory Provisions. Neither the Collateral Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or affiliates (nor their officers, directors, employees, agents, attorneys-in-fact) shall be (a) liable for any action lawfully taken or omitted to be taken by it or such Person under or in connection with this Agreement or any other Financing Document (except to the extent that any of the foregoing are found by a final and non-appealable judgment of a court of competent jurisdiction to have resulted from its or such Person's own bad faith, gross negligence or willful misconduct) or (b) responsible in any manner to the Administrative Agent or any other Person for any recitals, statements, representations or warranties made by any Borrower Entity or any of their affiliates or any officer(s) thereof contained in this Agreement or any other Loan Document or in the certificate, report, statement or other document referred to or provided for in, or received by the Collateral Agent under or in connection with, this Agreement or any other Loan Document or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Loan Document or of any Lien granted to it under any Loan Document or for any failure of any Borrower Entity or any other party thereto to perform its obligations hereunder or thereunder. The Collateral Agent shall not be under any obligation to the Administrative Agent or to any other Person to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Loan Document, or to inspect the properties, books or records of any Borrower Entity or any other Person. None of the provisions of this Agreement or any Loan Document shall require 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 under the Financing Documents, 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. The Collateral Agent shall have no responsibility to insure or to see to the insurance of any property with respect to which it shall have been granted a Lien under any Collateral Document. Nothing herein shall require the Collateral Agent to file any financing statement, continuation statement or amendment thereto in any public office at any time or times or to otherwise take any action to perfect or maintain the perfection of the Lien on any property granted to the Collateral Agent under any Collateral Document or to give notice of any such Lien to any third party. In no event shall the Collateral Agent be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Collateral Agent has been advised of the likelihood of such loss or damage and regardless of the form of action. The Collateral Agent is hereby authorized to enter into or to accept delivery to it of each of the Collateral Documents to which it is intended to be a party.

Section 7.7 Expenses. Borrower agrees to pay or reimburse all reasonable and documented out-of-pocket costs and expenses of the Collateral Agent (including reasonable fees and expenses for legal services of a single law firm) in respect of, or incident to, the administration or enforcement of any of the provisions of this Agreement or in connection with any amendment, waiver or consent relating to this Agreement, except to the extent any costs or expenses of the Collateral Agent result from the Collateral Agent's bad faith, gross negligence or willful misconduct.

Section 7.8 Indemnification.

(a) Borrower agrees to indemnify, protect, save and keep harmless the Collateral Agent and its officers, partners, members, directors, trustees, advisors, employees, agents, sub-agents and Affiliates and any of their successors, or permitted assigns (collectively, the "Indemnified Collateral Agent Parties") from and against, any and all claims, liabilities, obligations, losses, damages, penalties, costs and reasonable expenses that may be imposed on, incurred by, or asserted against, at any time, the Collateral Agent arising out of the execution, delivery and performance of this Agreement or any other Loan Document, the establishment of the Accounts, or as may arise by reason of any act, omission or error of the Collateral Agent made in good faith in the conduct of its duties (collectively, the "Indemnified Collateral Agent Liabilities"); except that Borrower shall not be required to indemnify, protect, save and keep harmless any Indemnified Collateral Agent Parties against the Indemnified Collateral Agent Party's own bad faith, gross negligence or willful misconduct as determined by the final judgment of a court of competent jurisdiction, no longer subject to appeal or review. Without limiting the foregoing, Borrower agrees to pay, and to hold the Collateral Agent harmless from, and to indemnify the Collateral Agent against, any and all liabilities with respect to, or resulting from any delay in paying, any and all stamp, excise, sales or other similar taxes which may be payable or determined to be payable with respect to any of the Account Collateral or in connection with any of the transactions contemplated hereby, unless such delay is caused by the Collateral Agent's own bad faith, gross negligence or willful misconduct. To the extent that the undertakings to indemnify, pay and hold harmless set forth in this Section 7.8 may be unenforceable in whole or in part because they are violative of any law or public policy, Borrower shall contribute the maximum portion that it is permitted to pay and satisfy under applicable law to the payment and satisfaction

of all of the Indemnified Collateral Agent Liabilities incurred by the Indemnified Collateral Agent Parties or any of them.

(b) To the extent permitted by applicable law, each Borrower Entity agrees not to assert, and each Borrower Entity hereby waives, any claim against the Collateral Agent and its Affiliates, directors, employees, attorneys, agents or subagents, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) (whether or not the claim therefor is based on contract, tort or duty imposed by any applicable legal requirement) arising out of, in connection with, as a result of, or in any way related to, this Agreement or any other Collateral Document or any agreement or instrument contemplated hereby or thereby or referred to herein or therein, the transactions contemplated hereby or thereby or any act or omission or event occurring in connection therewith, and each Borrower Entity hereby waives, releases and agrees not to sue upon any such claim or any such damages, whether or not accrued and whether or not known or suspected to exist in its favor; provided that such claim is not for the bad faith, gross negligence or willful misconduct of any Indemnified Collateral Agent Party.

(c) The agreements in this Section 7.8 shall survive repayment of the Secured Obligations and all other amounts payable under the Financing Documents and the removal or resignation of the Collateral Agent.

Section 7.9 Resignation or Removal. Subject to the appointment and acceptance of a successor Collateral Agent as provided below, the Collateral Agent may resign at any time by giving thirty (30) days' written notice thereof to each party hereof. The Collateral Agent may be removed at any time with or without cause by the Administrative Agent. Notwithstanding anything to the contrary, no resignation or removal of the Collateral Agent shall be effective until: (i) a successor Collateral Agent is appointed in accordance with this Section 7.9, (ii) the resigning or removed Collateral Agent has transferred to its successor all of its rights and obligations in its capacity as the Collateral Agent under this Agreement, and (iii) the successor Collateral Agent has executed and delivered an agreement to be bound by the terms hereof and perform all duties required of the Collateral Agent hereunder and a copy of such agreement has been delivered to the Administrative Agent, Collateral Agent and Borrower. Within thirty (30) days of receipt of a written notice of any resignation or removal of the Collateral Agent, the Administrative Agent and, if no Default or Event of Default is then continuing, Borrower shall appoint a successor Collateral Agent. If no successor Collateral Agent (x) shall have been appointed by the Administrative Agent and, if applicable, Borrower and (y) shall have accepted such appointment within thirty (30) days after the retiring Collateral Agent's giving of notice of resignation or the removal of the retiring Collateral Agent, then the retiring Collateral Agent may apply to a court of competent jurisdiction to appoint a successor Collateral Agent, which shall be a federally insured U.S.- domiciled bank or trust company that has a combined capital surplus of at least \$500,000,000. Upon the acceptance of any appointment as Collateral Agent hereunder by the successor Collateral Agent, (a) such successor Collateral Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Collateral Agent, and the retiring Collateral Agent shall be discharged from its duties and obligations hereunder and (b) the retiring Collateral Agent shall promptly transfer all monies and other property within its possession or control to the possession or control of the successor Collateral Agent and shall execute and deliver such notices, instructions and assignments as may

be necessary or desirable to transfer the rights of the Collateral Agent with respect to the monies to the successor Collateral Agent. After the retiring Collateral Agent's resignation or removal hereunder as Collateral 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 Collateral Agent. Any corporation into which the Collateral Agent may be merged or converted or with which it may be consolidated or any corporation resulting from any merger, conversion or consolidation to which the Collateral Agent shall be a party, or any corporation succeeding to the business of the Collateral Agent or its corporate trust operations shall be the successor of the Collateral Agent 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.

ARTICLE VIII

MISCELLANEOUS

Section 8.1 Amendments; Etc.. No amendment or waiver of any provision of this Agreement nor consent to any departure by any Borrower Entity shall in any event be effective unless the same shall be in writing and signed by each of the parties hereto. Any such amendment, waiver or consent shall be effective only in the specific instance and for the specified purpose for which given.

Section 8.2 Addresses for Notices.

(a) All notices, requests and other communications provided for hereunder shall be in writing and, except as otherwise required by the provisions of this Agreement or by clause (b) below, shall be sufficiently given and shall be deemed given when personally delivered or, if mailed by registered or certified mail, postage prepaid, or sent by overnight delivery or telecopy, upon receipt by the addressee, in each case addressed to the parties at their respective addresses pursuant to Section 10.1 of the Loan Agreement or, with respect to the Depository or the Collateral Agent, as follows (or, in each case, such other address as shall be designated by such party in a written notice to each other party):

Depository: Bank of America, N.A.

Mail Code: ***

Attention: ***
Telephone: ***
Email: ***

[***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

Collateral Agent:

Agency Management

Attention: ***

Telephone: ***

Telecopy: ***

Email: ***

(b) Unless the Depositary otherwise prescribes, notices and other communications may be delivered or furnished by e-mail. Such notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (by the "read receipt" request function, as available, return e-mail or other written acknowledgment that such notice or other communication has been read by the intended recipient); provided that, if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next Business Day for the recipient; provided further that, all such notices and other communications shall contain a portable document format ("pdf") attachment with a signature from an Authorized Signatory as required pursuant to Section 8.10.

Section 8.3 Governing Law. This Agreement shall be governed by the laws of the State of New York.

Section 8.4 Headings. Headings used in this Agreement are for convenience of reference only and do not constitute part of this Agreement for any purpose.

Section 8.5 No Third Party Beneficiaries. The agreements of the parties hereto are solely for the benefit of the Borrower Entities and the Secured Beneficiaries and their respective successors and permitted assigns, and no Person (other than the parties hereto and such Secured Beneficiaries) shall have any rights hereunder.

Section 8.6 No Waiver. No failure on the part of the Depositary, the Collateral Agent, or any of the Secured Beneficiaries or any of their nominees or representatives to exercise, and no course of dealing with respect to, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise by the Depositary, the Collateral Agent or any of the Secured Beneficiaries or any of their nominees or representatives of any right, power or remedy hereunder preclude any other or future exercise thereof or the exercise of any other right, power or remedy, nor shall any waiver of any single Default or Event of Default or other breach or default be deemed a waiver of any other Default or Event of Default or other breach or default theretofore or thereafter occurring. All remedies either under this Agreement or by law or otherwise afforded to any Secured Beneficiary shall be cumulative and not alternative.

Section 8.7 Severability. If any provision of this Agreement or the application thereof shall be invalid or unenforceable to any extent, (a) the remainder of this Agreement and the

application of such remaining provisions shall not be affected thereby and (b) each such remaining provision shall be enforced to the greatest extent permitted by law.

Section 8.8 Successors and Assigns. All covenants, agreements, representations and warranties in this Agreement by each party hereto shall bind and, to the extent permitted hereby, shall inure to the benefit of and be enforceable by their respective successors and permitted assigns, whether so expressed or not; provided that no Borrower Entity may assign its rights or obligations hereunder without the consent of the Administrative Agent and Depositary.

Section 8.9 Execution in Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or other electronic imaging means shall be effective as delivery of a manually executed counterpart of this Agreement.

Section 8.10 Directions to Depositary. All written directions and instructions by any Person to the Depositary pursuant to this Agreement shall be executed by an authorized signatory (each, an “Authorized Signatory”) of such Person designated on Exhibit F. All directions, orders and other instructions provided to the Depositary hereunder shall be in writing. In its capacity as the Depositary, the Depositary will accept all instructions and documents complying with the above requirements under the indemnities provided in this Agreement, and reserves the right to refuse to accept any instructions or documents which fail, or appear to fail, to comply with this Agreement. Further to this procedure, the Depositary reserves the right to telephone an Authorized Signatory (such person verifying the instruction shall be different than the person initiating the instruction) to confirm the details of such instructions or documents if they are not already on file with the Depositary as standing instructions. The Depositary may require any party hereto which is entitled to direct the delivery of fund transfers to designate a phone number or numbers for purposes of confirming the requested transfer. The parties hereto aside from the Depositary agree that the Depositary may delay the initiation of any fund transfer until all security measures it deems to be necessary and appropriate have been completed and shall incur no liability for such delay.

Section 8.11 Customer Identification Program Notice ; Patriot Act Compliance. Borrower hereby acknowledges that the Depositary is subject to federal laws, including the Customer Identification Program (“CIP”) requirements under the USA PATRIOT Act and its implementing regulations, pursuant to which the Depositary must obtain, verify and record information that allows the Depositary to identify Borrower. Accordingly, prior to opening an Account hereunder the Depositary will ask Borrower to provide certain information including, but not limited to, Borrower’s name, physical address, tax identification number and other information that will help the Depositary to identify and verify Borrower’s identity such as organizational documents, certificate of good standing, license to do business, or other pertinent identifying information. Borrower agrees that the Depositary cannot open an Account hereunder unless and until the Depositary verifies Borrower’s identity in accordance with its CIP.

Section 8.12 Provisions of the Loan Agreement. The parties hereto acknowledge and agree that all of the provisions of the Section 10.17 (Confidentiality) of the Loan Agreement

constitute a part of the terms and conditions of the agreement between the parties with regard to the arrangements under this Agreement and should be read in conjunction with this Agreement (regardless of whether incorporated in this Agreement by reference thereto).

Section 8.13 Waiver of Jury Trial. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, EACH PARTY HERETO WAIVES THE RIGHT TO TRIAL BY JURY IN ANY PROCEEDING OR DISPUTE OF ANY KIND RELATING IN ANY WAY TO THIS AGREEMENT OR THE ACCOUNT COLLATERAL. Each party hereto acknowledges that the foregoing waivers are a material inducement to each other party's entering into this Agreement and that it is relying upon the foregoing in its dealings with such party. Each party hereto has reviewed the foregoing waivers with its legal counsel and has knowingly and voluntarily waived its jury trial and other rights following consultation with legal counsel. In the event of litigation, this Agreement may be filed as a written consent to a trial by the court.

Section 8.14 Joinder of Additional Subsidiary Parties; Release of Subsidiary Parties.

(a) From time to time in connection with the addition of Subject Funds pursuant to Section 2.10(a) of the Loan Agreement, additional Subsidiary Parties shall automatically be joined to, and become bound by, the terms of this Agreement.

(b) Upon the conditions set forth in Section 2.10(b) of the Loan Agreement being met with respect to a Subject Fund, the related Subsidiary Party shall be released from the terms of this Agreement. In connection with such release, the Collateral Agent and Administrative Agent shall execute a Termination Agreement in the form attached hereto as Exhibit B and the Collateral Agent's lien on the applicable Tax Loss Reserve Subaccount and the amounts therein shall be released.

Section 8.15 Effect of Amendment and Restatement. The parties hereto agree that, upon the Second Restatement Date and the satisfaction of the conditions precedent set forth in Section 3.5 of the Loan Agreement, the following transactions shall be deemed to occur automatically, without further action by any party hereto:

(a) the Original CADA shall be deemed to be amended and restated in its entirety in the form of this Agreement;

(b) all Existing Obligations (as defined in the Loan Agreement) shall, to the extent not paid on the Second Restatement Date, in all respects be continuing and shall be deemed to be Obligations outstanding hereunder, and the execution of this Agreement does not extinguish, nor does it constitute a novation with respect to, such Existing Obligations;

(c) all references in the other Financing Documents to the Original CADA or the “CADA” shall be deemed to refer without further amendment to this Agreement (as may be further amended, modified or restated from time to time after the date hereof) and all references to any section (or subsection) of the Original CADA or the “CADA” shall be references to the corresponding provisions of this Agreement; and

(d) Borrower hereby represents and warrants that to its knowledge, there are no claims or offsets against or rights of recoupment with respect to or defenses or counterclaims to its obligations under the Original CADA.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the Second Restatement Date.

VIVINT SOLAR FINANCING I, LLC

By: /s/ Thomas Plagemann
Name: Thomas Plagemann
Title: Chief Commercial Officer

VIVINT SOLAR FINANCING I PARENT, LLC,

By: /s/ Thomas Plagemann
Name: Thomas Plagemann
Title: Chief Commercial Officer

VIVINT SOLAR OWNER I, LLC

By: /s/ Thomas Plagemann
Name: Thomas Plagemann
Title: Chief Commercial Officer

VIVINT SOLAR FUND XV MANAGER, LLC

By: /s/ Thomas Plagemann
Name: Thomas Plagemann
Title: Chief Commercial Officer

[*Signature Page of Second Amended and Restated Collateral Agency and Depositary Agreement (Project Spotlight)*]

[***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

BANK OF AMERICA, N.A. ,
as Administrative Agent

By: /s/ Darleen R. DiGrazia
Name: Darleen R. DiGrazia
Title: Vice President

[*Signature Page of Second Amended and Restated Collateral Agency and Depositary Agreement (Project Spotlight)*]

***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

BANK OF AMERICA, N.A. ,
as Collateral Agent

By: /s/ Darleen R. DiGrazia
Name: Darleen R. DiGrazia
Title: Vice President

[*Signature Page of Second Amended and Restated Collateral Agency and Depositary Agreement (Project Spotlight)*]

[***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

solely for purposes of Section 2.1, Section 6.2 and Article VII

BANK OF AMERICA, N.A. ,
as Secured Lender

By: /s/ Sheikh Omer-Farooq
Name: Sheikh Omer-Farooq
Title: Managing Director

[*Signature Page of Second Amended and Restated Collateral Agency and Depositary Agreement (Project Spotlight)*]

***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

BANK OF AMERICA, N.A. ,
as Depositary and Securities Intermediary

By: /s/ Wayne M. Evans

Name: Wayne M. Evans

Title: Vice President

[*Signature Page of Second Amended and Restated Collateral Agency and Depositary Agreement (Project Spotlight)*]

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solely for purposes of Section 2.1, Section 6.2 and Article VII

CIT FINANCE LLC ,
as Secured Lender

By: /s/ Andre Vollbrecht
Name: Andre Vollbrecht
Title: Vice-President

[*Signature Page of Second Amended and Restated Collateral Agency and Depositary Agreement (Project Spotlight)*]

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solely for purposes of Section 2.1, Section 6.2 and Article VII

DEUTSCHE BANK AG., NEW YORK BRANCH ,
as Secured Lender

By: /s/ Rich Mauro

Name: Rich Mauro

Title: Vice President

By: /s/ Birgit Brinda

Name: Birgit Brinda

Title: Director

[*Signature Page of Second Amended and Restated Collateral Agency and Depositary Agreement (Project Spotlight)*]

***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

solely for purposes of Section 2.1, Section 6.2 and Article VII

ING CAPITAL LLC ,
as Secured Lender

By: /s/ Erwin Thomet

Name: Erwin Thomet

Title: Managing Director

By: /s/ Thomas Cantello

Name: Thomas Cantello

Title: Director

[*Signature Page of Second Amended and Restated Collateral Agency and Depositary Agreement (Project Spotlight)*]

[***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

solely for purposes of Section 2.1, Section 6.2 and Article VII

NATIONAL BANK OF ARIZONA,
as Secured Lender

By: /s/ Robert E. Cooper, Jr.

Name: Robert E. Cooper, Jr.

Title: Vice President

[*Signature Page of Second Amended and Restated Collateral Agency and Depositary Agreement (Project Spotlight)*]

[***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

solely for purposes of Section 2.1, Section 6.2 and Article VII

SILICON VALLEY BANK,
as Secured Lender

By: /s/ Sayoji Goli
Name: Sayoji Goli
Title: Vice President

[*Signature Page of Second Amended and Restated Collateral Agency and Depositary Agreement (Project Spotlight)*]

***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

PAYMENT INSTRUCTIONS

All payments to be paid to or on behalf of the Administrative Agent shall be paid to:

NAME OF BANK: ***

ABA NUMBER: ***

ACCOUNT NUMBER: ***

ACCOUNT NAME: ***

ATTENTION: ***

REF: ***

[***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

REVENUE ACCOUNT SUB-ACCOUNTS

- (i) an Account (account no. ***) entitled *** in the name of Vivint Solar Fund XV Manager, LLC.
- (ii) an Account (account no. ***) entitled *** in the name of Vivint Solar Owner I, LLC.

[***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

SCHEDULE III

Item A

CAPITAL CONTRIBUTION ACCOUNTS

<u>Account Number</u>	<u>Account Name</u>	<u>Subsidiary Party</u>
***	***	Vivint Solar Fund XV Manager, LLC

Item B

TAX LOSS RESERVE SUBACCOUNTS

***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

SCHEDULE IV

ADDITIONAL ACCOUNTS

***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

Exhibit A

FORM OF WITHDRAWAL/TRANSFER CERTIFICATE

Date: _____, _____

[BANK OF AMERICA, N.A.],
as Depository and Securities Intermediary

[Insert notice and address information]

with a copy to:

[Insert Collateral Agent's and Administrative Agent's notice and address information]

Re: Withdrawal/Transfer Certificate

Ladies and Gentlemen:

This Withdrawal/Transfer Certificate is delivered pursuant to that certain Second Amended and Restated Collateral Agency and Depository Agreement, originally dated as of September 12, 2014 and as amended and restated as of November 25, 2015 and as further amended and restated as of March 9, 2017 (the "Agreement"), by and among Vivint Solar Financing I Parent, LLC, a Delaware limited liability company ("Borrower Member"), Vivint Solar Financing I, LLC, a Delaware limited liability company ("Borrower"), and Vivint Solar Fund XV Manager, LLC, a Delaware limited liability company ("Fund XV Manager"), and Vivint Solar Owner I, LLC ("Owner I," and together with Fund XV Manager and each other Person that subsequently becomes a party thereto in accordance with Section 8.14 of the Agreement, the "Subsidiary Parties"), Bank of America, N.A., as the administrative agent under the Loan Agreement for the Lenders (together with its successors and permitted assigns in such capacity, the "Administrative Agent"), Bank of America, N.A., in its capacity as collateral agent for the Secured Beneficiaries (together with its successors and permitted assigns in such capacity, the "Collateral Agent" and together with the Administrative Agent, the "Agents"), Bank of America, N.A., in its capacity as depository bank and as securities intermediary (together with its successors and permitted assigns in such capacity, the "Depository") and solely for purposes of Section 2.1, Section 6.2 and Article VII of the Agreement, the Lenders. Unless otherwise defined herein or unless the context otherwise requires, terms used in this Withdrawal/Transfer Certificate have the meanings provided in the Agreement.

[***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

The undersigned, in [his/her] capacity as an officer of Borrower (and not in an individual capacity) is a Responsible Officer of Borrower and is delivering this Withdrawal/Transfer Certificate pursuant to Section(s) [] of the Agreement.

1. Transfers from Revenue Account.

The Borrower hereby directs the Depository to withdraw and transfer, from the account entitled Revenue Account, No. *** (the “Revenue Account”), on [] , 20 [] (the “Transfer Date”), the following amounts: ¹

(i) in accordance with priority first of Section 3.3(d) of the Agreement, [] Dollars (\$[]) to the Administrative Agent, for the benefit of the Secured Beneficiaries, for the payment of fees, costs, charges and other amounts (except principal and interest) due and payable under the Financing Documents as of the Transfer Date;

(ii) in accordance with priority second of Section 3.3(d) of the Agreement, (x) [] Dollars (\$[]) to the Administrative Agent, for the benefit and account of the Lenders, on a pro rata basis, for payment of all interest due and payable under the Financing Documents as of the Transfer Date and (y) [] Dollars (\$[]) to the Administrative Agent, for the benefit and account of the Swap Counterparties, on a pro rata basis, for payment of all net amounts (other than any Swap Termination Amounts) due to such Swap Counterparties under the applicable Permitted Swap Agreements as of the Transfer Date;

(iii) in accordance with priority third of Section 3.3(d) of the Agreement, (x) [] Dollars (\$[]) to the Administrative Agent, for the benefit and account of the Lenders, on a pro rata basis, for payment of all principal due and payable under the Financing Documents as of the Transfer Date and (y) [] Dollars (\$[]) to the Administrative Agent, for the benefit and account of the Swap Counterparties, on a pro rata basis, for payment of any Swap Termination Amounts then due and payable to such Swap Counterparties under the Permitted Swap Agreements as of the Transfer Date;

(iv) in accordance with priority fourth of Section 3.3(d) of the Agreement, [] Dollars (\$[]) to the Interest Reserve Account, representing an amount equal to the difference between (x) the Interest Reserve Required Amount, and (y) the funds on deposit in the Interest Reserve Account as of the Transfer Date;

(v) in accordance with priority fifth of Section 3.3(d) of the Agreement, [] Dollars (\$[]) to the Inspected-Only Reserve Account, representing an amount equal to the difference between (x) the Inspected-Only Required Amount, and (y) the funds on deposit in the Inspected-Only Reserve Account as of the Transfer Date;

(vi) in accordance with priority sixth of Section 3.3(d) of the Agreement, [] Dollars (\$[]) to the Tax Loss Reserve Subaccount [()] ², representing an amount equal to

¹ Each Revenue Account Withdrawal Certificate should only include those priorities relevant on the given Transfer Date.

² Insert applicable Subsidiary Party

the difference between (x) the Tax Loss Reserve Required Amount, and (y) the funds on deposit in such Tax Loss Reserve Subaccount as of the Transfer Date; and

(vii) in accordance with priority seventh of Section 3.3(d) of the Agreement, [_____] Dollars (\$[_____]) to the Persons and the amounts set forth on Annex I attached hereto.

2. Certifications.

In support of such direction(s), the undersigned, on behalf of the Borrower, hereby represents and certifies, as of the date hereof and as of the Revenue Account Withdrawal Date, as follows:

(a) All conditions set forth in the Loan Agreement and the Agreement for the withdrawals requested hereby have been satisfied.

(b) No Notice of Suspension is in effect, and no Event of Default has occurred and is continuing or would be caused by the withdrawal and transfer otherwise contemplated by this Certificate.

(c) All of the statements contained in this certificate are true and correct

[***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

REVENUE ACCOUNT

The Collateral Agent hereby directs the Depository to withdraw from the Revenue Account the following amounts and apply such amounts as follows:

Date of Withdrawal or Transfer:	Amount to be withdrawn/transferred:	Account/Person to be Transferred to:	Purpose:

***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

PREPAYMENT ACCOUNT

The Collateral Agent hereby directs the Depository to withdraw from the Prepayment Account and transfer such funds as follows:

Date of Withdrawal or Transfer:	Amount to be withdrawn/transferred:	Account/Person to be Transferred to:	Purpose:

***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

IN WITNESS WHEREOF, this Withdrawal/Transfer Certificate is duly executed and delivered by a duly authorized representative of Borrower as of the date first above written.

VIVINT SOLAR FINANCING I, LLC

By: _____

Name:

Title:

Acknowledged by:

BANK OF AMERICA, N.A. ,
as Collateral Agent

By: _____

Name:

Title:

BANK OF AMERICA, N.A. ,
as Administrative Agent

By: _____

Name:

Title:

[***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

Exhibit B

FORM OF TERMINATION AGREEMENT

THIS TERMINATION AGREEMENT (the “Termination Agreement”), dated as of [____], is entered into by and among [____], a Delaware limited liability company (the “Released Subsidiary Party”), and BANK OF AMERICA, N.A., a national banking association, as administrative agent (together with its successors and permitted assigns in such capacity, the “Administrative Agent”) and as collateral agent (together with its successors and permitted assigns in such capacity, the “Collateral Agent”) under the CADA (as such term is defined below), and acknowledged and agreed by VIVINT SOLAR FINANCING I, LLC, a Delaware limited liability company (the “Borrower”).

RECITALS

WHEREAS, the Released Subsidiary Party is a party to (i) that certain Second Amended and Restated Loan Agreement, dated as of March 9, 2017 (as amended, supplemented or otherwise modified from time to time, the “Loan Agreement”), by and among the Borrower, the Released Subsidiary Party, the Lenders party thereto, the Administrative Agent, the Collateral Agent, and the other parties thereto and (ii) that certain Second Amended and Restated Collateral Agency and Depositary Agreement, dated as of March 9, 2017 (as such agreement may be amended, restated or otherwise supplemented from time to time, the “CADA”), by and among the Borrower, the Released Subsidiary Party, [INSERT ADDITIONAL SUBSIDIARY PARTIES], the Administrative Agent, the Collateral Agent and Bank of America, N.A., in its capacity as depositary bank and as securities intermediary (together with its successors and permitted assigns in such capacity, the “Depositary”) and solely for purposes of Section 2.1, Section 6.2 and Article VII of the CADA, the Lenders; and

WHEREAS, the Subject Fund related to the Released Subsidiary Party is no longer subject to the Loan Agreement pursuant to Section 2.10(b) of the Loan Agreement, and pursuant to Section 8.15 of the CADA, the parties wish to release the Released Subsidiary Party from the terms of the CADA and for the Released Subsidiary Party to no longer be a party to the CADA.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

[***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

AGREEMENT

(a) Termination of CADA. The CADA shall be terminated as to the Released Subsidiary Party, and the Released Subsidiary Party shall no longer be a party to the CADA, as of the date of this Termination Agreement.

(b) Certain Definitions. Capitalized terms used but not defined herein shall have the respective meanings ascribed to them in the CADA.

(c) Reliance. The parties to the CADA shall be entitled to rely on this Termination Agreement as evidence that the Released Subsidiary Party has been released as a party to the CADA.

(d) Counterparts. This Termination Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

(e) Governing Law. This Termination Agreement shall be governed by the laws of the State of New York.

[*Remainder of Page Intentionally Left Blank*]

[***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

IN WITNESS WHEREOF, this Termination Agreement is duly executed and delivered by a duly authorized representative of Collateral Agent and the Administrative Agent as of the date first above written.

BANK OF AMERICA, N.A.,
as Collateral Agent

By: _____
Name:
Title:

BANK OF AMERICA, N.A.,
as Administrative Agent

By: _____
Name:
Title:

Acknowledged by:

VIVINT SOLAR FINANCING I, LLC

By: _____
Name:
Title:

[RELEASED SUBSIDIARY PARTY]

By: _____
Name:
Title:

[***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

EXHIBIT C

FORM OF PENDING TRADE NOTICE

Date: _____
To: _____
From: _____

Borrower
Vivint Solar Financing I, LLC

Signature: _____
Name: _____
Title: _____
Trade Details:

Trade Type: (check one)		Form (check one)	
<input type="checkbox"/>	Receive Free	<input type="checkbox"/>	Book Entry
<input type="checkbox"/>	Deliver Free (See Note Below)	<input type="checkbox"/>	Physical
<input type="checkbox"/>	DVP (Sell)		
<input type="checkbox"/>	RVP (Buy)		

Security Description:

		<u>Special Instructions</u>
<u>Cusip:</u>		
<u>Class Name:</u>		
<u>Trade Date:</u>		
<u>Settlement Date:</u>		
<u>Original Face Value:</u>		
<u>Principal:</u>		
<u>Accrued Interest:</u>		
<u>Commission:</u>		
<u>Net Amount:</u>		
<u>Broker Number:</u>		
<u>Broker Name:</u>		
<u>Broker Contact & Phone Number:</u>		

Note : Depository will verify any free delivery instruction by a call to an authorized person other than the authorized person signing the instruction.

[***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

EXHIBIT D

GENERAL DEPOSITARY ACCOUNT SETTLEMENT INFORMATION

Domestic Delivery Instructions

All trade confirmations should be created using the Bank of America Security Trade Delivery Instructions for the Depository Trust Clearing Corporation (DTCC). All ID confirms must include your DTCC institution number, our DTCC Participant number, our Agent ID number, and the Client's account number.

To facilitate timely settlement of all trades, please include the decimal in the account number (for example, 123456.1). Please fax the trade instructions, Exhibit C, to:

Bank of America, N.A.

Attention: [Insert Account Manager Name]

Mail Code: ***

Facsimile: ***

For next day or T+2 trades, instructions must be received on trade date (T). For trades on a T+3 settlement, please remit instructions by 3:30 p.m. Central Time the day after trade date (T+1). Any trade received after these times will be processed on a best-effort basis.

Depository Trust Company (DTC)

The Depository Trust Clearing Corp. (DTCC)

Participant # ***

Agent ID # ***

Ref Trust A/C #: (Insert Your Account Number Here)

Fed Settlement Instructions

ABA #: ***

Account Name: ***

Account/Third Party Number: ***

Ref Trust A/C #: (Insert Your Account Number Here)

[***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

EXHIBIT E
DEPOSITARY ACCOUNT INVESTMENT SELECTION FORM

Institutional Deposit Account (U.S. and non U.S. Corporate and Institutional Investor Use Only):

The Institutional Deposit Account is a Money Market Deposit Account held at Bank of America, N.A. For more complete information about IDA, please refer to the terms and conditions and fact sheet. You should read and review this information carefully before investing. Past performance is no guarantee of future results. Funds deposited in IDA are insured to the maximum extent permitted by law and regulation by the Federal Deposit Insurance Corporation. IDA has a normal cutoff time of 4:00PM (central time) and any cash received after that time will not be invested until the next business day.

Repurchase Agreement Account (U.S. Corporate and Institutional Investor Use Only):

The Repurchase Agreement Account ("RAA") is a Repurchase Agreement with Bank of America, National Association ("Bank") and is available with the establishment of an account with Global Custody and Agency Services, a division of Bank acting on your behalf ("GCAS"). For more complete information about RAA, please refer to the terms and conditions and fact sheet. You should read and review this information carefully before investing. Past performance is no guarantee of future results. Repurchase Agreements are not deposits within the meaning of the Federal Deposit Insurance Act (12 U.S.C. 1813(l)), are not insured or guaranteed by the U.S. Government, the FDIC or any other government agency, and involve investment risk, including possible loss of principal. If a receiver were appointed for Bank of America, the client would have an ownership interest in the securities sold to the client that are described in the applicable trade confirmation received by GCAS on behalf of all clients investing in RAA or, if the transaction were deemed to be a loan, the client would be a secured creditor and have a perfected interest in such securities. RAA has a normal cutoff time of 1:00PM (central time) and any cash received after that time will not be invested until the next business day.

Money Market Funds (U.S. Corporate and Institutional Investor Use Only):

For more complete information about a money market fund listed in this form, including expenses, investment objectives, and past performance, please refer to the prospectus. You should read and review this information carefully before investing. Past performance is no guarantee of future results. Investments in money market mutual funds are neither insured nor guaranteed by Bank of America, N.A. and its affiliates, or by any Government Agency. There can be no assurance that the funds can maintain a stable net asset value of \$1.00 per share. Bank of America, N. A. typically has a normal cut-off time of one hour prior to the money market mutual fund's stated cut off time and any cash received after that time will not be invested until the next Business Day.

The parties to the agreement understand and agree that the Depositary may receive certain revenue associated with money market fund investments. These revenues take one of two forms:

Shareholder Servicing Payments : The Depositary may receive shareholder servicing payments commensurate with the shareholder services provided for the money market fund company. Shareholder services typically provided by Bank of America, N.A. include the maintenance of shareholder ownership records, distributing prospectuses and other shareholder information materials to investors and handling proxy-voting materials. Typically shareholder servicing payments are paid under a money market fund's 12b-1 distribution plan and impact the investment performance of the fund by the amount of the fee. The shareholder servicing fee payable from any money market fund is detailed in the fund's prospectus provided to you.

Revenue Sharing Payments : The Depositary may receive revenue sharing payments from a money market fund company. These payments represent a reallocation to the Depositary of a portion of the compensation payable to the fund company in connection with a money market fund investment. Revenue sharing payments constitute a form of fee sharing between the fund company and the Depositary and do not, as a general rule, result in any additional charge or expense in connection with a money market fund investment, are not paid under a 12b-1 plan, and do not impact the investment performance of the fund. The amount of any revenue share, if any, payable to the Depositary with respect to your account's investments is available upon request.

[***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

In the event that a money market fund has been designated as the investment, the parties hereto acknowledge delivery of the prospectus for such fund. The parties hereto acknowledge that money market funds and other non-deposit investments are not deposits in or obligations of, or guaranteed by, Bank of America Corporation or any of its affiliates and are not insured by the FDIC or any government agency. Investments in money market funds involve investment risks, including possible loss of principal.

Acknowledged and agreed to this _____ day of _____, 20__ :

Bank of America, N.A.

By: _____
 Name: _____
 Title: _____

DEPOSITARY ACCOUNT INVESTMENT SELECTION FORM				
<input checked="" type="checkbox"/>	CUSIP	TICKER	INTERNAL	
<i>Money Market Deposit Account ("MMDA") held at Bank of America, N.A.</i>				
<input type="checkbox"/>	Bank of America Institutional Deposit Account (IDA) (a Money Market Deposit Account at Bank of America, N.A.)	N/A	N/A	999100845
<i>Repurchase Agreement Account ("RAA") is a Repurchase Agreement with Bank of America, N.A.</i>				
<input type="checkbox"/>	Repurchase Agreement Account ("RAA") (a Repurchase Agreement with Bank of America, N.A.)	N/A	N/A	9998SF748
<i>Prime Money Market Funds</i>				
<input type="checkbox"/>	BofA Cash Reserves - Daily Share	19765K605	NSHXX	999301229
<i>US Government & Agency Money Market Funds</i>				
<input type="checkbox"/>	BofA Government Reserves - Daily Share	19765K761	NRDXX	999301195
<i>Treasury Money Market Funds</i>				
<input type="checkbox"/>	BofA Treasury Reserves - Daily Share	19765K282	NDLXX	999301138
<i>Tax-Exempt Money Market Funds</i>				
<input type="checkbox"/>	BofA Municipal Reserves Daily	097100416	NMDXX	999301161
<input type="checkbox"/>	BOFA Tax Exempt Reserves - Daily Share	097100192	NEDXX	999301153

Please indicate a selection by placing an "X" to the left of the investment name.

[], LLC

By: _____
 Name: _____
 Title: _____

Date: _____

[***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

EXHIBIT F

Certificate of Authorized Representatives

Name: _____	Name: _____
Title: _____	Title: _____
Phone: _____	Phone: _____
Facsimile: _____	Facsimile: _____
E-mail: _____	E-mail: _____
Signature: _____	Signature: _____

Fund Transfer / Disbursement Authority Level:

- Initiate
- Verify transactions initiated by others

Fund Transfer / Disbursement Authority Level:

- Initiate
- Verify transactions initiated by others

Name: _____	Name: _____
Title: _____	Title: _____
Phone: _____	Phone: _____
Facsimile: _____	Facsimile: _____
E-mail: _____	E-mail: _____
Signature: _____	Signature: _____

Fund Transfer / Disbursement Authority Level:

- Initiate
- Verify transactions initiated by others

Fund Transfer / Disbursement Authority Level:

- Initiate
- Verify transactions initiated by others

The Depository Bank is authorized to comply with and rely upon any notices, instructions or other communications believed by it to have been sent or given by the person or persons identified above including without limitation, to initiate and verify funds transfers as indicated.

[], LLC:

By: _____
 Name: _____
 Title: _____
 Date: _____

***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

Exhibit G

FORM OF INTEREST RESERVE RELEASE CERTIFICATE

Date: _____, _____

[BANK OF AMERICA, N.A.],
as Depositary and Securities Intermediary

[Insert notice and address information]

with a copy to:

[Insert Collateral Agent's and Administrative Agent's notice and address information]

Re: Interest Reserve Release Certificate

Ladies and Gentlemen:

This Interest Reserve Release Certificate is delivered pursuant to that certain Second Amended and Restated Collateral Agency and Depositary Agreement, originally dated as of September 12, 2014 and as amended and restated as of November 25, 2015 and as further amended and restated as of March 9, 2017 (the "Agreement"), by and among Vivint Solar Financing I Parent, LLC, a Delaware limited liability company ("Borrower Member"), Vivint Solar Financing I, LLC, a Delaware limited liability company ("Borrower"), and Vivint Solar Fund XV Manager, LLC, a Delaware limited liability company ("Fund XV Manager"), and Vivint Solar Owner I, LLC ("Owner I," and together with Fund XV Manager and each other Person that subsequently becomes a party thereto in accordance with Section 8.14 of the Agreement, the "Subsidiary Parties"), Bank of America, N.A., as the administrative agent under the Loan Agreement for the Lenders (together with its successors and permitted assigns in such capacity, the "Administrative Agent"), Bank of America, N.A., in its capacity as collateral agent for the Secured Beneficiaries (together with its successors and permitted assigns in such capacity, the "Collateral Agent" and together with the Administrative Agent, the "Agents"), Bank of America, N.A., in its capacity as depositary bank and as securities intermediary (together with its successors and permitted assigns in such capacity, the "Depositary") and solely for purposes of Section 2.1, Section 6.2 and Article VII of the Agreement, the Lenders. Unless otherwise defined herein or unless the context otherwise requires, terms used in this Interest Reserve Release Certificate have the meanings provided in the Agreement.

The undersigned, in [his/her] capacity as an officer of Borrower (and not in an individual capacity) is a Responsible Officer of Borrower and is delivering this Interest Reserve Release Certificate pursuant to Section 3.4(c) of the Agreement.

[***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

1. Transfer s from Interest Reserve Account.

The Borrower hereby directs the Depository to withdraw and transfer, from the account entitled Interest Reserve Account, No. *** (the “Interest Reserve Account”), on [____] , 20 [__] (the “Transfer Date”), [____] Dollars (\$[____]) to the Revenue Account, representing an amount equal to the difference between (x) the funds on deposit in the Interest Reserve Account as of the Transfer Date (after giving effect to the transfers requested hereby) and (y) the Interest Reserve Required Amount.

2. Certifications.

In support of such direction(s), the undersigned, on behalf of the Borrower, hereby represents and certifies, as of the date hereof and as of the Transfer Date, as follows:

(a) All conditions set forth in the Loan Agreement and the Agreement for the withdrawals requested hereby have been satisfied.

(b) No Notice of Suspension is in effect, and no Event of Default has occurred and is continuing or would be caused by the withdrawal and transfer otherwise contemplated by this Certificate.

(c) All of the statements contained in this certificate are true and correct.

[Remainder of page blank. The next page is the signature page.]

[***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

IN WITNESS WHEREOF, this Interest Reserve Release Certificate is duly executed and delivered by a duly authorized representative of Borrower as of the date first above written.

VIVINT SOLAR FINANCING I, LLC

By: _____

Name:

Title:

Acknowledged by:
BANK OF AMERICA, N.A. ,
as Collateral Agent

By: _____

Name:

Title:

BANK OF AMERICA, N.A. ,
as Administrative Agent

By: _____

Name:

Title:

[***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

Exhibit H

FORM OF INSPECTED-ONLY RESERVE RELEASE CERTIFICATE

Date: _____, _____

[BANK OF AMERICA, N.A.],
as Depositary and Securities Intermediary

[Insert notice and address information]

with a copy to:

[Insert Collateral Agent's and Administrative Agent's notice and address information]

Re: Inspected-Only Reserve Release Certificate

Ladies and Gentlemen:

This Inspected-Only Reserve Release Certificate is delivered pursuant to that certain Second Amended and Restated Collateral Agency and Depositary Agreement, originally dated as of September 12, 2014 and as amended and restated as of November 25, 2015 and as further amended and restated as of March 9, 2017 (the "Agreement"), by and among Vivint Solar Financing I Parent, LLC, a Delaware limited liability company ("Borrower Member"), Vivint Solar Financing I, LLC, a Delaware limited liability company ("Borrower"), and Vivint Solar Fund XV Manager, LLC, a Delaware limited liability company ("Fund XV Manager"), and Vivint Solar Owner I, LLC ("Owner I," and together with Fund XV Manager and each other Person that subsequently becomes a party thereto in accordance with Section 8.14 of the Agreement, the "Subsidiary Parties"), Bank of America, N.A., as the administrative agent under the Loan Agreement for the Lenders (together with its successors and permitted assigns in such capacity, the "Administrative Agent"), Bank of America, N.A., in its capacity as collateral agent for the Secured Beneficiaries (together with its successors and permitted assigns in such capacity, the "Collateral Agent" and together with the Administrative Agent, the "Agents"), Bank of America, N.A., in its capacity as depositary bank and as securities intermediary (together with its successors and permitted assigns in such capacity, the "Depositary") and solely for purposes of Section 2.1, Section 6.2 and Article VII of the Agreement, the Lenders. Unless otherwise defined herein or unless the context otherwise requires, terms used in this Inspected-Only Reserve Release Certificate have the meanings provided in the Agreement.

The undersigned, in [his/her] capacity as an officer of Borrower (and not in an individual capacity) is a Responsible Officer of Borrower and is delivering this Inspected-Only Reserve Release Certificate pursuant to [Section 3.6(c)] of the Agreement.

[***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

1. Transfers from Inspected-Only Reserve Account.

The Borrower hereby directs the Depository to withdraw and transfer, from the account entitled Inspected-Only Reserve Account, No. *** (the “Inspected-Only Reserve Account”), on [____] , 20 [__] (the “Transfer Date”), [____] Dollars (\$[____]) to the Revenue Account, representing an amount equal to the difference between (x) the funds on deposit in the Inspected-Only Reserve Account as of the Transfer Date (after giving effect to the transfers requested hereby) and (y) the Inspected-Only Reserve Required Amount.

2. Certifications.

In support of such direction(s), the undersigned, on behalf of the Borrower, hereby represents and certifies, as of the date hereof and as of the Transfer Date, as follows:

(a) All conditions set forth in the Loan Agreement and the Agreement for the withdrawals requested hereby have been satisfied.

(b) No Notice of Suspension is in effect, and no Event of Default has occurred and is continuing or would be caused by the withdrawal and transfer otherwise contemplated by this Certificate.

(c) All of the statements contained in this certificate are true and correct.

[Remainder of page blank. The next page is the signature page.]

[***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

IN WITNESS WHEREOF, this Inspected-Only Reserve Release Certificate is duly executed and delivered by a duly authorized representative of Borrower as of the date first above written.

VIVINT SOLAR FINANCING I, LLC

By: _____

Name:

Title:

Acknowledged by:

BANK OF AMERICA, N.A. ,
as Collateral Agent

By: _____

Name:

Title:

BANK OF AMERICA, N.A. ,
as Administrative Agent

By: _____

Name:

Title:

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[***] DESIGNATES PORTIONS OF THIS DOCUMENT THAT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND FILED SEPARATELY WITH THE COMMISSION.

I, David Bywater, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Vivint Solar, 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 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: May 9, 2017

/s/ David Bywater

David Bywater

Chief Executive Officer

(Principal Executive Officer)

I, Dana C. Russell certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Vivint Solar, 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 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: May 9, 2017

/s/ Dana Russell

Dana Russell
Chief Financial Officer and Executive Vice President
(Principal Financial Officer)

**CERTIFICATION 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**

I, David Bywater, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q of Vivint Solar, Inc. for the quarterly period ended March 31, 2017 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that the information contained in such Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Vivint Solar, Inc.

May 9, 2017.

/s/ David Bywater

David Bywater

Chief Executive Officer

(Principal Executive Officer)

**CERTIFICATION 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**

I, Dana C. Russell, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q of Vivint Solar, Inc. for the quarterly period ended March 31, 2017 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that the information contained in such Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Vivint Solar, Inc.

May 9, 2017.

/s/ Dana Russell

Dana Russell

Chief Financial Officer and Executive Vice President